STATE OF NEW YORK

6793

2019-2020 Regular Sessions

IN ASSEMBLY

March 20, 2019

Introduced by M. of A. ORTIZ -- read once and referred to the Committee on Economic Development

AN ACT to amend the economic development law, in relation to enacting the "corporate and financial accountability act"

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

Section 1. Short title. This act shall be known and may be cited as the "corporate and financial accountability act".

§ 2. The economic development law is amended by adding a new article 4-D to read as follows:

ARTICLE 4-D

FINANCIAL INCENTIVES ACCOUNTABILITY

Section 147. Legislative declaration.
148. Definitions.
149. Financial incentives accountability.

§ 147. Legislative declaration. The legislature seeks to ensure that recipients of publicly funded economic development assistance are held accountable for the attainment of agreed upon performance objectives, through a requirement for the repayment of assistance if such objectives are not met.

§ 148. Definitions. For the purposes of this article, the following terms shall have the following meanings as indicated:

1. "Agency" shall mean any agency, department, board, bureau, commission a majority of whose members are appointed by the governor, division, office, council, committee, or officer of the state, or the state university of New York or the city university of New York, or any public benefit corporation or public authority, a majority of whose members are appointed by the governor, the state, any of its political subdivisions or instrumentality of the state or its political subdivisions, or any public benefit corporation as defined in subdivision four of section sixty-six of the general construction law, or any municipal corporation

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

LBD10055-01-9

as defined in subdivision three of section three-a of the general municipal law.

2. "Economic development contract" shall mean any contract, agreement or understanding between an agency and a recipient, providing for awards, grants, loans, tax abatements or other business incentives.

3. "Recipient" shall mean a person, firm, partnership, company, association or corporation which enters into an economic development contract with an agency.

4. "Applicant" shall mean any entity filing any application with an agency to become a recipient.

5. "Award" shall mean any award, grant of financial assistance, loan, tax abatement or other business incentive.

§ 149. Financial incentives accountability. 1. Every agency that enters into economic development contracts shall establish and implement a financial accountability policy which shall at minimum require:

a. applicants to file information with an agency during the application process for qualification as a recipient of an economic development contract which shall include such applicant's record of performance in contributing to job retention and creation, economic stability and community revitalization, and any criminal convictions, violations or pending investigations regarding occupational safety and health standards, equal employment opportunity credits and environmental standards;

b. the repayment, with interest, of awards or a portion thereof, upon a finding that the recipient has not fully executed and completed the stated purpose or objective of the award. Upon a written finding that the repayment of the award is unable to be fulfilled due to circumstances beyond the control of the recipient, the award may be excused, in whole or in part, by the agency; and

c. in the event that a recipient fails to repay an award and is found to have been subject to a previous repayment pursuant to this article, such applicant shall be ineligible to receive an award from the agency for not less than five years following the date of last repayment.

2. Each agency that enters into economic development contracts shall file with the department a certified copy of their financial accountability policy promulgated pursuant to this article.

3. In the event that a recipient fails to repay an award the agency shall inform the department which shall maintain a listing thereof. The department shall then make an annual report to the speaker of the assembly and the temporary president of the senate on the first day of March with respect to all recipients, to date, that have failed to repay an award.

4. Every agency which enters into economic development contracts shall, in the course of implementing the policy promulgated pursuant to this article, report any information regarding a recipient's record of performance in contributing to job retention and creation, economic stability and community revitalization, and any criminal convictions, violations or pending investigations regarding safety and health standards, equal opportunity employment credits and environmental standards to the appropriate department for assessment and review.

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.