

2603

2011-2012 Regular Sessions

I N S E N A T E

January 26, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the executive law, in relation to creating the New York state community service loan board and making an appropriation therefor

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

1 Section 1. The executive law is amended by adding a new article 26-C
2 to read as follows:

3 ARTICLE 26-C

4 NEW YORK STATE COMMUNITY SERVICE LOAN BOARD

5 SECTION 751. DEFINITIONS.

6 752. NEW YORK STATE COMMUNITY SERVICE LOAN BOARD.

7 753. PURPOSES OF THE BOARD.

8 754. GENERAL POWERS OF THE BOARD.

9 755. SPECIAL POWERS OF THE BOARD.

10 756. COOPERATION OF OTHER STATE AGENCIES.

11 757. DETERMINATION OF ELIGIBILITY FOR PAYMENT OF INTEREST ON
12 MONEY OWED TO ELIGIBLE ORGANIZATIONS.

13 S 751. DEFINITIONS. AS USED IN THIS ARTICLE THE FOLLOWING TERMS SHALL
14 HAVE THE FOLLOWING MEANINGS:

15 1. "BOARD" MEANS THE NEW YORK STATE COMMUNITY SERVICE LOAN BOARD
16 CREATED BY THIS ARTICLE.

17 2. "ELIGIBLE ORGANIZATION" MEANS ANY NOT-FOR-PROFIT AGENCY OR LOCAL
18 GOVERNMENT ENTITY PREVIOUSLY UNDER CONTRACT AND IN THE PROCESS OF RENEW-
19 ING, ESTABLISHING OR PERFORMING A SUBSEQUENT CONTRACT TO PERFORM
20 SERVICES FOR A STATE AGENCY. SAID AGENCY OR LOCAL GOVERNMENT AGENCY MAY
21 NOT HAVE AN ANNUAL OPERATING BUDGET WHICH IS IN EXCESS OF ONE MILLION
22 FIVE HUNDRED THOUSAND DOLLARS.

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

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1 3. "SHORT TERM LOAN" MEANS A NO-INTEREST LOAN MADE BY THE BOARD TO AN
2 ELIGIBLE ORGANIZATION PURSUANT TO ANY TERMS OR CONDITIONS WHICH MAY BE
3 IMPOSED BY THE BOARD.

4 S 752. NEW YORK STATE COMMUNITY SERVICE LOAN BOARD. 1. THE NEW YORK
5 STATE COMMUNITY SERVICE LOAN BOARD IS HEREBY CREATED TO HAVE AND EXER-
6 CISE THE POWERS, DUTIES AND PREROGATIVES PROVIDED BY THE PROVISIONS OF
7 THIS ARTICLE. THE BOARD SHALL CONSIST OF SEVEN MEMBERS TO BE APPOINTED
8 AS FOLLOWS: ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR AND ONE MEMBER
9 SHALL BE APPOINTED BY THE STATE COMPTROLLER, ONE MEMBER SHALL BE
10 APPOINTED BY THE MAJORITY LEADER OF THE SENATE, ONE MEMBER SHALL BE
11 APPOINTED BY THE MINORITY LEADER OF THE SENATE, ONE MEMBER SHALL BE
12 APPOINTED BY THE SPEAKER OF THE ASSEMBLY AND ONE MEMBER SHALL BE
13 APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY. THE SECRETARY OF STATE
14 SHALL SERVE AS A MEMBER AND SHALL BE THE CHAIRPERSON OF THE BOARD. THE
15 SECRETARY OF STATE SHALL APPOINT A DESIGNEE TO ACT IN THE PLACE OF THE
16 SECRETARY IN HIS OR HER ABSENCE. SUCH DESIGNEE SHALL HAVE ALL THE POWERS
17 GIVEN TO THE SECRETARY PURSUANT TO THIS ARTICLE. THE BOARD SHALL BE
18 CREATED AND ADMINISTERED WITHIN THE NEW YORK STATE DEPARTMENT OF STATE.

