

1148

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I N A S S E M B L Y

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Introduced by M. of A. DESTITO, ENGLEBRIGHT, JOHN, COLTON, SWEENEY,
SCHROEDER -- Multi-Sponsored by -- M. of A. BING, CHRISTENSEN, GORDON,
KOON, LUPARDO, MAGNARELLI, MILLMAN, PERRY, PHEFFER -- read once and
referred to the Committee on Small Business

AN ACT to amend the economic development law, the public authorities law
and the New York state urban development corporation act, in relation
to financial assistance to small businesses for the purpose of envi-
ronmental compliance

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

1 Section 1. Paragraphs l and m of subdivision 2 of section 137 of the
2 economic development law, paragraph l as amended and paragraph m as
3 added by chapter 594 of the laws of 1994, are amended and a new para-
4 graph n is added to read as follows:
5 l. providing information to small business stationary sources on
6 state-sponsored programs offering financial and technical assistance,
7 and in locating sources of funding for compliance with the requirements
8 of article nineteen of the environmental conservation law and the Act;
9 [and]
10 m. establishing procedures for assuring the confidentiality of infor-
11 mation received from small business stationary sources[.]; AND
12 N. MARKETING THE SMALL BUSINESS CLEAN ENVIRONMENT FUND ESTABLISHED
13 PURSUANT TO SECTION TWELVE HUNDRED EIGHTY-FIVE-S OF THE PUBLIC AUTHORI-
14 TIES LAW TO SMALL BUSINESS STATIONARY SOURCES, ASSISTING THE NEW YORK
15 STATE URBAN DEVELOPMENT CORPORATION IN THE PROJECTION OF DEMAND FOR
16 FINANCIAL ASSISTANCE PURSUANT TO SECTION SIXTEEN-M OF THE NEW YORK STATE
17 URBAN DEVELOPMENT CORPORATION ACT.
18 S 2. The public authorities law is amended by adding a new section
19 1285-s to read as follows:

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

1 S 1285-S. SMALL BUSINESS CLEAN ENVIRONMENT FUND. 1. THE CORPORATION
2 SHALL UNDERTAKE AND PROVIDE ASSISTANCE IN SUPPORT OF A PROGRAM TO ASSIST
3 SMALL BUSINESSES IN LEVERAGING CAPITAL FROM FINANCIAL INSTITUTIONS TO
4 ACHIEVE POLLUTION PREVENTION AND/OR COMPLIANCE WITH FEDERAL OR STATE
5 ENVIRONMENTAL LAWS.

6 2. THERE IS HEREBY ESTABLISHED IN THE CUSTODY OF THE CORPORATION A
7 SPECIAL FUND TO BE KNOWN AS THE SMALL BUSINESS CLEAN ENVIRONMENT FUND.
8 MONEYS IN SUCH FUND SHALL BE SEGREGATED FROM ALL OTHER FUNDS OF OR IN
9 THE CUSTODY OF THE CORPORATION SUBJECT TO ANY RIGHTS OF HOLDERS OF
10 CORPORATION BONDS OR NOTES ISSUED FOR THE PURPOSES OF THIS SECTION.
11 MONEYS IN SUCH FUND SHALL ONLY BE USED IN ACCORDANCE WITH THE PROVISIONS
12 OF THIS SECTION. THE MONEYS IN SUCH FUND SHALL BE APPLIED TO OR PAID OUT
13 FOR AUTHORIZED PURPOSES OF SUCH FUND ON THE DIRECTION OF THE CHAIRMAN OF
14 THE CORPORATION IN ACCORDANCE WITH SUBDIVISION FOUR OF THIS SECTION, OR
15 SUCH OTHER PERSON AS THE CORPORATION SHALL AUTHORIZE TO MAKE SUCH DIREC-
16 TION.

