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I N A S S E M B L Y

February 21, 2012

Introduced by M. of A. ENGLEBRIGHT, SCHIMMINGER, SWEENEY, WEISENBERG, COOK, CAHILL, SCARBOROUGH, COLTON, LAVINE, JAFFEE, TITONE, M. MILLER, LINARES, ROBERTS -- Multi-Sponsored by -- M. of A. BRINDISI, BRONSON, GOTTFRIED, RAMOS, P. RIVERA, RUSSELL, THIELE -- (at request of the State Comptroller) -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law, in relation to the payment of interest due to not-for-profit organizations

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

1 Section 1. Subdivision 2 of section 179-v of the state finance law, as
2 added by chapter 166 of the laws of 1991, is amended to read as follows:
3 2. Such organizations shall receive such interest payments WITHIN
4 THIRTY DAYS OF THE DATE THE PAYMENT OR PAYMENTS REQUIRED UNDER THE
5 CONTRACT ARE MADE TO ANY SUCH ORGANIZATION; PROVIDED, HOWEVER, IF MONIES
6 FROM ANY APPROPRIATION OR APPROPRIATIONS AS DESCRIBED IN SUBDIVISION
7 THREE OF THIS SECTION ARE NOT AVAILABLE FOR THE PAYMENT OF SUCH INTER-
8 EST, SUCH PAYMENT SHALL BE MADE IMMEDIATELY AFTER SUCH MONIES BECOME
9 AVAILABLE. SUCH INTEREST PAYMENTS SHALL BE MADE at a rate equal to the
10 rate set by the commissioner of taxation and finance for corporate taxes
11 pursuant to paragraph one of subsection (e) of section one thousand
12 ninety-six of the tax law. In order for a state agency to approve
13 reimbursement of a not-for-profit organization at a rate other than the
14 interest rate stated in this section the not-for-profit organization
15 shall submit documentation indicating the rate at which such funds were
16 borrowed, the lender of such funds and any other information requested
17 by the state agency, attorney general or the comptroller. The comp-
18 troller may disallow such portions of the interest that the comptroller
19 deems unreasonable.
20 S 2. This act shall take effect immediately.

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

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