



Legislation Text

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Int. No. 1281-A

By Council Members Ferreras-Copeland, Garodnick, Lander, Kallos, Menchaca, Levin and Crowley

A Local Law to amend the administrative code of the city of New York, in relation to the review and evaluation of economic development tax expenditures, and to repeal chapter 29 of title 11 of such code, relating to the establishment of the tax study commission

Be it enacted by the Council as follows:

Section 1. Chapter 29 of title 11 of the administrative code of the city of New York is REPEALED.

§ 2. Title 11 of the administrative code of the city of New York is amended by adding a new chapter 29 to read as follows:

Chapter 29

TAX EXPENDITURE EVALUATION

§ 11-2901 Economic development tax expenditure evaluation.

a. Definitions. For the purposes of this section only, the following definitions shall apply:

Economic development tax expenditure. The term “economic development tax expenditure” shall include, but not be limited to, any exclusion, exemption, abatement, credit or other benefit allowed against city tax liability that induces behavior related to producing business income or investment income.

Evaluator. The term “evaluator” shall mean the independent budget office.

b. Evaluation.

1. The evaluator shall, to the extent practicable based on the evaluator’s resources, review and evaluate economic development tax expenditures identified by the council in collaboration with the evaluator. Such review and evaluation shall be conducted in accordance with a schedule set forth annually by the council in

collaboration with the evaluator.

2. City agencies, including the department of finance and any entities under contract with the department of small business services to provide or administer economic development benefits on behalf of the city, shall, as required of city agencies under subdivision c of section 259 of the charter, provide the evaluator with such information, data, estimates and statistics as the evaluator determines to be necessary for the evaluator to conduct its review and evaluation. Whenever an agency or entity does not disclose records, information, data, estimates or statistics to the evaluator, it shall provide a written explanation to the director and the speaker of the council for the reason of such denial and include a citation to the specific law that prohibits such disclosure.

3. In accordance with the schedule set forth pursuant to paragraph 1 of subdivision b of this section, the evaluator shall submit a report to the speaker of the council regarding each economic development tax expenditure reviewed and evaluated. Such report, to the extent practicable, shall include, but need not be limited to:

(a) a description of the economic development tax expenditure reviewed and evaluated;

(b) the data considered and the methodology and assumptions used in conducting such review and evaluation;

(c) an analysis of the effectiveness of such economic development tax expenditure and whether it is achieving its goals, as such goals are defined in the legislation creating such economic development tax expenditure or as such goals are defined by the council in collaboration with the evaluator;

(d) whether and to what extent the goals of such economic development tax expenditure are still relevant, including whether and how such goals align with current economic development policy goals;

(e) recommendations for future evaluations of such economic development tax expenditure, including whether alternative methods of data collection would allow for better analysis; and

(f) such other information as may be requested by the council or that the evaluator deems relevant to

such report.

Upon submission to the speaker of the council, the evaluator shall make each such report publicly available on its website.

§ 3. This local law takes effect immediately.

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