STATE OF NEW YORK

7068

2021-2022 Regular Sessions

IN SENATE

May 26, 2021

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

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 Assembly, do enact as follows:

Section 1. Section 213 of the state finance law is amended by adding a new subdivision 24 to read as follows:

24. "Certified service-disabled veteran-owned business enterprise" means any service-disabled veteran-owned business enterprise as provided for in section three hundred sixty-nine-h of the executive law and certified pursuant to section three hundred sixty-nine-i of the executive law.

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

(e) for certified minority-and women-owned businesses, projects to provide financing necessary to carry out a procurement contract with an agency or authority or other entity of the state or federal government[.]**; or**

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

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

1. Linked loans made to certified businesses in empire zones or to eligible businesses in highly distressed areas or to eligible businesses that are defined in paragraph (b-1) of subdivision eleven of section two hundred thirteen of this article that are located in a renewal community

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

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or defined in paragraph (b-2) of such subdivision that are located in an empowerment zone or defined in paragraph (b-3) of such subdivision that are located in an enterprise community, respectively for eligible projects defined in paragraph (c) of subdivision twelve of section two hundred thirteen of this article **or to service-disabled veteran-owned business enterprises for an eligible project defined in paragraph (f) of subdivision twelve of section two hundred thirteen of this article** or to minority- or women-owned business enterprises for an eligible project defined in paragraph (e) of subdivision twelve of section two hundred thirteen of this article or to a defense industry manufacturer for a project defined in paragraph (d) of subdivision twelve of section two hundred thirteen of this article or to an eligible business pursuant to paragraph (a) of subdivision eleven of section two hundred thirteen of this article that produces products defined in subdivision two of section three hundred one of the agriculture and markets law for an eligible project as defined in paragraph (b) of subdivision twelve of section two hundred thirteen of this article shall bear interest at a fixed rate equal to three percentage points below the fixed interest rate the lender would have charged for the loan in the absence of a linked deposit based on its usual credit considerations. All other linked loans shall bear interest at a fixed rate equal to two percentage points below the fixed interest rate the lender would have charged for the loan in the absence of a linked deposit based on its usual credit considerations. Lenders shall certify to the commissioner of economic development that the rate to be charged on a linked loan is two percentage points or three percentage points, as the case may be, below the interest rate the lender would have charged for the loan in the absence of a linked deposit.

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

§ 220. Renewal of linked deposit. A lender may, on behalf of a borrower, apply to the commissioner of economic development to request a renewal of the linked deposit for an additional four year period to correspond with a second four year period of a borrower's linked loan. The commissioner may grant such application if the commissioner determines that the borrower, during the second four year period of the linked loan, will create additional industrial modernization benefits or additional export trade benefits or additional jobs. If the commissioner of economic development grants such application, the commissioner shall notify the authorized depositor who made the linked deposit that the commissioner has determined that the application satisfies the requirements of this article and shall request the authorized depositor to continue the linked deposit with the lender for an additional four year period in accordance with section ninety-eight-a of this chapter and with the authorized depositor's established procedures. Such linked deposit shall continue to be secured in accordance with the provisions of section one hundred five of this chapter. The fixed interest rate on the continued linked deposit shall be the linked deposit interest rate in effect on the first day of the continuation of the linked deposit. The authorized depositor and the lender shall enter into a written deposit agreement governing the continuation of the linked deposit. The interest rate payable on the linked loan for the second four year period shall be, in the case of a certified business in an economic development zone or an eligible business located in an economically distressed area or federal empowerment zone or enterprise or renewal community or a minority or women-owned business enterprise **or service-disabled veter-**

an-owned business enterprises, three percentage points below the interest rate the lender would have charged for the loan in effect on the first day of the continuation of the linked deposit; or in the case of a business not located in an economic development zone or economically distressed area or federal empowerment zone or enterprise or renewal community or which is not a minority or women-owned business enterprise, service-disabled veteran-owned business enterprises, two percentage points below the interest rate the lender would have charged for the loan in the absence of a linked deposit in effect on the first day of the continuation of the linked deposit.

§ 5. This act shall take effect immediately.