

STATE OF NEW YORK

9104

IN SENATE

June 17, 2018

Introduced by COMMITTEE ON RULES -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend chapter 88 of the laws of 2009 amending the tax law relating to the imposition of an occupancy tax in the city of New Rochelle, in relation to extending the effectiveness thereof; to amend chapter 89 of the laws of 2009 amending the tax law relating to the imposition of an occupancy tax in the city of Rye, in relation to extending the effectiveness thereof; to amend chapter 62 of the laws of 2015 amending the tax law, relating to the imposition of an occupancy tax in the city of Yonkers, in relation to extending the effectiveness thereof; to amend chapter 327 of the laws of 2006, amending the tax law relating to authorizing the county of Essex to impose an additional mortgage recording tax, in relation to extending the expiration and repeal of such provisions; to amend chapter 405 of the laws of 2005 amending the tax law relating to authorizing the county of Albany to impose a county recording tax on obligations secured by a mortgage on real property, in relation to extending the effectiveness thereof; to amend chapter 368 of the laws of 2008, amending the tax law relating to authorizing the county of Warren to impose an additional mortgage recording tax, in relation to extending the effectiveness thereof; to amend chapter 218 of the laws of 2009 amending the tax law relating to authorizing the county of Greene to impose an additional mortgage recording tax, in relation to extending the effectiveness thereof; to amend chapter 98 of the laws of 2009, amending the tax law relating to authorizing the county of Cattaraugus to impose an additional mortgage recording tax, in relation to extending the expiration thereof; to amend chapter 105 of the laws of 2009 amending chapter 693 of the laws of 1980 enabling the county of Albany to impose and collect taxes on occupancy of hotel or motel rooms in Albany county relating to revenues received from the collection of hotel or motel occupancy taxes, in relation to the effectiveness thereof; to amend the real property tax law, in relation to adjusted base proportions for assessment rolls; to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year two thousand nineteen; to amend the real property tax law, in relation to allowing certain special assessing units other than cities to adjust

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD16262-03-8

their current base proportions, adjusted base proportions for assessment rolls, and the base proportion in approved assessing units in Nassau county; to amend the local finance law, in relation to the sale of bonds and notes of the city of Buffalo; to amend the local finance law, in relation to the sale of bonds and notes of the city of New York, the issuance of bonds or notes with variable rates of interest, interest rate exchange agreements of the city of New York, the refunding of bonds, and the down payment for projects financed by bonds; to amend chapter 868 of the laws of 1975 constituting the New York state financial emergency act for the city of New York, in relation to a pledge and agreement of the state; and to amend chapter 142 of the laws of 2004, amending the local finance law relating to interest rate exchange agreements of the city of New York and refunding bonds of such city, in relation to the effectiveness thereof; and to amend the local finance law, in relation to bonds and notes of the city of Yonkers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 2 of chapter 88 of the laws of 2009 amending the
2 tax law relating to the imposition of an occupancy tax in the city of
3 New Rochelle, as amended by chapter 159 of the laws of 2015, is amended
4 to read as follows:

5 § 2. This act shall take effect immediately and shall expire and be
6 deemed repealed September 1, [~~2018~~] 2021.

7 § 2. Section 2 of chapter 89 of the laws of 2009 amending the tax law
8 relating to the imposition of an occupancy tax in the city of Rye, as
9 amended by chapter 204 of the laws of 2015, is amended to read as
10 follows:

11 § 2. This act shall take effect immediately and shall expire and be
12 deemed repealed September 1, [~~2018~~] 2021.

13 § 3. Section 2 of chapter 62 of the laws of 2015 amending the tax
14 relating to the imposition of an occupancy tax in the city of Yonkers,
15 is amended to read as follows:

16 § 2. This act shall take effect immediately and shall expire and be
17 deemed repealed September 1, [~~2018~~] 2021.

