

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



December 17, 2024

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12244

Re: S.4040-B, Mayer / A.7532-B, Solages

An act to amend the general municipal law, in relation to the organization of industrial development agencies and the definition of labor organization

Dear Governor Hochul,

The organizations listed above support this legislation and urge your signature.

This legislation would make reforms to the current Industrial Development Agency (IDA) structure by requiring each IDA board to have either a representative of the school board or a school superintendent, as well as representation from at least one local labor organization. The bill provides a process for an IDA board's size to temporarily increase in order to accommodate the new representation.

IDAs were created with the goal of promoting and developing the economic health of their communities. This is often accomplished by the IDA entering into payment-in-lieu-of-taxes (PILOT) agreements with businesses in support of developments and other projects. Unfortunately, current law requires limited specific engagement or interaction between an IDA and a school district prior to an IDA's review and acceptance of PILOT applications. Such PILOT agreements often include multi-million dollar reductions in the amount of property taxes a school district would otherwise receive, if the property were on the tax roll. In addition, PILOT revenue also directly impacts a school district's property tax cap calculation. New PILOT revenue requires a dollar-for-dollar reduction in a school district's tax cap and can, on occasion, force districts into negative tax caps.

This legislation would provide for a basic and sensible level of representation on IDA boards by requiring membership of either a representative of a school board or a school superintendent, and representation from a local labor organization. Currently, school district representation on IDA boards is explicitly permitted but not required in the applicable statute, with the vast majority of IDA boards populated by members of the business community and other local government officials. Of the hundreds of IDA board members from the more than 100 IDAs across the state, only a handful have current school district experience. Formally incorporating the perspectives and viewpoints of the education community lead to more productive and meaningful outcomes for all involved parties.

Given the direct impact that PILOTs and other IDA actions can, and do, have on school district budgets, it is important to create greater levels of representation and collaboration in the IDA process. For these reasons, our organizations strongly support this legislation and urge you to sign it into law.

Sincerely,

New York State Educational Conference Board

cc: Senator Shelley Mayer
Assemblymember Michaelle Solages
Brian Mahanna
Terrance Pratt
Maria Fernandez
Ileana Infante
Sheridan Miller