

**RESOLUTION NO. 210**

**SALES TAX COLLECTION BY THE COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

Introduced: 5/11/15  
By Ms. Benedict:

WHEREAS, The New York State Authorities Budget Office is reviewing the project monitoring and reporting practices of various Industrial Development Agencies in the state of New York, including the Colonie Industrial Development Agency (hereinafter "IDA"), and

WHEREAS, The Authorities Budget Office, by a report dated April 22, 2015, determined that the Board of the IDA breached its fiduciary duties in some aspects of their governance of the agency, and

WHEREAS, The Authority also determined the IDA Board, as far back as 2008, has not properly monitored whether job creation goals were met, had not verified whether documentation from the businesses receiving sales tax exemptions were accurate, did not file the proper reports, and had not determined whether sales tax exemptions provided to projects exceeded the amount authorized by the IDA board, and

WHEREAS, These lapses by the Colonie IDA could have an impact upon sales tax revenue, as improperly granted or monitored sales tax exemptions directly impact the budget of the County of Albany, and, thereby, negatively affect every town, village and resident in the county, and

WHEREAS, The Albany County Legislature has an obligation to the taxpayers of the county to recoup sales tax funds inappropriately retained by companies associated with the Colonie IDA from either the companies themselves or the board members of the Colonie IDA if they breached their fiduciary duties in this regard, and

WHEREAS, The County Legislature, County Executive, and County Attorney are unable to properly determine if funds are due to the County of Albany without proper analysis of the financial dealings of the Colonie IDA and the projects they authorized, and

WHEREAS, Financial information pertaining to these issues may be in the hands of the Authorities Budget Office already, and

WHEREAS, The Colonie IDA is subject to the New York State Freedom of Information Law, so all of its financial information should be accessible to the public or any government official investigating these matters, and

WHEREAS, The County Comptroller collects and distributes sales tax monies on behalf of the County of Albany and has members of his staff with the appropriate auditing skills to review the information described above and render an opinion as to whether the County and the other municipalities therein are owed sales tax funds, and

WHEREAS, The County Attorney is the legal representative of the County and would lead any action against the Colonie IDA, its members or participating businesses should it be necessary, and, now therefore be it

RESOLVED, That the County Comptroller and County Attorney, be, and hereby are, authorized to represent the County and conduct an investigation into the Colonie IDA granting of sales tax exemptions and whether such exemptions were proper, and, be it further

RESOLVED, That County Comptroller and County Attorney are requested to provide a report to this Legislature, the County Executive, and the County Attorney pertaining to the afore-mentioned sales tax issues, so it can be determined if legal action for recoupment of any exempt sales taxes should be requested from businesses and/or the Colonie IDA Board members, and, be it further

RESOLVED, That this report shall be provided no later than 120 days from the introduction of this resolution, and, be it further

RESOLVED, That the Clerk of the Legislature is hereby directed to forward certified copies of said resolution to the appropriate County Officials.

*Referred to Audit and Finance and Law Committees. 5/11/15*