STATE OF NEW YORK

10025

IN ASSEMBLY

May 1, 2024

Introduced by M. of A. ALVAREZ -- read once and referred to the Committee on Governmental Operations

AN ACT directing the comptroller and the commissioner of taxation and finance to undertake a study on the feasibility of establishing a venture capital program within the common retirement fund and a venture capital tax credit to ensure equitable access to investment opportunities, and foster the growth of emerging diverse founding member businesses

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

Section 1. The comptroller and the commissioner of the department of taxation and finance shall jointly undertake a study on the feasibility of a venture capital program within the common retirement fund and a venture capital tax credit, for investments in emerging diverse founding member businesses, and evaluate and make recommendations to ensure equitable access to investment opportunities, promote diversity and inclusion in investment opportunities and foster the growth of diverse founding member businesses within the state.

§ 2. The comptroller and the commissioner of the department of taxation and finance shall study the feasibility of a venture capital program within the common retirement fund for the purpose of investing in partnerships, corporations, trusts or limited liability companies organized on a for-profit basis that enter into agreements to invest the moneys of the common retirement fund in qualified businesses as defined in this act.

§ 3. The study required by this act shall develop criteria for a venture capital tax credit for investments made to a qualifying organization which shall include, at a minimum, the following:

1. (a) A qualified organization shall have at least one diverse founding team member who: (i) owned initial shares or similar ownership interests of the business; (ii) contributed to the concept of, research for, development of, or work performed by the business before initial shares were issued; and (iii) was not a passive investor in the business; or

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

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(b) who has been designated as the chief executive officer, president, chief financial officer, or manager of a business, or who has been designated with a role with a similar level of authority as any of those positions.

A "diverse founding team member" shall mean a person who self-identifies as a woman, non-binary, Black, African American, Hispanic, Latino-Latina, Asian, Pacific Islander, Native American, Native Hawaiian, Alaskan Native, disabled, veteran or disabled veteran, lesbian, gay, bisexual, transgender, or queer.

2. Qualified investments made by firms shall not be subject to limitation, and firms may deduct qualified investments of up to 100 percent of their taxable income.

3. The venture capital tax credit shall be a dollar-for-dollar tax credit for investments made to a qualifying organization.

§ 4. A report on the study conducted pursuant to this act, along with such legislative proposals deemed necessary to implement its recommendations, shall be submitted to the governor and the legislature within one year of the effective date of this act.

§ 5. This act shall take effect immediately.