

STATE OF NEW YORK

2009--B

IN SENATE

January 23, 2017

A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT intentionally omitted (Part A); intentionally omitted (Part B); to amend the tax law and the administrative code of the city of New York, in relation to the school tax reduction credit for residents of a city with a population of one million or more; and to repeal section 54-f of the state finance law relating thereto (Part C); intentionally omitted (Part D); intentionally omitted (Part E); intentionally omitted (Part F); intentionally omitted (Part G); intentionally omitted (Part H); intentionally omitted (Part I); to amend the state finance law, in relation to the veterans' home assistance fund (Part J); to amend the economic development law and the tax law, in relation to life sciences companies (Part K); intentionally omitted (Part L); to amend the tax law, in relation to extending the empire state film production credit and empire state film post production credit for three years (Part M); intentionally omitted (Part N); intentionally omitted (Part O); intentionally omitted (Part P); to amend the tax law, in relation to the treatment of single member limited liability companies that are disregarded entities in determining eligibility for tax credits (Part Q); intentionally omitted (Part R); intentionally omitted (Part S); to amend the tax law, in relation to increasing the child and dependent care tax credit (Part T); intentionally omitted (Part U); intentionally omitted (Part V); intentionally omitted (Part W); intentionally omitted (Part X); intentionally omitted (Part Y); intentionally omitted (Part Z); intentionally omitted (Part AA); intentionally omitted (Part BB); intentionally omitted (Part CC); intentionally omitted (Part DD); intentionally omitted (Part EE); intentionally omitted (Part FF); intentionally omitted (Part GG); intentionally omitted (Part HH); intentionally omitted (Part II); intentionally omitted (Part JJ); intentionally omitted (Part KK); intentionally omitted (Part LL); to amend the racing, pari-mutuel wagering and breeding law, in relation to the operation of charitable gaming; to amend the social services law, in relation to penalties for

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

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unauthorized transactions relating to certain public assistance; to amend the tax law, in relation to certain income derived from the conduct of certain games of chance; and to repeal certain provisions of the executive law and the general municipal law relating thereto (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York racing association, and to repeal certain provisions of such law relating thereto (Part NN); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part OO); to amend the tax law, in relation to vendor fees paid to vendor tracks (Part PP); to amend the tax law, in relation to capital awards to vendor tracks (Part QQ); to amend the state finance law, in relation to the distribution of certain gaming aid; and providing for the repeal of such provisions upon expiration thereof (Part RR); to amend the tax law and the administrative code of the city of New York, in relation to business income base and certain small business taxpayers (Part SS); to amend the tax law, in relation to real property tax credits for manufacturers (Part TT); to amend the tax law, in relation to the farm workforce retention credit (Part UU); to amend the tax law, in relation to the investment tax credit for certain taxpayers that operate a farm operation (Part VV); to amend the tax law, in relation to a credit for donations to a food bank or other emergency food program by New York state farmers (Part WW); to amend the tax law, in relation to minimum wage reimbursement credit (Part XX); to amend the real property tax law, in relation to the STAR exemption for property owned by small businesses (Part YY); to amend the tax law, in relation to the use of fulfillment services of certain persons (Part ZZ); to amend the tax law and the administrative code of the city of New York, in relation to qualified financial instruments of RICS and REITS (Part AAA); to amend the tax law, in relation to exempting unitary corporation dividends from the definition of business capital for the purposes of the franchise tax on business corporations (Part BBB); to amend the tax law, in relation to the amount of credit towards sales and compensating use taxes for vendors (Part CCC); to amend the tax law and the economic development law, in relation to the creation of the empire state music production credit and the empire state digital gaming media production credit; to repeal subdivision 11 of section 352 of the economic development law relating thereto; and providing for the repeal of certain provisions upon expiration thereof (Part DDD); to amend the public housing law and the tax law, in relation to providing certain tax credits for construction or rehabilitation of middle-income housing (Part EEE); to amend the tax law, in relation to establishing a credit against income tax for the rehabilitation of distressed commercial properties (Part FFF); to amend the tax law, in relation to providing a tax credit for universal visitability; and providing for the repeal of such provisions upon the expiration thereof (Part GGG); to amend the tax law, in relation to the

imposition of tax and rate (Part HHH); to amend the tax law, in relation to the metropolitan commuter transportation mobility tax (Part III); to amend the tax law, in relation to the metropolitan transportation business tax surcharge (Part JJJ); to amend the tax law, in relation to increasing the exemption for pensions and annuities for certain persons (Part KKK); to amend the tax law and the insurance law, in relation to increasing the tax credits for premiums paid for long-term care insurance or for a policy rider to a life insurance policy (Part LLL); to amend the tax law, in relation to establishing a tax deduction for the adoption of a child with special needs (Part MMM); to amend the tax law, in relation to cost of living adjustment (Part NNN); to amend the tax law, in relation to returns and liabilities (Part OOO); to amend the tax law, in relation to designated accounts for personal income tax refunds (Part PPP); to amend the real property tax law and the tax law, in relation to removing references to the school tax relief credit; and to repeal certain provisions of such laws relating thereto (Part QQQ); to amend the tax law, in relation to advance payments of the school tax relief credit (Part RRR); to amend the tax law, in relation to exempting certain monuments from sales and use taxes (Part SSS); to amend the tax law, in relation to providing an exemption for tangible personal property and services sold by a cemetery; in relation to establishing an amnesty program for cemetery corporations (Part TTT); to amend the tax law, in relation to granting sales and compensating use tax exemptions for certain tangible personal property and services used in the operation of recreational skiing facilities (Part UUU); to amend the tax law, in relation to exemptions from the sales and compensating use tax for tastings held by a licensed brewery, farm brewery, cider producer, farm cidery, distillery or farm distillery in accordance with the alcoholic beverage control law (Part VVV); to amend the tax law, in relation to the prepayment of sales tax on motor fuel and Diesel motor fuel; and providing for the repeal of such provisions upon expiration thereof (Part WWW); to amend the tax law and part C of chapter 2 of the laws of 2005 amending the tax law relating to exemptions from sales and use taxes, in relation to extending certain provisions thereof; to amend the general city law and the administrative code of the city of New York, in relation to extending certain provisions relating to relocation and employment assistance credits; to amend the general city law and the administrative code of the city of New York, in relation to extending certain provisions relating to specially eligible premises and special rebates; to amend the administrative code of the city of New York, in relation to extending certain provisions relating to exemptions and deductions from base rent; to amend the real property tax law, in relation to extending certain provisions relating to eligibility periods and requirements; to amend the real property tax law, in relation to extending certain provisions relating to eligibility periods and requirements, benefit periods and applications for abatements; to amend the administrative code of the city of New York, in relation to extending certain provisions relating to a special reduction in determining the taxable base rent; to amend the real property tax law and the administrative code of the city of New York, in relation to extending certain provisions relating to applications for abatement of tax payments (Part XXX); to amend the tax law and the education law, in relation to enacting the "education affordability act" (Part YYY); to amend the tax law, in relation to establishing the green building credit (Part ZZZ); to amend the tax law, in

relation to establishing a forestry stewardship and habitat conservation credit for personal income and business franchise taxes (Part AAAA); to amend chapter 97 of the laws of 2011, amending the general municipal law and the education law relating to establishing limits upon school district and local government tax levies, in relation to eliminating the expiration of and making permanent certain provisions thereof (Part BBBB); to amend the New York state urban development corporation act, in relation to certain qualified entities (Part CCCC); to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to certain fiscal requirements imposed with respect to conducting horse races at raceways and racetracks; and providing for the repeal of certain provisions upon the expiration thereof (Part DDDD); to amend the racing, pari-mutuel wagering and breeding law and the workers' compensation law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part EEEE); to amend the racing, pari-mutuel wagering and breeding law and the penal law, in relation to allowing certain interactive poker games (Part FFFF); to amend the racing, pari-mutuel wagering and breeding law, in relation to creating the racing fan advisory council (Part GGGG); to amend the tax law, in relation to an additional vendor's marketing allowance (Part HHHH); to amend the tax law, in relation to allowable college tuition expenses (Part IIII); to amend the education law and the tax law, in relation to establishing the college debt freedom account program (Part JJJJ); to amend the state finance law, in relation to establishing a spending cap and increasing the maximum capacity of the rainy day fund (Part KKKK); to amend the racing, pari-mutuel wagering and breeding law, in relation to approval, denial and renewal of casino and gaming employee licenses and registrations (Part LLLL); and to amend the tax law, in relation to authorizing advertising during quick draw and on lottery tickets (Part MMMM)

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

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2017-2018
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through MMMM. The effective date for each partic-
5 ular provision contained within such Part is set forth in the last
6 section of such Part. Any provision in any section contained within a
7 Part, including the effective date of the Part, which makes a reference
8 to a section "of this act", when used in connection with that particular
9 component, shall be deemed to mean and refer to the corresponding
10 section of the Part in which it is found. Section three of this act sets
11 forth the general effective date of this act.

12 PART A

13 Intentionally Omitted

14 PART B

15 Intentionally Omitted

PART C

Section 1. Section 54-f of the state finance law is REPEALED.

§ 2. Subsection (ggg) of section 606 of the tax law, as added by section 1 of part E of chapter 60 of the laws of 2016, and as relettered by section 1 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(ggg) School tax reduction credit for residents of a city with a population over one million. (1) For taxable years beginning after two thousand fifteen, a school tax reduction credit shall be allowed to a resident individual of the state who is a resident of a city with a population over one million, as provided below. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided however, that no interest will be paid thereon. For purposes of this subsection, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this ~~paragraph~~ subsection shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law.