17 3. SUCH FUND SHALL CONSIST OF ALL OF THE FOLLOWING: (A) MONEYS APPRO-
18 PRIATED BY THE STATE LEGISLATURE FOR THE PURPOSE OF SUCH FUND OR OTHER-
19 WISE TRANSFERRED BY THE STATE FOR DEPOSIT THEREIN BY THE COMPTROLLER AS
20 REQUIRED BY LAW; (B) PAYMENTS OF THE LOAN ORIGATION FEE AUTHORIZED
21 PURSUANT TO SUBDIVISION SIX OF THIS SECTION; (C) INVESTMENT EARNINGS ON
22 AMOUNTS IN SUCH FUND; (D) THE PROCEEDS OF BONDS OR NOTES ISSUED BY THE
23 CORPORATION FOR PURPOSES OF LEVERAGING CAPITAL ON BEHALF OF SMALL BUSI-
24 NESSES SEEKING TO ACHIEVE POLLUTION PREVENTION AND/OR COMPLY WITH FEDER-
25 AL OR STATE ENVIRONMENTAL LAWS; AND (E) ANY OTHER PAYMENTS RECEIVED FROM
26 THE FEDERAL GOVERNMENT OR OTHER SOURCES FOR THE PURPOSES OF THE FUND.

27 4. (A) MONEYS IN SUCH FUND SHALL BE APPLIED BY THE CORPORATION AS A
28 LOAN LOSS RESERVE FUND, TO PROVIDE CREDIT ENHANCEMENT TO ENCOURAGE
29 FINANCIAL INSTITUTIONS TO MAKE POLLUTION PREVENTION OR COMPLIANCE LOANS
30 TO SMALL BUSINESSES.

31 (B) THE CORPORATION IS HEREBY AUTHORIZED TO PROVIDE ASSISTANCE IN THE
32 FORM OF A LOAN LOSS RESERVE FUND FOR LOANS BY FINANCIAL INSTITUTIONS TO
33 SMALL BUSINESSES THAT OTHERWISE FIND IT DIFFICULT TO OBTAIN BANK FINANC-
34 ING FOR POLLUTION PREVENTION OR COMPLIANCE ACTIVITIES. THE CORPORATION
35 MAY USE MONEYS IN THE FUND TO GUARANTEE UP TO NINETY PERCENT OF THE
36 OUTSTANDING PRINCIPAL OF EACH LOAN TO BE MADE BY A FINANCIAL INSTITUTION
37 TO A SMALL BUSINESS FOR POLLUTION PREVENTION OR COMPLIANCE ACTIVITIES,
38 PROVIDED, HOWEVER, THAT NO LOAN BY A FINANCIAL INSTITUTION PURSUANT TO
39 THIS SECTION SHALL EXCEED FIVE HUNDRED THOUSAND DOLLARS.

40 5. (A) THE CORPORATION SHALL ENTER INTO AGREEMENTS WITH FINANCIAL
41 INSTITUTIONS GOVERNING PARTICIPATION IN THE FUND WHICH SHALL INCLUDE,
42 BUT NOT BE LIMITED TO, THE TERMS OF THE PAYMENT OF CLAIMS PURSUANT TO
43 SUBDIVISION SEVEN OF THIS SECTION. SUCH AGREEMENTS SHALL SET FORTH ANY
44 LOAN APPLICATION FEE TO BE CHARGED BY THE FINANCIAL INSTITUTION TO THE
45 APPLICANT AND THE LOAN ORIGATION FEE TO BE PAID TO THE CORPORATION FOR
46 LOANS PURSUANT TO THIS SECTION. IN ENTERING INTO AGREEMENTS WITH FINAN-
47 CIAL INSTITUTIONS, THE CORPORATION SHALL GIVE PRIORITY TO THE EXECUTION
48 OF AGREEMENTS WHICH PROVIDE FOR THE PARTICIPATION OF A CONSORTIUM OF
49 FINANCIAL INSTITUTIONS SERVING AN ENTIRE ECONOMIC DEVELOPMENT REGION AS
50 DEFINED IN SECTION TWO HUNDRED THIRTY OF THE ECONOMIC DEVELOPMENT LAW.

