STATE OF NEW YORK

30

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. MAGNARELLI, JACOBSON, STECK, OTIS, JACKSON, SIMON, McMAHON, HUNTER -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law, in relation to requiring the return of all or a part of the financial assistance provided for a project where the project has material shortfalls or material violations and preventing the use of funds, financial incentives, subsidies or tax exemptions for projects already in development

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

Section 1. Subdivision 11 of section 874 of the general municipal law, as added by chapter 563 of the laws of 2015, is amended and a new subdivision 13 is added to read as follows:

(11) Each agency shall develop policies for the return of all or a part of the financial assistance provided for the project, including all or part of the amount of any tax exemptions, as specified in the policy, which may include but shall not be limited to material shortfalls in job creation and retention projections or material violations of the terms and conditions of project agreements. **The agency shall implement such policies created in accordance with this subdivision to return all or part of the financial assistance provided for any project where the agency's annual assessment of a project shows material shortfalls in job creation and retention projections or material violations of the terms and conditions of project agreements as defined by the agency's policy. If the agency deviates from its policy on any project, the agency must draft a resolution, note the deviation in the project's page in the public authorities reporting information system (PARIS) report, and retain record of such determination including a detailed explanation in agency files. The agency shall also post such resolution and explanation on their website.** All such returned amounts of tax exemptions shall be

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

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redistributed to the appropriate affected tax jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

(13) Except where a significant increase in project costs is discovered during the development of the project or where a municipality has reassessed all or part of the project site resulting in a significant increase in property taxes, no tax exemptions shall be granted to any project if the project is already in development at the time such project applies for the issuance of the tax exemption.

§ 2. Section 854 of the general municipal law is amended by adding a new subdivision 22 to read as follows:

(22) "In development" - shall mean a project for which active construction, and erection of building foundations or structure has already commenced and all required permits have been issued.

§ 3. Section 862 of the general municipal law is amended by adding a new subdivision 3 to read as follows:

(3) Except where a significant increase in project costs is discovered during the development of the project or where a municipality has reassessed all or part of the project site resulting in a significant increase in property taxes, no funds, financial incentives or subsidies of the agency shall be used in respect of any project which is already in development at the time such project applies for such funds, financial assistance, incentives or subsidies.

§ 4. This act shall take effect immediately.