STATE OF NEW YORK

3837

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. JONES -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law, in relation to establishing a state disaster emergency grant and loan program

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

Section 1. Subdivisions 16 and 17 of section 858 of the general municipal law, as renumbered by chapter 356 of the laws of 1993 are renumbered subdivisions 18 and 19 and two new subdivisions 16 and 17 are added to read as follows:

(16) To provide loans to small businesses as authorized in section eight hundred fifty-nine-c of this title;

(17) To provide grants to small businesses, as defined in paragraph (b) of subdivision one of section eight hundred fifty-nine-c of this title, for the purpose of addressing qualified business losses, as defined in paragraph (e) of subdivision one of section eight hundred fifty-nine-c of this title, resulting from a state or local emergency, as defined in paragraph (c) of subdivision one of section eight hundred fifty-nine-c of this title, to be provided in a manner consistent with uniform criteria, as defined in subdivision three of section eight hundred fifty-nine-c of this title, said uniform criteria to be established for the evaluation and selection of eligible entities, as defined in paragraph (a) of subdivision one of section eight hundred fifty-nine-c of this title;

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

§ 859-c. Disaster emergency loan program. 1. For purposes of this section:

(a) "eligible entity" shall mean a small business that:

(i) is physically located in the jurisdiction of the applicable agency; and

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

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(ii) was operational prior to, and during, to the extent possible, the state or local emergency.

(b) "small business" means a business with not more than fifty employees.

(c) "state or local emergency" means the period beginning with (i) a declaration by the governor pursuant to section twenty-eight of the executive law, that a disaster has occurred in New York state, or (ii) a proclamation by the chief executive, as defined in paragraph f of subdivision two of section twenty of the executive law, of any county, that a local state of emergency has occurred, and with respect to either of the foregoing, said period ending on the termination thereof.

(d) "disaster emergency loan program" means a loan program to be administered by an agency in relation to a state or local emergency.

(e) "qualified business losses" are defined as:

(i) damage to a business's interior or exterior structure, caused by a state or local emergency;

(ii) losses of inventory caused by a state or local emergency, including:

(1) shipping delays; and

(2) expiration of perishable goods due to power outages caused by the state or local emergency or forced closure due to the state or local emergency; and

(iii) loss of revenue due to impacts of the state or local emergency.

2. Any agency may administer a disaster emergency loan program to provide loans from available revenue to such an eligible entity as defined in subdivision one of this section.

3. (a) An agency shall develop, and adopt by resolution, uniform criteria for the evaluation and selection of an eligible entity for a loan through the disaster emergency loan program, such criteria may include, but is not limited to, whether the eligible entity:

(i) was a financially viable entity prior to the state or local emergency;

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

(iii) has been negatively impacted by the state or local emergency;

(iv) was creditworthy prior to the state or local emergency;

(v) has a proposed plan to use the funds received through this program; and

(vi) will undertake efforts to retain jobs during and/or after the state or local emergency.

(b) No applicant shall be permitted to receive loans from more than one agency per each such state or local emergency.

(c) Any agencies that serve within the same municipalities shall coordinate the distribution of loans in the disaster emergency loan program.

4. Prior to administering a disaster emergency loan program, an agency shall develop, and adopt by resolution, the terms and conditions of such loans, provided that the amount of any loan provided pursuant to this section shall not exceed twenty-five thousand dollars, and further provided that the total amount of all loans received by an eligible entity shall not exceed twenty-five thousand dollars.

5. Each agency shall maintain records related to the disaster emergency loan program, including a record of the number of loans issued and of payments received, the number of loans fully repaid, any outstanding loans, defaults and bad debts, and include such information in the annual report required by section twenty-eight hundred of the public authorities law.

6. Any interest deferred or not charged related to a loan issued pursuant the disaster emergency loan program shall be exempt from all state taxes that may be applicable to such interest amounts as they relate to an eligible entity. Agencies shall disclose to eligible entity borrowers in loan documents that there may be federal tax consequences to the program loans.

7. No new loan applications pursuant to this section shall be accepted for qualified business losses that occur after the state or local emergency ends and any such loan application so submitted for qualified business losses must be submitted within thirty days of the end of a state or local emergency.

§ 3. This act shall take effect immediately.