51 (B) THE CORPORATION SHALL ALSO ESTABLISH PROCEDURES AND OTHER REQUIRE-
52 MENTS FOR SMALL BUSINESS PARTICIPATION. SUCH PROCEDURES SHALL INCLUDE A
53 SIMPLIFIED APPLICATION FORM FOR SMALL BUSINESSES SEEKING ASSISTANCE.
54 SUCH APPLICATION SHALL REQUIRE A DEMONSTRATION BY THE APPLICANT THAT
55 DIFFICULTY IN OBTAINING CONVENTIONAL BANK FINANCING FOR POLLUTION
56 PREVENTION OR COMPLIANCE ACTIVITIES IMPEDES THE ABILITY OF THE APPLICANT

1 TO ACHIEVE POLLUTION PREVENTION OR COMPLY WITH FEDERAL OR STATE ENVIRON-
2 MENTAL LAWS. SUCH APPLICATION SHALL ALSO INCLUDE SUCH SPECIFIC INFORMA-
3 TION AS THE CORPORATION MAY REQUIRE, WITH REGARD TO THE POLLUTION
4 PREVENTION OR COMPLIANCE ACTIVITIES PROPOSED, AND THE ESTIMATED COST OF
5 FINANCING SUCH ACTIVITIES.

6 (C) WITHIN TWENTY-EIGHT DAYS OF RECEIPT OF AN APPLICATION PURSUANT TO
7 THIS SECTION, THE CORPORATION SHALL EITHER APPROVE OR REJECT SUCH APPLI-
8 CATION. THE CORPORATION SHALL APPROVE AN APPLICATION PURSUANT TO PARA-
9 GRAPH (B) OF THIS SUBDIVISION BASED UPON A DETERMINATION THAT:

10 (1) THE PROPOSED POLLUTION PREVENTION OR COMPLIANCE ACTIVITIES WILL
11 ASSIST THE SMALL BUSINESS IN ACHIEVING POLLUTION PREVENTION AND/OR FULL
12 COMPLIANCE WITH FEDERAL OR STATE ENVIRONMENTAL LAWS;

13 (2) A LOAN IS REQUIRED TO FINANCE THE POLLUTION PREVENTION OR COMPLI-
14 ANCE ACTIVITIES;

15 (3) APPROVAL IS NOT SOUGHT FOR AN OUTSTANDING LOAN PREVIOUSLY MADE BY
16 A FINANCIAL INSTITUTION TO THE SMALL BUSINESS; AND

17 (4) NO CONCURRENT LOAN HAS BEEN MADE TO THE SMALL BUSINESS PURSUANT TO
18 THIS SECTION.

19 (D) IN THE APPROVAL OF APPLICATIONS, THE CORPORATION SHALL GIVE PREF-
20 ERENCE TO THOSE SMALL BUSINESSES WHICH ARE:

21 (1) SEEKING TO COMPLY WITH NEW REQUIREMENTS IMPOSED PURSUANT TO FEDER-
22 AL OR STATE ENVIRONMENTAL LAWS; AND ARE

23 (2) CERTIFIED BUSINESSES LOCATED IN EMPIRE ZONES OR IN HIGHLY
24 DISTRESSED AREAS OR MINORITY-OWNED BUSINESS ENTERPRISES OR WOMEN-OWNED
25 BUSINESS ENTERPRISES.

26 (E) UPON APPROVAL OR DENIAL OF AN APPLICATION, THE CORPORATION SHALL
27 NOTIFY THE APPLICANT OF SUCH ACTION BY REGULAR MAIL. THE CORPORATION MAY
28 ALSO NOTIFY ANY FINANCIAL INSTITUTION OF THE APPROVAL OR DENIAL OF AN
29 APPLICATION.

30 6. (A) DECISIONS TO EXECUTE A LOAN PURSUANT TO THIS SECTION SHALL BE
31 MADE SOLELY BY THE FINANCIAL INSTITUTION AND MAY PROVIDE FOR SUCH INTER-
32 EST RATE, FEES AND OTHER TERMS AND CONDITIONS AS THE FINANCIAL INSTITU-
33 TION AND BORROWER MAY AGREE, PROVIDED, HOWEVER, THAT:

34 (1) UNLESS APPROVED BY THE CORPORATION, THE TERM OF THE LOAN SHALL NOT
35 EXCEED SEVEN YEARS OR THE ESTIMATED USEFUL LIFE OF ANY FINANCED CHANGES
36 IN PRODUCTION METHODS OR EQUIPMENT, WHICHEVER IS LESS; AND

37 (2) IF THE AMOUNT OF THE LOAN IS DETERMINED BY A COMMITMENT AGREEMENT
38 THAT ESTABLISHES A LINE OF CREDIT, THE AMOUNT OF THE ACTUAL LOAN IS THE
39 MAXIMUM AMOUNT AVAILABLE TO THE BORROWER UNDER THE AGREEMENT.

