



MEMO IN SUPPORT

S1743 (Skoufis) / A6687 (Abinanti)

Requires economic development entities to be subject to Open Meetings and Freedom of Information Laws; requires members to file financial disclosures

February 4, 2022

TITLE OF BILL

An act to amend the New York state urban development corporation act, in relation to obligations of members of economic development entities.

SUMMARY OF PROVISIONS

Section 1 of the bill amends section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, by adding a new section 32-a to:

- define “economic development entities”;
- make such entities subject to Article 7 of the Public Officers Law (“Open Meetings Law”);
- make such entities subject to Article 6 of the Public Officers Law (Freedom of Information Law or “FOIL”) and require that economic development entities maintain and make available for public inspection and copying proposals submitted to it through a centralized process; and
- for purposes of Public Officers Law Section 73-a, deem any member of an economic development entity a state officer or employee and a policy maker, requiring the member to file annual financial disclosure statements.

Section 2 states that the act shall take effect immediately; however, incumbent members of economic development entities shall have 30 days to file disclosure forms with the Joint Commission on Public Ethics (JCOPE).

STATEMENT OF SUPPORT

Currently, Regional Economic Councils (REDCs) are not covered by a number of the state’s transparency laws, including the Open Meetings Law and Freedom of Information Law, as well as Section 73-a of the Public Officers Law, which requires state officers and employees to file annual financial disclosure statements. These economic

development entities influence the distribution of billions of dollars of state funds. According to the [2021 REDC guidebook](#), since 2011 “over \$6.9 billion in state funding has been awarded to over 8,300 projects through a competitive process to spur job creation based on regional priorities.”

Also according to the guidebook, REDC members receive ethics training from Empire State Development, and complete “Statements of Interest” which list conflicts of interest that would require members to recuse themselves from votes or other actions. This is not the process used by any other state board or commission, whose members are required to file disclosure statements with JCOPE, which then are subject to public disclosure, upon request. We see no reason that members of REDCs, who influence substantial sums of state funds, should not file the same disclosure statements required of state public officers and employees.

We strongly support this legislation because it will both increase transparency of economic development entities and ensure consistent application of the state’s ethics laws.