(3) For taxable years beginning in two thousand sixteen, the credit shall be determined as provided in this paragraph, provided that for the purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

(A) Married individuals filing joint returns and surviving spouses. In the case of married individuals who make a single return jointly and of a surviving spouse, the credit shall be one hundred twenty-five dollars.

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return, the credit shall be sixty-two dollars and fifty cents.

(4) For taxable years beginning after two thousand sixteen, the credit shall equal the "fixed" amount provided by paragraph (4-a) of this subsection plus the "rate reduction" amount provided by paragraph (4-b) of this subsection.

(4-a) The "fixed" amount of the credit shall be determined as provided in this paragraph, provided that any taxpayer with income of more than two hundred fifty thousand dollars shall not receive such amount.

(A) Married individuals filing joint returns and surviving spouses. In the case of married individuals who make a single return jointly and of a surviving spouse, the "fixed" amount of the credit shall be one hundred twenty-five dollars.

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return, the "fixed" amount of the credit shall be sixty-two dollars and fifty cents.

(4-b) The "rate reduction" amount of the credit shall be determined as provided in this paragraph, provided that any taxpayer with income of more than five hundred thousand dollars shall not receive such amount.

(A) For married individuals who make a single return jointly and for a surviving spouse:

<u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
<u>Not over \$21,600</u>	<u>0.171% of the city taxable income</u>
<u>Over \$21,600 but not over \$500,000</u>	<u>\$37 plus 0.228% of excess over</u>
	<u>\$21,600</u>
<u>Over \$500,000</u>	<u>Not applicable</u>

(B) For a head of household:

<u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
<u>Not over \$14,400</u>	<u>0.171% of the city taxable income</u>
<u>Over \$14,400 but not over \$500,000</u>	<u>\$25 plus 0.228% of excess over</u>
	<u>\$14,400</u>
<u>Over \$500,000</u>	<u>Not applicable</u>

(C) For an unmarried individual or a married individual filing a separate return:

<u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
<u>Not over \$12,000</u>	<u>0.171% of the city taxable income</u>
<u>Over \$12,000 but not over \$500,000</u>	<u>\$21 plus 0.228% of excess over</u>
	<u>\$12,000</u>
<u>Over \$500,000</u>	<u>Not applicable</u>

[~~3~~] (5) Part-year residents. If a taxpayer changes status during the taxable year from resident to nonresident, or from nonresident to resident, the school tax reduction credit authorized by this subsection shall be prorated according to the number of months in the period of residence.

§ 3. Paragraphs 1, 2 and 3 of subsection (a) of section 1304 of the tax law, as amended by section 2 of part B of chapter 59 of the laws of 2015, are amended to read as follows:

(1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on the city taxable income of every city resident married individual who makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article and on the city taxable income of every city resident surviving spouse shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [fourteen] <u>sixteen</u> :	
<u>If the city taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$21,600</u>	<u>2.7% of the city taxable income</u>
<u>Over \$21,600 but not</u>	<u>\$583 plus 3.3% of excess</u>
<u>over \$45,000</u>	<u>over \$21,600</u>
<u>Over \$45,000 but not</u>	<u>\$1,355 plus 3.35% of excess</u>
<u>over \$90,000</u>	<u>over \$45,000</u>
<u>Over \$90,000</u>	<u>\$2,863 plus 3.4% of excess</u>
	<u>over \$90,000</u>

(B) For taxable year beginning after two thousand fourteen and before two thousand seventeen:

If the city taxable income is:	The tax is:
Not over \$21,600	2.55% of the city taxable income
Over \$21,600 but not	\$551 plus 3.1% of excess
over \$45,000	over \$21,600
Over \$45,000 but not	\$1,276 plus 3.15% of excess
over \$90,000	over \$45,000
Over \$90,000 but not	\$2,694 plus 3.2% of excess
over \$500,000	over \$90,000
Over \$500,000	\$16,803 plus 3.4% of excess

1 over \$500,000

2 [~~(B)~~] (C) For taxable years beginning after two thousand nine and
 3 before two thousand fifteen:
 4 If the city taxable income is: The tax is:

5 Not over \$21,600	2.55% of the city taxable income
6 Over \$21,600 but not	\$551 plus 3.1% of excess
7 over \$45,000	over \$21,600
8 Over \$45,000 but not	\$1,276 plus 3.15% of excess
9 over \$90,000	over \$45,000
10 Over \$90,000 but not	\$2,694 plus 3.2% of excess
11 over \$500,000	over \$90,000
12 Over \$500,000	\$15,814 plus 3.4% of excess
13	over \$500,000

14 (2) Resident heads of households. The tax under this section for each
 15 taxable year on the city taxable income of every city resident head of a
 16 household shall be determined in accordance with the following tables:

17 (A) For taxable years beginning after two thousand ~~fourteen~~ sixteen:

18 <u>If the city taxable income is:</u>	<u>The tax is:</u>
19 <u>Not over \$14,400</u>	<u>2.7% of the city taxable income</u>
20 <u>Over \$14,400 but not</u>	<u>\$389 plus 3.3% of excess</u>
21 <u>over \$30,000</u>	<u>over \$14,400</u>
22 <u>Over \$30,000 but not</u>	<u>\$904 plus 3.35% of excess</u>
23 <u>over \$60,000</u>	<u>over \$30,000</u>
24 <u>Over \$60,000</u>	<u>\$1,909 plus 3.4% of excess</u>
25	<u>over \$60,000</u>

26 (B) For taxable years beginning after two thousand fourteen and before
 27 two thousand sixteen:

28 If the city taxable income is:	The tax is:
29 Not over \$14,400	2.55% of the city taxable income
30 Over \$14,400 but not	\$367 plus 3.1% of excess
31 over \$30,000	over \$14,400
32 Over \$30,000 but not	\$851 plus 3.15% of excess
33 over \$60,000	over \$30,000
34 Over \$60,000 but not	\$1,796 plus 3.2% of excess
35 over \$500,000	over \$60,000
36 Over \$500,000	\$16,869 plus 3.4% of excess
37	over \$500,000

38 [~~(B)~~] (C) For taxable years beginning after two thousand nine and before
 39 two thousand fifteen:

40 If the city taxable income is:	The tax is:
41 Not over \$14,400	2.55% of the city taxable income
42 Over \$14,400 but not	\$367 plus 3.1% of excess
43 over \$30,000	over \$14,400
44 Over \$30,000 but not	\$851 plus 3.15% of excess
45 over \$60,000	over \$30,000
46 Over \$60,000 but not	\$1,796 plus 3.2% of excess
47 over \$500,000	over \$60,000
48 Over \$500,000	\$15,876 plus 3.4% of excess

1 Over \$500,000

2 (3) Resident unmarried individuals, resident married individuals
 3 filing separate returns and resident estates and trusts. The tax under
 4 this section for each taxable year on the city taxable income of every
 5 city resident individual who is not a city resident married individual
 6 who makes a single return jointly with his or her spouse under
 7 subsection (b) of section thirteen hundred six of this article or a city
 8 resident head of household or a city resident surviving spouse, and on
 9 the city taxable income of every city resident estate and trust shall be
 10 determined in accordance with the following tables:

11 (A) For taxable years beginning after two thousand [~~fourteen~~] sixteen:

12 <u>If the city taxable income is:</u>	<u>The tax is:</u>
13 <u>Not over \$12,000</u>	<u>2.7% of the city taxable income</u>
14 <u>Over \$12,000 but not</u>	<u>\$324 plus 3.3% of excess</u>
15 <u>over \$25,000</u>	<u>over \$12,000</u>
16 <u>Over \$25,000 but not</u>	<u>\$753 plus 3.35% of excess</u>
17 <u>over \$50,000</u>	<u>over \$25,000</u>
18 <u>Over \$50,000</u>	<u>\$1,591 plus 3.4% of excess</u>
19	<u>over \$50,000</u>

20 (B) For taxable years beginning after two thousand fourteen and before
 21 two thousand seventeen:

22 If the city taxable income is:	The tax is:
23 Not over \$12,000	2.55% of the city taxable income
24 Over \$12,000 but not	\$306 plus 3.1% of excess
25 over \$25,000	over \$12,000
26 Over \$25,000 but not	\$709 plus 3.15% of excess
27 over \$50,000	over \$25,000
28 Over \$50,000 but not	\$1,497 plus 3.2% of excess
29 over \$500,000	over \$50,000
30 Over \$500,000	\$16,891 plus 3.4%
31	of excess over \$500,000

32 [~~(B)~~] (C) For taxable years beginning after two thousand nine and
 33 before two thousand fifteen:

34 If the city taxable income is:	The tax is:
35 Not over \$12,000	2.55% of the city taxable income
36 Over \$12,000 but not	\$306 plus 3.1% of excess
37 over \$25,000	over \$12,000
38 Over \$25,000 but not	\$709 plus 3.15% of excess
39 over \$50,000	over \$25,000
40 Over \$50,000 but not	\$1,497 plus 3.2% of excess
41 over \$500,000	over \$50,000
42 Over \$500,000	\$15,897 plus 3.4%
43	of excess over \$500,000

44 § 4. Paragraphs 1, 2 and 3 of subsection (a) of section 11-1701 of the
 45 administrative code of the city of New York, as amended by section 3 of
 46 part B of chapter 59 of the laws of 2015, are amended to read as
 47 follows:

48 (1) Resident married individuals filing joint returns and resident
 49 surviving spouses. The tax under this section for each taxable year on
 50 the city taxable income of every city resident married individual who

1 makes a single return jointly with his or her spouse under subdivision
 2 (b) of section 11-1751 of this chapter and on the city taxable income of
 3 every city resident surviving spouse shall be determined in accordance
 4 with the following tables:

