

# STATE OF NEW YORK

4174

2019-2020 Regular Sessions

## IN ASSEMBLY

February 1, 2019

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Libraries and Education Technology

AN ACT to amend the education law and the state finance law, in relation to establishing a public library revolving loan fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The education law is amended by adding a new section 273-b  
2 to read as follows:

3 § 273-b. Public library revolving loan program. 1. The commissioner  
4 shall establish and maintain a public library revolving loan program to  
5 provide loans to libraries and library systems for the purposes desig-  
6 nated in this part. Notwithstanding the provisions of any law to the  
7 contrary, state financial assistance in the form of a loan may be  
8 provided for up to fifty percent of the approved costs (excluding feasi-  
9 bility studies, plans or similar activities) of eligible projects for  
10 capital construction by an eligible public, free association or Indian  
11 library, or by a public, school or reference and research library  
12 resource system, as provided in this section. In areas of high need, as  
13 defined in regulations promulgated by the commissioner pursuant to  
14 subdivision eleven of this section, a loan of up to seventy-five percent  
15 of approved costs (excluding feasibility studies, plans or similar  
16 activities) may be approved by the commissioner. A library or library  
17 system may submit an application for state financial assistance for  
18 eligible projects as provided in this section.

19 2. The commissioner, after review of the programmatic and fiscal needs  
20 and resources of the project and the library or library system, shall  
21 make a determination, subject to the restrictions, limitations, respon-  
22 sibilities and requirements of this section, as to the amount of state  
23 financial assistance that the library or library system may receive for  
24 any amount up to and including the amount of five hundred thousand  
25 dollars. Any financial assistance may be provided from the public

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

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1 library revolving loan fund established pursuant to section ninety-one-e  
2 of the state finance law. Interest in any such loan shall be set at two  
3 points below the prime rate. Eligible projects shall include:

- 4 a. construction of a new facility for library purposes;
- 5 b. improvement, expansion or rehabilitation of a building for library  
6 purposes;
- 7 c. improvement, expansion or rehabilitation of existing building or  
8 buildings to provide for handicapped accessibility;
- 9 d. such other projects of substantive character as are in keeping with  
10 the spirit and intent of this section.

11 No project shall be considered eligible if it is approved for financ-  
12 ing from any other state assistance program, excepting aid for library  
13 construction awarded pursuant to section two hundred seventy-three-a of  
14 this article.

15 3. Each application for financial assistance shall be submitted to the  
16 commissioner by the board of trustees of the library or library system.  
17 Each application shall:

- 18 a. demonstrate that adequate operating support and resources will be  
19 available at the completion of the project to provide an improved or  
20 increased level of service;
- 21 b. contain verification in such form as may be acceptable to the  
22 commissioner that the remaining cost of the project, exclusive of state  
23 financial assistance, has been or will be obtained;
- 24 c. demonstrate that the project will be completed promptly and in  
25 accordance with the application;
- 26 d. either demonstrate that the operation of the organization will be  
27 made more economical or efficient as a consequence of approval or demon-  
28 strate that health and safety concerns will be repaired or access to  
29 handicapped provided;
- 30 e. demonstrate that the project will be conducted in accordance with  
31 applicable federal, state and local laws and regulations;
- 32 f. demonstrate that, where appropriate, competitive bidding procedures  
33 will be followed as required by law, or provide such other evidence of  
34 competition as shall be satisfactory to the commissioner;
- 35 g. provide an assessment of the useful life of the project, and such  
36 recommendation, analysis of needs or feasibility studies as may be  
37 required by the commissioner provided, however, that for the purposes of  
38 this section the term "useful life" shall mean such method of calculat-  
39 ing the worth of a project and the amount of annual depreciation neces-  
40 sary for effecting contracts under this section as the commissioner  
41 shall require after consultation with the state comptroller and upon  
42 approval by the state division of the budget;
- 43 h. demonstrate that the project will comply with the requirement of  
44 article fifteen-A of the executive law relating to the participation by  
45 minority group members and women;
- 46 i. provide such other information as may be required by the commis-  
47 sioner.

48 4. Each library or library system may submit no more than one applica-  
49 tion annually. Any other provision of this section to the contrary  
50 notwithstanding, no library outlet shall receive state financial assist-  
51 ance under this section for more than one year in any consecutive three-  
52 year period.

