

# STATE OF NEW YORK

8570

2025-2026 Regular Sessions

## IN ASSEMBLY

May 20, 2025

Introduced by M. of A. BRAUNSTEIN -- read once and referred to the  
Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act, in  
relation to establishing a procedure for appointing a president or  
chairperson upon a vacancy of such position and correcting certain  
gendered language

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

1 Section 1. Section 4 of section 1 of chapter 174 of the laws of 1968,  
2 constituting the New York state urban development corporation act,  
3 subdivisions 1, 1-a and 3 as amended by chapter 280 of the laws of 1984  
4 and as further amended by section 104 of part A of chapter 62 of the  
5 laws of 2011, subdivision 2 as amended by chapter 55 of the laws of  
6 1992, subdivision 3-a as added by chapter 61 of the laws of 1975, and  
7 subdivisions 7 and 8 as amended by chapter 823 of the laws of 2022, is  
8 amended to read as follows:  
9 § 4. New York state urban development corporation. (1) There is hereby  
10 created the New York state urban development corporation. The corpo-  
11 ration shall be a corporate governmental agency of the state, constitut-  
12 ing a political subdivision and public benefit corporation. Its member-  
13 ship shall consist of nine directors as follows: the superintendent of  
14 financial services, the [~~chairman~~] chairperson of the New York state  
15 science and technology foundation, and seven directors to be appointed  
16 by the governor with the advice and consent of the senate. From the  
17 seven directors appointed by [~~him~~] the governor, the governor shall  
18 designate the [~~chairman~~] chairperson of the corporation and two others  
19 who shall all serve at the pleasure of the governor. Of the four remain-  
20 ing directors, one of such directors first appointed by the governor  
21 after the effective date of this subdivision as amended shall serve for  
22 a term ending January first next succeeding [~~his~~] such appointment, one  
23 of such directors shall serve for a term ending one year from such date,  
24 one of such directors shall serve for a term ending two years from such  
25 date, and one of such directors shall serve for a term ending three  
26 years from such date. Their successors shall serve for terms of four

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

LBD08763-03-5

1 years each. Directors shall continue in office until their successors  
2 have been appointed and qualified. In the event of a vacancy occurring  
3 in the office of a director by death, resignation or otherwise, the  
4 governor shall appoint a successor with the advice and consent of the  
5 senate to serve for the balance of the unexpired term. The governor  
6 shall appoint the president of the corporation, with the advice and  
7 consent of the senate, who shall be the chief executive officer of the  
8 corporation and who shall serve at the pleasure of the governor. Such  
9 president may be one of the directors appointed by the governor. In the  
10 event of a vacancy occurring in the office of the president or the  
11 chairperson by death, resignation or otherwise, the governor shall  
12 appoint a successor with the advice and consent of the senate to serve  
13 for the balance of the unexpired term. The governor may designate an  
14 acting president or chairperson for a period not to exceed six months or  
15 until a successor has been confirmed by the senate, whichever comes  
16 first.

17 (1-a) The superintendent of financial services and the [~~chairman~~]  
18 chairperson of the New York state science and technology foundation each  
19 may designate a person from [~~his~~] their department to represent [~~him~~]  
20 them at all meetings of the corporation from which such director may be  
21 absent. Any representative so designated shall have the power to attend  
22 and to vote at any meeting of the corporation from which the director so  
23 designating [~~him~~] them is absent, with the same force and effect as if  
24 the director designating [~~him~~] them were present and voting. Such desig-  
25 nation shall be by written notice filed with the [~~chairman~~] chairperson  
26 of the corporation by the director making the designation. The desig-  
27 nation of each such person shall continue until revoked at any time by  
28 written notice to the [~~chairman~~] chairperson by the director making the  
29 designation. Such designation shall not limit the power of the director  
30 making the designation to attend and vote in person at any meeting of  
31 the corporation.

