

STATE OF NEW YORK

4724

2025-2026 Regular Sessions

IN ASSEMBLY

February 5, 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 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:

20 § 859-c. Uniform criteria for evaluation and selection of eligible
21 entities for loans. 1. For the purposes of this section, the following
22 terms shall have the following meanings:

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

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1 (a) "eligible entity" shall mean a small business or not-for-profit
2 with not more than fifty employees that is physically located in the
3 jurisdiction of the applicable agency.

4 (b) "small business" means a business with not more than fifty employ-
5 ees.

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

10 (i) is a financially viable entity;

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

12 (iii) is creditworthy;

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

15 (v) will undertake efforts to retain jobs.

16 (b) Any agencies that serve within the same municipalities shall coor-
17 minate the distribution of funds to a single entity.

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

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

22 2. Prior to administering a loan program, an agency shall develop, and
23 adopt by resolution, the terms and conditions of such loans, provided
24 that the amount of any funding provided pursuant to this section shall
25 not exceed twenty-five thousand dollars, and further provided that the
26 total amount of all funds received by an eligible entity shall not
27 exceed twenty-five thousand dollars.

28 3. Each agency shall maintain records related to the loan program,
29 including a record of the number of loans issued and of payments
30 received, the number of loans fully repaid, any outstanding loans,
31 defaults and bad debts, and include such information in the annual
32 report required by section twenty-eight hundred of the public authori-
33 ties law.

34 4. Any interest deferred or not charged related to a loan issued
35 pursuant the loan program shall be exempt from all state taxes that may
36 be applicable to such interest amounts as such taxes relate to an eligi-
37 ble entity. Agencies shall disclose to eligible entity borrowers in loan
38 documents that there may be federal tax consequences to the program
39 loans.

40 § 3. This act shall take effect immediately.