

Senate and Assembly remove Governor's IDA proposal from their one-house budgets

Last night, the Senate introduced its one-house budget resolutions. The Assembly introduced its one-house budget the night before. These resolutions reflect their majority conference priorities and do not represent or portend a final outcome. Over the next three weeks, the Senate, Assembly, and Governor will negotiate a final budget. Consequently, issues removed or modified in the legislative resolutions could be restored or revised in a final, agreed upon budget that is expected to be enacted at the end of this month.

NYSEDC is working on several budget issues. Some of our priorities include:

- Governor's proposal to add new approvals, requirements, and restrictions to IDA projects
- Brownfield Cleanup Program
- Upstate Revitalization fund

Below is a summary of how these issues were addressed by the Senate, Assembly, and Governor

Issue: Governor's proposal to add new approvals, requirements, and restrictions to IDA projects

Governor's budget: Among other things, requires ESD to approve all IDA projects conveying state tax exemptions.

Senate budget: Removes this provision in its entirety.

Assembly budget: Removes this provisions in its entirety.

NYSEDC position: Opposed in its entirety

Issue: Brownfield Cleanup Program

Governor's budget: Extends program for seven years. Limits Tangible Property Tax Credit to brownfiled projects located in En-Zones, affordable housing projects, and properties that are financially "upside down."

Assembly budget: Extends the existing Brownfield Cleanup Program for 10 years and authorizes up to \$1 Billion in bonds to be issued for cleanup of environmental restoration projects.

Senate budget: Extends BCP long term. Expands eligibility for the Tangible Property Credit beyond eligibility in Governor's proposal, including for:

- Sites that are "underutilized" and sites characterized by "functional obsolescence"
- Industrial and R&D parks larger than 500 acres.
- Manufacturing projects

NYSEDC position: Support 10 year extension of the BCP. Make all brownfield sites eligible for the Tangible Property Tax Credit, but reduce tax credit from 10 percent to 5 percent, but allow additional 5 percent credit for projects located in En-Zone, affordable housing projects, projects that are “upside down,” manufacturing projects, and projects located in a BOA.

Issue: Upstate Revitalization fund

Governor’s position: Makes \$1.5 Billion available on competitive basis for 7 regions (Excluding downstate and WNY), with three regions “winning” \$500 Million each.

Assembly position: Adopts the Governor’s proposal

Senate position: Adopts the Governor’s proposal, but removes requirement that funding would be awarded pursuant to a competitive process

NYSEDC position: Support \$1.5 Billion Upstate Revitalization fund, but make funds competitive on a project - not regional - basis.

Other Senate initiatives

- \$700 million for regionally significant projects, including \$150 Million for the Long Island Research Triangle project and \$30 Million for the Biomedical and Biotechnological Technology Transfer Capital Matching Grant program
- \$1 Billion for broadband and clean water infrastructure
- \$1 Billion for commuter passenger, freight rail, mass transit, rapid transit, and urban transportation systems, facilities, and equipment
- \$400 Million for municipal purchases of equipment to preserve infrastructure, rehabilitation of municipal facilities, and economic or environmental projects sponsored by state or municipal corporations.
- \$50 Million for Main Street Revitalization Program
- \$115 Million to support Upstate transit, rail airport, port, and other transit infrastructure.
- Creates Empire Public Works Program in ESDC. Provides loans to municipal or state agencies for bridge repair, local road/highway projects, projects to mitigate effects of climate change, public utility projects, and public mass transit projects.
- 20 percent asbestos remediation credit. Credit cannot exceed \$1 Million, but can be claimed over three years.

Click [here](#) to download the Senate press release, which gives greater detail to its budget proposal.

Click [here](#) to download the Assembly press release on its one-house budget proposal.

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