



MEMO OF SUPPORT

S9182-A (May) / A10852-A (Kelles)

Stop Subsidizing Data Centers Act

May 18, 2026

TITLE OF BILL

Stop Subsidizing Data Centers Act.

STATEMENT OF SUPPORT

Reinvent Albany strongly supports this bill because there is no reason data centers should be receiving public money or low-cost power. Governor Hochul has said that [data centers should pay their fair share](#) and that she will take action to “ensure every day New Yorkers do not subsidize this energy-intensive industry.” Only this bill makes her promise a reality.

Reinvent Albany recently found that in Orangeburg, NY, the Rockland County Industrial Development Agency provided [\\$77 million in subsidies](#) to a JP Morgan data center to create a single job. That’s \$77 million that will not go to students, public transit, or clean water infrastructure. The Stream data center at the Science, Technology, and Advanced Manufacturing Park (STAMP) in Genesee County has been promised [\\$1.4 billion in subsidies](#), or \$11 million per full-time job, despite widespread opposition from local residents and the Tonawanda Seneca Nation. In 2009, Yahoo, with a market valuation at that time of [\\$18 billion, received \\$258 million](#) for the construction of a data center in Buffalo.

Reinvent Albany has also identified at least seven data centers – including Amazon, Yahoo, and Databank Holdings – receiving power at a cost 83% less than what New Yorkers pay for their household power. NYPA gives companies nearly \$1 billion in low-cost electricity subsidies and we expect [many more data centers](#) in the New York State Independent System Operator’s (NYS ISO) large load interconnection queue to apply for discounted electricity in the years to come. This bill will prohibit data centers from receiving most NYPA low-cost power, as well as property and sales tax abatements.

Many data centers are owned by multi-billion-dollar companies and backed by private equity firms, and the State has never offered a justification for why these companies need public dollars or how New Yorkers benefit from these projects. In many instances, it is not even known who owns or will operate or use the data centers, which is veiled by non-disclosure agreements. While hundreds of millions of dollars are diverted to multibillion corporations like Yahoo and JP Morgan, in NY's five biggest school districts, [less than half of students](#) in grades 3-8 are passing English and math proficiency tests.

Subsidies for data centers are both bad policy and morally indefensible. We urge the Legislature to pass the bill.

SUMMARY OF PROVISIONS

Section 1 states the title of the bill.

Section 2 adds a new subdivision 7 to Public Authorities Law §2 defining “data center.”

Section 3 adds a new subdivision (h) to Economic Development Law §187 providing that low-cost power subsidies shall not be approved for data centers.

Section 4 amends Public Authorities Law §1005(13-a)(a) providing that Recharge New York benefits shall not be applied to data centers.

Section 5 amends Public Authorities Law §1005(13)(a) providing that expansion, replacement, and preservation power subsidies shall not be applied to data centers.

Section 6 adds a new subdivision 13 to General Municipal Law §874 to state that:

1. Any agreement providing financial assistance to a data center must provide that if the recipient does not meet its job commitments within five years after the project's completion, the financial assistance shall be clawed back.
2. Recipients shall submit annual certificates attesting that they have complied with the job creation and retention requirements.
3. Financial assistance shall not exceed \$25,000 per job.
4. Financial assistance shall not be provided to data centers that can consume more than 20 megawatts.

Section 7 amends Environmental Conservation Law §7 to provide that the Department of Environmental Conservation shall be the mandatory agency overseeing projects that consume more than fifty megawatts.

Section 8 adds a new subdivision 10 to Environmental Conservation Law §8-0109 to provide that an environmental impact statement shall be provided for any action located within 10 miles of recognized Indian nation territory, and that the applicant shall consult with the Indian nation and include the nation's comments in the statements.

Section 9 states that the bill takes effect 180 days after becoming law.