



**NEW YORK COUNTY LAWYERS ASSOCIATION
WRITTEN TESTIMONY AT JOINT LEGISLATIVE BUDGET
HEARING ON ECONOMIC DEVELOPMENT ON
FEBRUARY 26, 2026**

*Re: The Judiciary's Fiscal Year 2027 Budget Request and the Judiciary's
Magnificent Contributions to Economic Development and Tax Revenue in
New York State*

Preliminary Statement

The New York County Lawyers Association ("NYCLA") submits this written testimony to the Joint Legislative Budget Hearing on Economic Development on February 26, 2026. This written testimony is submitted in connection with the FY 2027 Budget Request of the Unified Court System ("UCS") and the extraordinary contributions of the Judiciary to economic development and tax revenue in the State of New York.

For many years NYCLA has supported the provision of adequate resources to the Judiciary to enable it to fulfill its Constitutional responsibilities. NYCLA continues to support the Judiciary's requests for adequate funding. Because the Judiciary has addressed the various elements of its operations and financial needs in its FY 2027 Budget Request, NYCLA has limited this written testimony to one aspect of court funding which NYCLA believes the private sector is best able to address: the ability of the Judiciary to generate substantial tax revenues by attracting businesses and economic activity to the State of New York which might not be here without our well-regarded court system.

The New York State Courts are sometimes perceived as a "cost center" that

incurs expenses for its operations but does not generate revenues. NYCLA's written testimony to this Joint Legislative Budget Hearing demonstrates that that perception is simply not true. In fact, as NYCLA's written testimony also demonstrates, the good work of our Judiciary attracts businesses and business activities to New York State and thereby adds jobs and increases tax revenues. NYCLA respectfully requests that the Legislature take these very substantial economic benefits into account when it makes decisions about funding our State Courts.

In this written testimony, NYCLA briefly describes its mission and activities, the Commercial Division of the New York State Supreme Court, the Unified Court System's contributions to economic development and generation of tax revenues, the national and international trend toward creation of business courts as economic development vehicles, and the benefits of the Commercial Division to the State of New York.

The New York County Lawyers Association

The New York County Lawyers Association was founded in 1908. Since its inception, NYCLA'S bedrock principles have been the inclusion of all who wish to join, the active pursuit of legal system reform, and access to justice for all.

NYCLA has historically been one of the largest and most influential county bar associations in the United States. NYCLA's stature in the legal community has attracted prominent men and women to its programs and other activities. NYCLA's Annual Meetings, dinners and forum events have been attended by U.S. presidents, Chief Justices of the U.S. Supreme Court, legal scholars from across the country, corporate leaders and elected officials from all branches and levels of government.

NYCLA has pioneered some of the most far-reaching and tangible reforms

in American jurisprudence. NYCLA has also had a powerful impact on both the law and public policy. At the time of NYCLA's founding in 1908, the only existing bar association in Manhattan precluded some lawyers from membership by virtue of ethnicity, religion, gender and race. In contrast, throughout its history, NYCLA has included and welcomed all lawyers who wish to join. In addition, as far back as 1943, NYCLA refused to renew its affiliation with the American Bar Association for its refusal to admit Black lawyers. NYCLA has also taken the lead in the professional development of attorneys, providing continuing legal education for more than 40 years.

The Commercial Division

The Commercial Division of the New York State Supreme Court opened in 1995 in New York and Monroe Counties under the leadership of then-Chief Judge Judith S. Kaye and was an immediate success. Today there are eleven different Commercial Division jurisdictions, and the 30 Commercial Division Justices collectively dispose of about 5,000 complex business disputes annually. As the American Bar Association's Business Law Section put it, the Commercial Division is a "model for specialized business courts everywhere." In addition, former Chief Administrative Justice A. Gail Prudenti wrote a column entitled "Commercial Division of state court vital to NY business" in *Long Island Business News*. In that column, Judge Prudenti stated that before the Commercial Division's inception "[l]itigants - often huge international companies - and their attorneys viewed the New York courts as slow, ponderous, overwhelmed and distracted. Now, New York is not only an acceptable place to resolve commercial disputes, but a preferred venue."

