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

5639

2009-2010 Regular Sessions

I N A S S E M B L Y

February 17, 2009

Introduced by M. of A. DelMONTE -- read once and referred to the Committee on Agriculture

AN ACT relating to the creation of the vineyard planting loan program and making an appropriation therefor

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

Section 1. Vineyard planting loan program. 1. Notwithstanding the provisions of any general or special law to the contrary, the New York wine/grape foundation shall undertake to provide financial assistance to rural land owners for the planting of grapes and development of wineries in the state of New York.

2. For purposes of this section, and notwithstanding any provision of law to the contrary, as used in this section:

(a) "Rural land owner" shall mean a person who engages in grape manufacturing and/or the production and processing of wine, grapes or grape products or desires to engage in farming of grape manufacturing and/or the production and processing of wine, grapes or grape products in the state.

(b) "Lender" shall mean any state or federally-chartered savings bank, savings and loan association, state or federally-chartered savings banks and savings and loan associations, farm credit system institution, or state or federally-chartered commercial banks or trust companies authorized to do business in this state.

3. The foundation is hereby authorized to enter into any contract, financing or loan agreement, or other instrument in connection with a loan made by a lender to a rural land owner for purposes of this section.

4. (a) In order to effectuate the purposes of this section, the foundation may extend credit to or on behalf of a rural land owner for the planting of vineyards, the purchasing of vines and the purchasing of vineyard equipment and supplies.

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

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(b) Credit shall not be extended to rural land owners for the purchase or lease of tractors, trucks or winemaking equipment.

5. (a) In connection with the issuance of any bond or note issued in connection with or for the vineyard planting loan program, the foundation may fix and collect any fees and charges, including but not limited to reimbursement of all costs of financing incurred by the foundation, as the corporation shall determine to be reasonable.

(b) Interest rates charged to the rural land owner by the foundation shall be less than the amount that is being charged by commercial lenders.

6. In connection with the extension of credit and the issuance of a bond or note to a rural land owner as provided in this section, a rural land owner shall submit to the foundation an application for the extension of credit or a loan. The foundation may deny such application for any reason it deems appropriate in the public interest.

7. All assets and liabilities created through the issuance of bonds or notes under this section shall be separate from all other assets and liabilities of the foundation. The foundation shall have no moral or legal obligation or liability to any rural land owner or other person under this section except as expressly provided by written contract. No funds in the vineyard planting loan program may be commingled with any other funds of the foundation.

8. (a) The foundation shall promulgate regulations, developed in consultation with the commissioner of agriculture and markets, for the purpose of carrying out its responsibilities under this section, including establishing the criteria and standards for evaluating and criteria for eligibility of rural land owners to be financed by the vineyard planting loan program.

(b) The foundation shall consult with the commissioner of agriculture and markets regarding promotion of the loan program and agriculturally related questions regarding the program or applications.

S 2. The sum of three million dollars ($3,000,000), or so much thereof as may be necessary, is hereby appropriated to the New York wine/grape foundation in consultation and coordination with the commissioner of agriculture and markets out of any moneys in the state treasury in the general fund to the credit of the state purposes account not otherwise appropriated, for carrying out the provisions of this act. Such sum shall be payable on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of agriculture and markets, or his or her duly designated representative in the manner provided by law. No expenditure shall be made from this appropriation until a certificate of approval of availability shall have been issued by the director of the budget and filed with the state comptroller and a copy filed with the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee. Such certificate may be amended from time to time by the director of the budget and a copy of each such amendment shall be filed with the state comptroller, the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee.

S 3. This act shall take effect on the one hundred twentieth day after it shall have become a law.