

REBNY Testimony | January 14, 2022

The Real Estate Board of New York to The New York State Senate Standing Committees on Finance, Commerce, Economic Development, and Small Business, and Investigations and Government Operations

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY thanks the committees for the opportunity to submit testimony concerning the effectiveness of business subsidies and tax incentives in meeting New York's economic development goals.

New York State provides various types of subsidies and tax incentives to help support New York employers and create jobs for hardworking residents. This is common practice amongst states that we compete with for jobs. Legislative scrutiny of such programs is important to ensure that they are reaching their intended effect and delivering results for taxpayers. Indeed, each State business development subsidy or tax program should be given careful consideration on its own terms, inclusive of the stated public policy goals of the program, the sector(s) it seeks to assist, and alignment with other regulations.

With this framework in mind, most recently, in 2020, the legislature wisely chose to extend including the Industrial and Commercial Abatement Program (ICAP) and the Relocation and Employment Assistance Program (REAP) to July 1, 2025, and several other incentive programs to July 1, 2023, due to the significant benefits these programs provide. In total, these programs provide substantial assistance to small businesses and employers in New York City – particularly outside Manhattan – and are critical tools in maintaining New York's regional business competitiveness. REBNY looks forward to discussing these important programs with the legislature in the years ahead.

Similarly, several incentive and tax programs will be under discussion this year. For instance, the New York State Brownfield Cleanup Program expires at the end of the year. This program, which was substantially reformed in its last reauthorization in 2015 to address legitimate concerns about its effectiveness, has proven to be instrumental in the statewide economy. Indeed, since the last reauthorization of the program, every county in New York has benefited from the program, which has reached a total of 452 sites statewide, nearly 50% of which are located in areas with high rates of poverty and unemployment. The program has generated over 6,000 units of affordable housing and \$17.6 billion in economic development activity thus far. We look forward to working with the diverse

Important Note

array of stakeholders who support this program and the Senate to ensure this important program continues to work for all New Yorkers.

Thank you for the opportunity to comment on this topic.

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Important Note