**The Unified Court System's Contributions to
Economic Activity and Tax Revenues**

Through the Commercial Division, the Unified Court System helps New York State to attract and retain businesses and therefore to generate tax revenues and provide jobs. The value and importance of these benefits are confirmed in the Proclamation relating to the Commercial Division which the New York City Council issued at a Stated Meeting. In its Proclamation, the City Council concludes that "New York owes much of its world-class status as an economic engine to its world-class court: the Commercial Division of the New York Supreme Court." The City Council's Proclamation also states:

WHEREAS: The Commercial Division is uniquely qualified to increase taxable revenue for the City of New York while stimulating job growth. It strengthens New York City's ability to attract and retain businesses, which add jobs, fuel demand for real property, and increase tax revenue. The tax revenues from local businesses also provide financial support for the New York State judicial system[.]

A copy of the City Council's Proclamation is attached to this written testimony as Appendix A.

The economic contributions of the Commercial Division to the State of New York were also demonstrated in a virtual program which The Business Council of New York State, Inc. presented and recorded for its members as well as the Executive and Legislative Branches of the New York State Government, the business and legal communities, and the press. The Business Council is New York State's largest business organization (its membership is made up of about 3,500 member companies, local Chambers of Commerce, and professional and trade organizations). During that program, entitled "The Benefits of the Commercial Division to the State of New York," former Chief Administrative

Judge Lawrence K. Marks presented the following concrete example of the economic benefits of the Commercial Division:

so in order to communicate more concretely, the economic benefits the Commercial Division brings to New York, the Commercial Division Advisory Council has prepared an example I'd like to share with you. This example relates to a hypothetical bank or other major business considering moving a substantial division or subsidiary to New York State. The example assumes that the division or subsidiary generates gross revenue of \$10 billion annually. Now clearly the efficiency of a state's court system is not the only factor that a company would evaluate in considering such a move, but this program today has demonstrated that litigation matters to companies and that they will consider the predictability and the cost-effectiveness of the litigation process when making important business decisions such as locating their operations. So, in this example, if the move resulted in substantial additional jobs in New York for employees who pay New York income taxes, the additional tax revenue could be substantial. For example, a division that generates \$10 billion in annual revenue might incur employee compensation costs of as much as \$6 billion, which would result in annual New York income tax revenue of as much as \$500 million. The move to New York might also result in annual New York corporate income tax revenue of as much as \$50 million. Thus, the move of a division or subsidiary of one company to New York could result in additional New York income tax revenue of as much as \$550 million each year. The annual operating budget for the New York State Court system is currently \$2.4 billion. If the benefits of greater access to the Commercial Division help to persuade a company to move a \$10 billion division to New York, one such move could pay for nearly a quarter of the entire annual operating costs of our court system. We are hopeful that our partners in government will take these very substantial benefits into account in making decisions about funding and otherwise supporting our court system.

The National and International Trend Toward Creation of Business Courts as Economic Development Vehicles

Business courts are specialized public tribunals that focus on commercial litigation. In their modern form, they are a fairly recent development. For example, the Commercial Division of the New York State Supreme Court, established in 1995, is the first trial court of general jurisdiction to focus exclusively on business cases. Since then, 26 other states in the United States and many other countries have established business courts. Indeed, the Standing International Forum of Commercial Courts ("SIFoCC") was founded in 2017 to enable judiciaries worldwide to share best practices and discuss subjects of mutual interest. SIFoCC currently has members from 67 jurisdictions, including 70 percent of the G20 countries, and representation on six continents.

The Association of Corporate Counsel (ACC) has been heavily involved with business courts for many years. ACC's website states that ACC "since its founding in 1982, has grown to more than 47,000 in-house counsel members employed by over 10,000 organizations in more than 105 countries." ACC published an article in the *ACC Docket* on April 5, 2024, which describes some of ACC's work with business courts. The article discusses "ACC's 28-year history of supporting the creation and implementation of business courts" and "the benefits and advantages of business courts." The article also "spotlight[s] as an example the many strides that have been achieved in the State of New York in developing one of the United States' first business courts." In that connection, the article states that "ACC and its New York Chapter have advocated for and supported the Commercial Division of the New York State Supreme Court since its inception in 1995" and that "[a]t every phase of the development of the Commercial Division, ACC is proud to have been at the forefront to advocate for and celebrate its

impact." ACC concludes in its policy resolution discussed in this article that business courts "foster a more favorable environment for creating and maintaining businesses, and as a result enhance the economic well-being of their nation" and that business courts "are providing substantial benefits to their business communities and to their nations generally."

