

# **Bond Case Briefs**

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## **INDUSTRIAL DEVELOPMENT AGENCIES - NEW YORK**

### **Madison County Industrial Development Agency v. State Authorities Budget Officer**

**Supreme Court, Appellate Division, Third Department, New York - June 29, 2017 - N.Y.S.3d - 2017 WL 2800840 - 2017 N.Y. Slip Op. 05303**

Industrial development agency (IDA) and local development corporation incorporated by IDA brought article 78 proceeding to review a determination of county agency refusing to recognize corporation as a subsidiary of IDA and requiring corporation to file separate financial reports.

The Supreme Court, Albany County, denied petition. IDA appealed.

The Supreme Court, Appellate Division, held that under the Industrial Development Agency Act, it was not necessary for IDA to create subsidiary to exercise its statutory power to accept grants, and thus IDA and corporation were required to file separate financial reports.

Under the Industrial Development Agency Act, an industrial development agency (IDA) was not statutorily authorized to create subsidiary to shield IDA from liability, such that it was not necessary for IDA to create a subsidiary to exercise its statutory power to accept grants, and thus IDA and local development corporation incorporated by IDA were required to file separate financial reports. Allowing IDA to create a subsidiary would have effectively eviscerated or otherwise rendered meaningless specific powers detailed in remaining subdivisions.