

STATE OF NEW YORK

10612

IN ASSEMBLY

June 20, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Rajkumar) --
read once and referred to the Committee on Economic Development

AN ACT to amend the state finance law, the general city law, the general
municipal law, and the administrative code of the city of New York, in
relation to an analysis of the return on investment for economic
development programs

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

1 Section 1. This act shall be known and may be cited as the "return on
2 investment act".

3 § 2. Section 8 of the state finance law is amended by adding a new
4 subdivision 21 to read as follows:

5 21. (a) Complete an analysis of the return on investment, as such term
6 is defined in section one hundred eighty of the tax law, in the manner
7 prescribed in this section, for every: capital expenditure; financial
8 assistance; credit against a tax imposed; payment in lieu of taxes;
9 development plan; local incentive; urban development action area project
10 as defined in section six hundred ninety-two of the general municipal
11 law; redevelopment plan pursuant to section nine hundred seventy-f of
12 the general municipal law; community development project as defined in
13 section nine hundred fifty-seven of the general municipal law; rebate of
14 sales taxes paid; or rebate or discount of charges for energy, to a
15 private entity by any department, authority, industrial development
16 agency, development corporation, urban renewal agency, council, commis-
17 sion, trust, or other instrument of the state for the purpose of econom-
18 ic development, unless such analysis is otherwise provided for by anoth-
19 er statute.

20 (b) For any one-time project or program, the comptroller shall
21 complete such analysis no later than two years after the completion of
22 the project or program, or five years after its execution, whichever
23 comes first.

24 (c) For any recurring program, the comptroller shall complete such
25 analysis of the program no later than two years after the effective date
26 of this section and by January first every five years thereafter.

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

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1 (d) Any entity administering a program or project set forth in para-
2 graph (a) of this subdivision shall furnish any requested information to
3 the comptroller to complete such analysis.

4 (e) To complete any such analysis, the comptroller may contract with
5 an economic impact firm or may delegate such duty to any instrumentality
6 of the state or municipal corporation which administers the program or
7 project.

8 (f) For the purpose of this subdivision, "economic development" shall
9 mean any project or program for the prosperous development and
10 protection of the legitimate interest and welfare of New York business,
11 industry and commerce, within and outside the state; the expansion and
12 development of markets for New York products; the location and develop-
13 ment of new business in the state as well as the maintenance and expan-
14 sion of existing business; urban renewal as defined in section five
15 hundred two of the general municipal law; creation or expansion of ener-
16 gy infrastructure; creation or expansion of transportation infrastruc-
17 ture; promotion of tourism; promotion of the arts, cultural affairs, or
18 natural heritage; creation or preservation of housing other than routine
19 maintenance; or decarbonization or weatherization of buildings.

20 § 3. The general city law is amended by adding a new article 2-K to
21 read as follows:

22 ARTICLE 2-K

23 RETURN ON INVESTMENT ANALYSIS

24 Section 25-ff. Return on investment analysis.

25 § 25-ff. Return on investment analysis. The comptroller of a city with
26 a population of one million or more shall, every five years, complete an
27 analysis of return on investment, as defined in section one hundred
28 eighty of the tax law, of any credit against a tax imposed by such city,
29 rebate of sales taxes paid, rebate of charges for energy, or discount of
30 charges for energy, provided for in this chapter, unless such analysis
31 is otherwise provided for in statute.

32 § 4. The general municipal law is amended by adding a new section
33 696-g to read as follows:

34 § 696-g. Analysis on return on investment. Each agency shall, in
35 consultation with the state comptroller, conduct an analysis of return
36 on investment, as defined in section one hundred eighty of the tax law,
37 of every existing urban development action area project in its jurisdic-
38 tion no later than five years after the effective date of this section.
39 On and after such date the analysis of any future projects shall be
40 conducted by the state comptroller.

41 § 5. Section 970-f of the general municipal law is amended by adding a
42 new closing paragraph to read as follows:

43 Each redevelopment plan shall include an analysis of return on invest-
44 ment, as such term is defined in section one hundred eighty of the tax
45 law.

46 § 6. Section 22-823 of the administrative code of the city of New York
47 is amended by adding a new subdivision j to read as follows:

48 j. Cost benefit analysis. For each covered contract the city comp-
49 troller shall prepare a cost benefit analysis of such contract no later
50 than two years after its completion, or five years after its execution,
51 whichever comes first.

52 § 7. This act shall take effect on the first of January next succeed-
53 ing the date on which it shall have become a law.