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IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. KRUEGER, BAILEY, LIU, PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the business corporation law and the public authorities law, in relation to enacting the "corporate accountability for tax expenditures 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 accountability for tax expenditures act".

3 § 2. The business corporation law is amended by adding a new article
4 14 to read as follows:

ARTICLE 14

CORPORATE ACCOUNTABILITY FOR TAX EXPENDITURES

Section 1401. Definitions.

8 1402. Unified economic development budget.

9 1403. Standardized applications for state development assist-
10 ance.

11 1404. State development assistance disclosure.

12 1405. Recapture.

§ 1401. Definitions.

14 As used in this article:

15 (a) "Base years" means the first two complete calendar years following
16 the effective date of a recipient receiving development assistance.

17 (b) "Date of assistance" means the commencement date of the assistance
18 agreement, which date triggers the period during which the recipient is
19 obligated to create or retain jobs and continue operations at the
20 specific project site.

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

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1 (c) "Default" means that a recipient has not achieved its job
2 creation, job retention, or wage or benefit goals, as applicable, during
3 the prescribed period therefor.

4 (d) "Department" means, unless otherwise noted, the department of
5 taxation and finance or any successor agency.

6 (e) "Development assistance" means (1) tax credits and tax exemptions
7 (other than given under tax increment financing) given as an incentive
8 to a recipient business organization pursuant to an initial certif-
9 ication or an initial designation made by the department under article
10 eighteen-A or eighteen-B of the general municipal law;

11 (2) all successor and subsequent programs and tax credits designed to
12 promote large business relocations and expansions. "Development assist-
13 ance" does not include tax increment financing, assistance provided by
14 industrial development agencies under article eighteen-A or eighteen-B
15 of the general municipal law pursuant to local ordinance, participation
16 loans, or financial transactions through statutorily authorized finan-
17 cial intermediaries in support of small business loans and investments
18 or given in connection with the development of affordable housing.

19 (f) "Development assistance agreement" means any agreement executed by
20 the state granting body and the recipient setting forth the terms and
21 conditions of development assistance to be provided to the recipient
22 consistent with the final application for development assistance,
23 including but not limited to the date of assistance, submitted to and
24 approved by the state granting body.

25 (g) "Full-time, permanent job" means a job in which the new employee
26 works for the recipient at a rate of at least thirty-five hours per
27 week.

28 (h) "New employee" means a full-time, permanent employee who repres-
29 ents a net increase in the number of the recipient's employees state-
30 wide. "New employee" includes an employee who previously filled a new
31 employee position with the recipient who was rehired or called back from
32 a layoff that occurs during or following the base years.

33 The term "new employee" does not include any of the following:

34 (1) An employee of the recipient who performs a job that was previous-
35 ly performed by another employee in this state, if that job existed in
36 this state for at least six months before hiring the employee.

37 (2) A child, grandchild, parent, or spouse, other than a spouse who is
38 legally separated from the individual, of any individual who has a
39 direct or indirect ownership interest of at least five percent in the
40 profits, capital, or value of any member of the recipient.

41 (i) "Part-time job" means a job in which the new employee works for
42 the recipient at a rate of less than thirty-five hours per week.

43 (j) "Recipient" means any business that receives economic development
44 assistance. A business is any corporation, limited liability company,
45 partnership, joint venture, association, sole proprietorship, or other
46 legally recognized entity.

47 (k) "Retained employee" means any employee defined as having a full-
48 time or full-time equivalent job preserved at a specific facility or
49 site, the continuance of which is threatened by a specific and demon-
50 strable threat, which shall be specified in the application for develop-
51 ment assistance.

52 (l) "Specific project site" means that distinct operational unit to
53 which any development assistance is applied.

54 (m) "State granting body" means the department, any other state
55 department or state agency that provides development assistance that has

1 reporting requirements under this article, and any successor agencies to
2 any of the preceding.

3 (n) "Temporary job" means a job in which the new employee is hired for
4 a specific duration of time or season.

5 (o) "Value of assistance" means the face value of any form of develop-
6 ment assistance.

7 § 1402. Unified economic development budget.

8 (a) For each state fiscal year ending on or after June thirtieth, two
9 thousand twenty-six, the department shall submit an annual unified
10 economic development budget to the governor, senate and assembly. The
11 unified economic development budget shall be due within three months
12 after the end of the fiscal year, and shall present all types of devel-
13 opment assistance granted during the prior fiscal year, including:

14 (1) The aggregate amount of uncollected or diverted state tax revenues
15 resulting from each type of development assistance provided pursuant to
16 law, as reported to the department on tax returns filed during the
17 fiscal year.

