

STATE OF NEW YORK

7728--A

Cal. No. 273

2021-2022 Regular Sessions

IN ASSEMBLY

May 20, 2021

Introduced by M. of A. STERN, BRONSON, STIRPE, GRIFFIN, SANTABARBARA --
read once and referred to the Committee on Economic Development --
ordered to a third reading, amended and ordered reprinted, retaining
its place on the order of third reading

AN ACT to amend the state finance law, in relation to the excelsior
linked deposit program

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

1 Section 1. Section 213 of the state finance law is amended by adding a
2 new subdivision 25 to read as follows:

3 25. "Certified service-disabled veteran-owned business enterprise"
4 means any service-disabled veteran-owned business enterprise as provided
5 for in section three hundred sixty-nine-h of the executive law and
6 certified pursuant to section three hundred sixty-nine-i of the execu-
7 tive law.

8 § 2. Paragraphs (f) and (g) of subdivision 11 of section 213 of the
9 state finance law, paragraph (f) as added by chapter 705 of the laws of
10 1993 and paragraph (g) as added by section 1 of part HH of chapter 59 of
11 the laws of 2013, are amended and a new paragraph (h) is added to read
12 as follows:

13 (f) any service business that is independently owned and operated, is
14 not dominant in its field, employs one hundred or fewer persons on a
15 full-time basis within the state, and is seeking financing through the
16 program for a project that will result in the retention or creation of
17 permanent private sector jobs within the state, other than a business
18 that sells a service rendered at a facility personally by an individual
19 for another individual, directly, without the intervention of a third
20 party, or a professional service business such as health, legal,
21 accounting, engineering, or architectural services[-]; or

22 (g) a qualifying technology or innovation business which business
23 employs one hundred or fewer employees within the state on a full-time
24 basis and engages in:

25 (1) biotechnologies, which shall be defined as technologies involving
26 the scientific manipulation of living organisms, especially at the

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

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1 molecular and/or the sub-molecular genetic level, to produce products
2 conducive to improving the lives and health of plants, animals, and
3 humans; and the associated scientific research, pharmacological, mechan-
4 ical, and computational applications and services connected with these
5 improvements;

6 (2) information and communication technologies, equipment and systems
7 that involve advanced computer software and hardware, visualization
8 technologies, and human interface technologies;

9 (3) advanced materials and processing technologies that involve the
10 development, modification, or improvement of one or more materials or
11 methods to produce devices and structures with improved performance
12 characteristics or special functional attributes, or to activate, speed
13 up, or otherwise alter chemical, biochemical, or medical processes;

14 (4) electronic and photonic devices and components for use in produc-
15 ing electronic, optoelectronic, mechanical equipment and products of
16 electronic distribution with interactive media content;

17 (5) energy efficiency, renewable energy and environmental technolo-
18 gies, products, devices and services; or

19 (6) small scale systems integration and packaging[~~-~~]; or

20 (h) any certified service-disabled veteran-owned business enterprises
21 seeking financing necessary to carry out a procurement contract
22 with an agency or authority or other entity of the state or federal
23 government.

24 § 3. Paragraph (e) of subdivision 12 of section 213 of the state
25 finance law, as added by chapter 705 of the laws of 1993, is amended and
26 a new paragraph (f) is added to read as follows:

27 (e) for certified minority-and women-owned businesses, projects to
28 provide financing necessary to carry out a procurement contract with an
29 agency or authority or other entity of the state or federal govern-
30 ment[~~-~~]; or

31 (f) for certified service-disabled veteran-owned business enterprises,
32 projects to provide financing necessary to carry out a procurement
33 contract with an agency or authority or other entity of the state or
34 federal government.