18 § 4. Section 3 of chapter 327 of the laws of 2006, amending the tax
19 law relating to authorizing the county of Essex to impose an additional
20 mortgage recording tax, as amended by chapter 289 of the laws of 2015,
21 is amended to read as follows:

22 § 3. This act shall take effect immediately; provided, however, that
23 this act shall expire and be deemed repealed December 1, [~~2018~~] 2021.

24 § 5. Section 2 of chapter 405 of the laws of 2005 amending the tax law
25 relating to authorizing the county of Albany to impose a county record-
26 ing tax on obligations secured by a mortgage on real property, as
27 amended by chapter 132 of the laws of 2016, is amended to read as
28 follows:

29 § 2. This act shall take effect on the thirtieth day after it shall
30 have become a law and shall expire and be deemed repealed on the first
31 of December, [~~2018~~] 2020.

32 § 6. Section 2 of chapter 368 of the laws of 2008, amending the tax
33 law relating to authorizing the county of Warren to impose an additional
34 mortgage recording tax, as amended by chapter 190 of the laws of 2016,
35 is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 1, ~~2018~~ 2020.

§ 7. Section 2 of chapter 218 of the laws of 2009 amending the tax law relating to authorizing the county of Greene to impose an additional mortgage recording tax, as amended by chapter 129 of the laws of 2016, is amended to read as follows:

§ 2. This act shall take effect on the sixtieth day after it shall have become a law and shall expire and be deemed repealed December 1, ~~2018~~ 2020.

§ 8. Section 2 of chapter 98 of the laws of 2009, amending the tax law relating to authorizing the county of Cattaraugus to impose an additional mortgage recording tax, as amended by chapter 303 of the laws of 2015, is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 1, ~~2018~~ 2021.

§ 9. Section 3 of chapter 105 of the laws of 2009 amending chapter 693 of the laws of 1980 enabling the county of Albany to impose and collect taxes on occupancy of hotel or motel rooms in Albany county relating to revenues received from the collection of hotel or motel occupancy taxes, as amended by chapter 452 of the laws of 2016, is amended to read as follows:

§ 3. This act shall take effect upon the adoption by the county of Albany of a local law imposing in such county the additional occupancy tax authorized by this act and shall expire and be deemed repealed December 31, ~~2018~~ 2020; provided that Albany county shall notify the legislative bill drafting commission upon the occurrence of the enactment of such local law in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effecting the provisions of section 44 of the legislative law and section 70-b of the public officers law.

§ 10. Subparagraph (iv) of paragraph (a) of subdivision 3 of section 1903 of the real property tax law, as amended by chapter 152 of the laws of 2017, is amended to read as follows:

(iv) Notwithstanding any other provision of law, in an approved assessing unit in the county of Suffolk and for current base proportions to be determined by taxes based on such approved assessing unit's two thousand three - two thousand four, two thousand four - two thousand five and two thousand five - two thousand six assessment rolls, the current base proportion of any class shall not exceed the adjusted base proportion or adjusted proportion, whichever is appropriate, of the immediately preceding year by more than two percent, or in the case of the two thousand five--two thousand six, two thousand six--two thousand seven, two thousand seven--two thousand eight, two thousand eight--two thousand nine, two thousand twelve--two thousand thirteen, two thousand thirteen--two thousand fourteen, two thousand fourteen--two thousand fifteen, two thousand fifteen--two thousand sixteen, two thousand sixteen--two thousand seventeen, ~~and~~ two thousand seventeen--two thousand eighteen, and two thousand eighteen--two thousand nineteen assessment rolls, one percent. Where the computation of current base proportions would otherwise produce such result, the current base proportion of such class or classes shall be limited to such two percent or one percent increase whichever is applicable, and the legislative body of such approved assessing unit shall alter the current base proportion of either class so that the sum of the current base proportions equals one.