5 (A) For taxable years beginning after two thousand [~~fourteen~~] sixteen:

6	<u>If the city taxable income is:</u>	<u>The tax is:</u>
7	<u>Not over \$21,600</u>	<u>2.7% of the city taxable income</u>
8	<u>Over \$21,600 but not</u>	<u>\$583 plus 3.3% of excess</u>
9	<u>over \$45,000</u>	<u>over \$21,600</u>
10	<u>Over \$45,000 but not</u>	<u>\$1,355 plus 3.35% of excess</u>
11	<u>over \$90,000</u>	<u>over \$45,000</u>
12	<u>Over \$90,000</u>	<u>\$2,863 plus 3.4% of excess</u>
13		<u>over \$90,000</u>
14	<u>(B) For taxable years beginning after two thousand fourteen and before</u>	
15	<u>two thousand seventeen:</u>	

16	If the city taxable income is:	The tax is:
17	Not over \$21,600	2.55% of the city taxable income
18	Over \$21,600 but not	\$551 plus 3.1% of excess
19	over \$45,000	over \$21,600
20	Over \$45,000 but not	\$1,276 plus 3.15% of excess
21	over \$90,000	over \$45,000
22	Over \$90,000 but not	\$2,694 plus 3.2% of excess
23	over \$500,000	over \$90,000
24	Over \$500,000	\$16,803 plus 3.4% of excess
25		over \$500,000

26 [~~(B)~~] (C) For taxable years beginning after two thousand nine and
 27 before two thousand fifteen:

28	If the city taxable income is:	The tax is:
29	Not over \$21,600	2.55% of the city taxable income
30	Over \$21,600 but not	\$551 plus 3.1% of excess
31	over \$45,000	over \$21,600
32	Over \$45,000 but not	\$1,276 plus 3.15% of excess
33	over \$90,000	over \$45,000
34	Over \$90,000 but not	\$2,694 plus 3.2% of excess
35	over \$500,000	over \$90,000
36	Over \$500,000	\$15,814 plus 3.4% of excess
37		over \$500,000

38 (2) Resident heads of households. The tax under this section for each
 39 taxable year on the city taxable income of every city resident head of a
 40 household shall be determined in accordance with the following tables:

41 (A) For taxable years beginning after two thousand [~~fourteen~~] sixteen:

42	<u>If the city taxable income is:</u>	<u>The tax is:</u>
43	<u>Not over \$14,400</u>	<u>2.7% of the city taxable income</u>
44	<u>Over \$14,400 but not</u>	<u>\$389 plus 3.3% of excess</u>
45	<u>over \$30,000</u>	<u>over \$14,400</u>
46	<u>Over \$30,000 but not</u>	<u>\$904 plus 3.35% of excess</u>
47	<u>over \$60,000</u>	<u>over \$30,000</u>
48	<u>Over \$60,000</u>	<u>\$1,909 plus 3.4% of excess</u>
49		<u>over \$60,000</u>

(B) For taxable years beginning after two thousand fourteen and before two thousand sixteen:

If the city taxable income is:	The tax is:
Not over \$14,400	2.55% of the city taxable income
Over \$14,400 but not over \$30,000	\$367 plus 3.1% of excess over \$14,400
Over \$30,000 but not over \$60,000	\$851 plus 3.15% of excess over \$30,000
Over \$60,000 but not over \$500,000	\$1,796 plus 3.2% of excess over \$60,000
Over \$500,000	\$16,869 plus 3.4% of excess over \$500,000

~~(B)~~ (C) For taxable years beginning after two thousand nine and before two thousand fifteen:

If the city taxable income is:	The tax is:
Not over \$14,400	2.55% of the city taxable income
Over \$14,400 but not over \$30,000	\$367 plus 3.1% of excess over \$14,400
Over \$30,000 but not over \$60,000	\$851 plus 3.15% of excess over \$30,000
Over \$60,000 but not over \$500,000	\$1,796 plus 3.2% of excess over \$60,000
Over \$500,000	\$15,876 plus 3.4% of excess over \$500,000

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under this section for each taxable year on the city taxable income of every city resident individual who is not a married individual who makes a single return jointly with his or her spouse under subdivision (b) of section 11-1751 of this chapter or a city resident head of a household or a city resident surviving spouse, and on the city taxable income of every city resident estate and trust shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand ~~fourteen~~ sixteen:

<u>If the city taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$12,000</u>	<u>2.7% of the city taxable income</u>
<u>Over \$12,000 but not over \$25,000</u>	<u>\$324 plus 3.3% of excess over \$12,000</u>
<u>Over \$25,000 but not over \$50,000</u>	<u>\$753 plus 3.35% of excess over \$25,000</u>
<u>Over \$50,000</u>	<u>\$1,591 plus 3.4% of excess over \$50,000</u>

(B) For taxable years beginning after two thousand fourteen and before two thousand sixteen:

If the city taxable income is:	The tax is:
Not over \$12,000	2.55% of the city taxable income
Over \$12,000 but not over \$25,000	\$306 plus 3.1% of excess over \$12,000
Over \$25,000 but not over \$50,000	\$709 plus 3.15% of excess over \$25,000

1	Over \$50,000 but not	\$1,497 plus 3.2% of excess
2	over \$500,000	over \$50,000
3	Over \$500,000	\$16,891 plus 3.4% of excess
4		over \$500,000

5 ~~(B)~~ (C) For taxable years beginning after two thousand nine and
6 before two thousand fifteen:

7	If the city taxable income is:	The tax is:
8	Not over \$12,000	2.55% of the city taxable income
9	Over \$12,000 but not	\$306 plus 3.1% of excess
10	over \$25,000	over \$12,000
11	Over \$25,000 but not	\$709 plus 3.15% of excess
12	over \$50,000	over \$25,000
13	Over \$50,000 but not	\$1,497 plus 3.2% of excess
14	over \$500,000	over \$50,000
15	Over \$500,000	\$15,897 plus 3.4% of excess
16		over \$500,000

17 § 5. Notwithstanding any provision of law to the contrary, the method
18 of determining the amount to be deducted and withheld from wages on
19 account of taxes imposed by or pursuant to the authority of article 30
20 of the tax law in connection with the implementation of the provisions
21 of this act shall be prescribed by the commissioner of taxation and
22 finance with due consideration to the effect such withholding tables and
23 methods would have on the receipt and amount of revenue. The commission-
24 er of taxation and finance shall adjust such withholding tables and
25 methods in regard to taxable years beginning in 2017 and after in such
26 manner as to result, so far as practicable, in withholding from an
27 employee's wages an amount substantially equivalent to the tax reason-
28 ably estimated to be due for such taxable years as a result of the
29 provisions of this act. Provided, however, for tax year 2017 the with-
30 holding tables shall reflect as accurately as practicable the full
31 amount of tax year 2017 liability so that such amount is withheld by
32 December 31, 2017. In carrying out his or her duties and responsibil-
33 ities under this section, the commissioner of taxation and finance may
34 prescribe a similar procedure with respect to the taxes required to be
35 deducted and withheld by local laws imposing taxes pursuant to the
36 authority of articles 30, 30-A and 30-B of the tax law, the provisions
37 of any other law in relation to such a procedure to the contrary
38 notwithstanding.

39 § 6. 1. Notwithstanding any provision of law to the contrary, no addi-
40 tion to tax shall be imposed for failure to pay the estimated tax in
41 subsection (c) of section 685 of the tax law and subdivision (c) of
42 section 11-1785 of the administrative code of the city of New York with
43 respect to any underpayment of a required installment due prior to, or
44 within thirty days of, the effective date of this act to the extent that
45 such underpayment was created or increased by the amendments made by
46 this act, provided, however, that the taxpayer remits the amount of any
47 underpayment prior to or with his or her next quarterly estimated tax
48 payment.

49 2. The commissioner of taxation and finance shall take steps to publi-
50 cize the necessary adjustments to estimated tax and, to the extent
51 reasonably possible, to inform the taxpayer of the tax liability changes
52 made by this act.

§ 7. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2017.

PART D

Intentionally Omitted

PART E

Intentionally Omitted

PART F

Intentionally Omitted

PART G

Intentionally Omitted

PART H

Intentionally Omitted

PART I

Intentionally Omitted

PART J

Section 1. Subdivision 5 of section 81 of the state finance law, as added by chapter 432 of the laws of 2016, is amended to read as follows:

5. Moneys shall be payable from the fund on the audit and warrant of the comptroller on vouchers approved and certified by the commissioner of health, for veterans' homes operated by the department of health, and by the [~~commissioner of education~~] chancellor of the state university of New York, for the veterans' home operated by the state university of New York.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after November 14, 2016.

PART K

Section 1. Section 352 of the economic development law, as added by section 1 of part MM of chapter 59 of the laws of 2010, subdivisions 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 as amended and subdivision 11 as added by section 1 of part K of chapter 59 of the laws of 2015, is amended to read as follows:

§ 352. Definitions. For the purposes of this article:

1. "Agriculture" means both agricultural production (establishments performing the complete farm or ranch operation, such as farm owner-op-

erators, tenant farm operators, and sharecroppers) and agricultural support (establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis).

2. "Back office operations" means a business function that may include one or more of the following activities: customer service, information technology and data processing, human resources, accounting and related administrative functions.

3. "Benefit-cost ratio" means the following calculation: the numerator is the sum of (i) the value of all remuneration projected to be paid for all net new jobs during the period of participation in the program, and (ii) the value of capital investments to be made by the business enterprise during the period of participation in the program, and the denominator is the amount of total tax benefits under this article that will be used and refunded.