18 (2) All state development assistance.

19 (b) All data contained in the unified economic development budget
20 presented to the governor, senate and assembly shall be fully subject to
21 the freedom of information act.

22 (c) The department shall submit a report of the amounts in subpara-
23 graph one of paragraph (a) of this section to the department, which may
24 append such report to the unified economic development budget rather
25 than separately reporting such amounts.

26 § 1403. Standardized applications for state development assistance.

27 (a) All final applications submitted to the department or any other
28 state granting body requesting development assistance shall contain, at
29 a minimum:

30 (1) An application tracking number that is specific to both the state
31 granting agency and to each application.

32 (2) The office mailing address, office telephone number, and chief
33 officer of the granting body.

34 (3) The office mailing address, telephone number, and the name of the
35 chief officer of the applicant or authorized designee for the specific
36 project site for which development assistance is requested.

37 (4) The applicant's total number of employees at the specific project
38 site on the date that the application is submitted to the state granting
39 body, including the number of full-time, permanent jobs, the number of
40 part-time jobs, and the number of temporary jobs.

41 (5) The type of development assistance and value of assistance being
42 requested.

43 (6) The number of jobs to be created and retained or both created and
44 retained by the applicant as a result of the development assistance,
45 including the number of full-time, permanent jobs, the number of part-
46 time jobs, and the number of temporary jobs.

47 (7) A detailed list of the occupation or job classifications and
48 number of new employees or retained employees to be hired in full-time,
49 permanent jobs, a schedule of anticipated starting dates of the new
50 hires and the anticipated average wage by occupation or job classifica-
51 tion and total payroll to be created as a result of the development
52 assistance.

53 (8) A list of all other forms of development assistance that the
54 applicant is requesting for the specific project site and the name of
55 each state granting body from which that development assistance is being
56 requested.

1 (9) A narrative, if necessary, describing why the development assist-
2 ance is needed and how the applicant's use of the development assistance
3 may reduce employment at any site in New York.

4 (10) A certification by the chief officer of the applicant or the
5 chief officer's authorized designee that the information contained in
6 the application submitted to the granting body contains no knowing
7 misrepresentation of material facts upon which eligibility for develop-
8 ment assistance is based.

9 (b) Every state granting body either shall complete, or shall require
10 the applicant to complete, an application form that meets the minimum
11 requirements as prescribed in this section each time an applicant
12 applies for development assistance covered by this article.

13 (c) The department shall have the discretion to modify any standard-
14 ized application for state development assistance required under para-
15 graph (a) of this section for any grants that are not given as an incen-
16 tive to a recipient business organization.

17 § 1404. State development assistance disclosure.

18 (a) Beginning February first, two thousand twenty-seven and each year
19 thereafter, every state granting body shall submit to the department
20 copies of all development assistance agreements that it approved in the
21 prior calendar year.

22 (b) For each development assistance agreement for which the date of
23 assistance has occurred in the prior calendar year, each recipient shall
24 submit to the department a progress report that shall include, but not
25 be limited to, the following:

26 (1) The application tracking number.

27 (2) The office mailing address, telephone number, and the name of the
28 chief officer of the granting body.

29 (3) The office mailing address, telephone number, and the name of the
30 chief officer of the applicant or authorized designee for the specific
31 project site for which the development assistance was approved by the
32 state granting body.

33 (4) The type of development assistance program and value of assistance
34 that was approved by the state granting body.

35 (5) The applicant's total number of employees at the specific project
36 site on the date that the application was submitted to the state grant-
37 ing body and the applicant's total number of employees at the specific
38 project site on the date of the report, including the number of full-
39 time, permanent jobs, the number of part-time jobs, and the number of
40 temporary jobs, and a computation of the gain or loss of jobs in each
41 category.

42 (6) The number of new employees and retained employees the applicant
43 stated in its development assistance agreement, if any, if not, then in
44 its application, would be created by the development assistance broken
45 down by full-time, permanent, part-time, and temporary.

46 (7) A sworn declaration of whether the recipient is in compliance with
47 the development assistance agreement.

48 (8) A detailed list of the occupation or job classifications and
49 number of new employees or retained employees to be hired in full-time,
50 permanent jobs, a schedule of anticipated starting dates of the new
51 hires and the actual average wage by occupation or job classification
52 and total payroll to be created as a result of the development assist-
53 ance.