40 (B) A SMALL BUSINESS, IN RECEIPT OF A LOAN PURSUANT TO THIS SECTION,
41 SHALL PAY AN ORIGINATION FEE TO THE CORPORATION UPON DISTRIBUTION OF
42 LOAN PROCEEDS. MONEYS FROM SUCH A FEE SHALL BE DEPOSITED IN THE FUND;
43 PROVIDED, HOWEVER, THAT THE CORPORATION, IN CONSULTATION WITH THE DIREC-
44 TOR OF THE DIVISION OF THE BUDGET, MAY USE A PORTION OF SUCH MONEYS FOR
45 THE ADMINISTRATION OF THE FUND. NOTHING CONTAINED IN THIS SECTION SHALL
46 PROHIBIT THE FINANCING OF THE ORIGINATION FEE IN THE TERMS OF THE LOAN.

47 7. (A) UPON THE DEFAULT OF A LOAN MADE PURSUANT TO THIS SECTION, A
48 FINANCIAL INSTITUTION MAY FILE CONTEMPORANEOUSLY WITH A NOTICE OF
49 DEFAULT TO THE SMALL BUSINESS, A CLAIM WITH THE CORPORATION TO RECOVER
50 THE OUTSTANDING PRINCIPAL PLUS ACCRUED INTEREST AND ONE-HALF OF THE
51 DOCUMENTED OUT-OF-POCKET EXPENSES INCURRED IN PURSUING LOAN COLLECTION
52 EFFORTS, INCLUDING PRESERVATION OF COLLATERAL. THE AMOUNT OF PRINCIPAL
53 AND ACCRUED INTEREST INCLUDED IN THE CLAIM MAY NOT EXCEED THE PRINCIPAL
54 AMOUNT AGREED UPON AT THE TIME OF CLOSING, PLUS ACCRUED INTEREST ATTRIB-
55 UTABLE TO SUCH AGREED UPON AMOUNTS, CONSISTENT WITH THE REQUIREMENTS OF
56 THIS SECTION.

(B) FOR LOANS MADE PURSUANT TO THIS SECTION, THE FINANCIAL INSTITUTION SHALL DETERMINE A LOAN TO BE IN DEFAULT IN A MANNER CONSISTENT WITH METHODS EMPLOYED BY THE FINANCIAL INSTITUTION FOR SIMILAR LOANS NOT MADE PURSUANT TO THIS SECTION.

(C) THE CORPORATION IS AUTHORIZED AND DIRECTED TO ADOPT RULES AND REGULATIONS GOVERNING THE PAYMENT OF CLAIMS FROM THE FUND. SUCH RULES AND REGULATIONS SHALL PROVIDE THAT UPON RECEIPT OF A CLAIM FILED BY A FINANCIAL INSTITUTION, THE CORPORATION SHALL, WITHIN TEN BUSINESS DAYS, PAY FROM THE FUND THE AMOUNT OF THE CLAIM AS SUBMITTED, UNLESS INFORMATION PROVIDED BY THE FINANCIAL INSTITUTION IS FOUND BY THE CORPORATION TO BE INCOMPLETE OR WAS KNOWN BY THE FINANCIAL INSTITUTION TO BE FALSE AT THE CLOSING OF THE LOAN. THE TERMS OF THE PAYMENT OF CLAIMS FROM THE FUND SHALL BE INCLUDED IN THE AGREEMENT ENTERED INTO BY THE CORPORATION AND THE FINANCIAL INSTITUTION PURSUANT TO SUBDIVISION FIVE OF THIS SECTION.

(D) UPON PAYMENT OF A CLAIM, THE CORPORATION SHALL REPORT THE CLAIM TO THE OFFICE OF THE ATTORNEY GENERAL, WHO THEN SHALL EXERCISE THE RIGHTS OF SUBROGATION. THE FINANCIAL INSTITUTION THEREAFTER SHALL ASSIGN TO THE ATTORNEY GENERAL ANY RIGHT, TITLE, OR INTEREST TO ANY COLLATERAL, SECURITY, OR OTHER RIGHT OF RECOVERY IN CONNECTION WITH THE LOAN. ANY MONEY RECEIVED BY THE ATTORNEY GENERAL AS A RESULT OF ENFORCEMENT ACTIONS TAKEN WITH RESPECT TO ANY COLLATERAL, SECURITY OR OTHER RIGHTS OF RECOVERY SHALL BE PROMPTLY DEPOSITED BY THE ATTORNEY GENERAL THROUGH THE CORPORATION IN THE FUND, LESS ANY OUT-OF-POCKET EXPENSES INCURRED BY THE ATTORNEY GENERAL IN TAKING SUCH ENFORCEMENT ACTIONS.

