



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

For Immediate Release: May 18, 2022

Contact: Jonathan Heppner | heppner@nysenate.gov | 518-455-2415

Senate Majority Passes Economic Development Reforms

(Albany, NY) The Senate Democratic Majority today advanced legislation to support economic development and make necessary reforms to protect taxpayers dollars in public projects. Government must ensure that economic development is done fairly and responsibly with input from the public. The legislation passed today increases transparency through open meeting laws, protects against IDAs incentivizing companies with tax benefits to relocate within the state, requires Empire State Development to proactively post all materials provided to community advisory committees on its website and requires these bodies to meet publicly. Additionally, this bill package restores Comptroller review over contracts and prohibits confidentiality and non-disclosure provisions in contracts pertaining to economic development.

Senate Majority Leader Andrea Stewart-Cousins said, “The Senate Democratic Majority is protecting taxpayer dollars by ensuring that economic development across the state is being done in a responsible and transparent manner. This bill package also promotes transparency and ensures that the public has the access necessary for accountability. Additionally, we are prohibiting “intra-state piracy” to ensure that jobs and benefits are not being removed from the communities that depend on them. I applaud the bill sponsors for their work to deliver good government and tax-dollar oversight.”

The legislation passed by the Senate Majority includes:

- **Empire State Development Transparency:** This bill, S.8419A, sponsored by Senator Jessica Ramos, requires the Empire State Development to publicly post the listing of community advisory committee members, and community advisory committee meeting agendas, materials, and minutes, on the corporation's website.
- **Restoration of Comptroller Review Over Contracts:** This bill, S.6809A, sponsored by Senator Elijah Reichlin-Melnick, restores the Office of the State Comptroller's oversight for certain state contracts. Some of these contracts include OGS centralized contracts that exceed \$85,000, as well as purchase orders and other procurement transactions issued under such centralized contracts, as well as certain SUNY contracts.
- **State Disaster Emergency Contract Review:** This bill, S.8062, sponsored by Senator Elijah Reichlin-Melnick, ensure the Office of the State Comptroller's authority to review state contracts prior to ratification, under sections 112 and 163 of the state finance law, remains intact during a state disaster emergency that extends beyond 30 days.
- **Ban On Incentivized Movements Within The State:** This bill, S.1656A, sponsored by Senator James Skoufis, prohibits industrial development agencies from incentivizing movements within the state where any plant, facility, or personnel of the project occupant are abandoned or removed.

- **State Non-Disclosure Act:** This bill, S.1196, sponsored by Senator Michael Gianaris, prohibits confidentiality and non-disclosure provisions from inclusion in contracts pertaining to economic development entered into by the state or a municipality.
- **New York State Authorities Control Board Voting:** This bill, S.7337, sponsored by Senator Leroy Comrie, restores the PACB's independence from the Governor. It will repeal changes to the PACB statute enacted by demand of the former Governor in 2019.
- **Cost Comparison For Consultant Services:** This bill, S.5356, sponsored by Senator Neil Breslin, sets forth conditions when an agency shall enter into a contract for consultant services. The bill requires agencies to conduct a cost comparison prior to entering into a contract for consultant services to determine if there is a less expensive alternative.

Bill sponsor Senate Deputy Leader Michael Gianaris said, "New Yorkers deserve full transparency when public dollars are used and private corporations should not have the power to dictate what governments can and cannot do. I am glad the Senate is passing important economic development reforms including my bill to prohibit non-disclosure agreements in economic development deals."

Bill sponsor Senator Neil Breslin said, "The State spends billions of dollars a year for consultants, and in many cases, the work they perform could be done more efficiently by professional state employees. This bill simply would require state agencies to do a cost comparison before entering huge taxpayer funded contracts to determine if state workers could do the job better at a lower cost."

Bill sponsor Senator Leroy Comrie said, "Collectively, these measures on economic development increase transparency, establish crosschecks, and bolster accountability. They help us ensure New York State will serve as a wise steward of the public trust when we make critical economic development investments. I am grateful to colleagues who see the merits of this legislation, especially the leadership of Majority Leader Stewart-Cousins. I look forward to continuing to work with advocates to deliver the transparency and accountability all New Yorkers deserve."