4. "Certificate of eligibility" means the document issued by the department to an applicant that has completed an application to be admitted into the excelsior jobs program and has been accepted into the program by the department. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

5. "Certificate of tax credit" means the document issued to a participant by the department, after the department has verified that the participant has met all applicable eligibility criteria in this article. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of each of the tax credit components under this article that a participant may claim, pursuant to section three hundred fifty-five of this article, and shall specify the taxable year in which such credit may be claimed.

6. "Distribution center" means a large scale facility involving processing, repackaging and/or movement of finished or semi-finished goods to retail locations across a multi-state area.

7. "Entertainment company" means a corporation, partnership, limited partnership, or other entity principally engaged in the production or post production of (i) motion pictures, which shall include feature-length films and television films, (ii) instructional videos, (iii) televised commercial advertisements, (iv) animated films or cartoons, (v) music videos, (vi) television programs, which shall include, but not be limited to, television series, television pilots, and single television episodes, or (vii) programs primarily intended for radio broadcast. "Entertainment company" shall not include an entity (i) principally engaged in the live performance of events, including, but not limited to, theatrical productions, concerts, circuses, and sporting events, (ii) principally engaged in the production of content intended primarily for industrial, corporate or institutional end-users, (iii) principally engaged in the production of fundraising films or programs, or (iv) engaged in the production of content for which records are required under section 2257 of title 18, United States code, to be maintained with respect to any performer in such production.

8. "Financial services data centers or financial services customer back office operations" means operations that manage the data or accounts of existing customers or provide product or service information and support to customers of financial services companies, including banks, other lenders, securities and commodities brokers and dealers, investment banks, portfolio managers, trust offices, and insurance companies.

9. "Investment zone" shall mean an area within the state that had been designated under paragraph (i) of subdivision (a) and subdivision (d) of section nine hundred fifty-eight of the general municipal law that was wholly contained within up to four distinct and separate contiguous areas as of the date immediately preceding the date the designation of such area expired pursuant to section nine hundred sixty-nine of the general municipal law.

10. "Life sciences" means the field of biotechnology, pharmaceuticals, biomedical technologies, life systems technologies, health informatics, health robotics or biomedical devices.

11. "Life sciences company" means a business entity or an organization or institution that devotes the majority of its efforts in the various stages of research, development, technology transfer and commercialization related to any life sciences field.

12. "Manufacturing" means the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, the assembly of motor vehicles or other high value-added products shall be considered manufacturing.

~~[11.]~~ 13. "Music production" means the process of creating sound recordings of at least eight minutes, recorded in professional sound studios, intended for commercial release. "Music production" does not include recording of live concerts, or recordings that are primarily spoken word or wildlife or nature sounds, or produced for instructional use or advertising or promotional purposes.

~~[12.]~~ 14. "Net new jobs" means:

- (a) jobs created in this state that (i) are new to the state,
- (ii) have not been transferred from employment with another business located in this state including from a related person in this state,
- (iii) are either full-time wage-paying jobs or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week, and
- (iv) are filled for more than six months; or

(b) jobs obtained by an entertainment company in this state (i) as a result of the termination of a licensing agreement with another entertainment company, (ii) that the commissioner determines to be at risk of leaving the state as a direct result of the termination, (iii) that are either full-time wage-paying jobs or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week, and (iv) that are filled for more than six months.

~~[13.]~~ 15. "Participant" means a business entity that:

- (a) has completed an application prescribed by the department to be admitted into the program;
- (b) has been issued a certificate of eligibility by the department;
- (c) has demonstrated that it meets the eligibility criteria in section three hundred fifty-three and subdivision two of section three hundred fifty-four of this article; and
- (d) has been certified as a participant by the commissioner.

~~[14.]~~ 16. "Preliminary schedule of benefits" means the maximum aggregate amount of each component of the tax credit that a participant in the excelsior jobs program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of each component of the credit a participant may claim in each of its ten years of eligibility. The preliminary schedule of benefits shall be issued by the

department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this article.

~~[15.]~~ 17. "Qualified investment" means an investment in tangible property (including a building or a structural component of a building) owned by a business enterprise which:

(a) is depreciable pursuant to section one hundred sixty-seven of the internal revenue code;

(b) has a useful life of four years or more;

(c) is acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code;

(d) has a situs in this state; and

(e) is placed in service in the state on or after the date the certificate of eligibility is issued to the business enterprise.

~~[16.]~~ 18. "Regionally significant project" means (a) a manufacturer creating at least fifty net new jobs in the state and making significant capital investment in the state; (b) a business creating at least twenty net new jobs in agriculture in the state and making significant capital investment in the state, (c) a financial services firm, distribution center, or back office operation creating at least three hundred net new jobs in the state and making significant capital investment in the state, (d) a scientific research and development firm creating at least twenty net new jobs in the state, and making significant capital investment in the state, (e) a life sciences company creating at least twenty net new jobs in the state and making significant capital investment in the state or ~~(f)~~ (f) an entertainment company creating or obtaining at least two hundred net new jobs in the state and making significant capital investment in the state. Other businesses creating three hundred or more net new jobs in the state and making significant capital investment in the state may be considered eligible as a regionally significant project by the commissioner as well. The commissioner shall promulgate regulations pursuant to section three hundred fifty-six of this article to determine what constitutes significant capital investment for each of the project categories indicated in this subdivision and what additional criteria a business must meet to be eligible as a regionally significant project, including, but not limited to, whether a business exports a substantial portion of its products or services outside of the state or outside of a metropolitan statistical area or county within the state.

~~[17.]~~ 19. "Related person" means a "related person" pursuant to subparagraph (c) of paragraph three of subsection (b) of section four hundred sixty-five of the internal revenue code.

~~[18.]~~ 20. "Remuneration" means wages and benefits paid to an employee by a participant in the excelsior jobs program.

~~[19.]~~ 21. "Research and development expenditures" mean the expenses of the business enterprise that are qualified research expenses under the federal research and development credit under section forty-one of the internal revenue code and are attributable to activities conducted in the state. If the federal research and development credit has expired, then the research and development expenditures shall be calculated as if the federal research and development credit structure and definition in effect in federal tax year two thousand nine were still in effect.

~~[20.]~~ 22. "Scientific research and development" means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry,

1 food, fisheries, forests, geology, health, mathematics, medicine, ocean-
2 ography, pharmacy, physics, veterinary, and other allied subjects. For
3 the purposes of this article, scientific research and development does
4 not include medical or veterinary laboratory testing facilities.

5 ~~[21.]~~ 23. "Software development" means the creation of coded computer
6 instructions or production or post-production of video games, as defined
7 in subdivision one-a of section six hundred eleven of the general busi-
8 ness law, other than those embedded and used exclusively in advertising,
9 promotional websites or microsites, and also includes new media as
10 defined by the commissioner in regulations.

11 § 2. Subdivisions 1 and 3 of section 353 of the economic development
12 law, as amended by section 2 of part K of chapter 59 of the laws of
13 2015, are amended to read as follows:

14 1. To be a participant in the excelsior jobs program, a business enti-
15 ty shall operate in New York state predominantly:

16 (a) as a financial services data center or a financial services back
17 office operation;

18 (b) in manufacturing;

19 (c) in software development and new media;

20 (d) in scientific research and development;

21 (e) in agriculture;

22 (f) in the creation or expansion of back office operations in the
23 state;

24 (g) in a distribution center;

25 (h) in an industry with significant potential for private-sector
26 economic growth and development in this state as established by the
27 commissioner in regulations promulgated pursuant to this article. In
28 promulgating such regulations the commissioner shall include job and
29 investment criteria;

30 (i) as an entertainment company; ~~[ex]~~

31 (j) in music production; or

32 (k) as a life sciences company.

33 3. For the purposes of this article, in order to participate in the
34 excelsior jobs program, a business entity operating predominantly in
35 manufacturing must create at least ten net new jobs; a business entity
36 operating predominately in agriculture must create at least five net new
37 jobs; a business entity operating predominantly as a financial service
38 data center or financial services customer back office operation must
39 create at least fifty net new jobs; a business entity operating predomi-
40 nantly in scientific research and development must create at least five
41 net new jobs; a business entity operating predominantly in software
42 development must create at least five net new jobs; a business entity
43 creating or expanding back office operations must create at least fifty
44 net new jobs; a business entity operating predominately in music
45 production must create at least five net new jobs; a business entity
46 operating predominantly as an entertainment company must create or
47 obtain at least one hundred net new jobs; or a business entity operating
48 predominantly as a distribution center in the state must create at least
49 seventy-five net new jobs, notwithstanding subdivision five of this
50 section; or a business entity operating predominately as a life sciences
51 company must create at least five net new jobs; or a business entity
52 must be a regionally significant project as defined in this article; or

53 § 3. Subdivision 4 of section 353 of the economic development law, as
54 amended by section 1 of part C of chapter 68 of the laws of 2013, is
55 amended to read as follows:

4. A business entity operating predominantly in one of the industries referenced in paragraphs (a) through (h) or in paragraph (k) of subdivision one of this section but which does not meet the job requirements of subdivision three of this section must have at least twenty-five full-time job equivalents unless such business is a business entity operating predominantly in manufacturing then it must have at least ten full-time job equivalents and must demonstrate that its benefit-cost ratio is at least ten to one.

