
S.4040 (Mayer)/A.7532 (Solages)

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BILL S.4040 (Mayer)/A.7532 (Solages)
SUBJECT Opposition to mandating labor and school board members on IDA boards.
DATE May 23, 2024
OPPOSE

The Business Council of New York State strongly opposes S.4040 (Mayer)/A.7532 (Solages), mandating representation on local Industrial Development Agency (IDA) boards. We believe this bill poses significant risks and challenges that could undermine the effectiveness of IDAs and impede local economic development efforts. IDA boards are comprised of local volunteers appointed by local governments to address the unique economic needs of their communities. These boards are intended to promote economic growth with input from a diverse range of community members, including representatives from private business, financial experts, local government, academia, workforce development, labor, and schools.

While many IDAs already include labor and school district representatives and value their contributions, mandating these positions overrides the local control that allows IDAs to best serve their communities. This mandate removes the flexibility that local governments need to appoint board members who can most effectively address their specific economic needs. Moreover, IDA boards are capped at seven members by statute. Mandating two specific representatives without increasing the board's size displaces existing community voices and compromises the board's ability to represent the locality as a whole. This state overreach threatens local autonomy and sets a precedent for other interest groups to demand mandated representation, further complicating board composition and governance.

The bill also fails to consider the diverse economic landscapes across New York State. IDAs are responsible for making critical decisions about resource allocation to encourage business and development. It is essential that these decisions are made by individuals who best understand and represent their local community's needs. Additionally, the bill's definition of "labor organization" is overly broad and could inadvertently encompass a wide range of entities not traditionally considered labor organizations. This expansive definition may lead to regulatory confusion and complicate the operational landscape for businesses and labor groups alike. By including any organization engaged in collective

bargaining or dealing with employers regarding grievances, terms of employment, or mutual aid, the bill risks entangling community organizations and advocacy groups in regulatory frameworks intended for formal labor unions.

The provision allowing temporary increases in IDA board size to accommodate mandatory members, followed by reductions as non-mandatory seats are vacated, introduces instability. Such fluctuation can disrupt the continuity and long-term strategic planning essential for the successful operation of industrial development agencies. For these reasons, The Business Council of New York State strongly opposes S.4040 (Mayer)/A.7532 (Solages). This bill undermines local control, complicates regulatory environments, and introduces instability into IDA governance. We urge you to reconsider these proposed changes and seek a more balanced approach that supports both economic development and effective local governance.

Thank you for considering our concerns. We hope you will take these points into account and work towards a solution that maintains the integrity and effectiveness of IDAs while fostering economic growth across New York State