53 5. Any other provision of law or of this section to the contrary  
54 notwithstanding, state financial assistance shall not be provided pursu-  
55 ant to this section until the commissioner has:

1 a. considered the useful life of the eligible project as such term is  
2 defined in paragraph g of subdivision three of this section;

3 b. determined the amount of state financial assistance to be provided;  
4 and

5 c. executed an agreement to provide such assistance. Such agreement  
6 shall be executed by the commissioner and the library or library system.  
7 Any such agreement shall provide for the creation of a lien or other  
8 security interest or such other guarantee as shall be satisfactory to  
9 the commissioner to assure repayment of financial assistance provided  
10 under this section. Such agreement shall assure that the length of a  
11 loan shall not exceed the useful life of the project and shall include,  
12 in addition to such other provisions as the council may require, the  
13 following:

14 (i) the amount of financial assistance, the terms and conditions upon  
15 which it is provided, the useful life of the eligible project and the  
16 method of depreciating the eligible project for purposes of the repay-  
17 ment provisions of the agreement;

18 (ii) a requirement that, upon a finding by the commissioner that a  
19 project has not been completed, or has not been completed in accordance  
20 with the terms of the agreement, the outstanding balance of financial  
21 assistance provided in the form of a loan shall be repaid to the commis-  
22 sioner by the guarantor, provided that upon a showing of good cause by  
23 the organization the commissioner shall grant an extension of up to  
24 ninety days from the date of such finding to allow the library or  
25 library system to complete the project in accordance with the terms of  
26 the agreement, and further provided that the commissioner shall provide  
27 no more than two such extensions from the date of such finding to allow  
28 the library or library system to complete the project in accordance with  
29 the terms of the agreement.

30 6. In any case in which state financial assistance is provided the  
31 following shall be included in the agreement: a requirement that the  
32 library or library system shall obtain, in addition to such other secu-  
33 rity as may be required by the commissioner or by other provisions of  
34 law, an undertaking or surety bond from any person or entity which has  
35 contracted to perform work on an approved project to assure the faithful  
36 performance of such project and/or a labor and/or material bond as may  
37 be appropriate.

38 7. Any lien, security interest or guarantee established created under  
39 the provisions of subdivision five or six of this section shall be in  
40 addition to any other rights or obligations of the commissioner under  
41 the provisions of the lien law or any other law.

42 8. The commissioner shall cause to be filed and to be recorded in the  
43 office of the county clerk in the county where the subject property is  
44 situated any lien or other security interest as may be required to  
45 assure repayment of financial assistance in accordance with the  
46 provisions of this section. The department of law shall provide such  
47 assistance as the commissioner may require to create and perfect any  
48 such liens or other security interests.

49 9. In approving applications pursuant to this section, the commission-  
50 er shall seek to insure that sixty percent of the funds appropriated  
51 pursuant to this section shall be made available in such a manner as to  
52 insure that the ratio of the amount received within each public library  
53 system to the whole of the financial assistance made available pursuant  
54 to this subdivision is no greater than the ratio of the population of  
55 such public library system to the population of the state. Any funds  
56 made available pursuant to this section which, by December thirty-first

1 of the year in which this section shall have become a law, and October  
2 thirty-first of each year thereafter, are declined by or which cannot be  
3 used by such libraries or library systems, as determined by the commis-  
4 sioner, shall be made available to other eligible libraries or library  
5 systems for eligible projects.

6 10. In the event an eligible library or library system fails to make a  
7 payment on a loan or fails to make any other payment required under the  
8 provisions of this section, the commissioner shall inform the comp-  
9 troller of such failure and of the amount overdue, which amount the  
10 comptroller may recover from any payments due from the state to the  
11 eligible organization, including local assistance payments.

12 11. The commissioner shall adopt guidelines within one hundred eighty  
13 days of the effective date of this section, and shall promulgate rules  
14 and regulations not later than September first, two thousand nineteen as  
15 are necessary to carry out the purposes and provisions of this section.  
16 In addition to any other requirements set forth by this section, the  
17 commissioner shall establish procedures for the recoupment of financial  
18 assistance provided in the event that a project is not completed or not  
19 completed as proposed by the applicant library or library system. Copies  
20 of such rules and regulations shall be provided at least sixty days  
21 prior to the time they shall be effective to the senate finance commit-  
22 tee and the assembly ways and means committee.

23 12. The commissioner shall report to the governor, the temporary pres-  
24 ident of the senate, the speaker of the assembly, the chairs of the  
25 senate finance committee and assembly ways and means committee not later  
26 than January fifteenth of each year concerning the amounts appropriated  
27 and expended pursuant to this section, the number of applications  
28 received, the total amount of financial assistance requested, the total  
29 number of applications funded, the amount of funding provided, and such  
30 other information as the chair shall deem appropriate, including any  
31 recommendations for program improvement, recommendations for increasing  
32 the total amount of funding from state and non-state sources available  
33 to increase total funds for projects available to the libraries and  
34 library systems of this state, in particular for rural and minority  
35 communities, and identification of and proposals for removing barriers  
36 or limits faced by communities in accessing the program or in maximizing  
37 use of funds provided hereunder.

38 § 2. The state finance law is amended by adding a new section 91-e to  
39 read as follows:

40 § 91-e. Public library revolving loan fund. 1. There is hereby estab-  
41 lished in the joint custody of the state comptroller and the commission-  
42 er of taxation and finance a special fund to be known as the "public  
43 library revolving loan fund".

44 2. The public library revolving loan fund shall consist of all monies  
45 appropriated, credited, or transferred thereto from the general fund or  
46 any other source pursuant to law, including the repayment of loans  
47 provided to municipalities pursuant to section two hundred seventy-  
48 three-b of the education law.

49 § 3. This act shall take effect July 1, 2019.