32 (2) The directors, other than the [~~chairman~~] chairperson, shall serve  
33 without salary or other compensation, but each director, including the  
34 [~~chairman~~] chairperson, shall be entitled to reimbursement for actual  
35 and necessary expenses incurred in the performance of [~~his or her~~] their  
36 official duties. Anything to the contrary contained herein notwithstand-  
37 ing, the president of the corporation, whether or not [~~he or she~~] such  
38 president is a director, and the [~~chairman~~] chairperson if [~~he or she~~]  
39 such chairperson is not the president shall be entitled to receive such  
40 salary as the directors may determine for their services as chief execu-  
41 tive officer and [~~chairman~~] chairperson respectively.

42 (3) Such directors other than the superintendent of financial  
43 services, the [~~chairman~~] chairperson of the New York state science and  
44 technology foundation, and any director who serves as president of the  
45 corporation may engage in private employment, or in a profession or  
46 business. The corporation, its directors, officers and employees shall  
47 be subject to the provisions of sections seventy-three and seventy-four  
48 of the public officers law.

49 (3-a) The state shall save harmless and indemnify any person who shall  
50 have served as a director, officer or employee of the corporation  
51 against financial loss or litigation expense arising in connection with  
52 any claim, demand, suit or judgment, or the defense thereof, based on a  
53 cause of action, whenever accrued, involving allegations that pecuniary  
54 harm was sustained by any person as a result of any transaction of the  
55 corporation taking place on or after the effective date of the New York  
56 state project finance agency act. In the event any such claim, demand,

1 suit or judgment shall occur, a director, officer or employee of the  
2 corporation shall be saved harmless and indemnified by the state under  
3 this subdivision unless such individual is found by a final judicial  
4 determination not to have acted in good faith, for a purpose which [~~he~~]  
5 ~~they~~ reasonably believed to be in the best interests of the corporation  
6 or not to have had reasonable cause to believe that [~~his~~] ~~their~~ conduct  
7 was lawful. In any suit described in the first sentence of this subdivi-  
8 sion, any director, officer or employee made a party defendant to such  
9 suit shall be entitled to be represented by private counsel of [~~his~~]  
10 ~~their~~ choice; provided, however, that the attorney general is author-  
11 ized, as a condition to indemnification of the fees and expenses of such  
12 representation, to require that appropriate groups of such individuals  
13 be represented by the same counsel; and provided further, that with the  
14 approval of the attorney general or of a court (obtained by application  
15 substantially as provided in section seven hundred twenty-five of the  
16 business corporation law), indemnification for such fees and expenses  
17 shall be paid from time to time during the pendency of such suit. The  
18 provisions of this subdivision shall be in addition to and shall not  
19 supplant any indemnification or other benefits heretofore or hereafter  
20 conferred upon directors, officers and employees of the corporation by  
21 section seventeen of the public officers law, by action of the corpo-  
22 ration, or otherwise. The provisions of this subdivision shall inure  
23 only to directors, officers and employees of the corporation, shall not  
24 enlarge or diminish the rights of any other party, and shall not impair,  
25 limit or modify the rights and obligations of any insurer under any  
26 policy of insurance.

27 (4) The directors of the corporation shall serve ex officio as direc-  
28 tors of the corporation for urban development and research of New York,  
29 created by the New York state urban development and research corporation  
30 act, and of the urban development guarantee fund of New York, created by  
31 the urban development guarantee fund of New York act. The [~~chairman~~]  
32 ~~chairperson~~ of the corporation shall serve as [~~chairman~~] ~~chairperson~~ of  
33 the corporation for urban development and research of New York and of  
34 the urban development guarantee fund of New York.

35 (5) Notwithstanding any inconsistent provisions of law, general,  
36 special or local, no officer or employee of the state or of any civil  
37 division thereof, shall be deemed to have forfeited or shall forfeit  
38 [~~his~~] ~~their~~ office or employment by reason of [~~his~~] ~~their~~ acceptance of  
39 membership on the corporation created by this section; provided, howev-  
40 er, a director who holds such other public office or employment shall  
41 receive no additional compensation or allowance for services rendered  
42 pursuant to this act, but shall be entitled to reimbursement for [~~his~~]  
43 ~~their~~ actual and necessary expenses incurred in the performance of such  
44 services.

