



Legislation Text

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Int. No. 1450

By Council Members Brannan, Levin, Holden, Rosenthal, Kallos and Yeger

A Local Law to amend the administrative code of the city of New York, in relation to interest to be paid on late contract payments to non-profit contractors

Be it enacted by the Council as follows:

Section 1. Chapter 1 of title 6 of the administrative code of the city of New York is amended by adding a new section 6-143 to read as follows:

§ 6-143 Interest Payments. a. Definitions. For purposes of this section, the following terms have the following meanings:

Contracting agency. The term “contracting agency” means a city, county, borough, or other office, position, administration, department, division, bureau, board or commission, or a corporation, institution or agency of government, the expenses of which are paid in whole or in part from the city treasury.

Non-profit contractor. The term “non-profit contractor” means a non-profit organization that is a party to a contract with a contracting agency that was awarded after the effective date of the local law that added this section.

b. A non-profit contractor shall be entitled to interest payments on the amount of money due to be paid to such non-profit contractor under the terms of the contract with the contracting agency, calculated from the date such amount was scheduled to be paid, as specified in such contract until the date such amount is actually paid.

c. The applicable interest rate for such interest payments shall be the rate set by the commissioner of taxation and finance for corporate taxes pursuant to paragraph (1) of subsection (e) of section 1096 of the tax

law.

d. If any interest payment required pursuant to this section is made from amounts appropriated for program purposes such that it reduces the amount available to be spent on the program, the contracting agency shall notify the council in writing of the amount of such reduction and the reason why other funding could not be used for such interest payment.

e. A non-profit contractor shall not be eligible to receive an interest payment pursuant to this section if such non-profit contractor has received an interest-free and service fee-free loan issued or authorized by any agency to cover the expenses of the non-profit contractor in relation to the subject contract.

f. The interest payment shall not reduce the amount of money otherwise payable to the non-profit contractor under the terms of the relevant contract.

§ 2. This local law takes effect 60 days after it becomes law.

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