STATE OF NEW YORK

975

2017-2018 Regular Sessions

IN SENATE

January 5, 2017

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:

Section 1. Section 3.19 of the arts and cultural affairs law, as added by a chapter of the laws of 2016 amending the arts and cultural affairs law relating 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 as proposed in legislative bills numbers S. 3339-B and A. 3420-B, is amended to read as follows:

§ 3.19. Prohibition. **1. (a)** The council on the arts shall be prohibited from [~~issuing~~] **awarding** grants to an organization unless such organization is incorporated as a nonprofit organization either in the state or, if an organization is incorporated elsewhere, such organization must be registered to do business in the state through the department of state and must have its principal place of business located within the state. [~~Grant recipients shall also be prohibited from using grant funding received from the council on the arts to fund components of an organization's budget that are not directed towards programs in the state. If an organization is found to have violated this section, they shall (1) be required to reimburse back to the council on the arts, all monies received under the particular grant within thirty days or face a fine to be determined by the department of state, and (2) not be allowed to reapply for future funding until they provide proof to the council on~~

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

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~~the arts of their subsequent filing of articles of incorporation with the department of state in New York.~~]

(b) Any organization applying for grant funding shall provide to the council on the arts documentation demonstrating compliance with this provision. Any applicant which fails to provide such documentation shall be deemed ineligible to receive grant funding under this article. Such documentation shall be considered valid for a period of two years from the date it was provided or until the organization undertakes a change in status, whichever occurs sooner.

(c) Any organization that is incorporated elsewhere but registered to do business in the state, when applying for grant funding, shall certify to the council on the arts as part of its grant application that its principal place of business is located within the state. Any applicant which fails to provide such certification shall be deemed ineligible to receive grant funding under this article.

(d) Any applicant which fails to demonstrate that grant funds are to be used toward programs in the state shall be deemed ineligible to receive grant funding under this article. Any organization, when applying for grant funding, shall provide in its grant application materials documentation demonstrating compliance with this provision.

§ 2. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2016 amending the arts and cultural affairs law relating 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 as proposed in legislative bills numbers S.3339-B and A. 3420-B takes effect.