54 (9) A narrative, if necessary, describing how the recipient's use of
55 the development assistance during the reporting year has reduced employ-
56 ment at any site in New York.

1 (10) A certification by the chief officer of the applicant or the
2 chief officer's authorized designee that the information in the progress
3 report contains no knowing misrepresentation of material facts upon
4 which eligibility for development assistance is based.

5 (c) The state granting body, or a successor agency, shall have full
6 authority to verify information contained in the recipient's progress
7 report, including the authority to inspect the specific project site and
8 inspect the records of the recipient that are subject to the development
9 assistance agreement.

10 (d) By June first, two thousand twenty-seven and by June first of each
11 year thereafter, the department shall compile and publish all data in
12 all of the progress reports in both written and electronic form.

13 (e) If a recipient of development assistance fails to comply with
14 paragraph (b) of this section, the department shall, within twenty work-
15 ing days after the reporting submittal deadlines set forth in such para-
16 graph (b), suspend within thirty-three working days any current develop-
17 ment assistance to such recipient under its control, and shall be
18 prohibited from completing any current or providing any future develop-
19 ment assistance until it receives proof that such recipient has come
20 into compliance with the requirements of paragraph (b) of this section.

21 (f) The department shall have the discretion to modify the information
22 required in the progress report required under paragraph (b) of this
23 section consistent with the disclosure purpose of this section for any
24 grants that are not given as an incentive to a recipient business organ-
25 ization.

26 § 1405. Recapture.

27 (a) All development assistance agreements shall contain, at a minimum,
28 the following recapture provisions:

29 (1) The recipient must (i) make the level of capital investment in the
30 economic development project specified in the development assistance
31 agreement; (ii) create or retain, or both, the requisite number of jobs,
32 paying not less than specified wages for the created and retained jobs,
33 within and for the duration of the time period specified in the develop-
34 ment assistance programs and the development assistance agreement.

35 (2) If the recipient fails to create or retain the requisite number of
36 jobs within and for the time period specified, in the development
37 assistance programs and the development assistance agreement, the recip-
38 ient shall be deemed to no longer qualify for the state economic assist-
39 ance and the applicable recapture provisions shall take effect.

40 (3) If the recipient receives state economic assistance in the form of
41 an empire zone designation pursuant to article eighteen-B of the general
42 municipal law or an industrial development zone designation pursuant to
43 article eighteen-A of the general municipal law and the recipient fails
44 to create or retain the requisite number of jobs, as determined by the
45 development assistance agreement within the requisite period of time,
46 the recipient shall be required to pay to the state the full amount of
47 the state tax exemption that it received as a result of such desig-
48 nation.

49 (4) If the recipient receives a grant or loan pursuant to an empire
50 zone designation pursuant to article eighteen-B of the general municipal
51 law or an industrial development zone designation pursuant to article
52 eighteen-A of the general municipal law and the recipient fails to
53 create or retain the requisite number of jobs for the requisite time
54 period, as provided in the development assistance agreement, the recip-
55 ient shall be required to repay to the state a pro rata amount of the
56 grant; that amount shall reflect the percentage of the deficiency

1 between the requisite number of jobs to be created or retained by the
2 recipient and the actual number of such jobs in existence as of the date
3 the department determines the recipient is in breach of the job creation
4 or retention covenants contained in the development assistance agree-
5 ment. If the recipient of development assistance under such designations
6 ceases operations at the specific project site during a five year period
7 commencing on the date of assistance, the recipient shall be required to
8 repay the entire amount of the grant or to accelerate repayment of the
9 loan back to the state.

10 (5) If the recipient receives a tax credit under article eighteen-A or
11 eighteen-B of the general municipal law, the development assistance
12 agreement shall provide that (i) if the number of new or retained
13 employees falls below the requisite number set forth in the development
14 assistance agreement, the allowance of the credit shall be automatically
15 suspended until the number of new and retained employees equals or
16 exceeds the requisite number in the development assistance agreement;
17 (ii) if the recipient discontinues operations at the specific project
18 site during the first five years of the term of the development assist-
19 ance agreement, the recipient shall forfeit all credits taken by the
20 recipient during such five year period; and (iii) in the event of a
21 revocation or suspension of the credit, the department shall initiate
22 proceedings against the recipient to recover wrongfully exempted state
23 income taxes and the recipient shall promptly repay to the department
24 any wrongfully exempted state income taxes. The forfeited amount of
25 credits shall be deemed assessed on the date the department initiates
26 proceedings against such recipient and the recipient shall promptly
27 repay to the department any wrongfully exempted state income taxes.