35 § 4. Subdivision 1 of section 218 of the state finance law, as amended
36 by section 1 of part U of chapter 58 of the laws of 2012, is amended to
37 read as follows:

38 1. Linked loans made to certified businesses in empire zones or to
39 eligible businesses in highly distressed areas or to eligible businesses
40 that are defined in paragraph (b-1) of subdivision eleven of section two
41 hundred thirteen of this article that are located in a renewal community
42 or defined in paragraph (b-2) of such subdivision that are located in an
43 empowerment zone or defined in paragraph (b-3) of such subdivision that
44 are located in an enterprise community, respectively for eligible
45 projects defined in paragraph (c) of subdivision twelve of section two
46 hundred thirteen of this article or to service-disabled veteran-owned
47 business enterprises for an eligible project defined in paragraph (f) of
48 subdivision twelve of section two hundred thirteen of this article or to
49 minority- or women-owned business enterprises for an eligible project
50 defined in paragraph (e) of subdivision twelve of section two hundred
51 thirteen of this article or to a defense industry manufacturer for a
52 project defined in paragraph (d) of subdivision twelve of section two
53 hundred thirteen of this article or to an eligible business pursuant to
54 paragraph (a) of subdivision eleven of section two hundred thirteen of
55 this article that produces products defined in subdivision two of
56 section three hundred one of the agriculture and markets law for an

1 eligible project as defined in paragraph (b) of subdivision twelve of
2 section two hundred thirteen of this article shall bear interest at a
3 fixed rate equal to three percentage points below the fixed interest
4 rate the lender would have charged for the loan in the absence of a
5 linked deposit based on its usual credit considerations. All other
6 linked loans shall bear interest at a fixed rate equal to two percentage
7 points below the fixed interest rate the lender would have charged for
8 the loan in the absence of a linked deposit based on its usual credit
9 considerations. Lenders shall certify to the commissioner of economic
10 development that the rate to be charged on a linked loan is two percent-
11 age points or three percentage points, as the case may be, below the
12 interest rate the lender would have charged for the loan in the absence
13 of a linked deposit.

14 § 5. Section 220 of the state finance law, as added by section 2 of
15 part H of chapter 60 of the laws of 2011, is amended to read as follows:

16 § 220. Renewal of linked deposit. A lender may, on behalf of a borrow-
17 er, apply to the commissioner of economic development to request a
18 renewal of the linked deposit for an additional four year period to
19 correspond with a second four year period of a borrower's linked loan.
20 The commissioner may grant such application if the commissioner deter-
21 mines that the borrower, during the second four year period of the
22 linked loan, will create additional industrial modernization benefits or
23 additional export trade benefits or additional jobs. If the commissioner
24 of economic development grants such application, the commissioner shall
25 notify the authorized depositor who made the linked deposit that the
26 commissioner has determined that the application satisfies the require-
27 ments of this article and shall request the authorized depositor to
28 continue the linked deposit with the lender for an additional four year
29 period in accordance with section ninety-eight-a of this chapter and
30 with the authorized depositor's established procedures. Such linked
31 deposit shall continue to be secured in accordance with the provisions
32 of section one hundred five of this chapter. The fixed interest rate on
33 the continued linked deposit shall be the linked deposit interest rate
34 in effect on the first day of the continuation of the linked deposit.
35 The authorized depositor and the lender shall enter into a written
36 deposit agreement governing the continuation of the linked deposit. The
37 interest rate payable on the linked loan for the second four year period
38 shall be, in the case of a certified business in an economic development
39 zone or an eligible business located in an economically distressed area
40 or federal empowerment zone or enterprise or renewal community or a
41 minority or women-owned business enterprise or service-disabled veter-
42 an-owned business enterprises, three percentage points below the inter-
43 est rate the lender would have charged for the loan in effect on the
44 first day of the continuation of the linked deposit; or in the case of a
45 business not located in an economic development zone or economically
46 distressed area or federal empowerment zone or enterprise or renewal
47 community or which is not a minority or women-owned business enterprise,
48 service-disabled veteran-owned business enterprises, two percentage
49 points below the interest rate the lender would have charged for the
50 loan in the absence of a linked deposit in effect on the first day of
51 the continuation of the linked deposit.

52 § 6. This act shall take effect immediately.