

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:

1 Section 1. The comptroller and the commissioner of the department of
2 taxation and finance shall jointly undertake a study on the feasibility
3 of a venture capital program within the common retirement fund and a
4 venture capital tax credit, for investments in emerging diverse founding
5 member businesses, and evaluate and make recommendations to ensure equi-
6 table access to investment opportunities, promote diversity and inclu-
7 sion in investment opportunities and foster the growth of diverse found-
8 ing member businesses within the state.

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

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

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

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

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

5 A "diverse founding team member" shall mean a person who self-identi-
6 fies as a woman, non-binary, Black, African American, Hispanic, Latino-
7 Latina, Asian, Pacific Islander, Native American, Native Hawaiian, Alas-
8 kan Native, disabled, veteran or disabled veteran, lesbian, gay,
9 bisexual, transgender, or queer.

10 2. Qualified investments made by firms shall not be subject to limita-
11 tion, and firms may deduct qualified investments of up to 100 percent of
12 their taxable income.

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

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

19 § 5. This act shall take effect immediately.