



MEMO OF SUPPORT

S3284 (Skoufis) / A11017 (Solages)

*Prohibits IDAs from incentivizing companies
to relocate within New York State*

May 29, 2026

TITLE OF BILL

An act to amend the general municipal law, in relation to prohibiting industrial development agencies [IDAs] from incentivizing movements within the state.

STATEMENT OF SUPPORT

Reinvent Albany strongly supports this bill because it will stop localities from having to compete against each other to attract companies with taxpayer funds.

New York's corporate welfare system enables a race to the bottom wherein IDAs can provide more tax giveaways than another IDA to incentivize companies to relocate. In January 2019, the healthcare giant Medline, which was already receiving tax exemptions in Orange County, [applied to relocate its warehouse](#) to receive exemptions from upstate Montgomery County. Medline abandoned its plans after they were made public, but had it been successful, the company could have avoided its tax commitment to Orange County.

Existing law prohibits companies like Medline from receiving tax expenditures when moving from one area of the state to another area but if an IDA concludes that the company would have moved the plant out of state or is necessary to preserve its competitive position, it can still be given subsidies. This bill will restrict these exemptions by requiring a physical, logistical or zoning constraint at the current site for receipt of subsidies and prohibit tax expenditures from being awarded to companies that move personnel or facilities intrastate, in addition to the restriction on moving buildings or plants.

When localities should be working together to build a higher standard of living for New Yorkers, this system pits them against each other by having counties, towns, and villages give away more of their tax base to encourage business investment. Changing the law will help end intrastate competition through tax handouts. We urge the Legislature to pass the bill.

SUMMARY OF PROVISIONS

Section 1 amends General Municipal Law §862(1) providing that industrial development agencies may not use funds to incentivize plants, facilities, or personnel to move from one part of the state to another unless there are physical, zoning, or logistical constraints at the previous site.

Section 2 states that the bill takes effect immediately.