19 2. THE MEMBERS OF THE BOARD SHALL POSSESS SUFFICIENT EXPERTISE IN THE
20 AREAS OF HOUSING, SOCIAL SERVICES, MENTAL HEALTH AND FISCAL MANAGEMENT
21 OF NOT-FOR-PROFIT AGENCIES. THE MEMBERS OF THE BOARD SHALL SERVE WITHOUT
22 SALARY BUT SHALL BE ENTITLED TO REASONABLE REIMBURSEMENT FOR ACTUAL
23 COSTS INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES PURSUANT TO
24 THIS SECTION, PROVIDED HOWEVER THAT SUCH MEMBERS ARE NOT, AT THE TIME
25 SUCH EXPENSES ARE INCURRED, PUBLIC EMPLOYEES OR PUBLIC OFFICERS OTHER-
26 WISE ENTITLED TO SUCH REIMBURSEMENT.

27 3. MEMBERS WHO ARE NEITHER PUBLIC OFFICERS NOR PUBLIC EMPLOYEES MAY
28 ENGAGE IN PRIVATE EMPLOYMENT SUBJECT TO THE LIMITATIONS CONTAINED IN
29 SECTIONS SEVENTY-THREE AND SEVENTY-FOUR OF THE PUBLIC OFFICERS LAW.

30 4. THE SECRETARY OF STATE OR AUTHORIZED REPRESENTATIVE MUST BE PRESENT
31 AT ALL TIMES IN ORDER THAT THE BOARD MAY CONDUCT ITS BUSINESS. IN ADDI-
32 TION TO CASTING HIS OR HER VOTE, THE SECRETARY, OR AUTHORIZED REPRESENTATIVE,
33 SHALL CAST ONE PROXY VOTE FROM EACH MEMBER ABSENT FROM AN
34 ANNOUNCED MEETING OF THE BOARD. THE SECRETARY SHALL EXERCISE THE POWER
35 TO CAST PROXY VOTES ON ANY AND ALL MATTERS THAT COME BEFORE THE BOARD.

36 5. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF THIS OR ANY OTHER
37 LAW, GENERAL, SPECIAL OR LOCAL, NO OFFICER OR EMPLOYEE OF THE STATE, OR
38 OF ANY CIVIL DIVISION THEREOF, SHALL BE DEEMED TO HAVE FORFEITED OR
39 SHALL FORFEIT HIS OR HER OFFICE OR EMPLOYMENT OR ANY BENEFITS PROVIDED
40 UNDER THE RETIREMENT AND SOCIAL SECURITY LAW BY REASON OF HIS OR HER
41 ACCEPTANCE OF MEMBERSHIP ON THE BOARD; PROVIDED, HOWEVER, A MEMBER WHO
42 HOLDS SUCH OTHER PUBLIC OFFICE OR EMPLOYMENT SHALL RECEIVE NO ADDITIONAL
43 COMPENSATION FOR SERVICES RENDERED PURSUANT TO THIS ARTICLE, BUT SHALL
44 BE ENTITLED TO REIMBURSEMENT FOR HIS OR HER ACTUAL AND NECESSARY
45 EXPENSES INCURRED IN THE PERFORMANCE OF SUCH SERVICES UP TO A MAXIMUM OF
46 TWENTY-FIVE DOLLARS PER DIEM.

47 6. BY MARCH FIFTEENTH OF EACH YEAR, THE CHAIRPERSON OF THE BOARD SHALL
48 SUBMIT TO THE GOVERNOR AND THE LEGISLATURE, A REPORT OF THE PREVIOUS
49 YEAR'S ACTIVITIES OF THE BOARD INCLUDING, BUT NOT LIMITED TO, THE NUMBER
50 OF LOAN APPLICATIONS, NAMES OF ELIGIBLE ORGANIZATIONS RECEIVING LOANS
51 TOGETHER WITH THE AMOUNT AND PURPOSE OF THE LOAN, ASSETS AND LIABILITIES
52 OF THE BOARD AND FUND BALANCES.

53 7. THE BOARD SHALL MAKE EVERY EFFORT TO EFFICIENTLY CARRY OUT ITS
54 PURPOSES AND SHALL USE THE STAFF AND TECHNICAL SERVICES OF THE OFFICE OF
55 THE SECRETARY OF STATE, AND WHEN NECESSARY, SHALL USE THE STAFF OF THE

1 APPROPRIATE STATE AGENCY AS THE DESIGNATED CONTRACT AGENCY FOR WHICH A
2 LOAN IS BEING APPLIED.

3 S 753. PURPOSES OF THE BOARD. THE BOARD SHALL PROVIDE SHORT TERM LOANS
4 TO ELIGIBLE NOT-FOR-PROFIT AGENCIES AND LOCAL GOVERNMENT ENTITIES OUT OF
5 MONIES APPROPRIATED IN THE GENERAL FUND TO THE CREDIT OF THE STATE
6 PURPOSES ACCOUNT.

