

# STATE OF NEW YORK

10900

## IN ASSEMBLY

April 8, 2026

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

AN ACT to amend the economic development law, in relation to establishing the incentive evaluation act

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

1 Section 1. The economic development law is amended by adding a new  
2 article 29 to read as follows:

### ARTICLE 29

#### INCENTIVE EVALUATION ACT

##### Section 510. Short title.

###### 511. Definitions.

###### 512. Incentive evaluation commission.

###### 513. Periodic evaluations.

###### 514. Evaluation process.

10 § 510. Short title. This article shall be known and may be cited as  
11 the "incentive evaluation act".

12 § 511. Definitions. As used in this article, the following terms shall  
13 have the following meanings:

14 1. "business entity" shall mean any person, corporation, partnership,  
15 sole proprietor, limited partnership, association or any other business  
16 entity.

17 2. "commission" shall mean the incentive evaluation commission estab-  
18 lished under this article.

19 3. "incentive" shall mean a tax credit, tax exemption, tax deduction,  
20 tax expenditure, rebate, grant, or loan that is intended to encourage  
21 businesses to locate, expand, invest, or remain in New York, or to hire  
22 or retain employees in New York.

23 4. "substantial interest" shall mean the ownership, directly or indi-  
24 rectly, of more than fifty percent of the equity interest with voting  
25 rights of a business entity.

26 § 512. Incentive evaluation commission. 1. There is hereby established  
27 the incentive evaluation commission consisting of:

28 (a) A certified public accountant appointed by the state comptroller;

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

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1 (b) A chartered financial analyst appointed by the speaker of the  
2 assembly;

3 (c) An auditor who is employed as an internal auditor by a company or  
4 who is employed by a private auditing firm appointed by the state comp-  
5 troller;

6 (d) An economist from a New York college or university appointed by  
7 the temporary president of the senate;

8 (e) A lay person who is not an elected official appointed by the  
9 governor;

10 (f) The commissioner of the department of taxation and finance or  
11 their designee who is also a member of the department of taxation and  
12 finance, which shall be an ex officio and nonvoting position;

13 (g) The director of the authorities budget office or their designee  
14 who is an employee of the authorities budget office which shall be an ex  
15 officio and nonvoting position; and

16 (h) The commissioner or their designee who is an employee of empire  
17 state development which shall be an ex officio and nonvoting position.

18 2. Initial appointments to the commission of voting members shall  
19 occur within ninety days of the effective date of this article and such  
20 members shall have their term expire on the thirty-first of December  
21 next succeeding the ninetieth day after the effective date of this arti-  
22 cle. Thereafter, such members shall be appointed for terms of four years  
23 beginning on January first. Any vacancy shall be filled by the appoint-  
24 ing authority for the remainder of the unexpired term.

25 3. No person shall serve on the commission or be appointed to the  
26 commission who is employed by a business entity that receives any incen-  
27 tive or who holds a substantial interest in ownership in a business  
28 entity that receives any incentive.

29 4. No person shall be appointed to the commission who at the time of  
30 their appointment is an elected official. Any person who is appointed to  
31 the commission who subsequently becomes an elected official during their  
32 term on the commission shall be required to vacate their position on the  
33 commission.

34 5. The office of general services shall provide staff and administra-  
35 tive support to the commission. The department and the department of  
36 taxation and finance shall assist the office of general services as  
37 needed in providing staff and administrative support to the commission.

38 § 513. Periodic evaluations. 1. (a) On or before the thirty-first of  
39 December next succeeding the ninetieth day after the effective date of  
40 this article and every four years thereafter, the commission shall  
41 develop a four-year schedule for evaluating incentives. The development  
42 of the schedule for evaluating the incentives shall take into consider-  
43 ation fiscal impacts to revenues of this state, including but not limit-  
44 ed to the general fund, the opportunity to group incentives with similar  
45 goals and objectives for evaluation, and the ability to obtain suffi-  
46 cient data related to the incentives for evaluation. Each schedule shall  
47 include a list of all incentives in the state, including any it exempts  
48 from evaluation. In determining whether a program is an incentive, the  
49 commission may consider legislative intent and may also consider whether  
50 the program is promoted as an incentive by any state agency. For each  
51 incentive listed in the schedule, the commission shall attempt to iden-  
52 tify the goal or goals of the incentive.

53 (b) Upon approval of the schedule, the commission shall provide the  
54 schedule to the governor, temporary president of the senate, and speaker  
55 of the assembly.

