Authorities Budget Office Keeps Public Authorities Accountable to the Taxpayers

State oversight ensures that public authorities are held to high standards of good governance, fiscal responsibility and transparency.

By **George E. Pataki and David A. Paterson***, Former governors of New York*
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This year, New York State's little-known Authorities Budget Office (ABO) turns twenty years old. During our respective tenures as Governor of New York, we worked hard to champion better oversight for New York's hundreds of public authorities – the quasi-governmental agencies that exist independent from state and local governments but have the power to spend taxpayer money to spur economic development. Prior to our efforts, authorities had operated with little to no public accountability or rules of conduct for nearly a hundred years. The creation of the ABO changed that by setting forth a legal framework to oversee and govern public authority conduct.

Public authorities can issue debt to finance public services and tax breaks to encourage economic development and job growth. The Metropolitan Transportation Agency and Thruway Authority are names people are familiar with, but there are now over 600 state and local authorities across New York. Albany County is home to 16 different public authorities. Niagara and Erie County combined are home to 27. Westchester has 21 and there are 23 on Long Island.

In 2024, public authorities incurred over $70.3 billion in operating expenses and held $333.1 billion in outstanding debt. Since 2020, state authorities have experienced a 19 percent increase in operating expenses and a 6 percent increase in debt. Local authorities have reported a large increase in operating expenses and debt over the same period – 37 percent and 17 percent respectively. In addition, local entities have issued over $1 billion in net tax exemptions. Those exemptions are a combination of school, property, sales and mortgage recording taxes - taxes that all New Yorkers are well acquainted with.

Before the ABO these numbers were hidden from not only the public, but even government officials. There was no accounting of how many authorities existed in New York. Our signing of the Public Authorities Accountability Act of 2005 (PAAA), during Governor Pataki's term, and the companion Public Authorities Reform Act of 2009 (PARA), during Governor Paterson's term, changed that by mandating reporting which allows New Yorkers to have informed discussions about the use of taxpayer money to fund economic development.

Public authorities are now also subject to the Open Meetings Law and Freedom of Information Laws. There is almost certainly a public authority meeting near you, and you are legally entitled to attend and participate in discussions impacting local economic development, tax exemptions, and ultimately the government services impacting your everyday life.

Government institutions fail when they do not serve the interests of the people. As entities that are authorized to utilize taxpayer money, public authorities must always be held to the highest standards of good governance, fiscal responsibility and transparency. Twenty years later, the success of PAAA and PARA are apparent. We are proud to celebrate the anniversary of what the late Assemblymember Richard Brodsky called "most fundamental reform of state government in decades."

George E. Pataki served as the 53rd Governor of New York and David A. Paterson served as 55th Governor of New York.

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