7 S 754. GENERAL POWERS OF THE BOARD. EXCEPT AS OTHERWISE LIMITED BY
8 THIS ARTICLE, THE BOARD SHALL HAVE THE POWER:

9 1. TO MAKE AND ALTER BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGE-
10 MENT, AND RULES AND REGULATIONS GOVERNING THE EXERCISE OF ITS POWERS AND
11 THE FULFILLMENT OF ITS PURPOSES UNDER THIS ARTICLE;

12 2. TO MAKE LOANS TO ELIGIBLE ORGANIZATIONS;

13 3. TO ENTER INTO CONTRACTS AND TO EXECUTE ALL INSTRUMENTS NECESSARY OR
14 CONVENIENT OR DESIRABLE FOR THE PURPOSES OF THE BOARD OR TO CARRY OUT
15 ANY POWERS EXPRESSLY GIVEN IT IN THIS ARTICLE;

16 4. TO APPOINT SUCH OFFICERS AND EMPLOYEES AS IT MAY REQUIRE FOR THE
17 PERFORMANCE OF ITS DUTIES, AND TO FIX AND DETERMINE THEIR QUALIFICA-
18 TIONS, DUTIES AND COMPENSATION;

19 5. TO INVEST MONIES DEEMED BY THE BOARD AS REASONABLE, BUT IN NO EVENT
20 SHALL INVESTMENTS EVER EXCEED TEN PERCENT OF THE TOTAL AMOUNT OF THE
21 FUND;

22 6. TO MAINTAIN SUCH ACCOUNTS AS ARE NECESSARY FOR THE PURPOSES OF THE
23 BOARD AND AS THE BOARD MAY AUTHORIZE, PERMIT MONIES IN SUCH ACCOUNTS TO
24 BE PAID OUT ON CHECKS ISSUED BY A DESIGNATED OFFICER OR EMPLOYEE SUBJECT
25 TO THE PERIODIC AUDIT OF THE STATE COMPTROLLER AND HIS OR HER LEGALLY
26 AUTHORIZED REPRESENTATIVES;

27 7. TO ACCEPT ANY GIFTS OR GRANTS OR LOANS OF FUNDS OR PROPERTY AND TO
28 COMPLY, SUBJECT TO THE PROVISIONS OF THIS ARTICLE, WITH THE TERMS AND
29 CONDITIONS THEREOF; AND

30 8. TO DO ALL THINGS NECESSARY, CONVENIENT OR DESIRABLE TO CARRY OUT
31 ITS PURPOSES AND FOR THE EXERCISE OF THE POWERS GRANTED IN THIS ARTICLE.

32 S 755. SPECIAL POWERS OF THE BOARD. 1. THE BOARD IS HEREBY AUTHORIZED,
33 UPON THE FILING OF AN APPLICATION WHICH SHALL NOT EXCEED TWO PAGES IN
34 LENGTH BY ANY ELIGIBLE ORGANIZATION, TO MAKE SHORT TERM LOANS TO SAID
35 ORGANIZATIONS FOR THE FOLLOWING PURPOSES:

36 (A) TO ENABLE THE ELIGIBLE ORGANIZATION TO CONTINUE ITS DAY-TO-DAY
37 OPERATIONS;

38 (B) TO PAY EMPLOYEE SALARIES; AND

39 (C) TO ALLOW IT TO MEET ANY AND ALL FINANCIAL OBLIGATIONS NOT OTHER-
40 WISE PROHIBITED BY STATUTE OR THE ORIGINAL GRANT SPECIFICATIONS.

41 2. IN NO EVENT SHALL ANY SHORT TERM LOAN EXCEED TEN PERCENT OF THE
42 ANTICIPATED YEARLY GRANT NOR SHALL IT EXCEED THE SUM OF SIXTY THOUSAND
43 DOLLARS.

44 3. AN APPLICATION FOR A SHORT TERM LOAN SHALL BE ACCOMPANIED BY
45 DOCUMENTATION FROM THE APPROPRIATE STATE AGENCY EVIDENCING AN OBLIGATION
46 ON THE PART OF THE STATE AGENCY TO PAY MONIES TO AN ELIGIBLE ORGANIZA-
47 TION.

