



STATE OF NEW YORK  
**Authorities Budget Office**

P O Box 2076  
Albany, NY 12220-0076  
WWW.ABO.NY.GOV

e-mail address:  
[info@abo.ny.gov](mailto:info@abo.ny.gov)

Local:518-474-1932  
Toll Free: 1-800-560-1770

For Release: Immediately  
December 8, 2023

Contact: Jeffrey H. Pearlman  
Acting Director  
[info@abo.ny.gov](mailto:info@abo.ny.gov)

**The Authorities Budget Office Secures Favorable Ruling vs. Saratoga Economic Development Corporation in New York State Supreme Court, Appellate Division, Third Department**

The Authorities Budget Office (ABO) recently secured a favorable ruling against the Saratoga Economic Development Corporation (SEDC) in the New York State Supreme Court, Appellate Division, Third Department. The matter involved the question of whether SEDC is a local authority as defined by Public Authorities Law (PAL), and as such, subject to the public disclosure, reporting and corporate governance provisions of PAL, with oversight by the ABO.

The Court unanimously found that this type of business is subject to the Public Authorities Accountability Act of 2005 (PAAA). SEDC is a not-for-profit corporation created in 1978 to improve the quality of life of Saratoga residents, reduce unemployment, and improve job opportunities within the county. Their certificate of incorporation referenced SEDC being subject to Public Authorities Law and having interactions with the New York Job Development Authority, a state authority under PAL. The ABO asserted that SEDC meets the definition of a local authority as it is created by sponsored by, and affiliated with Saratoga County, three industrial development agencies within the county, and a local authority. Over the years, SEDC has insisted it is a private entity while receiving millions of dollars in taxpayer funds to perform essential governmental functions pursuant to no-bid contracts with both the county and three municipal IDAs. The Court disagreed that they are private and ordered them to comply with the transparency and public accountability requirements.

Acting Director, Jeffrey Pearlman states, "After PAAA was adopted, the Legislature strengthened the Public Authorities Law in 2009 with the Public Authorities Reform Act. This permitted the ABO to uncover how SEDC made superficial changes to its operations, including removing reference to Public Authorities Law from its certificate of incorporation and making changes to its by-laws in order to evade the transparency rules. These superficial changes do not negate that this entity was built on taxpayer funds and that it continued to serve as the main point of contact for economic development within Saratoga County for years."

The Appellate Division, Third Department upheld the ABO's rational conclusion that, based on the totality of the facts uncovered by the ABO, SEDC is performing essential governmental functions as an integral part of Saratoga County's economic development program, and it is a local authority. This ruling by the Court has also affirmed that the Legislature intended to delegate broad interpretive and policymaking authority to the ABO based on the history of the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009.

“The ABO considers this an important win in its efforts to make public authorities more accountable and transparent, and to act in the public interest consistent with their intended purpose,” concluded Pearlman.

The ruling can be found at <https://decisions.courts.state.ny.us/ad3/Decisions/2023/536021.pdf>.

###