8. PURSUANT TO RULES AND REGULATIONS OF THE CORPORATION, THE CORPORATION MAY TERMINATE THE PARTICIPATION OF A FINANCIAL INSTITUTION IN THE FUND UPON A DETERMINATION THAT SUCH INSTITUTION IS NOT IN SUBSTANTIAL COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION OR THE PROVISIONS OF AN AGREEMENT EXECUTED PURSUANT TO SUBDIVISION FIVE OF THIS SECTION. THE CORPORATION SHALL PROVIDE NOTICE TO A FINANCIAL INSTITUTION AT LEAST NINETY DAYS IN ADVANCE OF SUCH TERMINATION.

9. THE CORPORATION SHALL MONITOR THE ACTIVITIES OF PARTICIPATING FINANCIAL INSTITUTIONS AND SMALL BUSINESSES AND MAY REQUIRE SUCH PERIODIC REPORTS OR OTHER INFORMATION AS DEEMED NECESSARY FROM SUCH INSTITUTIONS AND BUSINESSES ON THE STATUS OF LOANS MADE PURSUANT TO THIS SECTION. ON OR BEFORE THE FIRST DAY OF MARCH FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, AND ON SUCH DATE ANNUALLY THEREAFTER, THE CORPORATION SHALL SUBMIT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY A REPORT ON THE FUND. SUCH REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO:

(A) THE TOTAL NUMBER AND AMOUNT OF LOANS AND THE AVERAGE AMOUNT OF LOANS LEVERAGED BY THE FUND FROM FINANCIAL INSTITUTIONS IN EACH ECONOMIC DEVELOPMENT REGION OF THE STATE AS DEFINED IN SECTION TWO HUNDRED THIRTY OF THE ECONOMIC DEVELOPMENT LAW;

(B) THE TOTAL NUMBER AND AMOUNT OF LOANS AND THE AVERAGE AMOUNT OF LOANS LEVERAGED BY THE FUND FROM FINANCIAL INSTITUTIONS PURSUANT TO PARAGRAPH (D) OF SUBDIVISION FIVE OF THIS SECTION IN EACH SUCH REGION; AND

(C) THE TOTAL NUMBER AND AMOUNT OF CLAIMS SUBMITTED BY FINANCIAL INSTITUTIONS FOR RECOVERY OF MONEYS THROUGH THE FUND, THE TOTAL NUMBER AND AMOUNT OF CLAIMS PAID FROM THE FUND AND A SUMMARY OF THE CIRCUMSTANCES ASSOCIATED WITH CLAIMS ON THE FUND.

10. ON OR BEFORE THE FIRST DAY OF SEPTEMBER FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, AND ON SUCH DATE EVERY TWO YEARS THEREAFTER, THE CORPORATION SHALL SUBMIT TO THE DIRECTOR OF THE BUDGET, THE CHAIR OF THE

1 SENATE FINANCE COMMITTEE AND THE CHAIR OF THE ASSEMBLY WAYS AND MEANS
2 COMMITTEE AN EVALUATION OF THE EFFECTIVENESS OF THE FUND IN REALIZING
3 POLLUTION PREVENTION BY SMALL BUSINESSES AND SECURING THE COMPLIANCE OF
4 SUCH BUSINESSES WITH FEDERAL AND STATE ENVIRONMENTAL LAWS. SUCH EVALU-
5 ATION SHALL BE PREPARED BY AN ENTITY INDEPENDENT OF THE CORPORATION
6 SELECTED THROUGH A REQUEST FOR PROPOSAL PROCESS AND SHALL INCLUDE RECOM-
7 MENDATIONS FOR IMPROVEMENTS TO THE IMPLEMENTATION OF THE FUND TO ENHANCE
8 SMALL BUSINESS POLLUTION PREVENTION AND COMPLIANCE.