45 (6) The governor shall appoint a business advisory council for urban  
46 development, to advise and make recommendations to the corporation with  
47 respect to development policies and programs and to encourage maximum  
48 participation in projects of the corporation by the private sector of  
49 the economy, including members of the council and firms and corporations  
50 with which they are [~~affiliated~~] ~~affiliated~~. Such council shall consist  
51 of not more than twenty-five members, who shall serve at the pleasure of  
52 the governor, and who shall be broadly representative of commerce and  
53 industry, the financial community and the construction and housing  
54 industries. Such members shall serve without salary, but shall be enti-  
55 tled to reimbursement for their actual and necessary expenses incurred  
56 in the performance of their duties.

1 (7) The corporation shall establish one or more community advisory  
2 committees to consider and advise the corporation upon matters submitted  
3 to them by the corporation concerning the development of any area or any  
4 project, and may establish rules and regulations with respect to such  
5 committees. The corporation or its successor shall publish and maintain  
6 a list of all community advisory committee members, and community advi-  
7 sory committee meeting agendas, materials, and minutes on its website.  
8 Meeting agendas and materials shall be posted on such website at least  
9 one business day in advance of community advisory committee meetings.  
10 All upcoming meeting times and locations shall be posted on such website  
11 at least one week in advance. Community advisory committee meetings  
12 shall be accessible for the public to view and attend live. The members  
13 of such community advisory committees shall serve, at the pleasure of  
14 the corporation, without salary, but shall be entitled to reimbursement  
15 for their actual and necessary expenses incurred in the performance of  
16 their duties. Notwithstanding any inconsistent provision of law, gener-  
17 al, special or local, no officer or employee of the state or of any  
18 civil division thereof, shall be deemed to have forfeited or shall  
19 forfeit [~~his or her~~] their office or employment by reason of [~~his or~~  
20 ~~her~~] their acceptance of membership on such community advisory commit-  
21 tee.

22 (8) The governor may remove any director appointed by [~~him or her~~]  
23 them for inefficiency, neglect of duty or misconduct in office after  
24 giving [~~him or her~~] such director a copy of the charges against [~~him or~~  
25 ~~her~~] them, and an opportunity to be heard, in person or by counsel, in  
26 [~~his or her~~] their defense, upon not less than ten days' notice. If any  
27 such director shall be removed, the governor shall file in the office of  
28 the department of state a complete statement of charges made against  
29 such director and [~~his or her~~] the governor's findings thereon, together  
30 with a complete record of the proceeding. The foregoing provisions shall  
31 not apply in the case of the chairperson and any other director who  
32 serves at the pleasure of the governor.

33 (9) The corporation and its corporate existence shall continue until  
34 terminated by law, provided, however, that no such law shall take effect  
35 so long as the corporation shall have bonds, notes and other obligations  
36 outstanding, unless adequate provision has been made for the payment  
37 thereof in the documents securing the same. Upon termination of the  
38 existence of the corporation, all its rights and properties shall pass  
39 to and be vested in the state.

40 (10) A majority of the directors of the corporation then in office  
41 shall constitute a quorum for the transaction of any business or the  
42 exercise of any power or function of the corporation, except as other-  
43 wise provided in subdivision two of section sixteen[~~, subdivision two,~~  
44 ~~hereof~~] of this act. The corporation may delegate to one or more of its  
45 directors, or its officers, agents and employees, such powers and duties  
46 as it may deem proper.

47 (11) The corporation shall take affirmative action in working with  
48 construction firms, contractors and subcontractors, labor unions and  
49 manufacturing and industrial firms, to the end that residents of areas  
50 in which projects are to be located shall be afforded participation in  
51 the construction work on projects of the corporation, and in the busi-  
52 ness operations of tenants and occupants of industrial projects under-  
53 taken by the corporation.

54 § 2. This act shall take effect immediately.