



## Memo in Opposition

May 9, 2022

**TO:** New York State Senate and New York State Assembly Leadership  
**FROM:** The Greater Binghamton Chamber of Commerce  
**RE:** Opposition of [S8395/A10069](#)

The Greater Binghamton Chamber of Commerce strongly opposes [S8395/A10069](#). This bill as written would prevent Industrial Development Agencies (IDAs) from offering a PILOT on school taxes. It would lead to IDAs losing projects and ultimately less jobs, less economic activity, and less revenue generated for not only school districts but local municipalities.

IDA incentives/assistance comes in the form of a tax abatement and payment in lieu of taxes (PILOT) on local property taxes and school taxes. This is the primary benefit and assistance offered by an IDA to attract private investment, job creation, downtown revitalization, and clean energy projects to their community. The school tax portion of a PILOT accounts for anywhere from 60-70% of that total amount of assistance provided by an IDA. By prohibiting the IDA from offering this valuable incentive, which is what this bill would do, IDAs would lose projects as would the communities they serve.

This bill claims it would provide additional revenue to school districts. This would only be true if we made the assumption that every project an IDA supports would happen anyways without the incentive, which we know is not the case. This bill would actually mean LESS revenue to school districts. Those new projects invariably pay significantly more real estate taxes than the previous use of the property. As a result, the tax burden placed on each resident and/or business within that taxing district decreases. According to a 2021 report from the [Office of State Comptroller \(OSC\)](#), IDAs helped generate **\$680 Million in NEW tax revenue** in ONE year to local taxing jurisdictions including school districts.

New York currently spends significantly more per student than any other state according to recent [reporting and analysis](#); nearly \$26,000 per student and a total of \$78 Billion on education in 2021. The amount of revenue a school district foregoes from IDA projects amounts to less than .5% of our annual spending on education. This funding is offset by PILOT revenue. IDAs **actually INCREASE revenue to school districts by creating new tax revenue moving forward on a project site location that didn't previously exist.**

The sponsor memo for this bill states the value of IDAs is unknown. Fortunately, we know that is not the case. In addition to PILOT revenue generated, IDAs have a broad economic impact according to data from [the OSC REPORT](#) and data from a study conducted by [Camoin Associates in 2021](#).

- 4320 active projects
- **\$109 Billion** in project activity
- **DIRECTLY** led to a net gain of **199,982 jobs** from 2018 to 2019
- Those net gain in jobs created at least **\$7.9 Billion** in new salaries in 2019
- Those new jobs created at least **\$399 Million** in new income tax generated
- **\$680 Million** in new tax payments to local communities/school districts via PILOTs
- **492,372 jobs created/retained** once these projects are complete
- Those jobs represent **\$20.5 Billion** in ANNUAL salaries
- **\$1.2 Billion** in new Annual Income Tax Revenue
- Indirectly, those projects have led to **\$436 Billion** in annual economic activity

- *At least **70 clean energy projects** in 2019*
- ***870 megawatts** of new clean energy (enough to power 500,000 homes)*
- *issued 1451 small business loans or grants during the pandemic*
- *At least 3000 new housing starts across the state.*

The Greater Binghamton Chamber of Commerce believes funding for education is critically important. We know that [S8395/A10069](#) bill will actually have the opposite effect of generating additional revenue for school districts. Instead, we would propose the Legislature pass [A7091/S8480](#), sponsored by Senator Jeremy Cooney and Assemblyman John McDonald. This bill allows PILOTs to be included in the 2% tax cap formula, something our organization and school boards agree upon. This bill actually passed both houses in 2017 with overwhelming bipartisan support. It was unfortunately vetoed because the tax cap had not been made permanent (it now is), something the legislature has remedied, and we fully support. This bill would give school districts along with municipalities the necessary flexibility to account for growth brought about from an IDA project.

It for these reasons we must oppose [S8395/A10069](#). We thank you for your time and consideration.

Sincerely,

Stacey Duncan  
President & CEO  
The Greater Binghamton Chamber of Commerce