



MEMO IN SUPPORT

S1737 (Krueger) / A6762 (Solages)

Establishes a Database of Deals for Local Authorities

February 23, 2024

TITLE OF BILL

An act to amend the public authorities law, in relation to establishing a local authorities searchable subsidy and economic development benefits database; to amend the general municipal law, in relation to the obligations of certain industrial development agencies; and to amend the not-for-profit corporation law, in relation to the status of certain local development corporations.

SUMMARY OF PROVISIONS

Section 1 adds a new §8 to Public Authorities Law regarding the local authorities searchable subsidy and economic development benefits database, and defines terms such as “qualified participant,” “full-time equivalent,” and “project hire” as they are in [the New York State Urban Development Corporation Act](#) for the Database of Economic Incentives. The section provides that the Authorities Budget Office shall administer a database of deals for local authorities that contains the same fields required for the state Database of Economic Incentives.

Section 2 adds a new paragraph 2 to §2807 of Public Authorities Law requiring local authorities to submit to the Authorities Budget Office the information required in Section 1 on a quarterly basis. Section 3 makes the same change by adding a new §859-D to General Municipal Law.

Section 4 amends paragraph i and adds a new paragraph j to Not-for-Profit Corporation Law Section 11 to include Local Development Corporations under the definition of local authorities.

Section 5 states that the bill takes effect 90 days after becoming law.

STATEMENT OF SUPPORT

Our groups support this bill because the public deserves to know whether IDA tax incentives are producing jobs. Even though the state and local governments lose billions annually through tax incentives, grants, and loans disbursed by IDAs and LDCs, the public does not know exactly how much revenue is lost in total and whether or not these incentives help the economy.

In 2022, New York State finally required that Empire State Development establish a Database of Economic Incentives that tracks how much state agencies spend on tax incentives, and how many jobs were created and retained per subsidy deal. While an important step forward, the best estimate is that \$6.3 billion of New York's \$11 billion in tax incentives [are actually spent by local authorities](#). This bill will fill a huge gap in the data.

Top tax experts and economists studying business subsidies say business tax breaks are at best an extremely expensive way for government to boost employment and are often a waste of money. Reinvent Albany's report, [Debunked](#), details 25 studies showing that business subsidies don't work.

We strongly urge the Legislature to pass the bill.