The rapid increase in the number of business courts over the past three decades can be attributed, at least in part, to states' desires to attract and retain businesses:

- **Georgia:** The State of Georgia Court Reform Council acknowledged the advantages of a state having a specialized business court and concluded that: "[t]he creation of a statewide business court in Georgia would promote all these advantages and make Georgia a more attractive and competitive venue for businesses."
- **Iowa:** The Iowa Supreme Court stated: "Businesses and attorneys will benefit from the business court's published body of case law providing guidance and promoting risk assessment for fair and cost-effective resolution of such cases ... All Iowans should benefit from the creation of a more attractive and cost-effective environment for the resolution of complex business disputes."
- **Indiana:** Indiana Chief Justice Randall T. Shepard has written: "One element of a state's capacity for gaining ground in national and global marketplaces is whether its legal climate and particularly its courts help advance economic development and the jobs that come with its eye on the state's economic future, the Indiana Supreme Court has launched the Commercial Court Pilot Project, in part to 'enhance economic development in Indiana by furthering the efficient resolution of commercial law disputes.'" Moreover, Indiana's commercial court project was cited "as a

factor in Indiana's reputation as a great place to locate and grow business."

- **North Carolina:** The Final Report and Recommendation of the Chief Justice's Commission on the Future of the North Carolina Business Court, observed that the North Carolina Business Court "has been an unqualified success since its inception in 1995" and noted that one of the "many benefits the Business Court has secured for the business community, the court system, and the public at large" includes "Attracting Businesses to North Carolina."
- **Rhode Island:** In extolling Rhode Island's "dedicated forum for businesses to litigate their commercial disputes-the Superior Court Business Calendar," the Rhode Island Bar Journal reports that "[b]usinesses are drawn to states whose courts understand and deftly handle the complexity of business litigation" and describes Rhode Island's business court as a "home run for the Rhode Island business community and their attorneys."
- **Tennessee:** Tennessee Chief Justice Sharon Lee has observed that business courts have "proven to be an effective tool for business retention" and that such courts have "furthered economic development and enhanced [the] effectiveness of the judicial system by removing complex business cases from the general docket."
- **Ohio:** The co-chairman of the task force responsible for setting up a specialized commercial docket in five of the state's largest counties commented that: "We believe that once word gets out, other business might come to Ohio because they will realize the court system understands their needs Ohio would be considered a favored state in which to do business."
- **Wisconsin:** The Business Court Advisory Committee stated that "the commercial docket should improve the administration of justice for all. An

efficient process will also enhance Wisconsin's business climate and promote economic growth."

New York needs to compete with domestic and foreign jurisdictions if it is to continue to attract and retain businesses in New York and, thereby, provide jobs and generate tax revenues. The Commercial Division's continued success is critical to achieving those objectives. This is particularly true in light of the recent creation and extensive funding of a business court in Texas.

The Benefits of the Commercial Division to the State of New York

The Business Council of New York State, Inc. and the Commercial Division Advisory Council have developed a one-page flyer describing some of the features and benefits of the Commercial Division which make it so attractive to business litigants and business generally. The flyer is attached to this written testimony as Appendix B. The Business Council is distributing this document to its members and staff; businesses which are considering moving to, or expanding or maintaining their presence in New York State; and anyone else who may be interested in its subject matter.

The benefits of the Commercial Division to the State of New York have been widely recognized. Hundreds of positive articles and blog posts have been published discussing the benefits the Commercial Division provides to the court system, litigants, and lawyers. For example, the New York State Bar Association published an article entitled "NYSBA Works To Bring Hundreds of Millions of Dollars in Legal Fees to N.Y." in the October 30, 2024, issue of its *NYSBA Weekly* newsletter. The introduction to this article states: "The New York State Bar Association is working with the Commercial Division Advisory Council to provide economic benefits to NYSBA members and the State of New York. NYSBA President Domenick Napoletano discusses these joint efforts." In the article, NYSBA's President states that "The excellent reputation of the

Commercial Division attracts commercial litigation to New York State which might otherwise be brought in other states or countries." The article notes the "improvements that have been made to the Commercial Division's rules, procedures, and operations to be responsive to the needs and concerns of the business community" and states that "These changes have made the business litigation process in New York more cost-effective, predictable, and expeditious, and have thereby provided a more attractive and hospitable environment for business litigation in New York State."