§ 4. Subdivision 5 of section 354 of the economic development law, as amended by section 2 of part 0 of chapter 60 of the laws of 2016, is amended to read as follows:

5. A participant may claim tax benefits commencing in the first taxable year that the business enterprise receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later. A participant may claim such benefits for the next nine consecutive taxable years, provided that the participant demonstrates to the department that it continues to satisfy the eligibility criteria specified in section three hundred fifty-three of this article and subdivision two of this section in each of those taxable years, and provided that no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] thirty. If, in any given year, a participant who has satisfied the eligibility criteria specified in section three hundred fifty-three of this article realizes job creation less than the estimated amount, the credit shall be reduced by the proportion of actual job creation to the estimated amount, provided the proportion is at least seventy-five percent of the jobs estimated.

§ 5. Section 359 of the economic development law, as amended by section 1 of part 0 of chapter 60 of the laws of 2016, is amended to read as follows:

§ 359. Cap on tax credit. The total amount of tax credits listed on certificates of tax credit issued by the commissioner for any taxable year may not exceed the limitations set forth in this section. One-half of any amount of tax credits not awarded for a particular taxable year in years two thousand eleven through two thousand twenty-four may be used by the commissioner to award tax credits in another taxable year.

Credit components in the aggregate
shall not exceed:

With respect to taxable
years beginning in:

\$ 50 million	2011
\$ 100 million	2012
\$ 150 million	2013
\$ 200 million	2014
\$ 250 million	2015
\$ 183 million	2016
\$ 183 million	2017
\$ 183 million	2018
\$ 183 million	2019
\$ 183 million	2020
\$ 183 million	2021
\$ 133 million	2022
\$ 83 million	2023
\$ 36 million	2024

Twenty-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision four of section three hundred fifty-three of this article and seventy-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision three of section three hundred fifty-three of this article.

Provided, however, if by September thirtieth of a calendar year, the department has not allocated the full amount of credits available in that year to either: (i) businesses accepted into the program under subdivision four of section three hundred fifty-three of this article or (ii) businesses accepted into the program under subdivision three of section three hundred fifty-three of this article, the commissioner may allocate any remaining tax credits to businesses referenced in this paragraph as needed; provided, however, that under no circumstances may the aggregate statutory cap for all program years be exceeded. One hundred percent of the unawarded amounts remaining at the end of two thousand twenty-four may be allocated in subsequent years, notwithstanding the fifty percent limitation on any amounts of tax credits not awarded in taxable years two thousand eleven through two thousand twenty-four. Provided, however, no tax credits may be allowed for taxable years beginning on or after January first, two thousand ~~twenty-seven~~ thirty.

§ 6. Subdivision (b) of section 31 of the tax law, as amended by section 3 of part O of chapter 60 of the laws of 2016, is amended to read as follows:

(b) To be eligible for the excelsior jobs program credit, the taxpayer shall have been issued a "certificate of tax credit" by the department of economic development pursuant to subdivision four of section three hundred fifty-four of the economic development law, which certificate shall set forth the amount of each credit component that may be claimed for the taxable year. A taxpayer may claim such credit for ten consecutive taxable years commencing in the first taxable year that the taxpayer receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later, provided that no tax credits may be allowed for taxable years beginning on or after January first, two thousand ~~twenty-seven~~ thirty. The taxpayer shall be allowed to claim only the amount listed on the certificate of tax credit for that taxable year. Such certificate must be attached to the taxpayer's return. No cost or expense paid or incurred by the taxpayer shall be the basis for more than one component of this credit or any other tax credit, except as provided in section three hundred fifty-five of the economic development law.

§ 7. The tax law is amended by adding a new section 43 to read as follows:

§ 43. Life sciences tax credits. (a) Life sciences research and development tax credit. (1) Allowance of credit. (i) A taxpayer that is a qualified life sciences company, or that is a sole proprietor or a partner in a partnership that is a qualified life sciences company or a shareholder of a New York S corporation that is a qualified life sciences company, and is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referred to in subdivision (e) of this section, for a period of five years, as provided in clause (B) of subparagraph (ii) of this paragraph, to be computed as provided in this subdivision, provided that no credit shall be allowed for taxable years beginning on or after January first, two thousand twenty-eight. Such credit may be

1 claimed in the taxable year specified on the certificate of tax credit
2 issued to the qualified life sciences company.

3 (ii)(A) For a qualified life sciences company that employs ten or more
4 persons during the taxable year, the amount of the credit shall be equal
5 to fifteen percent of such qualified life sciences company's research
6 and development expenditures in this state for the taxable year. For a
7 qualified life sciences company that employs less than ten persons
8 during the taxable year, the amount of the credit shall be equal to
9 twenty percent of such qualified life sciences company's research and
10 development expenditures in this state for the taxable year.

11 (B) The credit shall be allowed only with respect to the first taxable
12 year during which the criteria set forth in this paragraph are satis-
13 fied, and with respect to each of the four taxable years next following
14 (but only, with respect to each of such years, if such criteria are
15 satisfied). Subsequent certifications of the life sciences company by
16 the department of economic development pursuant to this subdivision
17 shall not extend the five taxable year time limitation on the allowance
18 of the credit set forth in the preceding sentence.

19 (iii) The total amount of credit allowable to a qualified life
20 sciences company, or, if the life sciences company is properly included
21 or required to be included in a combined report, to the combined group,
22 taken in the aggregate, shall not exceed five hundred thousand dollars.
23 If the life sciences company is a partner in a partnership or sharehold-
24 er of a New York S corporation, then the total amount of credit allow-
25 able shall be applied at the entity level, so that the total amount of
26 credit allowable to all the partners or shareholders of each such enti-
27 ty, taken in the aggregate, does not exceed five hundred thousand
28 dollars.

29 (iv) No research and development expenditures made by the life
30 sciences company and used either as the basis for the allowance of the
31 credit provided for pursuant to this subdivision or used in the calcu-
32 lation of the credit provided pursuant to this subdivision shall be used
33 to claim any other credit allowed pursuant to this chapter or be used in
34 the calculation of any other credit allowed pursuant to this chapter.

35 (2) Maximum amount of credits. The aggregate amount of tax credits
36 allowed under this subdivision to taxpayers subject to tax under arti-
37 cles nine-A and twenty-two of this chapter in any taxable year shall be
38 ten million dollars, and shall be allotted from the funds available for
39 tax credits under article seventeen of the economic development law.
40 Such aggregate amount of credits shall be allocated by the department of
41 economic development among taxpayers in order of priority based upon the
42 date of filing an application for allocation of life sciences research
43 and development tax credit with such department. If the total amount of
44 allocated credits applied for in any particular year exceeds the aggre-
45 gate amount of tax credits allowed for such year under this subdivision,
46 such excess shall be treated as having been applied for on the first day
47 of the subsequent year.

48 (b) Angel investor tax credit. (1) Allowance of credit. (i) A taxpayer
49 that is a qualified angel investor, or that is a sole proprietor of or a
50 partner in a partnership that is a qualified angel investor or a share-
51 holder of a New York S corporation that is a qualified angel investor,
52 and is subject to tax under article nine-A or twenty-two of this chap-
53 ter, shall be allowed a credit against such tax, pursuant to the
54 provisions referred to in subdivision (e) of this section, for a period
55 of ten years, to be computed as provided in this subdivision, provided
56 that no credit shall be allowed for taxable years beginning on or after

1 January first, two thousand twenty-eight. Such credit shall be claimed
2 in the taxable year specified on the certificate of angel investment
3 issued to the qualified angel investor.

4 (ii) The amount of the credit shall be equal to twenty-five percent of
5 each angel investment made during the taxable year.

6 (iii) The total amount of credit allowable to a qualified angel inves-
7 tor, or, if the qualified angel investor is properly included or
8 required to be included in a combined report, to the combined group,
9 taken in the aggregate, shall not exceed two hundred fifty thousand
10 dollars. If the angel investor is a partner in a partnership or share-
11 holder of a New York S corporation, then the total amount of credit
12 allowable shall be applied at the entity level, so that the total amount
13 of credit allowable to all the partners or shareholders of each such
14 entity, taken in the aggregate, does not exceed two hundred fifty thou-
15 sand dollars.

16 (iv) No investment made by the taxpayer and used either as the basis
17 for the allowance of the credit provided for pursuant to this subdivi-
18 sion or used in the calculation of the credit provided pursuant to this
19 subdivision shall be used to claim any other credit allowed pursuant to
20 this chapter or used in the calculation of any other credit allowed
21 pursuant to this chapter.

22 (2) Recapture. (i) If the certificate of angel investment of an angel
23 investor issued by the department of economic development under this
24 section is revoked by such department because the investment made by the
25 angel investor does not meet the eligibility requirements set forth in
26 this section and in regulation, the amount of credit described in this
27 subdivision and claimed by such angel investor prior to that revocation
28 shall be added back as tax in the taxable year in which any such revoca-
29 tion becomes final.

30 (ii) Where a taxpayer sells, transfers or otherwise disposes of corpo-
31 rate stock, a partnership interest or other ownership interest arising
32 from the making of an angel investment that was the basis, in whole or
33 in part, for the allowance of the credit provided for under this subdivi-
34 sion, or where an investment that was the basis for such allowance is,
35 in whole or in part, recovered by such taxpayer, and such disposition or
36 recovery occurs during the taxable year or within forty-eight months
37 from the close of the taxable year with respect to which such credit is
38 allowed, the taxpayer shall add back as tax, with respect to the taxable
39 year in which the disposition or recovery described above occurred, the
40 amount of the credit originally claimed by the taxpayer.

41 (3) Maximum amount of credits. The aggregate amount of tax credits
42 allowed under this subdivision to taxpayers subject to tax under arti-
43 cles nine-A and twenty-two of this chapter in any taxable year shall be
44 five million dollars. Such aggregate amount of credits shall be allo-
45 cated by the department of economic development among taxpayers in order
46 of priority based upon the date of filing an application for allocation
47 of angel investor tax credit with such department. If the total amount
48 of allocated credits applied for in any particular year exceeds the
49 aggregate amount of tax credits allowed for such year under this subdivi-
50 sion, such excess shall be treated as having been applied for on the
51 first day of the subsequent year.

