

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend the state finance law, in relation to creating
the COVID-19 extraordinary relief fund (Part __);

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

1 PART __

2 Section 1. The state finance law is amended by adding a new section
3 93-c to read as follows:

4 § 93-c. COVID-19 extraordinary relief fund. 1. COVID-19 extraordinary
5 relief fund. There is hereby established in the joint custody of the
6 state comptroller and the commissioner of taxation and finance a special
7 fund to be known as the COVID-19 extraordinary relief fund (hereinafter
8 the "fund"). Moneys in the fund shall be kept separate and not commin-
9 gled with any other moneys in the custody of the comptroller.

10 2. Sources of funds. (a) The fund shall consist of all moneys credit-
11 ed, appropriated or transferred thereto from any other fund or source
12 pursuant to law. Additionally, the fund shall consist of all revenues
13 derived from any chapter of law enacted during the period April first,
14 two thousand twenty-one through March thirty-first, two thousand twen-
15 ty-two which:

16 (i) impose a new tax;

17 (ii) impose an increased rate of tax; and/or

18 (iii) diminish or eliminate any tax deduction or credit in effect as
19 of March thirty-first, two thousand twenty-one.

1 (b) Any interest received by the comptroller on moneys on deposit in
2 the fund shall be retained and become part of the fund, unless otherwise
3 directed by law.

4 (c) The director of the division of the budget shall notify the chair
5 of the committee on ways and means and the chair of the senate finance
6 committee of the receipt of any monies for deposit to the fund within
7 fifteen days following the receipt of any such funds.

8 3. Expenditures from the fund. (a) Moneys in the fund shall, pursuant
9 to a duly enacted appropriation, be made as loans or grants to school
10 districts, local governments, for profit and not-for-profit corporate
11 entities, and/or public benefit corporations to support the necessary
12 and urgent expenses related to resolving extraordinary hardships of the
13 COVID-19 public health emergency.

14 (b) Any payments from the fund pursuant to this subdivision must be
15 made pursuant to a plan approved by the director of the division of the
16 budget. Any such plan shall be filed with the chair of the committee on
17 ways and means and the chair of the senate finance committee no fewer
18 than thirty days prior to the expenditure of such funds.

19 4. Transfers to the general fund. (a) Notwithstanding any other
20 provisions of law to the contrary, for the state fiscal year commencing
21 on April first, two thousand twenty-one, the comptroller is hereby
22 authorized to transfer monies from the fund to the general fund in the
23 event of an economic downturn as described herein. For purposes of this
24 section, the commissioner of labor shall calculate and publish, on or
25 before the fifteenth day of each month, a composite index of business
26 cycle indicators. Such index shall be calculated using monthly data on
27 New York state employment, total manufacturing hours worked, and unem-
28 ployment prepared by the department of labor or its successor agency,

1 and total sales tax collected net of law changes, prepared by the
2 department of taxation and finance or its successor agency. Such index
3 shall be constructed in accordance with the procedures for calculating
4 composite indexes issued by the conference board or its successor organ-
5 ization and adjusted for seasonal variations in accordance with the
6 procedures issued by the census bureau of the United States department
7 of commerce or its successor agency. If the composite index declines for
8 five consecutive months, the commissioner of labor shall notify the
9 governor, the speaker of the assembly, the temporary president of the
10 senate, and the minority leaders of the assembly and the senate. Upon
11 such notification, the director of the budget may authorize and direct
12 the comptroller to transfer from the fund to the general fund such
13 amounts as the director of the budget deems necessary to meet the
14 requirements of the state financial plan. The authority to transfer
15 funds under the provisions of this paragraph shall lapse when the
16 composite index shall have increased for five consecutive months or
17 twelve months from the original notification of the commissioner of
18 labor, whichever occurs earlier. Provided, however, that for every addi-
19 tional and consecutive monthly decline succeeding the five months
20 decline so noted by the commissioner of labor, the twelve-month lapse
21 date shall be extended by one additional month.

22 (b) Prior to authorizing any transfer of funds from the fund to the
23 general fund in accordance with this section, the director of the budget
24 shall notify the speaker of the assembly, the temporary president of the
25 senate, and the minority leaders of the assembly and the senate of such
26 transfer and shall specify the reasons for and amount of such transfer.

27 § 2. This act shall take effect immediately.