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I N S E N A T E

December 23, 2016

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

AN ACT to amend the arts and cultural affairs law, in relation to prohibiting the New York state council on the arts from awarding arts and cultural grants when an organization has no place of business within the state and does not apply awarded monies to New York state programs

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

1 Section 1. Section 3.19 of the arts and cultural affairs law, as added
2 by a chapter of the laws of 2016 amending the arts and cultural affairs
3 law relating to prohibiting the New York state council on the arts from
4 awarding arts and cultural grants when an organization has no place of
5 business within the state and does not apply awarded monies to New York
6 state programs as proposed in legislative bills numbers S. 3339-B and A.
7 3420-B, is amended to read as follows:
8 S 3.19. Prohibition. 1. (A) The council on the arts shall be prohibit-
9 ed from [issuing] AWARDING grants to an organization unless such organ-
10 ization is incorporated as a nonprofit organization either in the state
11 or, if an organization is incorporated elsewhere, such organization must
12 be registered to do business in the state through the department of
13 state and must have its principal place of business located within the
14 state. [Grant recipients shall also be prohibited from using grant fund-
15 ing received from the council on the arts to fund components of an
16 organization's budget that are not directed towards programs in the
17 state. If an organization is found to have violated this section, they
18 shall (1) be required to reimburse back to the council on the arts, all
19 monies received under the particular grant within thirty days or face a
20 fine to be determined by the department of state, and (2) not be allowed
21 to reapply for future funding until they provide proof to the council on
22 the arts of their subsequent filing of articles of incorporation with
23 the department of state in New York.]
24 (B) ANY ORGANIZATION APPLYING FOR GRANT FUNDING SHALL PROVIDE TO THE
25 COUNCIL ON THE ARTS DOCUMENTATION DEMONSTRATING COMPLIANCE WITH THIS

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

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1 PROVISION. ANY APPLICANT WHICH FAILS TO PROVIDE SUCH DOCUMENTATION SHALL
2 BE DEEMED INELIGIBLE TO RECEIVE GRANT FUNDING UNDER THIS ARTICLE. SUCH
3 DOCUMENTATION SHALL BE CONSIDERED VALID FOR A PERIOD OF TWO YEARS FROM
4 THE DATE IT WAS PROVIDED OR UNTIL THE ORGANIZATION UNDERTAKES A CHANGE
5 IN STATUS, WHICHEVER OCCURS SOONER.

6 (C) ANY ORGANIZATION THAT IS INCORPORATED ELSEWHERE BUT REGISTERED TO
7 DO BUSINESS IN THE STATE, WHEN APPLYING FOR GRANT FUNDING, SHALL CERTIFY
8 TO THE COUNCIL ON THE ARTS AS PART OF ITS GRANT APPLICATION THAT ITS
9 PRINCIPAL PLACE OF BUSINESS IS LOCATED WITHIN THE STATE. ANY APPLICANT
10 WHICH FAILS TO PROVIDE SUCH CERTIFICATION SHALL BE DEEMED INELIGIBLE TO
11 RECEIVE GRANT FUNDING UNDER THIS ARTICLE.

12 (D) ANY APPLICANT WHICH FAILS TO DEMONSTRATE THAT GRANT FUNDS ARE TO
13 BE USED TOWARD PROGRAMS IN THE STATE SHALL BE DEEMED INELIGIBLE TO
14 RECEIVE GRANT FUNDING UNDER THIS ARTICLE. ANY ORGANIZATION, WHEN APPLY-
15 ING FOR GRANT FUNDING, SHALL PROVIDE IN ITS GRANT APPLICATION MATERIALS
16 DOCUMENTATION DEMONSTRATING COMPLIANCE WITH THIS PROVISION.

17 S 2. This act shall take effect on the same date and in the same
18 manner as a chapter of the laws of 2016 amending the arts and cultural
19 affairs law relating to prohibiting the New York state council on the
20 arts from awarding arts and cultural grants when an organization has no
21 place of business within the state and does not apply awarded monies to
22 New York state programs as proposed in legislative bills numbers
23 S.3339-B and A. 3420-B takes effect.