§ 11. Subdivision 1 of section 1803-a of the real property tax law is amended by adding a new paragraph (dd) to read as follows:

(dd) Notwithstanding the provisions of paragraph (c) of this subdivision to the contrary, in a special assessing unit which is a city and for current base proportions to be determined in such special assessing unit's fiscal year two thousand nineteen, the current base proportion of any class shall not exceed the adjusted base proportion or adjusted proportion, whichever is appropriate, of the immediately preceding year by more than one-half of one percent. Where the computation performed pursuant to paragraph (b) of this subdivision would otherwise produce such result, the current base proportion of such class or classes shall be limited to a one-half of one percent increase and the legislative body of such special assessing unit shall alter the current base proportion of any or all remaining classes so that the sum of the current base proportions equals one.

§ 12. In the event the special assessing unit which is a city has sent out real property tax bills for its fiscal year 2019 before this act shall have become a law, the city shall take such actions as are necessary, consistent with applicable state and local law, to effect the provisions of section eleven of this act, including, but not limited to, revising the current base proportions and adjusted base proportions, resetting the real property tax rates and sending amended real property tax bills. Provided, however, that nothing herein shall be deemed to affect the obligation of any taxpayer with respect to the payment of any installment of real property tax for such fiscal year which was due and payable prior to the date such amended real property tax bills are sent; for this purpose, such obligations shall be determined in accordance with the applicable provisions of law that were in effect immediately prior to the effective date of this act, and such city shall be authorized to determine the date on which amended bills are to be sent and the installments of real property tax which are to be reflected therein.

§ 13. Subdivision 1 of section 1803-a of the real property tax law is amended by adding a new paragraph (ee) to read as follows:

(ee) Notwithstanding the provisions of paragraph (c) of this subdivision to the contrary, in a special assessing unit that is not a city and for current base proportions to be determined by taxes based on such special assessing unit's two thousand eighteen assessment roll, the current base proportion of any class shall not exceed the adjusted base proportion or adjusted proportion, whichever is appropriate, of the immediately preceding year by more than one percent. Where the computation performed pursuant to paragraph (b) of this subdivision would otherwise produce such result, the current base proportion of such class or classes shall be limited to such one percent increase and the legislative body of such special assessing unit shall alter the current base proportion of any or all remaining classes so that the sum of the current base proportions equals one.

§ 13-a. Paragraph (a) of subdivision 3 of section 1903 of the real property tax law is amended by adding a new subparagraph (xix) to read as follows:

(xix) Notwithstanding any other provision of law, in an approved assessing unit in the county of Nassau and for current base proportions to be determined by taxes based on such approved assessing unit's two thousand eighteen roll, the current base proportion of any class shall not exceed the adjusted base proportion or adjusted proportion, whichever is appropriate, of the immediately preceding year, by more than one percent, provided that such approved assessing unit has passed a local

law, ordinance or resolution providing therefor. Where the computation of current base proportions would otherwise produce such result, the current base proportion of such class or classes shall be limited to such one percent increase and the legislative body of such approved assessing unit shall alter the current base proportion of either class so that the sum of the current base proportions equals one.

§ 14. Section 54.30 of the local finance law, as amended by chapter 62 of the laws of 2017, is amended to read as follows:

§ 54.30 Costs of sales; bonds and notes of the city of Buffalo. Subject to the provisions of chapter one hundred twenty-two of the laws of two thousand three creating the Buffalo fiscal stability authority, to facilitate the marketing of any issue of serial bonds or notes of the city of Buffalo issued on or before June thirtieth, two thousand [~~eigh-~~
~~teen~~] nineteen, such city may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale: (a) arrange for the underwriting of its bonds or notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds or notes to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations; or (b) arrange for the private sale of its bonds or notes through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this article.

