



memo

TO: Members, New York State Legislature
FROM: Ken Pokalsky
SUBJECT: 2023 Legislative & Regulatory
Priorities
DATE: 2023

The Business Council is New York's leading business organization, representing nearly 3,000 private sector employers and business organizations across the state, and in all major sectors of the New York economy.

In 2023, as the state continues its long economic recovery from the pandemic and national recession, The Business Council's focus is on key initiatives we believe will promote continued private sector investment, employment and job growth in New York State.

Workforce Development – We support Empire State Development's Strategic Workforce Development initiative and a renewed focus on meeting employer's immediate workforce needs, as well as the promotion of other "up skilling" programs such as micro-credential programs. We also support the efforts and legislation to diversify the workforce and create a high school-college-career pipeline. Increasing opportunities for second chance hiring remains on our agenda.

Investment Ready Sites – We support an increase in the FAST New York program, to develop more shovel ready sites that can expedite major new investments.

Address UI Taxes – Unemployment insurance taxes are at an all-time high for many employers, fueled by \$8 billion in federal loans. The state needs to apply public funds to help repay COVID-based debt, offset the cost of interest on federal loans, and pay the cost of fraudulent and other improper benefit payments. The state should also update technology used to address costly UI fraud.

Modernize the ABCL – With a new commission looking at updating the state's Alcohol and Beverage Control Law, the state should commit to expanding outlets for New York wines and spirits, and updating the process and criteria for approving additional stores – reforms that would benefit New York consumers, increase state revenues, and support the state's growing beverage industry.

Improve the Brownfield Program – The state's effective brownfield remediation and redevelopment program can be made even more beneficial, especially in upstate areas including modifying application fees, expanding applicability of the remediation credit, and facilitate the transfer of remediated properties.

Support Expansion of Key Sectors – The state needs to reduce barriers to growth in key sectors of the state's economy. An example would be to provide CPA firms with the same flexibility allowed in 48 other states to include non-CPAs as partners. Eliminating unnecessary barriers to business growth and innovation will provide cost-free benefits to the state's economy.

Targeted Tax Incentives – There are opportunities for New York to use targeted tax credits to support achievement of important policy goals. The state should adopt a broad "work opportunity credit" modeled on the federal tax credit, to incentivize the hiring of persons facing barriers to employment or reemployment. It should adopt a more robust refundable manufacturing investment tax credit, which could be targeted to "green" investments and products. And it should adopt a more robust research and development tax credit that supports investments in both capital and non-depreciable R&D expenses.

Support MWBEs - The promotion of economic opportunities and equity has been a cornerstone of the state's Minority and Women Owned Business Enterprises (MWBE) program. To further advance these goals, the state

needs to streamline the MWBE certification process, and authorize reciprocal acceptance of certifications by other jurisdictions.

Improved Rail Service – With a significant increase in federal rail funding, the state should advance strategic investments in improving both passenger and freight rail in key rail corridors, improvements that can improve service and safety, and reduce environmental impacts.

Avoid Damaging Costs, Mandates, Restrictions and Business Risks – While New York State offers many advantages, including a well-educated workforce, access to capital, significant natural resources, and access to major consumer markets, we remain an expensive, challenging state in which to do business, with a significant share of our excess costs and compliance burdens imposed by bad state policy choices. New York needs to avoid imposing additional barriers in the way of economic recovery and growth. It should reject proposals for EU-styled antitrust legislation, significantly expanded litigation risks, major new labor law mandates including unreasonable increases in the minimum wage, and weakening of key workers' compensation reforms.

Assure Effective, Efficient, Workable Regulations - Likewise, while business recognizes the state's commitment to responding to climate change and addressing other environmental challenges, it needs to assure that new requirements address priority concerns and provide workable, cost-effective mechanisms and compliance flexibility, to avoid adverse impacts on investments and jobs.