Similarly, NYSBA published an article entitled "NYSBA Efforts Yield Economic Benefits for Members" in the October 29, 2025, issue of *NYSBA Weekly*. The article's subheading states that "President Kathleen Sweet said the association has helped its members develop their practices by bringing commercial litigation to the state." The introduction to this article states: "The New York State Bar Association is working with the Commercial Division Advisory Council to provide economic benefits to NYSBA members and the State of New York. NYSBA President Kathleen Sweet discusses these joint efforts." In the article, NYSBA's President states that "NYSBA has been helping its members develop their law practices by bringing commercial litigation to New York for many years. The capabilities and expertise of New York's business court, the Commercial Division of the New York State Supreme Court, attract commercial litigation to New York State, which might otherwise be brought in other states or countries. Thousands of cases are filed in the Commercial Division every year and many of these complex cases generate very substantial legal fees."

In 2015, the Historical Society of the New York Courts and the Commercial Division Advisory Council produced a short educational film about the Commercial Division. During 2024 and 2025, the Advisory Council worked on an updated version of the film which had its world premiere at the New York

County Lawyers Association Annual Gala on March 4, 2025, honoring the Commercial Division on its 30th Anniversary. 54 General Counsel of major corporations agreed to serve as members of the Honorary General Counsel Committee to honor the Commercial Division on that occasion. The updated version of the film features Chief Judge Wilson, Chief Administrative Judge Zayas, Appellate Division and Commercial Division Justices, more than a dozen Chief Legal Officers of major corporations like Verizon, Goldman Sachs, Pfizer, Blackstone, Chubb, ING Financial Holdings, Marsh McLennan, Con Edison, and SL Green, leaders of business organizations, and prominent practitioners.

The film is available for viewing [here](#).

One purpose of the film is to educate businesses about the advantages and benefits of litigating their disputes in New York. The film has been designed to be interesting and useful to lawyers and their clients, particularly in connection with their selection of a forum for business litigation (either in contractual choice of forum clauses or in commencing litigation).

Numerous bar associations and business organizations have sent the film to their members and to others and have requested that the recipients pass the film on to anyone who might be interested in it. For example, the April 1, 2025, issue of the *NYSBA Weekly* newsletter contained an article entitled "A Court That Means Business." The introduction to the article states that "An abundance of economic opportunities exists for New York State Bar Association members in what is the preferred forum for complex business disputes." This article describes, and contains a link to, the new Commercial Division film. On April 22, 2025, the New York State Unified Court System sent a News Advisory to 452 business journalists worldwide describing the film and containing a link enabling

access to it. The News Advisory stated that "As an international leader in the development of business courts, the Commercial Division provides significant economic benefits to New York by fostering a more hospitable environment for commerce, generating tax revenue, and supporting job creation."

Respectfully Submitted by:

A handwritten signature in blue ink, appearing to read "R. Swanson", with a stylized flourish at the end.

Richard P. Swanson, President
New York County Lawyers Association

Appendix A



THE NEW YORK CITY COUNCIL

Proclamation



The New York City Council is proud to honor the New York Supreme Court Commercial Division for its invaluable service to our businesses community and to our national economy; and

WHEREAS: In an era when the economy is largely a reflection of globalization and international trade, New York City remains the center of the business universe. In such a competitive environment, businesses often choose to locate their headquarters where they have access to efficient, fair, and predictable resolution of their commercial disputes. New York owes much of its world-class status as an economic engine to its world-class court: the Commercial Division of the New York Supreme Court; and

WHEREAS: The Commercial Division is a critically important forum for addressing complex commercial disputes. Litigants all over the world look to the Commercial Division's expertise across the broad and complex expanse of commercial law to reach successful and efficient resolutions; and

WHEREAS: The Commercial Division is uniquely qualified to increase taxable revenue for the City of New York while stimulating job growth. It strengthens New York City's ability to attract and retain businesses, which add jobs, fuel demand for real property, and increase tax revenue. The tax revenues from local businesses also provide financial support for the New York State judicial system; and

WHEREAS: Local businesses rely on the Commercial Division for efficient, just resolution of complex commercial disputes, without which businesses would be less inclined to reside and conduct business in New York City. Leaders of national and global businesses located within our five boroughs recognize the significant role that specialized business courts play in their business decisions; and

WHEREAS: The New York Supreme Court Commercial Division has truly distinguished itself in its responsive, creative and adaptive approach, making it an influential model for other courts, both civil and criminal, and we wish it continued success in the years ahead; now, therefore

BE IT KNOWN: That the New York City Council is proud to honor

The New York Supreme Court Commercial Division

for its extraordinary service to New York City.

