

STATE OF NEW YORK

5890

2019-2020 Regular Sessions

IN ASSEMBLY

February 20, 2019

Introduced by M. of A. BARCLAY, GIGLIO, NORRIS, TAGUE, BRABENEC, MORI-
NELLO, MANKTELOW, RA, HAWLEY -- Multi-Sponsored by -- M. of A.
M. L. MILLER, SALKA -- read once and referred to the Committee on
Governmental Operations

AN ACT directing the New York state comptroller, in coordination with
the departments of economic development and taxation and finance to
conduct an audit of all state economic development programs

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Legislative findings. The legislature finds that the state
2 and local governments of New York play an important role in facilitating
3 economic development, reducing regulations and the creation of jobs.
4 State funding for economic development should be transparent, stream-
5 lined, and encourage job creation in all regions of the state. Empire
6 state development manages statewide economic development programs
7 through several subsidiaries, each with its own board and staff. In
8 addition, there are approximately twenty state agencies performing
9 economic development functions. At the local level, there are one
10 hundred fourteen industrial development agencies, over five hundred
11 local development corporations, eighty-two empire zone boards, one
12 hundred fourteen business improvement districts, forty-nine urban
13 renewal and community development agencies, and ten regional economic
14 development councils, all engaging in economic development activity.
15 Most of the state's economic development programs, especially those
16 providing direct financial assistance, are operated by the department of
17 economic development and the empire state development corporation. The
18 majority of this business support is in the form of grants and loans to
19 businesses and to local units of government to fund economic development
20 activities. This legislation is intended to improve these important
21 tools for economic development by streamlining applications and report-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 ing, strengthening accountability mechanisms, and encouraging quality
2 job creation for all New Yorkers.

3 § 2. The New York state comptroller in coordination with the commis-
4 sioners of the departments of economic development and taxation and
5 finance shall conduct an audit of all state economic development
6 programs. Such audit shall include but not be limited to:

7 (a) identifying all programs by type and funding source;

8 (b) identifying the types of businesses that have received financial
9 assistance;

10 (c) reviewing information available on job creation or other data on
11 economic expansion;

12 (d) analyzing the geographic distribution of financial assistance
13 throughout the state;

14 (e) reviewing a sample of loans and grants to determine if statutory
15 requirements for the programs were followed; and

16 (f) reviewing information available on economic development programs
17 in other states.

18 The New York state comptroller in coordination with the commissioners
19 of the departments of economic development and taxation and finance
20 shall develop all necessary rules and regulations to conduct an audit of
21 New York state economic development programs as outlined in this
22 section. Following the review and audit of such economic development
23 programs the agencies shall recommend all necessary changes to make such
24 economic development programs more transparent, streamlined, and ensure
25 that such programs are meeting the goals of the laws that established
26 them and providing for a return on investment to the state. The results
27 of this audit must be made available for public review online by Janu-
28 ary 1, 2020.

29 § 3. After the conclusion of the audit, the commissioner of the
30 department of economic development in consultation with the commissioner
31 of taxation and finance shall study the feasibility of reducing the
32 number of economic development programs currently offered by the state
33 and its subsidiaries and replacing these programs with one centralized
34 competitive program. A report of the study, outlining the impact of each
35 of the above steps, shall be filed with the governor, the temporary
36 president of the senate, the minority leader of the senate, the speaker
37 of the assembly and the minority leader of the assembly on or before
38 December 31, 2020.

39 § 4. This act shall take effect immediately.