52 (c) Definitions. As used in this section the following terms shall
53 have the following meanings:

54 (1) "Angel investment" means an investment in the form of a contrib-
55 ution to the capital of the qualified life sciences company, provided
56 that such investment is at risk and is not secured or guaranteed. An

1 "angel investment" does not include any loans, or investments in hedge
2 funds or commodity funds with institutional investors or with invest-
3 ments in a business involved in retail, real estate, professional
4 services, gaming or financial services.

5 (2) "Angel investor" means an accredited investor, as defined by the
6 United State Securities and Exchange Commission pursuant to section
7 seventy-seven-b of title fifteen of the United States Code, or a network
8 of accredited investors, that reviews new or proposed businesses for
9 potential investment and that may seek active involvement, such as
10 consulting and mentoring, in a life sciences company. "Angel investor"
11 does not include a person controlling, directly or indirectly, fifty
12 percent or more of the life sciences company invested in by the angel
13 investor or who is involved in the life sciences company in a full-time
14 professional capacity, and does not include a corporation of which such
15 life sciences company is a direct or indirect subsidiary, as defined in
16 section two hundred eight of this chapter.

17 (3) "Certificate of angel investment" means the document issued to a
18 qualified angel investor by the department of economic development for
19 each angel investment made by the qualified angel investor, after the
20 department or economic development has verified that such angel investor
21 has met all applicable criteria in this section to be eligible for the
22 angel investor tax credit allowed under subdivision (b) of this section,
23 including but not limited to certifying that the life sciences company
24 in which the angel investor has made such investment is a qualified life
25 sciences company. The certificate shall be issued annually if such
26 criteria are satisfied and shall specify the exact amount of each angel
27 investment made by the angel investor and the amount of the tax credit
28 that may be claimed by such angel investor, pursuant to subdivision (b)
29 of this section, and shall specify the taxable year in which such credit
30 may be claimed.

31 (4) "Certificate of tax credit" means the document issued to a quali-
32 fied life sciences company by the department of economic development,
33 after the department of economic development has verified that such life
34 sciences company has met all applicable criteria in this section to be
35 eligible for the life sciences research and development tax credit
36 allowed under subdivision (a) of this section, including but not limited
37 to verifying that the life sciences company is a new business. The
38 certificate shall be issued annually if such criteria are satisfied and
39 shall specify the exact amount of the life sciences research and devel-
40 opment tax credit that may be claimed by such qualified life sciences
41 company, pursuant to subdivision (a) of this section, and shall specify
42 the taxable year in which such credit may be claimed.

43 (5) "New business" means any business that qualifies as a new business
44 under either paragraph (f) of subdivision one of section two hundred
45 ten-B or paragraph ten of subsection one of section six hundred six of
46 this chapter.

47 (6) "Qualified angel investor" means an angel investor certified by
48 the department of economic development as an angel investor.

49 (7) "Qualified life sciences company" means a life sciences company,
50 as defined in subdivision eleven of section three hundred fifty-two of
51 the economic development law, that has been certified by the department
52 of economic development as a life sciences company and is a new busi-
53 ness. Provided that, for purposes of the angel investor tax credit
54 provided pursuant to subdivision (b) of this section, a qualified life
55 sciences company shall at the time that the angel investor makes an
56 initial angel investment in such life sciences company employ twenty or

1 fewer persons during the taxable year and shall have had, during the
2 immediately preceding taxable year, gross receipts of not greater than
3 five hundred thousand dollars. Provided however, for purposes of the
4 credits authorized under this section, the department of economic devel-
5 opment shall not certify as a life sciences company any corporation,
6 partnership, limited partnership, or other entity that has been within
7 the immediately preceding sixty months a related person to an entity
8 that is a life sciences company or an entity that is engaged in scien-
9 tific research and development as defined in subdivision twenty-two of
10 section three hundred fifty-two of the economic development law.

11 (8) "Research and development expenditures" means qualified research
12 expenses as defined in subsection (b) of section 41 of the internal
13 revenue code, provided, however, that such qualified research expenses
14 shall not include amounts under subparagraph (B) of paragraph 1 of
15 subsection (b) of section 41 of the internal revenue code and as further
16 described in paragraph 3 of subsection (b) of section 41 of the internal
17 revenue code. If section 41 of the internal revenue code has expired,
18 then the research and development expenses shall be calculated as if the
19 federal research and development credit structure and definition in
20 effect in section 41 in federal tax year two thousand nine were still in
21 effect.

22 (9) "Related person" means a related person as defined in subparagraph
23 (c) of paragraph three of subsection (b) of section 465 of the internal
24 revenue code. For this purpose, a "related person" shall include an
25 entity that would have qualified as a "related person" if it had not
26 been dissolved, liquidated, merged with another entity or otherwise
27 ceased to exist or operate.

28 (d)(1) For purposes of this section, in order to be eligible for the
29 life sciences research and development tax credit allowed under subdivi-
30 sion (a) of this section, a life sciences company must be issued a
31 certificate of tax credit by the department of economic development.
32 The department of economic development shall verify that such life
33 sciences company has met all applicable eligibility criteria in this
34 section before issuing a certificate of tax credit, including but not
35 limited to verifying that the life sciences company is a new business.

36 (2) For purposes of this section, in order to be eligible for the
37 angel investor tax credit allowed under subdivision (b) of this section,
38 an angel investor must be issued a certificate of angel investment by
39 the department of economic development for each angel investment for
40 which the credit is claimed. The department of economic development
41 shall verify that such angel investor has met all applicable eligibility
42 criteria in this section before issuing a certificate of angel invest-
43 ment, including but not limited to certifying that the life sciences
44 company in which the angel investor has made such investment is a quali-
45 fied life sciences company.

46 (3) The commissioner of economic development, after consulting with
47 the commissioner, shall promulgate regulations by October thirty-first,
48 two thousand seventeen to establish procedures for the allocation of tax
49 credits allowed under this section. Such rules and regulations shall
50 include provisions describing the application process for each credit,
51 the due dates for such applications, the eligibility standards for qual-
52 ified life sciences companies, the standards which shall be used to
53 evaluate the applications, the documentation that will be provided to
54 taxpayers to substantiate to the department the amount of tax credits
55 allocated to such taxpayers, and such other provisions as deemed neces-
56 sary and appropriate. Notwithstanding any other provisions to the

1 contrary in the state administrative procedure act, such rules and regu-
2 lations may be adopted on an emergency basis if necessary to meet such
3 October thirty-first, two thousand seventeen deadline.

4 (e) Cross-references. For application of the credits provided for in
5 this section, see the following provisions of this chapter:

6 (1) article 9-A: section 210-B: subdivision 52.

7 (2) article 22: section 606: subsection (hhh).

8 (f) Notwithstanding any provision of this chapter, (i) employees and
9 officers of the department of economic development and the department
10 shall be allowed and are directed to share and exchange information
11 regarding the credits applied for, allowed, or claimed pursuant to this
12 section and taxpayers who are applying for credits or who are claiming
13 credits, including information contained in or derived from credit claim
14 forms submitted to the department and applications for certification
15 submitted to the department of economic development, and (ii) the
16 commissioner and the commissioner of the department of economic develop-
17 ment may release the names and addresses of any taxpayer claiming these
18 credits and the amount of the credit earned by the taxpayer. Provided,
19 however, if a taxpayer claims either of these credits because it is a
20 member of a limited liability company or a partner in a partnership,
21 only the amount of credit earned by the entity and not the amount of
22 credit claimed by the taxpayer may be released.

23 (g) For purposes of the credits allowed under this section, the number
24 of persons employed by a qualified life sciences company during the
25 taxable year shall be determined by ascertaining the number of such
26 individuals employed full-time by such company, excluding general execu-
27 tive officers, on the thirty-first day of March, the thirtieth day of
28 June, the thirtieth day of September and the thirty-first day of Decem-
29 ber during each taxable year, by adding together the number of such
30 individuals ascertained on each of such dates and dividing the sum so
31 obtained by the number of such dates occurring within such taxable year.
32 An individual employed full-time means an employee in a job consisting
33 of at least thirty-five hours per week, or two or more employees who are
34 in jobs that together constitute the equivalent of a job of at least
35 thirty-five hours per week (full-time equivalent).

36 § 8. Section 210-B of the tax law is amended by adding a new subdivi-
37 sion 52 to read as follows:

38 52. Life sciences tax credits. (a) Life sciences research and develop-
39 ment tax credit. (1) Allowance of credit. A taxpayer that is eligible
40 pursuant to subdivision (a) of section forty-three of this chapter shall
41 be allowed a credit to be computed as provided in such subdivision
42 against the tax imposed by this article.

43 (2) Application of credit. The credit allowed under this paragraph for
44 any taxable year shall not reduce the tax due for such year to less than
45 the amount prescribed in paragraph (d) of subdivision one of section two
46 hundred ten of this article. Provided, however, that if the amount of
47 the credit allowable under this paragraph for any taxable year reduces
48 the tax to such amount or if the taxpayer otherwise pays tax based on
49 the fixed dollar minimum amount, the excess shall be treated as an over-
50 payment of tax to be credited or refunded in accordance with the
51 provisions of section one thousand eighty-six of this chapter. Provided,
52 further, the provisions of subsection (c) of section one thousand eight-
53 y-eight of this chapter notwithstanding, no interest shall be paid ther-
54 eon.

