S T A T E O F N E W Y O R K

2819

2009-2010 Regular Sessions

I N A S S E M B L Y

January 21, 2009

Introduced by M. of A. SCHIMMINGER, V. LOPEZ, HOOPER, MORELLE, GREENE, MILLMAN, CANESTRARI, DelMONTE, SCHROEDER, COLTON -- Multi-Sponsored by -- M. of A. CAHILL, DESTITO, FARRELL, JOHN, KOON, MARKEY, PAULIN, PERRY, PHEFFER -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to including eligible businesses located in certain areas designated pursuant to the federal Community Renewal Tax Relief Act of 2000 in the state's Excelsior Linked Deposit Act loan program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 213 of the state finance law is amended by adding four new subdivisions 12-a, 12-b, 22 and 23 to read as follows:

12-A. "EMPOWERMENT ZONE" MEANS AN AREA WITHIN THE STATE THAT HAS BEEN DESIGNATED BY SUCH TERM PURSUANT TO SECTION 1391 OF THE FEDERAL INTERNAL REVENUE CODE (26 UNITED STATES CODE S 1391) UNDER THE FEDERAL COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.

12-B. "ENTERPRISE COMMUNITY" MEANS AN AREA WITHIN THE STATE THAT HAS BEEN DESIGNATED BY SUCH TERM PURSUANT TO SECTION 1391 OF THE FEDERAL INTERNAL REVENUE CODE (26 UNITED STATES CODE S 1391) UNDER THE FEDERAL COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.

22. "RENEWAL COMMUNITY" MEANS AN AREA WITHIN THE STATE THAT HAS BEEN DESIGNATED BY SUCH TERM IN ACCORDANCE WITH SECTION 1400E OF THE FEDERAL INTERNAL REVENUE CODE (26 UNITED STATES CODE S 1400E) UNDER THE FEDERAL COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.

23. "RENEWAL COMMUNITY BUSINESS" MEANS A BUSINESS THAT IS DESIGNATED BY SUCH TERM PURSUANT TO SECTION 1400G OF THE FEDERAL INTERNAL REVENUE CODE (26 UNITED STATES CODE S 1400G) UNDER THE FEDERAL COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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S 2. Subdivision 11 of section 213 of the state finance law is amended by adding three new paragraphs (b-1), (b-2) and (b-3) to read as follows:

(B-1) DURING THE WHOLE OR ANY PORTION OF A PERIOD IN WHICH AN AREA CONTINUES TO BE DESIGNATED AS A RENEWAL COMMUNITY, ANY RENEWAL COMMUNITY BUSINESS LOCATED IN SUCH AREA THAT EMPLOYS ONE HUNDRED OR FEWER EMPLOYEES WITHIN THE STATE ON A FULL-TIME BASIS; OR

(B-2) DURING THE WHOLE OR ANY PORTION OF A PERIOD IN WHICH AN AREA CONTINUES TO BE DESIGNATED AS AN EMPOWERMENT ZONE, ANY BUSINESS LOCATED IN SUCH AREA THAT EMPLOYS ONE HUNDRED OR FEWER EMPLOYEES WITHIN THE STATE ON A FULL-TIME BASIS; OR

(B-3) DURING THE WHOLE OR ANY PORTION OF A PERIOD IN WHICH AN AREA CONTINUES TO BE DESIGNATED AS AN ENTERPRISE COMMUNITY, ANY BUSINESS LOCATED IN SUCH AREA THAT EMPLOYS ONE HUNDRED OR FEWER EMPLOYEES WITHIN THE STATE ON A FULL-TIME BASIS; OR

S 3. Paragraph (c) of subdivision 12 of section 213 of the state finance law, as added by chapter 705 of the laws of 1993 and as further amended pursuant to section 15 of part GG of chapter 63 of the laws of 2000, is amended to read as follows:

