

# STATE OF NEW YORK

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4576

2025-2026 Regular Sessions

## IN SENATE

February 7, 2025

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Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed 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 Assembly, 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

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

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

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

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

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

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

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

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

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

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

1 tled to reimbursement for their actual and necessary expenses incurred  
2 in the performance of their duties.

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

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

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

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

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

56 § 2. This act shall take effect immediately.