§ 15. The opening paragraph of paragraph (a) of section 54.10 of the local finance law, as amended by chapter 64 of the laws of 2017, is amended to read as follows:

To facilitate the marketing of any issue of bonds or notes of the city of New York issued on or before June thirtieth, two thousand [~~eighteen~~] nineteen, the mayor and comptroller of such city may, subject to the approval of the state comptroller and the limitations on private sales of bonds and notes, respectively, provided by law:

§ 16. The closing paragraph of paragraph a of section 54.90 of the local finance law, as amended by chapter 64 of the laws of 2017, is amended to read as follows:

Notwithstanding the foregoing, whenever in the judgment of the finance board of the city of New York the interest of such city would be served thereby, the city of New York may without further approval issue bonds or notes, on or before July fifteenth, two thousand [~~eighteen~~] nineteen, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes and may provide the holders thereof with such rights to require the city or other persons to purchase such bonds or notes or renewals thereof from the proceeds of the resale thereof or otherwise from time to time prior to the final maturity of such bonds or notes as the finance board of the city of New York may determine and the city may resell, at any time prior to final maturity, any such bonds or notes acquired as a result of the exercise of such rights; provided, however, that at no time shall the total principal amount of bonds and notes issued by the city of New York pursuant to this paragraph (other than bonds and notes (1) bearing interest at rates and for periods of time that are specified without reference to future events or contingencies, or (2) described in section 136.00 of this article) exceed twenty-five percent of the limit prescribed by section 104.00 of this article.

§ 17. The opening paragraph of subdivision 1 of paragraph d of section 54.90 of the local finance law, as amended by chapter 64 of the laws of 2017, is amended to read as follows:

On or before July fifteenth, two thousand [~~eighteen~~] ~~nineteen~~ the mayor and comptroller of the city of New York may:

§ 18. The opening paragraph of paragraph a of section 57.00 of the local finance law, as amended by chapter 64 of the laws of 2017, is amended to read as follows:

Bonds shall be sold only at public sale and in accordance with the procedure set forth in this section and sections 58.00 and 59.00 of this title, except as otherwise provided in this paragraph. Bonds may be sold at private sale to the United States government or any agency or instrumentality thereof, the state of New York municipal bond bank agency, to any sinking fund or pension fund of the municipality, school district or district corporation selling such bonds, or, in the case of sales by the city of New York prior to July first, two thousand [~~eighteen~~] ~~nineteen~~, also to the municipal assistance corporation for the city of New York or to any other purchaser with the consent of the mayor and the comptroller of such city and approval of the state comptroller, or, in the case of sales by the county of Nassau prior to December thirty-first, two thousand seven, also to the Nassau county interim finance authority with the approval of the state comptroller, or, in the case of sales by the city of Buffalo prior to June thirtieth, two thousand thirty-seven, also to the Buffalo fiscal stability authority with the approval of the state comptroller, or, in the case of bonds or other obligations of a municipality issued for the construction of any sewage treatment works, sewage collecting system, storm water collecting system, water management facility, air pollution control facility or solid waste disposal facility, also to the New York state environmental facilities corporation, or, in the case of bonds or other obligations of a school district or a city acting on behalf of a city school district in a city having a population in excess of one hundred twenty-five thousand but less than one million inhabitants according to the latest federal census, issued to finance or refinance the cost of school district capital facilities or school district capital equipment, as defined in section sixteen hundred seventy-six of the public authorities law, also to the dormitory authority of the state of New York. Bonds of a river improvement or drainage district established by or under the supervision of the department of environmental conservation may be sold at private sale to the state of New York as investments for any funds of the state which by law may be invested, provided, however, that the rate of interest on any such bonds so sold shall be approved by the water power and control commission and the state comptroller. Bonds may also be sold at private sale as provided in section 63.00 of this title. No bonds shall be sold on option or on a deferred payment plan, except that options to purchase, effective for a period not exceeding one year, may be given:

§ 19. Subdivision 3 of paragraph g of section 90.00 of the local finance law, as amended by chapter 64 of the laws of 2017, is amended to read as follows:

3. Outstanding bonds may, pursuant to a power to recall and redeem or with the consent of the holders thereof, be exchanged for refunding bonds (i) if the refunding bonds are to bear interest at a rate equal to or lower than that borne by the bonds to be refunded or (ii) if, in the case of the city of New York prior to July first, two thousand [~~eighteen~~] ~~nineteen~~, the annual payment required for principal and interest on the refunding bond is less than the annual payment required for prin-