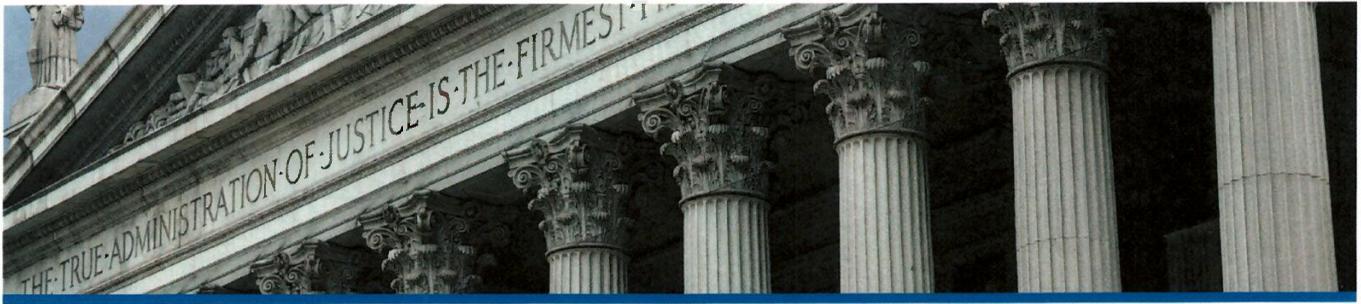
Signed this 20th day of December in the year Twenty Eighteen.


COREY JOHNSON
Speaker
For the Entire Council


RORY J. LINCMAN
Chair
Committee on the Justice System


PAUL A. VALLONE
Chair
Committee on Economic Development

Appendix B



A Court That Is All Business

The Commercial Division of the New York State Supreme Court

Since its creation in 1995, the Commercial Division of the New York State Supreme Court has transformed business litigation and made the State a preferred forum for complex business disputes. Renowned as one of the world’s most efficient venues for the resolution of commercial disputes and located in the world’s leading financial center, the Commercial Division is available to businesses of all sizes, both inside and outside the State of New York.

Why Choose the Commercial Division?

Business-Minded Judges • Judges with commercial expertise who are familiar with complex contract concepts, securities (including derivatives and other exotic instruments) and business organizations (including numerous international structures), and who have a sophisticated understanding of globalization, international trade, and applying laws of foreign jurisdictions, when required.

Devotion to Integrity, Fairness and Professionalism
Responsible and responsive Judges and court staff; well-reasoned analyses; well-developed body of law leading to greater predictability in outcomes; consistent application of rules.

Commitment to Innovation and Self-improvement
Advanced courtroom technology for trials; primarily virtual appearances during covid; implementation of new procedures and rules responsive to evolving business needs.

Efficient Discovery Procedures • Proportionality requirements; optional accelerated adjudication; limits on depositions and interrogatories; efficient resolution of discovery disputes; timely and robust expert disclosure.

Model Forms • Standard forms for preliminary conferences, stipulations, choice of forum and choice of law, confidentiality orders and scheduling orders.

Conscientious Trial Management • A docket exclusively for commercial cases; time limits on trials where appropriate; efficient settlement conferences; optional direct testimony by affidavit for bench trials; rejection of dilatory tactics; time-certain appearances; a separate docket for large complex cases.

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“A model for specialized business courts everywhere.”
—ABA Business Law Section

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“Judges who understand commercial disputes; judges who are creative and force resolution.”
—Elizabeth Moore Former GC, Consolidated Edison

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“We’re going to get a judge who doesn’t waste our time.”
—Joseph Wayland GC, Chubb Limited

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“A diverse tribunal.”
—Michele Mayes GC, New York Public Library

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“A full and fair hearing in an efficient way.”
—Stephen Cutler Former GC, JPMorgan Chase

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