28 (b) The commissioner of taxation and finance may elect to waive
29 enforcement of any contractual provision arising out of the development
30 assistance agreement required by this article based on a finding that
31 the waiver is necessary to avert an imminent and demonstrable hardship
32 to the recipient that may result in such recipient's insolvency or
33 discharge of workers. If a waiver is granted, the recipient shall agree
34 to a contractual modification, including recapture provisions, to the
35 development assistance agreement. The existence of any waiver granted
36 pursuant to paragraph (c) of this section, the date of the granting of
37 such waiver, and a brief summary of the reasons supporting the granting
38 of such waiver shall be disclosed consistent with the provisions of this
39 section.

40 (c) Beginning June first, two thousand twenty-six, the department
41 shall annually compile a report on the outcomes and effectiveness of
42 recapture provisions by program, including but not limited to: (i) the
43 total number of companies that receive development assistance as defined
44 in this article; (ii) the total number of recipients in violation of
45 development agreements with the department; (iii) the total number of
46 completed recapture efforts; (iv) the total number of recapture efforts
47 initiated; and (v) the number of waivers granted. Such report shall be
48 disclosed consistent with the provisions of section fourteen hundred
49 four of this article.

50 § 3. The public authorities law is amended by adding a new article
51 10-E to read as follows:

52 ARTICLE 10-E

53 CORPORATE ACCOUNTABILITY FOR TAX EXPENDITURES

54 Section 3980. Definitions.

55 3981. Unified economic development budget.

1 11. "Retained employee" means any employee defined as having a full-
2 time or full-time equivalent job preserved at a specific facility or
3 site, the continuance of which is threatened by a specific and demon-
4 strable threat, which shall be specified in the application for develop-
5 ment assistance.

6 12. "Specific project site" means that distinct operational unit to
7 which any development assistance is applied.

8 13. "State granting body" means the department, any other state
9 department or state agency that provides development assistance that has
10 reporting requirements under this article, and any successor agencies to
11 any of the preceding.

12 14. "Temporary job" means a job in which the new employee is hired for
13 a specific duration of time or season.

14 15. "Value of assistance" means the face value of any form of develop-
15 ment assistance.

16 § 3981. Unified economic development budget. 1. For each state fiscal
17 year ending on or after June thirtieth, two thousand twenty-six the
18 department shall submit an annual unified economic development budget to
19 the governor, senate and assembly. The unified economic development
20 budget shall be due within three months after the end of the fiscal
21 year, and shall present all types of development assistance granted
22 during the prior fiscal year, including:

23 (a) The aggregate amount of uncollected or diverted state tax revenues
24 resulting from each type of development assistance provided pursuant to
25 law, as reported to the department on tax returns filed during the
26 fiscal year.

27 (b) All state development assistance.

28 2. All data contained in the unified economic development budget
29 presented to the governor, senate and assembly shall be fully subject to
30 the freedom of information act.

31 3. The department shall submit a report of the amounts in paragraph
32 (a) of subdivision one of this section to the department, which may
33 append such report to the unified economic development budget rather
34 than separately reporting such amounts.

35 § 3982. Standardized applications for state development assistance.

36 1. All final applications submitted to the department or any other state
37 granting body requesting development assistance shall contain, at a
38 minimum:

39 (a) An application tracking number that is specific to both the state
40 granting agency and to each application.

41 (b) The office mailing address, office telephone number, and chief
42 officer of the granting body.

43 (c) The office mailing address, telephone number, and the name of the
44 chief officer of the applicant or authorized designee for the specific
45 project site for which development assistance is requested.

46 (d) The applicant's total number of employees at the specific project
47 site on the date that the application is submitted to the state granting
48 body, including the number of full-time, permanent jobs, the number of
49 part-time jobs, and the number of temporary jobs.

50 (e) The type of development assistance and value of assistance being
51 requested.

52 (f) The number of jobs to be created and retained or both created and
53 retained by the applicant as a result of the development assistance,
54 including the number of full-time, permanent jobs, the number of part-
55 time jobs, and the number of temporary jobs.

1 (g) A detailed list of the occupation or job classifications and
2 number of new employees or retained employees to be hired in full-time,
3 permanent jobs, a schedule of anticipated starting dates of the new
4 hires and the anticipated average wage by occupation or job classifica-
5 tion and total payroll to be created as a result of the development
6 assistance.

