

STATE OF NEW YORK

4576--A

Cal. No. 600

2025-2026 Regular Sessions

IN SENATE

February 7, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

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

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

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

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

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

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

55 (3-a) The state shall save harmless and indemnify any person who shall
56 have served as a director, officer or employee of the corporation

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

33 (4) The directors of the corporation shall serve ex officio as direc-
34 tors of the corporation for urban development and research of New York,
35 created by the New York state urban development and research corporation
36 act, and of the urban development guarantee fund of New York, created by
37 the urban development guarantee fund of New York act. The [~~chairman~~]
38 ~~chairperson~~ of the corporation shall serve as [~~chairman~~] ~~chairperson~~ of
39 the corporation for urban development and research of New York and of
40 the urban development guarantee fund of New York.

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

51 (6) The governor shall appoint a business advisory council for urban
52 development, to advise and make recommendations to the corporation with
53 respect to development policies and programs and to encourage maximum
54 participation in projects of the corporation by the private sector of
55 the economy, including members of the council and firms and corporations
56 with which they are [~~affiliated~~] ~~affiliated~~. Such council shall consist

1 of not more than twenty-five members, who shall serve at the pleasure of
2 the governor, and who shall be broadly representative of commerce and
3 industry, the financial community and the construction and housing
4 industries. Such members shall serve without salary, but shall be enti-
5 tled to reimbursement for their actual and necessary expenses incurred
6 in the performance of their duties.

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

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

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

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

53 (11) The corporation shall take affirmative action in working with
54 construction firms, contractors and subcontractors, labor unions and
55 manufacturing and industrial firms, to the end that residents of areas
56 in which projects are to be located shall be afforded participation in

1 the construction work on projects of the corporation, and in the busi-
2 ness operations of tenants and occupants of industrial projects under-
3 taken by the corporation.
4 § 2. This act shall take effect immediately.