



Legislation Text

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Res. No. 854

Resolution calling on the New York State Legislature to support Assembly Bill A.01022, known as the state financial incentive protection act, a bill that would amend the new york state urban development corporation act by creating state agency reporting requirements and providing penalties for businesses and corporations receiving state economic development benefits that leave the state or outsource jobs from the state.

By Council Members Brewer, Fidler, Foster, Gennaro, Gentile, James, Koppell and Liu

Whereas, The sponsors of Assembly Bill A.01022, known as the “State Financial Incentive Protection Act,” have found it to be “the policy of New York State to ensure that economic development benefits extended to businesses and corporations are used to provide jobs and benefits to the people of the State”; and

Whereas, The sponsors of Assembly Bill A.01022 believe it is the “responsibility of the Legislature to ensure that taxpayer money is used for its intended purpose”; and

Whereas, The sponsors of Assembly Bill A.01022 recognize that “companies relocate for a variety of reasons, but believe that the Legislature should not finance such relocation,” when it results in the “outsourcing” of jobs out of New York State; and

Whereas, The sponsors of Assembly Bill A.01022 acknowledge that “the State has limited resources” and believe that they that “should not be used to finance such relocation out of the State,” but rather “to assist companies that have made efforts towards improving economic development [with]in the State;” and

Whereas, Assembly Bill A.01022 is aimed at protecting jobs in the state by prohibiting the outsourcing of jobs by business entities receiving state financial incentives; and

Whereas, Assembly Bill A.01022 provides penalties for businesses and corporations receiving financial incentives that relocate out of the state or outsource jobs out of the state by requiring repayment of said financial incentives and by placing a five-year ban on future assistance; and

Whereas, Assembly Bill A.01022 is enforceable by the State Attorney General and requires state entities that provide financial incentives to business entities to report the provision of such economic development benefits to the state attorney general, and

Whereas, There are hundreds of businesses in New York City that receive state financial incentives which include but are not limited to, real property tax exemptions, utility cost reductions, and wage tax credits, to which Assembly bill A.01022 would be applicable; and

Whereas, The Council supports legislative methods to increase and retain jobs in New York City in the interest of economic development, including legislation related to the provision of state economic development benefits; now therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to support Assembly Bill A.01022, known as the state financial incentive protection act, a bill that would amend the new york state urban development corporation act by creating state agency reporting requirements and providing penalties for businesses and corporations receiving state economic development benefits that leave the state or outsource jobs from the state.

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