

# 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:

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

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

### ARTICLE 4-D

#### FINANCIAL INCENTIVES ACCOUNTABILITY

##### Section 147. Legislative declaration.

##### 148. Definitions.

##### 149. Financial incentives accountability.

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

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

17 1. "Agency" shall mean any agency, department, board, bureau, commis-  
18 sion, a majority of whose members are appointed by the governor, divi-  
19 sion, office, council, committee, or officer of the state, or the state  
20 university of New York or the city university of New York, or any public  
21 benefit corporation or public authority, a majority of whose members are  
22 appointed by the governor, the state, any of its political subdivisions  
23 or instrumentality of the state or its political subdivisions, or any  
24 public benefit corporation as defined in subdivision four of section  
25 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

1 as defined in subdivision three of section three-a of the general munic-  
2 ipal law.

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

6 3. "Recipient" shall mean a person, firm, partnership, company, asso-  
7 ciation or corporation which enters into an economic development  
8 contract with an agency.

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

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

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

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

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

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

33 2. Each agency that enters into economic development contracts shall  
34 file with the department a certified copy of their financial account-  
35 ability policy promulgated pursuant to this article.

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

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

50 § 3. This act shall take effect on the one hundred twentieth day after  
51 it shall have become a law. Effective immediately, the addition, amend-  
52 ment and/or repeal of any rule or regulation necessary for the implemen-  
53 tation of this act on its effective date are authorized and directed to  
54 be made and completed on or before such effective date.