December 18, 2019

The Honorable Andrew M. Cuomo
Governor of the State of New York
Executive Chamber
State Capitol
Albany, NY 12224

Dear Governor Cuomo:

The Citizens Budget Commission (CBC) urges you to sign A7476/S5445, which will provide needed oversight by authorizing the Office of the State Comptroller (OSC) to audit local development corporations (LDCs). Local governments in New York State provide $5.6 billion annually in financial assistance to businesses directly or through municipally controlled Industrial Development Agencies (IDAs) and LDCs.1 LDCs have the power to buy and sell property, borrow money, issue debt, and give grants and loans. In 2017 at least 192 LDCs focused on economic development spent a total of $1.2 billion.2

Little is known about whether these resources are being used effectively in service of taxpayers. CBC has recommended authorizing OSC to audit LDCs, a power that it currently has for IDAs. The Authorities Budget Office reports that approximately a quarter of LDCs fail to submit required annual reports, and information that is submitted frequently is inaccurate.3

Improving oversight of LDCs is necessary to safeguard against misuse of public resources. I urge you to sign this bill to enhance accountability of local economic development.

Sincerely,

Andrew S. Rein
President

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