1 2. For the four calendar years following the approval of a schedule  
2 under subdivision one of this section, the commission shall ensure that  
3 each incentive in such schedule is evaluated within the four-year evalu-  
4 ation period unless the commission determines that the incentive is  
5 exempt from evaluation. The commission may exempt from evaluation any  
6 incentive that it concludes has a minimal fiscal impact. The commission  
7 shall determine a specific threshold amount which shall be considered as  
8 a minimal fiscal impact for the current evaluation cycle. The commission  
9 may also conduct an expedited evaluation for any incentive that has been  
10 evaluated at least twice within the previous eight years and has not had  
11 a material change to the program since its prior evaluation. The exped-  
12 ited evaluation will update the prior evaluation's financial and  
13 economic impacts, findings, and recommendations.

14 § 514. Evaluation process. 1. The commission may contract with a  
15 private company, nonprofit, or academic institution for professional  
16 services to assist with evaluation of each incentive. The commission  
17 shall develop requirements for such professional services necessary to  
18 complete incentive evaluations pursuant to this article. Such require-  
19 ments shall include, but not be limited to, the contractor provide at  
20 least one draft report for each incentive prior to the issuance of the  
21 final report; provided, the contractor may determine the timing and  
22 frequency of draft reports based on the availability of information and  
23 the potential for draft reports to assist the commission in making a  
24 final recommendation. The cost of such contract shall be paid by the  
25 department. No recipient or potential recipient of an incentive or  
26 representative of a recipient or potential recipient shall contact the  
27 entity or individual with whom the commission contracts pursuant to this  
28 subdivision unless the entity or individual specifically requests infor-  
29 mation or documentation for purposes of the incentive evaluation proc-  
30 ess; provided, this shall not be construed to prevent participation in a  
31 public hearing conducted pursuant to subdivision two of this section.

32 2. For each year in which incentives have been scheduled to be evalu-  
33 ated under this article:

34 (a) By October first of each such year, the commission or the commis-  
35 sion's chosen contractor shall have evaluated each incentive scheduled  
36 for review that year. The commission or the commission's chosen contrac-  
37 tor shall conduct each incentive evaluation in consultation with the  
38 department using criteria developed pursuant to subdivision four of this  
39 section.

40 (b) Between October first and November thirtieth of each such year,  
41 the commission shall hold at least one public meeting to review, allow  
42 for public comment, and vote to approve, disapprove, or modify each  
43 incentive evaluation conducted that year.

44 (c) By December fifteenth of each such year, the commission shall  
45 issue an annual written report which shall provide: (i) the results of  
46 each incentive evaluation; (ii) a review of prior incentive evaluation  
47 recommendations by the commission and changes to statute or incentive  
48 administration related to such recommendations; and (iii) if the commis-  
49 sion votes to modify an incentive evaluation as provided in this subdivi-  
50 vision, such modification and the original evaluation shall be docu-  
51 mented. The report shall be made publicly available on the department's  
52 website and the commission's website and shall be submitted to the  
53 governor, temporary president of the senate, and the speaker of the  
54 assembly.

55 3. Each evaluation shall include the following:

1 (a) An estimate of the economic and fiscal impact of the incentive.  
2 This estimate shall include, but not be limited to:

3 (i) the extent to which the incentive changes business behavior.

4 (ii) the results of the incentive for the economy of New York as a  
5 whole. This consideration includes both positive direct and indirect  
6 impacts and any negative effects on other New York businesses.

7 (iii) a comparison to the results of other incentives or other econom-  
8 ic development strategies with similar goals.

9 (b) An assessment of whether adequate protections are in place to  
10 ensure the fiscal impact of the incentive does not increase substantial-  
11 ly beyond the state's expectations in future years.

12 (c) An assessment of whether the incentive is being administered  
13 effectively.

14 (d) An assessment of whether the incentive is achieving its goals.

15 (e) Recommendations for how the state can most effectively achieve the  
16 incentive's goals, including recommendations on whether the incentive  
17 should be retained, reconfigured, or repealed.

18 (f) Recommendations for any changes to state policy, rules, or stat-  
19 utes that would allow the incentive to be more easily or conclusively  
20 evaluated in the future. These recommendations may include changes to  
21 collection, reporting, and sharing of data, and revisions or clarifica-  
22 tions to the goal of the incentive.

23 4. Evaluation criteria shall be developed for each incentive evaluated  
24 by the commission. Each incentive shall be evaluated using criteria  
25 specific to the individual incentive.

26 5. The commission and any of its contractors, unless prohibited by  
27 state or federal law, may request and shall receive in a timely manner  
28 from any department, division, board, bureau, commission, agency or  
29 other political subdivision of the state, such information and assist-  
30 ance as shall enable it to properly carry out its powers and duties  
31 pursuant to this article.

32 § 2. This act shall take effect immediately.