



Thursday, March 6, 2008

## Bill Summary - A08703

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### A08703 Summary:

BILL NO A08703

SAME AS No same as

SPONSOR Hoyt

COSPNSR John, Brodsky, Magnarelli, Nolan, Cahill, Weprin, Gottfried, Arroyo, Latimer, Schroeder, Peoples, Morelle, Gunther, DelMonte, Lancman, Fields, Rivera P, Espaillat, Millman, Jeffries, O'Donnell, Maisel, Boyland, Bradley, Stirpe, Englebright, Kavanagh, Kellner, Rabbitt, Colton, Rosenthal, Paulin, Sweeney

MLTSPNSR Benjamin, Calhoun, Camara, Galef, Gianaris, Giglio, Heastie, Koon, Pheffer, Ramos, Reilly, Spano, Towns, Walker, Weisenberg, Zebrowski K

Amd Gen Muni L, generally; amd SS100 & 183, Ec Dev L; amd S220, Lab L; amd SS1963-a & 2315, Pub Auth L; amd S8, Chap 44 of 1997

Relates to the function of industrial development agencies; relates to the application and community impact report, financial assistance agreements, wages and standards, displaced worker protection, complaints and appeals, and reports by recipients; makes certain provisions of law permanent.

### A08703 Actions:

BILL NO A08703

05/29/2007 referred to local governments  
 06/05/2007 reported referred to ways and means  
 06/12/2007 reported referred to rules  
 06/13/2007 reported  
 06/13/2007 rules report cal.287  
 06/13/2007 ordered to third reading rules cal.287  
 06/18/2007 passed assembly  
 06/18/2007 delivered to senate  
 06/18/2007 REFERRED TO RULES  
 01/09/2008 DIED IN SENATE  
 01/09/2008 RETURNED TO ASSEMBLY  
 01/09/2008 ordered to third reading cal.606  
 01/23/2008 passed assembly  
 01/23/2008 delivered to senate  
 01/23/2008 REFERRED TO LOCAL GOVERNMENT

**A08703 Votes:**

BILL: A08703 DATE: 01/23/2008 MOTION:

YEA/NAY: 108/034

Abbate	Y	Cahill	Y	Errigo	NO	Hooper	Y	Magnare	Y	Pheffer	Y	Spano	Y
Alessi	Y	Calhoun	Y	Espail	Y	Hoyt	Y	Maisel	Y	Powell	NO	Stirpe	Y
Alfano	ER	Camara	ER	Farrell	Y	Hyer-Sp	Y	Markey	Y	Pretlow	Y	Sweeney	Y
Amedore	NO	Canestr	NO	Fields	Y	Jacobs	Y	Mayerse	Y	Quinn	Y	Tedisco	NO
Arroyo	Y	Carrozz	Y	Finch	ER	Jaffee	Y	McDonal	Y	Rabbitt	Y	Thiele	NO
Auberti	Y	Christe	Y	Fitzpat	NO	Jeffrie	Y	McDonou	Y	Raia	Y	Titone	Y
Aubry	Y	Clark	Y	Gabrysz	Y	John	Y	McEneny	Y	Ramos	Y	Titus	Y
Bacalle	NO	Cole	NO	Galef	Y	Kavanag	Y	McKevit	Y	Reilich	NO	Tobacco	NO
Ball	Y	Colton	ER	Gantt	Y	Kellner	Y	Miller	Y	Reilly	Y	Towns	ER
Barclay	Y	Conte	Y	Gianari	Y	Kirwan	ER	Millman	Y	Rive J	Y	Townsen	Y
Barra	Y	Cook	Y	Giglio	Y	Kolb	NO	Molinar	NO	Rive N	Y	Walker	Y
Benedet	ER	Crouch	NO	Glick	Y	Koon	Y	Morelle	Y	Rive PM	Y	Weinste	Y
Benjami	Y	Cusick	Y	Gord D	Y	Lafayet	NO	Nolan	Y	Robinso	NO	Weisenb	Y
Bing	NO	Cymbrow	Y	Gord TP	Y	Lancman	Y	Oaks	NO	Rosenth	Y	Weprin	Y
Boyland	ER	DelMont	Y	Gottfri	Y	Latimer	Y	O`Donne	Y	Saladin	Y	Wright	Y
Boyle	NO	Destito	Y	Greene	Y	Lavine	Y	O`Mara	NO	Sayward	NO	Young	Y
Bradley	Y	Diaz LM	Y	Gunther	Y	Lentol	NO	Ortiz	NO	Scarbor	Y	Zebrows	Y
Brennan	Y	Diaz R	Y	Hawley	NO	Lifton	Y	Parment	NO	Schimel	Y	Mr Spkr	Y
Brodsky	Y	Dinowit	Y	Hayes	NO	Lope PD	NO	Paulin	Y	Schimmi	NO		
Brook-K	Y	Duprey	NO	Heastie	Y	Lope VJ	NO	Peoples	Y	Schroed	Y		
Burling	NO	Eddingt	Y	Hevesi	Y	Lupardo	Y	Peralta	Y	Scozzaf	Y		
Butler	NO	Englebr	NO	Hikind	Y	Magee	NO	Perry	Y	Seminer	Y		

**A08703 Memo:**

BILL NUMBER:A8703

TITLE OF BILL: An act to amend the general municipal law, the economic development law, the labor law and the public authorities law, in relation to the function of industrial development agencies and making certain conforming changes; and to amend chapter 444 of the laws of 1997 amending the general municipal law and the public authorities law relating to industrial development agencies and industrial development authorities, in relation to the effectiveness of certain provisions thereof

PURPOSE OR GENERAL IDEA OF BILL: To increase the accountability and Improve the efficiency and transparency of the operations of industrial Development Agencies (IDAs).

