



NEW YORK STATE SENATOR

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## STATE SENATE PASSES THE 2018 JOBS AND OPPORTUNITY AGENDA

JOHN A. DEFRANCISCO May 2, 2018

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The New York State Senate today passed the 2018 Jobs and Opportunity Agenda to strengthen the state's economy and create needed jobs for hardworking New Yorkers. The Republican Majority Conference's plan focuses on comprehensive tax, regulatory, and economic development reforms that will help make New York more competitive and foster job growth at a time when the state's private sector faces widespread obstacles to success.

Senate Majority Leader John J. Flanagan said, "While the Governor and the Legislature's

Democrats race each other to the extreme left on issues that won't improve the lives of everyday New Yorkers, the Senate Republican Majority continues to focus on enacting measures that will create a more prosperous future for our residents and businesses. The package of bills passed today will reduce the state's excessively high tax burden on businesses, remove regulatory barriers to growth, and invest in workforce development initiatives that provide better jobs. We will continue lead as advocates in accomplishing these and other important economic initiatives that are critical to the future well-being of our state."

The Jobs and Opportunity Agenda is part of the three-pronged "Blueprint for a Stronger New York" that focuses on making the state less costly and more attractive for hardworking New Yorkers. When combined together, the Blueprint's Affordability, Opportunity, and Security Agendas will comprise a powerful and comprehensive plan to give all New Yorkers the opportunity to succeed.

Cutting Taxes on Small Businesses:

Creating STAR for Small Businesses

S1116A, sponsored by Senator Fred Akshar (R-C-I, Binghamton) Allows real property owned by a small business (100 or less employees) to be eligible for the STAR property tax savings program, saving \$275 million;

Senator Akshar said, "The package of bills we passed today aims to make New York more affordable and create a better business climate through reducing taxes and regulations on businesses across our great state. New York residents and businesses are leaving this state by the tens of thousands because cost of living and doing business here is simply too high. Our path to prosperity begins with government cutting taxes and getting out of the way of

businesses so they can thrive and grow.”

#### Saving Hundreds of Millions in Taxes for Small Businesses and Farms:

S2120A, sponsored by Senator Tom O'Mara (R-C-I, Big Flats), provides significant new tax savings for small businesses and small farms by expanding the existing Personal Income Tax exemption and reducing the Corporate Franchise Tax business income tax rate from 6.5 percent to 2.5 percent over a two-year period. The bill would save a total of \$495 million when fully implemented.

Senator O'Mara said, “Studies continue to highlight New York as the state with the highest tax burden in the nation and, in particular, one that remains a dark cloud over every other effort to improve our business climate. High taxes remain an unfair and unreasonable burden on individual taxpayers, families, farmers, employers and workers. Even with the tax cuts we have successfully achieved over the past several years, we have to keep taking tax relief actions like this for our small business owners to ensure that they can stay in business and keep creating the jobs that our communities depend on.”

#### Expanding the Minimum Wage Reimbursement Tax Credit:

S6793A, sponsored by Senator Martin Golden (R-C-I, Bay Ridge), helps businesses who promote the success of student employees. The minimum wage reimbursement tax credit provides eligible employers with a credit for employing students at the minimum wage rate. Currently, the tax credit is designed to incentivize employers to hire and train student-employees who may be new to the labor market. Unfortunately, the way the credit is presently structured, employers who give hard-working student-employees even a modest hourly raise are no longer eligible to receive credit for those student-employees. This bill would correct this disincentive to provide student-employees with a modest raise by allowing credit for wages that are not in excess of the applicable minimum wage plus fifty

cents.

#### Cutting Red Tape and Over-regulation:

Senator Chris Jacobs, Chair of the Administrative Regulations Review Commission, said, “State government often implements rules and regulations without really listening to those the regulations will impact, whether it be a small business, local government or a school district. These common sense reforms passed today will increase public input and transparency in the process to assure the best outcome for all involved.”

#### Providing Time for Businesses to Raise Concerns with New Regulations:

S6095, sponsored by Senator Jacobs, would allow the Administrative Regulations Review Commission to examine an issue and vote on a 90-day delay prior to the adoption of proposed administrative rules. This will help when businesses raise concerns about possible rulemaking inconsistencies with statutory authority or legislative intent, or when requirements could potentially burden taxpayers or local governments.

#### Reducing Regulatory Fines on Small Businesses:

S4120A, sponsored by Senator Akshar, gives first-time offenders of state small business regulations a reprieve from paying fines to help foster a productive relationship between the state and business owners. The measure would prevent the state from fining a small business for a first violation of regulations, unless the agency determines that the violation directly affects public health or safety. The agency then would provide literature or an in-person meeting to inform such small business of its regulations to improve compliance.

#### Preventing Unfunded Mandates for Local Governments and their Taxpayers:

S5828, sponsored by Senator Jacobs, establishes the Unfunded Mandate Review Act to

protect local governments from mandated policies that they must pay for, and in turn protects taxpayers from increasing tax levies. The bill requires the Comptroller to provide the fiscal impact notes upon request of a committee for any bill including an unfunded mandate, conduct a continuing mandate study of unfunded mandates upon any local government, and prepare comparative costs of proposed regulations.

#### Promoting Mandate Relief in Regulatory Processes:

S5791, sponsored by Senator Jacobs, promotes mandate relief and flexibility in tailoring regulatory requirements to the specific needs and capabilities of local governments. The bill restores recently expired provisions that streamlined the process for submitting petitions to request approval of an alternate method to meet a regulatory mandate.