55 (b) Angel investor tax credit. (1) Allowance of credit. A taxpayer
56 that is eligible pursuant to subdivision (b) of section forty-three of

this chapter shall be allowed a credit to be computed as provided in such subdivision against the tax imposed by this article.

(2) Application of credit. The credit allowed under this paragraph for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of the credit allowable under this paragraph for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, further, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

§ 9. Section 606 of the tax law is amended by adding a new subsection (hhh) to read as follows:

(hhh) Life sciences tax credits. (1) Life sciences research and development tax credit. (A) Allowance of credit. A taxpayer who is eligible pursuant to subdivision (a) of section forty-three of this chapter shall be allowed a credit to be computed as provided in such subdivision against the tax imposed by this article.

(B) Application of credit. If the amount of the credit allowable under this paragraph for any taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

(2) Angel investor tax credit. (A) A taxpayer who is eligible pursuant to subdivision (b) of section forty-three of this chapter shall be allowed a credit to be computed as provided in such subdivision against the tax imposed by this article.

(B) Application of credit. If the amount of the credit allowable under this paragraph for any taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 10. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding two new clauses (xliii) and (xliv) to read as follows:

<u>(xliii) Life sciences research and development tax credit under paragraph one of subsection (hhh)</u>	<u>Amount of credit under paragraph (a) of subdivision fifty-two of section two hundred ten-B</u>
--	---

<u>(xliv) Angel investor tax credit under paragraph two of subsection (hhh)</u>	<u>Amount of credit under paragraph (b) of subdivision fifty-two of section two hundred ten-B</u>
---	---

§ 11. This act shall take effect immediately, and shall apply to taxable years beginning on or after January 1, 2018.

PART L

Intentionally Omitted

PART M

Section 1. Paragraph 5 of subdivision (a) of section 24 of the tax law, as amended by chapter 420 of the laws of 2016, is amended to read as follows:

(5) For the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, music directors, producers and performers, including background actors with no scripted lines) by a qualified film production company or a qualified independent film production company for services performed by those individuals in one of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant to the authority of this paragraph shall be five million dollars each year during the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. Such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing an application for allocation of film production credit with such office. If the total amount of allocated credits applied for under this paragraph in any year exceeds the aggregate amount of tax credits allowed for such year under this paragraph, such excess shall be treated as having been applied for on the first day of the next year. If the total amount of allocated tax credits applied for under this paragraph at the conclusion of any year is less than five million dollars, the remainder shall be treated as part of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. However, in no event may the total of the credits allocated under this paragraph and the credits allocated under paragraph [~~five~~] six of subdivision (a) of section thirty-one of this article exceed five million dollars in any year during the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two.

§ 2. Paragraph 4 of subdivision (e) of section 24 of the tax law, as amended by section 1-a of part P of chapter 60 of the laws of 2016, is amended to read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand [~~nineteen~~] twenty-two provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen and twenty-five million dollars of the annual allocation shall be available

1 for the empire state film post production credit pursuant to section
2 thirty-one of this article in each year starting in two thousand fifteen
3 through two thousand [~~nineteen~~] twenty-two. This amount shall be allo-
4 cated by the governor's office for motion picture and television devel-
5 opment among taxpayers in accordance with subdivision (a) of this
6 section. If the commissioner of economic development determines that the
7 aggregate amount of tax credits available from additional pool 2 for the
8 empire state film production tax credit have been previously allocated,
9 and determines that the pending applications from eligible applicants
10 for the empire state film post production tax credit pursuant to section
11 thirty-one of this article is insufficient to utilize the balance of
12 unallocated empire state film post production tax credits from such
13 pool, the remainder, after such pending applications are considered,
14 shall be made available for allocation in the empire state film tax
15 credit pursuant to this section, subdivision twenty of section two
16 hundred ten-B and subsection (gg) of section six hundred six of this
17 chapter. Also, if the commissioner of economic development determines
18 that the aggregate amount of tax credits available from additional pool
19 2 for the empire state film post production tax credit have been previ-
20 ously allocated, and determines that the pending applications from
21 eligible applicants for the empire state film production tax credit
22 pursuant to this section is insufficient to utilize the balance of unal-
23 located film production tax credits from such pool, then all or part of
24 the remainder, after such pending applications are considered, shall be
25 made available for allocation for the empire state film post production
26 credit pursuant to this section, subdivision thirty-two of section two
27 hundred ten-B and subsection (qq) of section six hundred six of this
28 chapter. The governor's office for motion picture and television devel-
29 opment must notify taxpayers of their allocation year and include the
30 allocation year on the certificate of tax credit. Taxpayers eligible to
31 claim a credit must report the allocation year directly on their empire
32 state film production credit tax form for each year a credit is claimed
33 and include a copy of the certificate with their tax return. In the case
34 of a qualified film that receives funds from additional pool 2, no
35 empire state film production credit shall be claimed before the later of
36 the taxable year the production of the qualified film is complete, or
37 the taxable year immediately following the allocation year for which the
38 film has been allocated credit by the governor's office for motion
39 picture and television development.

40 § 3. Paragraph 6 of subdivision (a) of section 31 of the tax law, as
41 amended by section 2 of part JJ of chapter 59 of the laws of 2014, is
42 amended to read as follows:

43 (6) For the period two thousand fifteen through two thousand [~~nine-~~
44 ~~teen~~] twenty-two, in addition to the amount of credit established in
45 paragraph two of subdivision (a) of this section, a taxpayer shall be
46 allowed a credit equal to the product (or pro rata share of the product,
47 in the case of a member of a partnership) of ten percent and the amount
48 of wages or salaries paid to individuals directly employed (excluding
49 those employed as writers, directors, music directors, producers and
50 performers, including background actors with no scripted lines) for
51 services performed by those individuals in one of the counties specified
52 in this paragraph in connection with the post production work on a qual-
53 ified film with a minimum budget of five hundred thousand dollars at a
54 qualified post production facility in one of the counties listed in this
55 paragraph. For purposes of this additional credit, the services must be
56 performed in one or more of the following counties: Albany, Allegany,

1 Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton,
2 Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton,
3 Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery,
4 Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenecta-
5 dy, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins,
6 Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed
7 pursuant to the authority of this paragraph shall be five million
8 dollars each year during the period two thousand fifteen through two
9 thousand [~~nineteen~~] twenty-two of the annual allocation made available
10 to the empire state film post production credit pursuant to paragraph
11 four of subdivision (e) of section twenty-four of this article. Such
12 aggregate amount of credits shall be allocated by the governor's office
13 for motion picture and television development among taxpayers in order
14 of priority based upon the date of filing an application for allocation
15 of post production credit with such office. If the total amount of allo-
16 cated credits applied for under this paragraph in any year exceeds the
17 aggregate amount of tax credits allowed for such year under this para-
18 graph, such excess shall be treated as having been applied for on the
19 first day of the next year. If the total amount of allocated tax credits
20 applied for under this paragraph at the conclusion of any year is less
21 than five million dollars, the remainder shall be treated as part of the
22 annual allocation for two thousand seventeen made available to the
23 empire state film post production credit pursuant to paragraph four of
24 subdivision (e) of section twenty-four of this article. However, in no
25 event may the total of the credits allocated under this paragraph and
26 the credits allocated under paragraph five of subdivision (a) of section
27 twenty-four of this article exceed five million dollars in any year
28 during the period two thousand fifteen through two thousand [~~nineteen~~]
29 twenty-two.

30 § 4. This act shall take effect immediately.

31 PART N

32 Intentionally Omitted

33 PART O

34 Intentionally Omitted

35 PART P

36 Intentionally Omitted

37 PART Q

38 Section 1. Legislative findings. The legislature finds it necessary to
39 revise a decision of the tax appeals tribunal that disturbed the long-
40 standing policy of the department of taxation and finance that single
41 member limited liability companies that are treated as disregarded enti-
42 ties for federal income tax purposes also would be treated as disre-
43 garded entities for purposes of determining eligibility of the owners of
44 such entities for tax credits allowed under article 9, 9-A, 22, 32
45 (prior to its repeal) or 33 of the tax law. The decision of the tax

1 appeals tribunal, if allowed to stand, will result in the denial of tax
2 credits, such as empire zone tax credits, to taxpayers who in prior
3 years received those credits.

4 § 2. The tax law is amended by adding a new section 43 to read as
5 follows:

6 § 43. Single member limited liability companies and eligibility for
7 tax credits. A limited liability company that has a single member and is
8 disregarded as an entity separate from its owner for federal income tax
9 purposes (without reference to any special rules related to the imposi-
10 tion of certain federal taxes, including but not limited to certain
11 employment and excise taxes) shall be disregarded as an entity separate
12 from its owner for purposes of determining whether or not the taxpayer
13 that is the single member of such limited liability company satisfies
14 the requirements to be eligible for any tax credit allowed under article
15 nine, nine-A, twenty-two or thirty-three of this chapter or allowed
16 under article thirty-two of this chapter prior to the repeal of such
17 article. Such requirements, including but not limited to any necessary
18 certification, employment or investment thresholds, payment obligations,
19 and any time period for eligibility, shall be imposed on the taxpayer
20 and the determination of whether or not such requirements have been
21 satisfied and the computation of the credit shall be made by deeming
22 such taxpayer and such limited liability company to be a single entity.
23 If the taxpayer is the single member of more than one limited liability
24 company that is disregarded as an entity separate from its owner, the
25 determination of whether or not the requirements to be eligible for any
26 tax credit allowed under article nine, nine-A, twenty-two or thirty-
27 three of this chapter or allowed under article thirty-two of this chap-
28 ter prior to the repeal of such article have been satisfied and the
29 computation of the credit shall be made by deeming such taxpayer and
30 such limited liability companies to be a single entity. However, if the
31 taxpayer is the single member of more than one limited liability company
32 that are each separately certified under the empire zones program, as
33 defined under article eighteen-B of the general municipal law, the
34 taxpayer may elect to have each certified business enterprise treated
35 separately under the requirements of the empire zones program based on
36 the effective date of certification of each separate business enter-
37 prise. In such instance, the separate treatment of two or more business
38 enterprises shall be determined by an election made by the taxpayer,
39 which election includes the date of certification of the business enter-
40 prise and its intended benefit period. Such election shall apply to all
41 taxable years for which the statute of limitation for seeking a refund
42 or assessing additional tax is still open.

