



NEW YORK STATE SENATOR

George Onorato

# New Legislation would Require Companies Seeking State Economic Development Subsidies to Disclose Wage, Hiring Plans For Projects

GEORGE ONORATO May 27, 2009

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## ***NEWS FROM.....***

**State Senator George Onorato**

**State Senator Neil D. Breslin**

**Assemblyman Tim Gordon.....**

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**CONTACT:** Senator Onorato/Janet Kash (518)455-3486

Senator Breslin (518)455-2225

Assemblyman Gordon (518)455-5777

## **NEW LEGISLATION WOULD REQUIRE COMPANIES SEEKING STATE ECONOMIC DEVELOPMENT SUBSIDIES TO DISCLOSE WAGE, HIRING PLANS FOR PROJECTS**

**Measure Would Help to Protect and Enhance Local Economies;**

**Provide Safeguards for the Proper Use of New York Taxpayer Dollars**

State Senators **George Onorato** (D-Queens) and **Neil D. Breslin** (D-Albany), together with **Assemblyman Tim Gordon** (I-D-WF/Bethlehem), today announced that they have introduced legislation to require companies seeking taxpayer-financed economic development subsidies from the State to disclose their plans for paying prevailing wages, consulting with area labor organizations, and using – to the greatest extent possible – local workers on their construction projects to help boost the local economy.

The new legislation (**S5464/A8235**) is designed to ensure that companies undertaking economic development projects in a particular area, with the use of state funds, make clear their wage and hiring plans before subsidies are granted – helping to make sure that every effort is made to offer jobs to local workers. The bill also provides that the State Labor Department will aid companies in identifying skilled workers in the area who may be used in the construction of the project.

Speaking at a press conference in Albany today with other legislative supporters and representatives of building trades unions, the lawmakers pointed out that the continuing rise in New York’s unemployment rate is hurting construction workers throughout the State. In the last year, New York has lost 25,400 construction jobs, so it is quite clear that there is an abundance of skilled trade workers throughout the State who are ready, eager and in need of work.

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**Senator Onorato**, the chair of the Senate Labor Committee, noted that the legislation would provide greater transparency in economic development projects. “By requiring companies to disclose their wage and hiring plans, along with other pertinent information, the State will be in a better position to determine whether state subsidies, tax incentives or other government aid sought for a particular construction project will indeed benefit the local economy and local workforce,” he said.

**Senator Breslin**, underscoring the need for the legislation, “If we’re asking New York taxpayers to help foot the bill for a particular economic development project, they should be able to feel confident that their tax dollars are being reinvested back into the New York economy for the benefit of local workers and families. Billions upon billions of taxpayer dollars have been used throughout the years to encourage companies to invest in New York and create jobs for state residents, and this bill will enable all New Yorkers to feel more confident that public resources are being used wisely on behalf of the public. These kinds of public and private partnerships, established with clear ground rules, are necessary to put New Yorkers back to work and revitalize our battered economy.”

**Assemblymember Gordon** agreed, saying, “This common sense legislation provides that when New York State taxpayer dollars are invested in economic development projects, the jobs created keep New Yorkers working and put money back into our state’s economy. By having hiring and wage plans spelled out ahead of time, and by having comprehensive discussions about the use of local workers before business aid is granted, state lawmakers will have very important and necessary information to guide them in deciding whether taxpayer-financed subsidies are being put to the best use.”

**Ed Malloy**, the president of the New York State Building and Construction Trades Council, said, “The Council is proud to support any legislation that helps ensure that projects receiving taxpayer dollars employ local construction workers making a fair wage. Our State is fortunate to have over 250,000 highly trained and highly skilled union construction workers who want to play a part in rebuilding New York’s economy, but can only do so if they are given the opportunity to work. This bill calls for accountability and will deter the State from appropriating funds that would be used to employ out-of-state workers at substandard wages. At a time when New York’s economy is struggling to get back on track, this legislation is more important than ever.”

**Robert Mantello**, the president of the Greater Capital Region Building Trades, said, “This legislation will help to ensure that construction projects are entered into and carried out in good faith by the companies, the skilled workers who want to be involved in the actual building of the project, and all New York State taxpayers who will benefit by more transparency in the use of public subsidies and the effort to create local jobs. All parties will know what to expect and will be able to work together more efficiently and effectively in bringing economic development projects to a successful conclusion.”

The legislation, which was approved today by the Senate Committee on Finance, is also under review by the Assembly Ways and Means Committee.