

STATE OF NEW YORK

9182

IN SENATE

February 11, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the economic development law, the general municipal law and the environmental conservation law, in relation to enacting the "stop subsidizing data centers 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 "stop subsidizing data centers act".

3 § 2. Section 187 of the economic development law is amended by adding
4 a new subdivision (h) to read as follows:

5 (h) Notwithstanding any other provision of law, no application for
6 economic power allocation shall be approved under this section, where
7 such allocation would be for the operation of a data center. For the
8 purposes of this subdivision, the term "data center" means a facility
9 primarily housing computer systems of the kind typically associated with
10 telecommunications and/or data storage infrastructure.

11 § 3. Subdivision 11 of section 874 of the general municipal law, as
12 added by chapter 563 of the laws of 2015, is amended and a new subdivi-
13 sion 13 is added to read as follows:

14 (11) (a) Each agency shall develop policies for the return of all or a
15 part of the financial assistance provided for the project, including all
16 or part of the amount of any tax exemptions, as specified in the policy,
17 which [~~may~~] shall include but [~~shall~~] not be limited to material short-
18 falls in job creation, as provided under paragraph (b) of this subdivi-
19 sion, and may include but shall not be limited to retention projections
20 or material violations of the terms and conditions of project agree-
21 ments. All such returned amounts of tax exemptions shall be redistrib-
22 uted to the appropriate affected tax jurisdiction, unless agreed to
23 otherwise by any local taxing jurisdiction.

24 (b) An agency's policy for the return of all or part of the financial
25 assistance provided for a project for material shortfalls in job
26 creation, developed pursuant to paragraph (a) of this subdivision, shall

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

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1 require that each agreement executed by such agency shall include a
2 provision under which such return of financial assistance shall be trig-
3 gered if the recipient fails to create and maintain a specified job
4 level within five years of project completion. Such policy shall provide
5 for the annual submission of a certification of compliance with such
6 specified job level until the end of such five-year period.

7 (13) (a) Financial assistance shall not be awarded for any project in
8 an amount exceeding five hundred thousand dollars for each full-time job
9 anticipated to be created by such project, as indicated in the project
10 application.

11 (b) Financial assistance shall not be awarded for any project that is,
12 upon completion, capable of consuming more than one hundred megawatts
13 during normal operations.

14 (c) For the purposes of this subdivision, the term "financial assist-
15 ance" shall include, but not be limited to, sales tax exemptions, mort-
16 gage recording tax exemptions, and real property tax exemptions.

17 § 4. Subdivision 6 of section 8-0111 of the environmental conservation
18 law, as added by chapter 612 of the laws of 1975, is amended to read as
19 follows:

20 6. Lead Agency. When an action is to be carried out or approved by two
21 or more agencies, the determination of whether the action may have a
22 significant effect on the environment shall be made by the lead agency
23 having principal responsibility for carrying out or approving such
24 action and such agency shall prepare, or cause to be prepared by
25 contract or otherwise, the environmental impact statement for the action
26 if such a statement is required by this article. In the event that there
27 is a question as to which is the lead agency, any agency may submit the
28 question to the commissioner and the commissioner shall designate the
29 lead agency, giving due consideration to the capacity of such agency to
30 fulfill adequately the requirements of this article. The department
31 shall be the mandatory lead agency for any action capable of consuming
32 over fifty megawatts during normal operations.

33 § 5. Section 8-0109 of the environmental conservation law is amended
34 by adding a new subdivision 10 to read as follows:

35 10. An environmental impact statement shall be prepared for any action
36 found to be located within ten miles of a federally recognized Indian
37 nation's territory. Prior to the preparation of such environmental
38 impact statement, the applicant shall consult with such Indian nation,
39 and include any comments submitted by such Indian nation pursuant to
40 such consultation in its environmental impact statement.

41 § 6. This act shall take effect on the one hundred eightieth day after
42 it shall have become a law. Effective immediately, the addition, amend-
43 ment and/or repeal of any rule or regulation necessary for the implemen-
44 tation of this act on its effective date are authorized to be made and
45 completed on or before such effective date.