Bill sponsor Senator Jessica Ramos said, "New Yorkers should not have to go through an arduous FOIL process to see how the Empire State Development Corporation is spending the billions of taxpayer dollars it receives in our annual budget. S8419 extends the same Open Meeting standards of transparency and accountability to ESD's community advisory committees, making information on committee members, meeting minutes and agendas available and easily accessible to the general public. With continued movement around the ESD's plans for the Penn Station Area Project, this legislation is timely. Workers, small businesses, and people whose day to day lives will be impacted by the project deserve to have information shared with them proactively."

Bill sponsor Senator Elijah Reichlin-Melnick said, "Restoring and strengthening oversight of government contracts is crucial for ensuring checks and balances in state government, and to reestablish critical oversight functions that former Governor Cuomo eliminated during his time in office. As Chair of the Senate's Committee on Procurements and Contracts, I am keenly aware of the importance of reinstating the necessary oversight responsibilities of the Comptroller over state contracts, especially during a state of emergency when a governor could rationalize entering contracts quickly without review. I am proud to sponsor S6809-A and S8062, and to support all the bills in this package that will restore public trust and protect taxpayer dollars."

Bill sponsor Senator James Skoufis said, "Reforming New York's system of economic development is an absolute necessity as the state continues its pandemic recovery, but we must promote a new approach that protects taxpayers while responsibly stewarding their tax dollars. That's exactly what this package of reforms aims to do. My bill prohibiting industrial development agencies from incentivizing projects to

move within the state will keep local dollars where they belong rather than pitting New York's communities against each other. I applaud my colleagues for advancing this slate of responsible economic development reforms.”

Ron Deutsch, Director, New Yorkers for Fiscal Fairness said, “The package of bills passed by the New York State Senate will go a long way to restore transparency and accountability to a broken system that has long been in need of reform. Restoring the Comptroller’s pre-audit powers, preventing intrastate pouching among IDAs and prohibiting nondisclosure agreements in economic development deals are all reforms that many advocates have been fighting to get enacted for years. We applaud the Senate leadership and members for pulling together a package of bills that represent an exciting first step in creating safeguards to protect the public’s money and restoring faith in government.”

Blair Horner, Executive Director of NYPIRG said, “The secrecy and unaccountability of New York's economic development programs have too often resulted in scandal and corruption. New Yorkers deserve development programs that work and are fully accountable to the public. NYPIRG applauds the Senate's package of reforms and urges support by the governor and the Assembly.”

Pat Garofalo, Director of State and Local Policy at the American Economic Liberties Project said, “In New York and across the country, large corporations are taking advantage of a slew of bad policies to extract resources from local communities, harm local businesses, and then hide their actions from the public. The economic development package advanced by the New York Senate today reforms these policies, bringing transparency and accountability to state and local government. New York’s S1196, for example, is an urgently needed ban on the non-disclosure agreements corporations use to secure corporate subsidies in secret. We hope it, and this broader legislative package, quickly passes the legislature and is signed into law, and that other states soon follow New York’s great example.”

Greg LeRoy, Executive Director of Good Jobs First said, “After decades of failure and corruption shrouded in secrecy and poor oversight, New York State is finally considering serious measures to stop wasting money and enable more public engagement in economic development. There’s more to fix, but these bills are a necessary start.”

Michael Kink, Esq., Executive Director of the Strong Economy For All Coalition said, “The Senate Democratic Majority Conference is moving our state forward towards accountability and transparency on corporate subsidies,” said Michael Kink, executive director of the Strong Economy For All Coalition. “Ending secret deals, barring wasteful in-state 'piracy' subsidies, and restoring oversight protections are important milestones in transforming 'economic development' systems that too often work for big corporations but not for regular New Yorkers.”

John Kaehny, Executive Director of Reinvent Albany said, “Reinvent Albany thanks Senate Leader Stewart-Cousins, Deputy Leader Gianaris, and the all-star team of senators who championed this package of bills that will make state subsidies to businesses more transparent and accountable to the public. We support all of these bills and especially look forward to the Assembly joining the Senate by passing Senator Reichlin-Melnick's S6809A, which restores most of the comptroller's "pre-audit" powers, and Senator Ramos S8419, which makes ESD community advisories more transparent.”

###