



Just and Open Business Subsidies (JOBS) Act Bill Summary

The JOBS Act (A8203) amends the Public Authorities Law.

§1. Legislative findings.

This section addresses the purpose of this legislation by briefly assessing the important role government plays in facilitating private economic development, while laying out the problems with the system as it currently exists. It also sets the legal justification for creating a local hire program.

§2. Definitions.

This section provides a definition for “financial assistance” that ensures all forms of financial assistance are captured under the following provisions. Covered categories include local, state and federal funds that are discretionary and as-of-right, encompassing bonds, loans, grants, tax exemptions, credits, and below-market land transfers. “Recipient” and “covered employer” are defined to ensure that direct recipients, as well as tenants, contractors and subcontractors are all covered under relevant portions of the legislation.

§3. Creates nine new sections in the public authorities law.

§2990. Standard applications.

This section requires the creation of a consolidated funding application for all forms of financial assistance. It requires the questions asked to applicants for financial assistance to mirror the required components of reporting under §4, below.

§2991. Financial assistance agreements.

This section requires the contractual agreements, known as financial assistance agreements, to include the information that is required for reporting purposes under §4, below. It also requires recapture provisions and performance benchmarks to be included in the agreement. All agreements must include certain targets, including job creation and/or retention, local hire and apprenticeship, and capital investment.

§2992. Public review.

The provision of \$25,000 or more in discretionary financial assistance requires notice 30 days prior to a public hearing, along with the provision of all relevant documentation. Approval by affected taxing jurisdictions is required for discretionary financial assistance over \$1 million in NYC, and \$100,000 elsewhere.

§2993. Subsidy recapture.

This section requires subsidy recapture provisions for all forms of financial assistance that are based upon the performance targets outlined in §2991. There is an opportunity for a recipient to cure a default. There may be a waiver of the recapture provisions only after a vote by the affected taxing jurisdictions.

§2994. Unified Economic Development Budget.

This section requires the NY Department of Taxation and Finance to compile a report on all forms of financial assistance for consideration during the state budget process. It also requires the report to include data on the recipients of financial assistance.

§2995. Restriction on funds.

This section helps to prevent job piracy by economic development entities by increasing the evidentiary standard for avoiding the restriction, and in certain circumstances requiring approval by affected taxing jurisdiction as well as the opportunity for a public hearing.

§2996. Designated board representation.

This section requires designated board representation on state and local public authorities by representatives of local government, school boards, organized labor, and others. It also strengthens the protections against conflicts of interest by board members.

§2998. Local hire.

This section requires that for projects receiving over \$100,000 in financial assistance, 50% of new hires of in-state residents must be local residents of the area in which the project occurs, both for construction and permanent jobs. There is a quarterly reporting requirement for all covered employers. There is also an apprenticeship requirement included in this section.

§2999. Payments in Lieu of Taxes

PILOT agreements are limited to five years in duration, with the opportunity for one renewal.

§4. Amends reporting requirements.

§2800. Annual reports by authorities.

This section requires annual reporting by authorities to the authorities budget office by amending the public authorities law. Annual reporting must include a project description (such as local hire data, wage data, financial investment data, etc), the details of the financial assistance agreement including the performance criteria (such as jobs created and retained), and relevant benchmarks. The reported information must be compiled by the authorities budget office into a database and placed online into a single web portal. There must also be a link provided to the recipient's application, the financial assistance agreement, the cost benefit analysis and other relevant documents.

§5. Effective date.

This section sets the date on which the act is effective to 90 days after passage.