9 11. THE CORPORATION SHALL MARKET THE FUND PROGRAM TO SMALL BUSINESSES
10 IN COOPERATION WITH FINANCIAL INSTITUTIONS, STATEWIDE TRADE ASSOCIATIONS
11 REPRESENTING FINANCIAL INSTITUTIONS AND SMALL BUSINESSES, LOCAL AND
12 REGIONAL ECONOMIC DEVELOPMENT AGENCIES, AND THE SMALL BUSINESS STATION-
13 ARY SOURCE OMBUDSMAN PROGRAM, ESTABLISHED PURSUANT TO SECTION ONE
14 HUNDRED THIRTY-SEVEN OF THE ECONOMIC DEVELOPMENT LAW. THE CORPORATION
15 SHALL DEVELOP A PROGRAM TO PROMOTE AWARENESS OF THE PROGRAM IN ALL
16 GEOGRAPHIC REGIONS OF THE STATE, TO ENSURE MAXIMUM PARTICIPATION BY
17 SMALL BUSINESSES AND FINANCIAL INSTITUTIONS AND THE FISCAL INTEGRITY OF
18 THE FUND. AGREEMENTS ENTERED INTO BY THE CORPORATION PURSUANT TO SUBDI-
19 VISION FIVE OF THIS SECTION SHALL REQUIRE A PLAN BY EACH FINANCIAL
20 INSTITUTION FOR MARKETING THE FUND IN HIGHLY DISTRESSED AREAS, EMPIRE
21 ZONES AND TO MINORITY-OWNED BUSINESS ENTERPRISES AND WOMEN-OWNED BUSI-
22 NESS ENTERPRISES, WITH APPROPRIATE LENDING OBJECTIVES IDENTIFIED BY EACH
23 FINANCIAL INSTITUTION FOR SUCH AREAS AND BUSINESSES.

24 12. THE CORPORATION IS AUTHORIZED AND DIRECTED TO ADOPT RULES AND
25 REGULATIONS FOR THE ESTABLISHMENT AND ADMINISTRATION OF THE FUND, IN
26 ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT. NO FUNDS SHALL
27 BE DISBURSED FROM THIS PROGRAM UNTIL SUCH RULES AND REGULATIONS HAVE
28 BEEN PROMULGATED BY THE CORPORATION.

29 13. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING WORDS OR TERMS
30 SHALL MEAN:

31 (A) "EMPIRE ZONE" SHALL MEAN AN AREA WITHIN THE STATE THAT HAS BEEN
32 DESIGNATED AN EMPIRE ZONE PURSUANT TO ARTICLE EIGHTEEN-B OF THE GENERAL
33 MUNICIPAL LAW.

34 (B) "FINANCIAL INSTITUTION" SHALL MEAN A BANKING ORGANIZATION, AS
35 DEFINED PURSUANT TO SECTION TWO OF THE BANKING LAW, A NEW YORK SMALL
36 BUSINESS INVESTMENT COMPANY AND A NEW YORK SPECIALIZED SMALL BUSINESS
37 INVESTMENT COMPANY, AS DEFINED PURSUANT TO SECTION TWO HUNDRED
38 TWENTY-EIGHT-A OF THE BANKING LAW, A LOCAL DEVELOPMENT CORPORATION, AS
39 DEFINED IN SUBDIVISION EIGHT OF SECTION EIGHTEEN HUNDRED ONE OF THIS
40 CHAPTER, AND THE NEW YORK BUSINESS DEVELOPMENT CORPORATION ESTABLISHED
41 PURSUANT TO SECTION TWO HUNDRED TEN OF THE BANKING LAW.

42 (C) "FUND" SHALL MEAN THE SMALL BUSINESS CLEAN ENVIRONMENT FUND ESTAB-
43 LISHED PURSUANT TO THIS SECTION.

44 (D) "HIGHLY DISTRESSED AREA" SHALL MEAN AN AREA MEETING THE CRITERIA
45 AS SET FORTH UNDER SUBDIVISION (A) OF SECTION NINE HUNDRED FIFTY-EIGHT
46 OF THE GENERAL MUNICIPAL LAW.