48 4. PRIOR TO ENTERING INTO A LOAN AGREEMENT WITH AN ELIGIBLE BORROWER,
49 THE CORPORATION SHALL REQUIRE PROOF OF THE ELIGIBLE BORROWER'S RELATION-
50 SHIP WITH THE STATE OF NEW YORK, THE STATE'S INDEBTEDNESS TO THE ELIGI-
51 BLE BORROWER AND THAT THE ELIGIBLE BORROWER REQUIRES THE SHORT TERM LOAN
52 IN ORDER TO CARRY OUT ITS OPERATIONS DUE TO THE LACK OF FUNDS FROM ANY
53 OTHER SOURCE.

54 5. IN THE EVENT AN ELIGIBLE BORROWER HAS AGREED UPON REPAYMENT TERMS
55 AND NOT ENTERED INTO AN AGREEMENT WITH THE BOARD WHEREBY THE AMOUNT OF
56 ITS SHORT TERM LOAN WOULD REDUCE ITS TOTAL GRANT AMOUNT BY THAT SAME

1 VALUE, AND FAILS TO MEET ITS REPAYMENT OBLIGATION PURSUANT TO THIS ARTI-
2 CLE, THE BOARD IS EMPOWERED TO COLLECT THE OUTSTANDING BALANCE DIRECTLY
3 FROM THE STATE AGENCY AND THE AMOUNT OF THE OUTSTANDING BALANCE SHALL BE
4 DEDUCTED FROM THE AMOUNT OF THE GRANT.

5 6. ELIGIBLE BORROWERS WHICH FAIL TO REPAY ANY LOAN OBLIGATIONS SHALL
6 BE INELIGIBLE FOR ANY GRANT FROM ANY STATE AGENCY FOR A PERIOD OF TWO
7 YEARS.

8 S 756. COOPERATION OF OTHER STATE AGENCIES. THE GOVERNOR SHALL DESIG-
9 NATE AGENCIES, STATE DEPARTMENTS, DIVISIONS, BOARDS, BUREAUS AND COMMIS-
10 SIONS FROM WHICH, TO THE MAXIMUM EXTENT FEASIBLE, THE BOARD SHALL BE
11 ENTITLED TO REQUEST AND RECEIVE AND SHALL UTILIZE AND BE PROVIDED WITH
12 SUCH FACILITIES, RESOURCES AND DATA AS IT MAY REASONABLY REQUEST TO
13 PROPERLY CARRY OUT ITS POWERS AND DUTIES HEREUNDER.

14 S 757. DETERMINATION OF ELIGIBILITY FOR PAYMENT OF INTEREST ON MONEY
15 OWED TO ELIGIBLE ORGANIZATIONS. EACH STATE AGENCY WHICH IS REQUIRED TO
16 FULFILL A GRANT OBLIGATION TO AN ELIGIBLE ORGANIZATION AND WHICH FAILS
17 TO MAKE SUCH PAYMENT SHALL MAKE AN INTEREST PAYMENT TO THE VOLUNTARY
18 AGENCY REVOLVING LOAN FUND ON THE TOTAL AMOUNT OF THE GRANT TO BE
19 AWARDED. INTEREST SHALL BE COMPUTED AT THE RATE EQUAL TO THE RATE SET
20 BY THE COMMISSIONER OF TAXATION AND FINANCE FOR CORPORATE TAXES PURSUANT
21 TO PARAGRAPH ONE OF SUBSECTION (E) OF SECTION ONE THOUSAND NINETY-SIX OF
22 THE TAX LAW AND SHALL ACCRUE FROM THE DATE WHICH THE AGENCY REASONABLY
23 COULD HAVE PAID THE GRANT, AS SHALL BE DETERMINED BY THE BOARD. INTER-
24 EST PAYMENTS SHALL BE PAID INTO THE FUND.

25 S 2. The sum of one hundred thousand dollars (\$100,000), or so much
26 thereof as may be necessary, is hereby appropriated to the department of
27 state out of any moneys in the state treasury in the general fund to the
28 credit of the state purposes account, not otherwise appropriated, and
29 made immediately available, for the purpose of carrying out the
30 provisions of this act. Such moneys shall be payable on the audit and
31 warrant of the comptroller on vouchers certified or approved by the
32 secretary of state in the manner prescribed by law.

33 S 3. This act shall take effect on the first of October next succeed-
34 ing the date on which it shall have become a law.