

# STATE OF NEW YORK

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1226

2019-2020 Regular Sessions

## IN SENATE

January 11, 2019

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Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law and the tax law, in relation to granting eligibility for the economic transformation and facility redevelopment program tax credit to certain state psychiatric centers with decommissioned or surplus land

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

1 Section 1. Paragraph (e) of subdivision 4 of section 400 of the  
2 economic development law, as added by section 1 of part QQ of chapter 60  
3 of the laws of 2016, is amended to read as follows:

4 (e) provided, however that the requirement in paragraph (a) of this  
5 subdivision that the participant be a new business shall not apply to a  
6 closed facility as defined in paragraph (d) or (e) of subdivision eleven  
7 of this section.

8 § 2. Paragraph (d) of subdivision 10 of section 400 of the economic  
9 development law, as added by section 2 of part QQ of chapter 60 of the  
10 laws of 2016, is amended to read as follows:

11 (d) Notwithstanding paragraph (b) of this subdivision, with respect to  
12 a closed facility described in paragraph (d) or (e) of subdivision eleven  
13 of this section, the economic transformation area shall consist only  
14 of the acreage of the closed facility.

15 § 3. Paragraph (d) of subdivision 11 of section 400 of the economic  
16 development law, as added by section 3 of part QQ of chapter 60 of the  
17 laws of 2016, is amended and a new paragraph (e) is added to read as  
18 follows:

19 (d) a facility previously owned by the state, and when operated, was  
20 operated as a psychiatric facility pursuant to section 7.17 of the  
21 mental hygiene law, and located within the metropolitan commuter trans-  
22 portation district but outside New York city[-]; or

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

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1 (e) a facility that currently operates as a psychiatric center pursu-  
2 ant to section 7.17 of the mental hygiene law, where at least three-  
3 fifths of the total acreage of such facility has been designated by the  
4 commissioner of mental health as decommissioned or surplus, including  
5 the buildings thereon.

6 § 4. Subdivision 1 of section 402 of the economic development law, as  
7 amended by section 4 of part QQ of chapter 60 of the laws of 2016, is  
8 amended to read as follows:

9 1. A business entity must submit a completed application as prescribed  
10 by the commissioner by the later of (a) the date that is three years  
11 after the date of the closure of the closed facility located in the  
12 economic transformation area in which the business entity would operate  
13 or (b) January first, two thousand fifteen. Provided however, in the  
14 case of a closed facility described in paragraph (d) or (e) of subdivi-  
15 sion eleven of section four hundred of this article, a business entity  
16 must submit a completed application as prescribed by the commissioner by  
17 September first, two thousand ~~sixteen~~ eighteen.

18 § 5. Paragraph 1 of subdivision (h) of section 35 of the tax law, as  
19 amended by section 5 of part QQ of chapter 60 of the laws of 2016, is  
20 amended to read as follows:

21 (1) A taxpayer which meets the requirements in this section shall be  
22 eligible to claim a credit on qualified investments with respect to the  
23 project for which the certificate of eligibility is issued. The credit  
24 shall be equal to ten percent of the cost or other basis for federal  
25 income tax purposes of the qualified investment at a closed facility.  
26 Provided however, for purposes of this credit only, a taxpayer that is  
27 the owner of a closed facility described in paragraph (d) or (e) of  
28 subdivision eleven of section four hundred of the economic development  
29 law, shall be allowed to include in its cost or other basis of the qual-  
30 ified investment at the closed facility, any demolition costs incurred  
31 at such closed facility. Those demolition costs shall be limited to the  
32 following costs: (i) asbestos removal costs, (ii) rental of demolition  
33 equipment, (iii) personnel costs to operate the demolition equipment,  
34 (iv) costs to remove and dispose of demolition debris, (v) the costs of  
35 any permits, licenses and insurance necessary for the demolition. The  
36 total amount of investment tax credit allowed for all eligible partic-  
37 ipants under this subdivision for qualified investments located at each  
38 closed facility shall not exceed eight million dollars. The credit shall  
39 be equal to six percent of the cost or other basis for federal income  
40 tax purposes for all other qualified investments, but the credit allowed  
41 to a taxpayer may not exceed four million dollars.

42 § 6. This act shall take effect immediately, provided that the amend-  
43 ments to sections 400 and 402 of the economic development law, made by  
44 sections one, two, three and four of this act, and section 35 of the tax  
45 law, made by section five of this act, shall not affect the expiration  
46 and repeal of such sections and shall be deemed repealed therewith.