1 cipal and interest on the bond to be refunded, in each case such annual
2 payments to be determined by dividing the total principal and interest
3 payments due over the remaining life of the bond by the number of years
4 to maturity of the bond or (iii) if the bonds to be refunded were issued
5 by the city of New York after June thirtieth, nineteen hundred seventy-
6 eight and prior to July first, two thousand [~~eighteen~~] nineteen and
7 contain covenants referring to the existence of the New York state
8 financial control board for the city of New York or any other covenants
9 relating to matters other than the prompt payment of principal and
10 interest on the obligations when due and the refunding bond omits or
11 modifies any such covenant.

12 § 20. Subdivision 8 of paragraph d of section 107.00 of the local
13 finance law, as amended by chapter 64 of the laws of 2017, is amended to
14 read as follows:

15 8. Notwithstanding any other provision of law, the financing by the
16 city of New York prior to July first, two thousand [~~eighteen~~] nineteen
17 of any object or purpose which has a period of probable usefulness
18 determined by law by the issuance of any bonds or notes, including (i)
19 the issuance of bonds or notes to obtain reimbursement for funds hereto-
20 fore advanced for the object or purpose for which the bonds or notes are
21 being issued, (ii) the issuance of bonds or notes to redeem notes previ-
22 ously issued for the object or purpose for which the bonds or notes are
23 being issued or (iii) the issuance of bonds to refund bonds previously
24 issued for the object or purpose for which bonds are being issued.

25 § 21. Subdivision 1 of section 10-a of section 2 of chapter 868 of the
26 laws of 1975, constituting the New York state financial emergency act
27 for the city of New York, as amended by chapter 64 of the laws of 2017,
28 is amended to read as follows:

29 1. In the event that after the date on which the provisions of this
30 act become operative, any notes or bonds are issued by the city prior to
31 July 1, [~~2018~~] 2019, or any bonds are issued by a state financing agen-
32 cy, the state of New York hereby authorizes the city and authorizes and
33 requires such state financing agency to include a pledge and agreement
34 of the state of New York in any agreement made by the city or such state
35 financing agency with holders or guarantors of such notes or bonds that
36 the state will not take any action which will (a) substantially impair
37 the authority of the board during a control period, as defined in subdi-
38 vision twelve of section two of this act as in effect on the date such
39 notes or bonds are issued (i) to approve, disapprove, or modify any
40 financial plan or financial plan modification, including the revenue
41 projections (or any item thereof) contained therein, subject to the
42 standards set forth in paragraphs a, c, d, e and f of subdivision one of
43 section eight of this act as in effect on the date such notes or bonds
44 are issued and paragraph b of such subdivision as in effect from time to
45 time, (ii) to disapprove a contract of the city or a covered organiza-
46 tion if the performance of such contract would be inconsistent with the
47 financial plan or to approve or disapprove proposed short-term or long-
48 term borrowing of the city or a covered organization or any agreement or
49 other arrangement referred to in subdivision four of section seven of
50 this act, or (iii) to establish and adopt procedures with respect to the
51 deposit in and disbursement from the board fund of city revenues; (b)
52 substantially impair the authority of the board to review financial
53 plans, financial plan modifications, contracts of the city or the
54 covered organizations and proposed short-term or long-term borrowings of
55 the city and the covered organizations; (c) substantially impair the
56 independent maintenance of a separate fund for the payment of debt