(c) for certified businesses located in empire zones, [and] for retail businesses located in highly distressed areas, FOR ELIGIBLE BUSINESSES THAT ARE DEFINED IN PARAGRAPH (B-1) OF SUBDIVISION ELEVEN OF THIS SECTION THAT ARE LOCATED IN A RENEWAL COMMUNITY, FOR ELIGIBLE BUSINESSES THAT ARE DEFINED IN PARAGRAPH (B-2) OF SUBDIVISION ELEVEN OF THIS SECTION THAT ARE LOCATED IN AN EMPOWERMENT ZONE, AND FOR ELIGIBLE BUSINESSES THAT ARE DEFINED IN PARAGRAPH (B-3) OF SUBDIVISION ELEVEN OF THIS SECTION THAT ARE LOCATED IN AN ENTERPRISE COMMUNITY, projects that will create or retain full-time, permanent jobs within the empire zone OR EMPOWERMENT ZONE OR ENTERPRISE COMMUNITY or highly distressed area OR RENEWAL COMMUNITY, as the case may be; or

S 4. Paragraph (a) of subdivision 16 of section 213 of the state finance law, as amended by chapter 291 of the laws of 2004, is amended to read as follows:

(a) for a linked deposit made in connection with a linked loan to a certified business in an empire zone or to an eligible business located in a highly distressed area OR TO AN ELIGIBLE BUSINESS THAT IS DEFINED IN PARAGRAPH (B-1) OF SUBDIVISION ELEVEN OF THIS SECTION THAT IS LOCATED IN A RENEWAL COMMUNITY OR DEFINED IN PARAGRAPH (B-2) OF SUCH SUBDIVISION THAT IS LOCATED IN AN EMPOWERMENT ZONE OR DEFINED IN PARAGRAPH (B-3) OF SUCH SUBDIVISION THAT IS LOCATED IN AN ENTERPRISE COMMUNITY, RESPECTIVELY FOR ELIGIBLE PROJECTS DEFINED IN PARAGRAPH (C) OF SUBDIVISION TWELVE OF THIS SECTION or a certified minority- or women-owned business enterprise for an eligible project defined in paragraph (e) of subdivision twelve of this section or to a defense industry manufacturer for a project defined in paragraph (d) of subdivision twelve of this section, a fixed rate of interest which is three hundred basis points below the lender's posted four year certificate of deposit rate or, if the lender does not offer a four year certificate of deposit, is three hundred basis points below the average statewide rate for four year certificates of deposit as determined by the commissioner of economic development;

S 5. Subdivision 1 of section 218 of the state finance law, as added by chapter 705 of the laws of 1993 and as further amended pursuant to section 15 of part GG of chapter 63 of the laws of 2000, is amended to read as follows:

1. Linked loans made to certified businesses in empire zones or to eligible businesses in highly distressed areas OR TO ELIGIBLE BUSINESSES

THAT ARE DEFINED IN PARAGRAPH (B-1) OF SUBDIVISION ELEVEN OF SECTION TWO HUNDRED THIRTEEN OF THIS ARTICLE THAT ARE LOCATED IN A RENEWAL COMMUNITY OR DEFINED IN PARAGRAPH (B-2) OF SUCH SUBDIVISION THAT ARE LOCATED IN AN EMPOWERMENT ZONE OR DEFINED IN PARAGRAPH (B-3) OF SUCH SUBDIVISION THAT ARE LOCATED IN AN ENTERPRISE COMMUNITY, RESPECTIVELY FOR ELIGIBLE PROJECTS DEFINED IN PARAGRAPH (C) OF SUBDIVISION TWELVE OF SECTION TWO HUNDRED THIRTEEN OF THIS ARTICLE or to [minority] MINORITY- or women-owned business enterprises for an eligible project defined in paragraph (e) of subdivision twelve of section two hundred thirteen of this article or to a defense industry manufacturer for a project defined in paragraph (d) of subdivision twelve of section two hundred thirteen of this article shall bear interest at a fixed rate equal to three percentage points below the fixed interest rate the lender would have charged for the loan in the absence of a linked deposit based on its usual credit considerations. All other linked loans shall bear interest at a fixed rate equal to two percentage points below the fixed interest rate the lender would have charged for the loan in the absence of a linked deposit based on its usual credit considerations. Lenders shall certify to the commissioner of economic development that the rate to be charged on a linked loan is two percentage points or three percentage points, as the case may be, below the interest rate the lender would have charged for the loan in the absence of a linked deposit.

S 6. This act shall take effect immediately.