## SUMMARY OF SPECIFIC PROVISIONS:

This bill contains the following provisions:

- \* limits the financing of recreational facilities;
- \* dissolves IDAs without outstanding debt five years after their creation;
- \* establishes requirements for board membership to include local governments, school boards, organized labor and environmental organizations;
- \* prohibits board members from including individuals with IDA business ties or ownership interests;
- \* requires board members to attend at least 10 percent of all hearings

or forfeit their office;

\* requires payment in lieu of taxes (PILOT) agreements to be published, posted and available for public inspection;

\* requires IDAs to maintain a website;

\* requires IDAs to provide a "project report" to the State Comptroller including: the total amount and type of financial assistance; foregone tax revenue; total projects; and wage and job information;

\* requires IDAs to maintain an official record of all proceedings, a list of pending projects and a Payment in Lieu of Tax (PILOT) schedule for all projects and requires that information to be posted and available for public inspection;

\* requires IDAs to provide assistance of less than \$100,000 to at least three projects a year unless there are no such requests or no projects are funded that year;

\* requires IDAs to establish criteria for project selection including requiring reasonable job creation and retention goals;

\* requires IDA hearings to be attended by no less than two board members;

\* requires project applicants to complete an application form, including projected costs and financial assistance, the number of jobs to be created and a statement as to whether or not officers or major shareholders have been found to have violated any federal, state or local law, rule or regulation related to environmental protection, taxation, financial assistance, protection of workers or minority and women-owned business enterprises;

\* requires project applicants to complete a community impact report to include an analysis of transportation and existing on-site infrastructure;

\* requires IDAs to suspend financial assistance to recipients found to have committed a substantial violation of any federal, state or local law, rule or regulation related to environmental protection, taxation, financial assistance, protection of workers or minority and women-owned business enterprises. IDAs found to have substantial violations will be required to repay assistance with interest, and will be prohibited from entering into a financial assistance agreement with any other state or local agency until repayment is made;

\* authorizes the Attorney General to commence an action to recover financial assistance;

\* requires the payment of prevailing wages for any construction or building renovation work;

\* requires all employees to be paid no less than the median hourly wage for "all occupations" for the duration of the financial assistance and for five years thereafter;

\* requires the Commissioner of Labor to notify the IDA promptly after a declaration that a violation has been committed by a recipient and requires the IDA to immediately suspend financial assistance and seek repayment of any assistance given;

\* requires successor contractors, in cases where a previous contract has been terminated, to retain all service employees for ninety days

after the date of contract termination and prohibits the discharge of such employees without cause;

\* establishes an IDA complaint process involving the IDA and the Department of Economic Development;

\* establishes a compliance schedule for green building standards based on the building cost and the type of construction work to be performed;

\* authorizes the State Comptroller to investigate pirating complaints and require repayment of assistance upon a determination that a complaint is valid;

\* requires the approval of the Public Authorities Control Board for projects over \$100 million;

\* prohibits IDA funds from being used for projects not on a brownfield, served by existing public sewer and water, or on lands

designated as suitable for conservation, unless the agency can demonstrate that there is no viable alternative;

\* requires hearing notice on the development of a PILOT policy by an IDA to be provided to the members of the local governing body, with copies of the adopted policy to be sent to the chief executive officer and members of the governing body and posted on the IDA's website;

\* requires deviations from the uniform PILOT policy to be approved in writing by the affected governments;

\* provides that whenever an agency has \$100,000 or less in outstanding debt it shall exist only to pay debt service on the bonds;

\* establishes a uniform procedure for the dissolution and merger of sub-county IDAs;

\* makes brownfield projects eligible for low cost power programs and waives bond issuance charges on those projects; and,

\* consolidates the sub-county IDAs of Erie County;

JUSTIFICATION: There are 116 IDAs throughout the State that provide almost \$400 million in net tax exemptions each year. They are an important economic development tool to promote job creation and business retention. In return for increased economic activity and job growth, IDAs provide exemptions from local, county and school taxes. IDAs also issue low-interest bonds, called industrial development revenue bonds, which allow companies to borrow money at low cost.

IDAs should be supporting responsible businesses that will deliver on their promises to provide good jobs and services to New Yorkers. Since IDAs give businesses significant local tax breaks, local communities should get the promised benefits in exchange for sacrificing this much needed revenue. This bill will greatly increase the accountability of IDAs to the taxpayers and municipalities for whose benefit they are created. It will serve to ensure a greater degree of uniformity in the application process, more careful analysis and deliberation in the decision-making process and enhanced monitorship once IDA benefits are conferred. This bill would ensure that IDAs operate efficiently and in the public interest.

PRIOR LEGISLATIVE HISTORY: This is new legislation.

FISCAL IMPLICATIONS: None to the State. .

EFFECTIVE DATE: This act shall take effect on the ninetieth day after it shall have become law.

**Contact Webmaster**

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