7 (h) A list of all other forms of development assistance that the
8 applicant is requesting for the specific project site and the name of
9 each state granting body from which that development assistance is being
10 requested.

11 (i) A narrative, if necessary, describing why the development assist-
12 ance is needed and how the applicant's use of the development assistance
13 may reduce employment at any site in New York.

14 (j) A certification by the chief officer of the applicant or the chief
15 officer's authorized designee that the information contained in the
16 application submitted to the granting body contains no knowing misrepre-
17 sentation of material facts upon which eligibility for development
18 assistance is based.

19 2. Every state granting body either shall complete, or shall require
20 the applicant to complete, an application form that meets the minimum
21 requirements as prescribed in this section each time an applicant
22 applies for development assistance covered by this article.

23 3. The department shall have the discretion to modify any standardized
24 application for state development assistance required under subdivision
25 one of this section for any grants that are not given as an incentive to
26 a recipient public authority.

27 § 3983. State development assistance disclosure. 1. Beginning Febru-
28 ary first, two thousand twenty-seven and each year thereafter, every
29 state granting body shall submit to the department copies of all devel-
30 opment assistance agreements that it approved in the prior calendar
31 year.

32 2. For each development assistance agreement for which the date of
33 assistance has occurred in the prior calendar year, each recipient shall
34 submit to the department a progress report that shall include, but not
35 be limited to, the following:

36 (a) The application tracking number.

37 (b) The office mailing address, telephone number, and the name of the
38 chief officer of the granting body.

39 (c) The office mailing address, telephone number, and the name of the
40 chief officer of the applicant or authorized designee for the specific
41 project site for which the development assistance was approved by the
42 state granting body.

43 (d) The type of development assistance program and value of assistance
44 that was approved by the state granting body.

45 (e) The applicant's total number of employees at the specific project
46 site on the date that the application was submitted to the state grant-
47 ing body and the applicant's total number of employees at the specific
48 project site on the date of the report, including the number of full-
49 time, permanent jobs, the number of part-time jobs, and the number of
50 temporary jobs, and a computation of the gain or loss of jobs in each
51 category.

52 (f) The number of new employees and retained employees the applicant
53 stated in its development assistance agreement, if any, if not, then in
54 its application, would be created by the development assistance broken
55 down by full-time, permanent, part-time, and temporary.

1 (g) A sworn declaration of whether the recipient is in compliance with
2 the development assistance agreement.

3 (h) A detailed list of the occupation or job classifications and
4 number of new employees or retained employees to be hired in full-time,
5 permanent jobs, a schedule of anticipated starting dates of the new
6 hires and the actual average wage by occupation or job classification
7 and total payroll to be created as a result of the development assist-
8 ance.

9 (i) A narrative, if necessary, describing how the recipient's use of
10 the development assistance during the reporting year has reduced employ-
11 ment at any site in New York.

12 (j) A certification by the chief officer of the applicant or the chief
13 officer's authorized designee that the information in the progress
14 report contains no knowing misrepresentation of material facts upon
15 which eligibility for development assistance is based.

16 3. The state granting body, or a successor agency, shall have full
17 authority to verify information contained in the recipient's progress
18 report, including the authority to inspect the specific project site and
19 inspect the records of the recipient that are subject to the development
20 assistance agreement.

21 4. By June first, two thousand twenty-seven and by June first of each
22 year thereafter, the department shall compile and publish all data in
23 all of the progress reports in both written and electronic form.

24 5. If a recipient of development assistance fails to comply with
25 subdivision two of this section, the department shall, within twenty
26 working days after the reporting submittal deadlines set forth in such
27 subdivision two, suspend within thirty-three working days any current
28 development assistance to such recipient under its control, and shall be
29 prohibited from completing any current or providing any future develop-
30 ment assistance until it receives proof that such recipient has come
31 into compliance with the requirements of subdivision two of this
32 section.

33 6. The department shall have the discretion to modify the information
34 required in the progress report required under subdivision two of this
35 section consistent with the disclosure purpose of this section for any
36 grants that are not given as an incentive to a recipient public authori-
37 ty.

38 § 3984. Recapture. 1. All development assistance agreements shall
39 contain, at a minimum, the following recapture provisions:

40 (a) The recipient must (i) make the level of capital investment in the
41 economic development project specified in the development assistance
42 agreement; (ii) create or retain, or both, the requisite number of jobs,
43 paying not less than specified wages for the created and retained jobs,
44 within and for the duration of the time period specified in the develop-
45 ment assistance programs and the development assistance agreement.