47 (E) "MINORITY-OWNED BUSINESS ENTERPRISE" SHALL HAVE THE SAME MEANING
48 AS DEFINED IN SUBDIVISION SEVEN OF SECTION THREE HUNDRED TEN OF THE
49 EXECUTIVE LAW.

50 (F) "POLLUTANT" SHALL MEAN ANY SUBSTANCE, CONTAMINANT, WASTE OR EMIS-
51 SION WHICH CONTRIBUTES TO POLLUTION AS DEFINED IN ARTICLE ONE OF THE
52 ENVIRONMENTAL CONSERVATION LAW.

53 (G) "POLLUTION PREVENTION" SHALL MEAN CHANGES IN PRODUCTION METHODS OR
54 RAW MATERIALS THAT REDUCE, AVOID, OR ELIMINATE THE USE OF TOXIC OR
55 HAZARDOUS SUBSTANCES OR THE GENERATION OF SUCH SUBSTANCES OR POLLUTANTS
56 PER UNIT OF PRODUCT, SO AS TO REDUCE RISKS TO THE HEALTH OF WORKERS,

1 CONSUMERS, OR THE ENVIRONMENT, WITHOUT SHIFTING RISKS BETWEEN WORKERS,
2 CONSUMERS, OR ENVIRONMENTAL MEDIA. POLLUTION PREVENTION INCLUDES THE
3 REDESIGN, MODIFICATION, UPGRADE OR REPLACEMENT OF PRODUCTION PROCESSES,
4 EQUIPMENT OR TECHNOLOGY; REFORMULATION OR REDESIGN OF PRODUCTS; SUBSTI-
5 TUTION OF INPUTS OR RAW MATERIALS; IMPROVEMENTS IN HOUSEKEEPING, MAINTENANCE,
6 TRAINING, OR INVENTORY CONTROL; AND EXTENDED USE OR REUSE OF
7 MATERIALS THROUGH METHODS INTEGRAL TO THE PRODUCTION PROCESS, SUCH AS
8 IN-PROCESS, CLOSED-LOOP RECYCLING. IT DOES NOT INCLUDE INCINERATION,
9 TRANSFER FROM ONE MEDIUM OF RELEASE OR DISCHARGE TO ANOTHER MEDIA, OFF-
10 SITE OR OUT-OF-PRODUCTION RECYCLING, END-OF-PIPE TREATMENT OR POLLUTION
11 CONTROL.

12 (H) "TOXIC OR HAZARDOUS SUBSTANCE" SHALL MEAN ANY SUBSTANCE LISTED AS
13 A SUBSTANCE HAZARDOUS TO PUBLIC HEALTH, SAFETY OR THE ENVIRONMENT IN
14 REGULATIONS PROMULGATED PURSUANT TO ARTICLE THIRTY-SEVEN OF THE ENVIRON-
15 MENTAL CONSERVATION LAW.

16 (I) "SMALL BUSINESS" SHALL HAVE THE SAME MEANING AS DEFINED IN SECTION
17 ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW.

18 (J) "WOMEN-OWNED BUSINESS ENTERPRISE" SHALL HAVE THE SAME MEANING AS
19 SUBDIVISION FIFTEEN OF SECTION THREE HUNDRED TEN OF THE EXECUTIVE LAW.

20 S 3. Subdivision 1 of section 16-m of section 1 of chapter 174 of the
21 laws of 1968, constituting the New York state urban development corpo-
22 ration act, is amended by adding a new paragraph (l) to read as follows:

23 (L) ASSISTANCE TO CAPITALIZE THE SMALL BUSINESS CLEAN ENVIRONMENT
24 FUND, ESTABLISHED PURSUANT TO SECTION TWELVE HUNDRED EIGHTY-FIVE-S OF
25 THE PUBLIC AUTHORITIES LAW.

26 S 4. This act shall take effect on the one hundred eightieth day after
27 it shall have become a law; provided, however, that effective immediate-
28 ly, the addition, amendment and/or repeal of any rules or regulations
29 necessary for the implementation of this act on its effective date are
30 authorized and directed to be made and completed on or before such date
31 and provided further that the amendments to section 16-m of section 1 of
32 chapter 174 of the laws of 1968, constituting the New York state urban
33 development corporation act, made by section three of this act, shall
34 not affect the expiration of such section and shall be deemed to expire
35 therewith.