

STATE OF NEW YORK

9292--A

2025-2026 Regular Sessions

IN ASSEMBLY

December 10, 2025

Introduced by M. of A. SOLAGES -- read once and referred to the Committee on Local Governments -- recommitted to the Committee on Local Governments in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general municipal law, in relation to the powers of industrial development agencies and certain loans and grants to eligible entities

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

1 Section 1. Subdivision 17 of section 858 of the general municipal law,
2 as renumbered by chapter 356 of the laws of 1993, is renumbered subdivi-
3 sion 19 and two new subdivisions 17 and 18 are added to read as follows:

4 (17) To provide loans in accordance with section eight hundred fifty-
5 nine-c of this article, to any eligible entity as defined in paragraph a
6 of subdivision one of section eight hundred fifty-nine-c of this title,
7 provided such loan is memorialized in an appropriate loan agreement and
8 further provided that the loan proceeds are used in furtherance of the
9 agency's corporate purposes;

10 (18) To provide grants to any eligible entity as defined in paragraph
11 a of subdivision one of section eight hundred fifty-nine-c of this
12 title, provided said grant is memorialized in an appropriate grant
13 agreement stipulating the services to be provided in furtherance of the
14 agency's corporate purposes, to be provided in a manner consistent with
15 uniform criteria, as defined in subdivision two of section eight hundred
16 fifty-nine-c of this title, said uniform criteria to be established for
17 the evaluation and selection of eligible entities;

18 § 2. The general municipal law is amended by adding a new section
19 859-c to read as follows:

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

LBD08490-02-6

1 § 859-c. Uniform criteria for evaluation and selection of eligible
2 entities for loans. 1. For the purposes of this section, the following
3 terms shall have the following meanings:

4 (a) "eligible entity" shall mean a small business or not-for-profit
5 with not more than fifty full-time or equivalent employees that is phys-
6 ically located in the jurisdiction of the applicable agency.

7 (b) "small business" means a business with not more than fifty full-
8 time or equivalent employees.

9 (c) "equivalent full-time employee" shall mean any combination of two
10 or more part-time jobs that, when combined together, constitute the
11 equivalent of a job of at least 35 hours per week.

12 2. (a) An agency shall develop, and adopt by resolution, uniform
13 criteria for the evaluation and selection of an eligible entity for a
14 grant or loan through the funding program, such criteria may include,
15 but is not limited to, whether the eligible entity:

16 (i) is a financially viable entity;

17 (ii) conducts business in the area served by the agency;

18 (iii) is creditworthy; and

19 (iv) has a proposed plan to use the funds received through this
20 program for qualified projects as determined by the agency, for purposes
21 including but not limited to capital improvement and business expansion.

22 (b) Any industrial development agencies that serve within the same
23 municipalities shall coordinate the distribution of funds to a single
24 entity.

25 (c) No eligible entity may receive a grant or loan from more than one
26 agency per project.

27 (d) An outstanding loan must be paid back in full prior to an agency
28 issuing an additional loan agreement to the same eligible entity.

29 3. Prior to administering a grant or loan program, an agency shall
30 develop, and adopt by resolution, the terms and conditions of such
31 loans, provided that:

32 (a) the amount of any funding for a single project provided pursuant
33 to this section shall not exceed one hundred thousand dollars, and
34 further provided that the total amount of all funds received by an
35 eligible entity shall not exceed one hundred thousand dollars within a
36 ten-year period.

37 (b) each agency shall develop policies for the return of all or part
38 of a grant or loan due to changes in eligibility or material shortfalls
39 related to the project.

40 4. Each agency shall maintain records related to the grants and loan
41 program, including a record of the number of grants and loans issued and
42 of payments received, the number of loans fully repaid, any outstanding
43 loans, defaults and bad debts, and include such information in the annu-
44 al report required by section twenty-eight hundred of the public author-
45 ities law.

46 5. Any interest deferred or not charged related to a loan issued
47 pursuant the loan program shall be exempt from all state taxes that may
48 be applicable to such interest amounts as such taxes relate to an eligi-
49 ble entity. Agencies shall disclose to eligible entity borrowers in loan
50 documents that there may be federal tax consequences to the program
51 loans.

52 § 3. This act shall take effect immediately.