46 (b) If the recipient fails to create or retain the requisite number of
47 jobs within and for the time period specified, in the development
48 assistance programs and the development assistance agreement, the recip-
49 ient shall be deemed to no longer qualify for the state economic assist-
50 ance and the applicable recapture provisions shall take effect.

51 (c) If the recipient receives state economic assistance in the form of
52 an empire zone designation pursuant to article eighteen-B of the general
53 municipal law or an industrial development zone designation pursuant to
54 article eighteen-A of the general municipal law and the recipient fails
55 to create or retain the requisite number of jobs, as determined by the
56 development assistance agreement within the requisite period of time,

1 the recipient shall be required to pay to the state the full amount of
2 the state tax exemption that it received as a result of such desig-
3 nation.

4 (d) If the recipient receives a grant or loan pursuant to an empire
5 zone designation pursuant to article eighteen-B of the general municipal
6 law or an industrial development zone designation pursuant to article
7 eighteen-A of the general municipal law and the recipient fails to
8 create or retain the requisite number of jobs for the requisite time
9 period, as provided in the development assistance agreement, the recipi-
10 ent shall be required to repay to the state a pro rata amount of the
11 grant; that amount shall reflect the percentage of the deficiency
12 between the requisite number of jobs to be created or retained by the
13 recipient and the actual number of such jobs in existence as of the date
14 the department determines the recipient is in breach of the job creation
15 or retention covenants contained in the development assistance agree-
16 ment. If the recipient of development assistance under such designations
17 ceases operations at the specific project site during a five year period
18 commencing on the date of assistance, the recipient shall be required to
19 repay the entire amount of the grant or to accelerate repayment of the
20 loan back to the state.

21 (e) If the recipient receives a tax credit under article eighteen-A or
22 eighteen-B of the general municipal law, the development assistance
23 agreement shall provide that (i) if the number of new or retained
24 employees falls below the requisite number set forth in the development
25 assistance agreement, the allowance of the credit shall be automatically
26 suspended until the number of new and retained employees equals or
27 exceeds the requisite number in the development assistance agreement;
28 (ii) if the recipient discontinues operations at the specific project
29 site during the first five years of the term of the development assist-
30 ance agreement, the recipient shall forfeit all credits taken by the
31 recipient during such five year period; and (iii) in the event of a
32 revocation or suspension of the credit, the department shall initiate
33 proceedings against the recipient to recover wrongfully exempted state
34 income taxes and the recipient shall promptly repay to the department
35 any wrongfully exempted state income taxes. The forfeited amount of
36 credits shall be deemed assessed on the date the department initiates
37 proceedings against such recipient and the recipient shall promptly
38 repay to the department any wrongfully exempted state income taxes.

39 2. The commissioner of taxation and finance may elect to waive
40 enforcement of any contractual provision arising out of the development
41 assistance agreement required by this article based on a finding that
42 the waiver is necessary to avert an imminent and demonstrable hardship
43 to the recipient that may result in such recipient's insolvency or
44 discharge of workers. If a waiver is granted, the recipient shall agree
45 to a contractual modification, including recapture provisions, to the
46 development assistance agreement. The existence of any waiver granted
47 pursuant to subdivision three of this section, the date of the granting
48 of such waiver, and a brief summary of the reasons supporting the grant-
49 ing of such waiver shall be disclosed consistent with the provisions of
50 this section.

51 3. Beginning June first, two thousand twenty-six, the department shall
52 annually compile a report on the outcomes and effectiveness of recapture
53 provisions by program, including but not limited to: (a) the total
54 number of authorities that receive development assistance as defined in
55 this article; (b) the total number of recipients in violation of devel-
56 opment agreements with the department; (c) the total number of completed

1 recapture efforts; (d) the total number of recapture efforts initiated;
2 and (e) the number of waivers granted. Such report shall be disclosed
3 consistent with the provisions of section thirty-nine hundred eighty-
4 three of this article.
5 § 4. This act shall take effect on the one hundred twentieth day after
6 it shall have become a law and shall apply to contracts and agreements
7 entered into on or after such effective date. Effective immediately,
8 the addition, amendment and/or repeal of any rule or regulation neces-
9 sary for the implementation of this act on its effective date are
10 authorized to be made and completed on or before such effective date.