STATE OF NEW YORK

5139

2021-2022 Regular Sessions

IN SENATE

February 25, 2021

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

AN ACT to amend the public health law, in relation to the use of monies from the community health care revolving capital fund

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

Section 1. Subdivision 2 of section 2815-a of the public health law, as added by section 5 of part J of chapter 60 of the laws of 2015, is amended to read as follows:

2. Revolving capital fund. The dormitory authority shall, within amounts appropriated, establish the community health care revolving capital fund. Monies in the revolving capital fund shall be utilized for the purpose of making loans to qualifying participating borrowers to improve access to affordable capital financing to expand and improve capacity to provide health care in the State**, and to enable participating borrowers to operate a financially and operationally sustainable practice**. Funds shall be transferred by the commissioner to the dormitory authority for deposit in the revolving capital fund in an amount as authorized by appropriation. Monies in the fund shall be: (a) held by the authority pursuant to this section as custodian pursuant to an agreement with the commissioner until transferred to the administrator pursuant to this section, and (b) invested by the authority in accordance with the investment guidelines of the authority during said custodial period. All investment income shall be credited to, and shall be deposited in, the revolving capital fund.

§ 2. Paragraphs c, e, f, and j of subdivision 4 of section 2815-a of the public health law, as added by section 5 of part J of chapter 60 of the laws of 2015, are amended to read as follows:

c. That monies in such revolving capital fund shall be utilized for the purpose of making loans to qualifying participating borrowers, to provide participating borrowers with improved access to affordable capi-

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

LBD08170-01-1

tal to expand and improve preventive or primary care capacity**, and to aid participating borrowers in achieving a financially and operationally sustainable practice**;

e. That eligible uses of funds so loaned to participating borrowers shall include but not be limited to: (i) eligible costs as described in paragraph (f) of this subdivision, attributable to the proposed construction, reconstruction, renovation, rehabilitation, refurbishing, expansion, upgrading and equipping of a participating borrower's community-based health care facility; (ii) reserves for credit enhancement including loan guarantees; (iii) loan loss and debt service reserves and subordinated loans; [**and**] (iv) facility financing, including loans for predevelopment, acquisition and construction, permanent financing and bridge loans**; and (v) additional noncapital expenditures which may include working capital and debt restructuring, retirement and refinancing**;

f. That eligible costs under this section shall include, but not be limited to, all hard construction costs and associated professional and other costs, furniture, fixtures and equipment, including health information technology, acquisition, predevelopment due diligence, initial operating expenses and working capital **associated with community-based health care facility projects. Working capital as set forth in this paragraph may also include expenses associated with the sustainable operation of a community-based health care practice such as expenses required to recruit and train staff, redesign facilities to accommodate new protocols, to purchase, upgrade, or enhance, technology to support telehealth, and other ancillary costs associated with delivering patient services. Working capital shall also include expenses associated with restructuring or retiring debt, including costs to reduce, retire, or refinance long-term liabilities such as mortgage, bank loans, capital leases and other liabilities, payments of debt service for long-term liabilities, and costs for restructuring including professional fees, penalties, and interest**;

j. That revolving capital fund monies shall be held in trust and used for the benefit of eligible community-based health care [**facility**] capital projects **authorized pursuant to this section**; and

§ 3. This act shall take effect immediately.