#### Examining the Overall Effectiveness of the State Administrative Procedure Act:

S2133, sponsored by Senator Patrick Gallivan (R-C, Elma), creates a Task Force charged with examining, evaluating, and making recommendations about the efficiency of the rulemaking process in the State Administrative Procedures Act. Since 1975, this act has been amended numerous times but has never undergone a comprehensive review its overall effectiveness. The Task Force would help ensure consistent, uniform rules are established and whether the existing statutory process results in rules, regulations, and licenses that are overly burdensome on regulated entities.

#### Creating New Authority to Contest Overly Burdensome Rules:

S5982A, sponsored by Senator Jacobs, would allow the state Administrative Regulation Review Commission (ARRC) to file a formal objection to proposed rules when they are burdensome and harmful to businesses, local governments, or other regulated parties. This bill seeks to encourage agencies to consider changing rules to accommodate the concerns raised by ARRC with the goal of having the agencies reconsider the rule.

#### Establishing a Small Business Liaison Position in State Agencies:

S6706, sponsored by Senator Akshar, fosters communication and cooperation by designating an existing state agency employee as a “Small Business Liaison”, responsible for providing businesses with a reliable contact. The liaison will give important regulatory information, hear the businesses concerns and advocate on behalf of the business within the agency. It expands on the New York State Workers’ Compensation Board’s successful implementation of an “Advocate for Business” that connects New York State business owners to help understanding the complex workers' compensation system.

#### Supporting Businesses in Enhancing Environmental Compliance:

S2999A, sponsored by Senator Kenneth LaValle (R-C-I, Port Jefferson), provides financial assistance to small businesses for the purpose of pollution prevention, control and compliance. By increasing access to capital for small businesses seeking to pursue pollution prevention improvements, even when compliance is not an immediate issue, both the business and the state’s environment will benefit from the enhanced environmental performance.

#### Establishing the “GrowNY” Pilot Program:

S3392A, sponsored by Senator Patrick Gallivan, establishes the GrowNY pilot program, an economic gardening pilot program within the state Department of Economic Development to stimulate investment in the state economy by providing technical assistance for expanding businesses in the state. Economic gardening is a long-term entrepreneurial strategy designed to generate new jobs from the existing base of businesses in the community.

#### Strengthening Procedures for Negotiated Rule Making:

S4590A, sponsored by Senator Jacobs, promotes greater involvement of small businesses in

the rulemaking process and make it more open and fair. The bill requires negotiated rulemaking to provide additional opportunities for small business and the public to directly participate in the development of proposed agency regulations. Negotiated rulemaking allows small business owners and representatives of all significant interests who would be affected by a regulation to meet and develop as broad a consensus as possible on terms of a rulemaking proposal.

Two other critical regulatory reform bills are expected to be acted upon by the Senate next week:

**Prevent Regulatory Steamrolling:**

S5912C, sponsored by Senator Jacobs, would curtail state agency overuse of the emergency regulation process to ensure it is only used in true emergency situations when necessary to protect public health and safety. By amending the State Administrative Procedure Act's emergency rulemaking provisions, it constricts the timeframe an agency can promulgate a single regulation as an emergency, and the circumstances surrounding the need for emergency rulemaking action by a state agency.

**Updating State Contract MWBE Requirements:**

S1126A, sponsored by Senator Akshar, would help better reflect the number of certified Minority- and Women-owned Business Enterprise (MWBE) businesses in each region of the state. Across the state, businesses are required to contract services from MWBEs at 30 percent of their total business service. In many areas of the state, MWBEs are severely under-represented, making it difficult for existing business owners to be awarded a state contract. This bill amends the current law so contracting agencies would only be required to contract with the number of MWBEs correlating to the percentage of MWBEs in that industry in the economic development region where the contract is to be performed.

### Making New York a Leader in Job Training:

Senator Amedore, Chair of the Senate Task Force on Workforce Development said, “A skilled workforce is a crucial component to a strong, vibrant economy, so it’s important to invest in opportunities to prepare and educate our future generations for employment. Workforce development initiatives, combined with cutting the red tape and cost of doing business in New York, will provide better opportunities to attract new businesses and allow our existing businesses to grow and thrive.”

### Attracting Talented Educators Who Prepare the Next Generation:

S1469A, sponsored by Senator Patty Ritchie (R-C, Heuvelton) increases access to career and tech programs at BOCES. The bill would increase the current salary cap for BOCES CTE instructors from \$30,000 to \$50,000 phased-in over five years to attract and retain qualified and skilled teachers.

### Encouraging Statewide Participation in Apprenticeships:

S2124B, sponsored by Senator Jacobs, directs the Commissioner of Education to develop guidelines for use by high school guidance counselors in facilitating student awareness and interest in apprenticeships, pre-apprenticeships, and career and technical education opportunities. This would particularly apply to the hardworking men and women looking to gain footing in the building, construction, manufacturing, and maritime trades where positions all across the state are often left unfulfilled.

### Establishing the “Retrain and Employ Unemployed Persons Program”:

S2232A, sponsored by Senator LaValle, directs SUNY and CUNY community colleges to work with local businesses and industry to develop work force training programs that target the unemployed and provide the skills necessary for individuals to obtain jobs in their



communities. This bill also provides funding for the initial creation of this program by providing \$500,000 in grants to start and additional incentive funding to those community colleges that successfully place trained individuals in jobs.

The bills have been sent to the Assembly, except S5912C and S1126A, which are expected to be acted upon by the Senate next week.

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