1 service on bonds and notes of the city; (d) alter the composition of the
2 board so that the majority of the voting members of the board are not
3 officials of the state of New York elected in a state-wide election or
4 appointees of the governor; (e) terminate the existence of the board
5 prior to the time to be determined in accordance with section thirteen
6 of this act as in effect on the date such notes or bonds are issued; (f)
7 substantially modify the requirement that the city's financial state-
8 ments be audited by a nationally recognized independent certified public
9 accounting firm or consortium of firms and that a report on such audit
10 be furnished to the board; or (g) alter the definition of a control
11 period set forth in subdivision twelve of section two of this act, as in
12 effect on the date such notes or bonds are issued, or substantially
13 alter the authority of the board, as set forth in said subdivision to
14 reimpose or terminate a control period; provided, however, that the
15 foregoing pledge and agreement shall be of no further force and effect
16 if at any time (i) there is on deposit in a separate trust account with
17 a bank, trust company or other fiduciary sufficient moneys or direct
18 obligations of the United States or obligations guaranteed by the United
19 States, the principal of and/or interest on which will provide moneys to
20 pay punctually when due at maturity or prior to maturity by redemption,
21 in accordance with their terms, all principal of and interest on all
22 outstanding notes and bonds of the city or such state financing agency
23 containing this pledge and agreement and irrevocable instructions from
24 the city or such state financing agency to such bank, trust company or
25 other fiduciary for such payment of such principal and interest with
26 such moneys shall have been given, or (ii) such notes and bonds, togeth-
27 er with interest thereon, have been paid in full at maturity or have
28 otherwise been refunded, redeemed, defeased, or discharged; and provided
29 further that the foregoing pledge and agreement shall be of full force
30 and effect upon its inclusion in any agreement made by the city or state
31 financing agency with holders or guarantors of such notes or bonds.

32 Upon payment for such obligations issued pursuant to this act by the
33 original and all subsequent holders inclusion of the foregoing covenant
34 shall be deemed conclusive evidence of valuable consideration received
35 by the state and city for such covenant and of reliance upon such pledge
36 and agreement by any such holder. The state hereby grants any such bene-
37 fited holder the right to sue the state in a court of competent juris-
38 diction and enforce this covenant and agreement and waives all rights of
39 defense based on sovereign immunity in such an action or suit.

40 § 22. Section 5 of chapter 142 of the laws of 2004, amending the local
41 finance law relating to interest rate exchange agreements of the city of
42 New York and refunding bonds of such city, as amended by chapter 64 of
43 the laws of 2017, is amended to read as follows:

44 § 5. This act shall take effect immediately, provided, that section
45 three of this act shall expire and be deemed repealed July 15, [2018]
46 2019.

47 § 23. Section 54.40 of the local finance law, as amended by chapter 44
48 of the laws of 2017, is amended to read as follows:

49 § 54.40 Bonds and notes of the city of Yonkers. Subject to the
50 provisions of the New York state financial emergency act of nineteen
51 hundred eighty-four for the city of Yonkers, to facilitate the marketing
52 of any issue of serial bonds or notes of the city of Yonkers issued on
53 or before June thirtieth, two thousand [eighteen] nineteen, such city
54 may, notwithstanding any limitations on private sales of bonds provided
55 by law, and subject to approval by the state comptroller of the terms
56 and conditions of such sale: (a) arrange for the underwriting of its

1 bonds or notes at private sale through negotiated agreement, compen-
2 sation for such underwriting to be provided by negotiated fee or by sale
3 of such bonds or notes to an underwriter at a price of less than the sum
4 of par value of, and the accrued interest on, such obligations; or (b)
5 arrange for the private sale of its bonds or notes through negotiated
6 agreement, compensation for such sales to be provided by negotiated fee,
7 if required. The cost of such underwriting or private placement shall be
8 deemed a preliminary cost for purposes of section 11.00 of this article.

9 § 24. This act shall take effect immediately; provided, however, that
10 section thirteen of this act shall apply to the levy of taxes based on
11 the 2018 assessment roll in a special assessing unit that is not a city
12 and that section thirteen-a of this act shall apply to the levy of taxes
13 based on the 2018 assessment roll in approved assessing units in the
14 county of Nassau that pass a local law, ordinance or resolution to adopt
15 these provisions.