43 § 3. This act shall take effect immediately; provided however, that
44 section 43 of the tax law, as added by section two of this act, shall
45 apply to all taxable years for which the statute of limitations for
46 seeking a refund or assessing additional tax is still open.

47 PART R

48 Intentionally Omitted

49 PART S

50 Intentionally Omitted

1

PART T

2 Section 1. Subsection (c) of section 606 of the tax law is amended by
3 adding a new paragraph (1-a) to read as follows:

4 (1-a) For taxable years beginning after two thousand seventeen, for a
5 taxpayer with New York adjusted gross income of less than one hundred
6 fifty thousand dollars, the applicable percentage shall be the applica-
7 ble percentage otherwise computed under paragraph one of this subsection
8 multiplied by a factor as follows:

9	<u>If New York adjusted gross</u>	
10	<u>income is:</u>	<u>The factor is:</u>
11	<u>Less than \$50,000</u>	<u>0.5</u>
12	<u>At least \$50,000 and less</u>	
13	<u>than \$55,000</u>	<u>1.1682</u>
14	<u>At least \$55,000 and less</u>	
15	<u>than \$60,000</u>	<u>1.2733</u>
16	<u>At least \$60,000 and less</u>	
17	<u>than \$65,000</u>	<u>2.322</u>
18	<u>At least \$65,000 and less</u>	
19	<u>than \$150,000</u>	<u>3.000</u>

20 § 2. Subsection (c) of section 606 of the tax law is amended by adding
21 a new paragraph 1-b to read as follows:

22 (1-b) Notwithstanding anything in this subsection to the contrary, a
23 taxpayer shall be allowed a credit as provided in this subsection equal
24 to the applicable percentage of the credit allowable under section twen-
25 ty-one of the internal revenue code for the same taxable year (without
26 regard to whether the taxpayer in fact claimed the credit under such
27 section twenty-one for such taxable year) that would have been allowed
28 absent the application of section 21(c) of such code for taxpayers with
29 more than two qualifying individuals, provided however, that the credit
30 shall be calculated as if the dollar limit on amount creditable shall
31 not exceed seven thousand five hundred dollars if there are three quali-
32 fying individuals, eight thousand five hundred dollars if there are four
33 qualifying individuals, and nine thousand dollars if there are five or
34 more qualifying individuals.

35 § 3. This act shall take effect immediately.

36

PART U

37

Intentionally Omitted

38

PART V

39

Intentionally Omitted

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PART W

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Intentionally Omitted

42

PART X

43

Intentionally Omitted

1	PART Y
2	Intentionally Omitted
3	PART Z
4	Intentionally Omitted
5	PART AA
6	Intentionally Omitted
7	PART BB
8	Intentionally Omitted
9	PART CC
10	Intentionally Omitted
11	PART DD
12	Intentionally Omitted
13	PART EE
14	Intentionally Omitted
15	PART FF
16	Intentionally Omitted
17	PART GG
18	Intentionally Omitted
19	PART HH
20	Intentionally Omitted
21	PART II
22	Intentionally Omitted
23	PART JJ

Intentionally Omitted

PART KK

Intentionally Omitted

PART LL

Intentionally Omitted

PART MM

Section 1. Article 19-B of the executive law is REPEALED.

§ 1-a. Article 9-A of the general municipal law is REPEALED.

§ 1-b. Article 14-H of the general municipal law is REPEALED.

§ 2. The racing, pari-mutuel wagering and breeding law is amended by adding a new article 15 to read as follows:

ARTICLE 15

CHARITABLE GAMING

Title 1. General provisions.

2. Bingo control.

3. Local option for conduct of bingo by certain organizations.

4. Local option for conduct of games of chance by certain organizations.

TITLE 1

GENERAL PROVISIONS

Section 1500. Definitions.

1501. Forms.

1502. Participation by persons under the age of eighteen.

1503. Sundays.

1504. Advertising of charitable games.

1505. Sanctions for violations.

1506. Severability.

§ 1500. Definitions. As used in this article, in addition to the definitions set forth in section one hundred one of this chapter, the following terms shall have the following meanings:

1. "Authorized bingo lessor" shall mean a person, firm or corporation other than a licensee to conduct bingo under the provisions of this article, who or which owns or is a net lessee of premises and offer the same for leasing by him, her or it to an authorized organization for any consideration whatsoever, direct or indirect, for the purpose of conducting bingo therein, provided, that he, she or it, as the case may be, shall not be:

(a) a person convicted of a crime if there is a direct relationship between one or more of the previous criminal offenses and the integrity of bingo, considering the factors set forth in section seven hundred fifty-three of the correction law;

(b) a person who is or has been a professional gambler or gambling promoter or who for other reasons is not of good moral character;

(c) a public officer who receives any consideration, direct or indirect, as owner or lessor of premises offered for the purpose of conducting bingo therein; or

1 (d) a firm or corporation in which a person defined in paragraph (a),
2 (b) or (c) of this subdivision or a person married or related in the
3 first degree to such a person has greater than a ten percent proprie-
4 tary, equitable or credit interest or in which such a person is active
5 or employed.

6 Nothing contained in this subdivision shall be construed to bar any
7 firm or corporation that is not organized for pecuniary profit and no
8 part of the net earnings of which inure to the benefit of any individ-
9 ual, member or shareholder, from being an authorized bingo lessor solely
10 because a public officer, or a person married or related in the first
11 degree to a public officer, is a member of, active in or employed by
12 such firm or corporation.

13 2. "Authorized games of chance lessor" shall mean an authorized organ-
14 ization that has been granted a lessor's license pursuant to the
15 provisions of title four of this article or a municipality.

16 3. "Authorized organization" shall mean any bona fide religious or
17 charitable organization or bona fide educational, fraternal, civic or
18 service organization or bona fide organization of veterans, volunteer
19 firefighters or volunteer ambulance workers that by its charter, certif-
20 icate of incorporation, constitution or act of the legislature has among
21 its dominant purposes one or more of the lawful purposes as defined in
22 this section, provided that each shall operate without profit to its
23 members and provided that each such organization has engaged in serving
24 one or more of the lawful purposes as defined in this section for a
25 period of one year immediately prior to applying for a license under
26 this article. No organization shall be deemed an authorized organization
27 that is formed primarily for the purpose of conducting bingo or games of
28 chance and that does not devote at least seventy-five percent of its
29 activities to other than conducting bingo or games of chance. No poli-
30 tical party, political campaign or political campaign committee shall be
31 deemed an authorized organization.

32 4. "Authorized supplier of games of chance equipment" shall mean any
33 person, firm, partnership, corporation or organization licensed by the
34 commission to sell or lease games of chance equipment or paraphernalia
35 that meets the specifications and regulations established by the commis-
36 sion. Nothing herein shall prevent an authorized organization from
37 purchasing common articles, such as cards and dice, from normal sources
38 of supply of such articles or from constructing equipment and parapher-
39 naliam for games of chance for its own use. However, no such equipment
40 or paraphernalia, constructed or owned by an authorized organization
41 shall be sold or leased to any other authorized organization, without
42 written permission from the commission.

43 5. "Bell jars" shall mean and include those games in which a partic-
44 ipant shall draw a card that contains numbers, colors or symbols that
45 are covered and that, when uncovered, may reveal that a prize shall be
46 awarded on the basis of a designated winning number, color or symbol or
47 combination of numbers, colors or symbols. Such card shall be drawn from
48 a jar, vending machine or other suitable device or container. Bell jars
49 shall also include seal cards, coin boards, event games and merchandise
50 boards. Notwithstanding any other provision of law, bell jar vending
51 machines shall dispense preprinted physical bell jar tickets and may
52 include features to aid players and enhance accountability, including
53 functionality to electronically verify if a ticket is redeemable for a
54 prize, reveal ticket results through creative audio and video displays,
55 and electronically aggregate winning prizes for continue play or a
56 single voucher for prize redemption. After the effective date of this

1 article, no new bell jar ticket vending machine shall be deployed or
2 used by any licensed authorized organization within the jurisdictional
3 boundaries defined in subdivision two of section thirteen hundred eleven
4 of this chapter unless the board shall first issue a formal written
5 opinion that the specific type of vending machine to be deployed is not
6 violative of a valid and effective gaming compact between the state and
7 an Indian tribe or nation.

8 6. "Bingo" shall mean a specific game of chance, commonly known as
9 bingo or lotto, in which prizes are awarded on the basis of designated
10 numbers or symbols on a card conforming to numbers or symbols selected
11 at random.

12 7. "Bingo control law" shall mean title two of this article.

13 8. "Bingo licensing law" shall mean title three of this article.

14 9. "Bonus ball" shall mean a bingo game that is played in conjunction
15 with one or more regular or special bingo games designated as bonus ball
16 games by the licensed authorized organization during one or more consec-
17 utive bingo occasions in which a prize is awarded to the player obtain-
18 ing a specified winning bingo pattern when the last number called by the
19 licensed authorized organization is the designated bonus ball number.
20 The bonus ball prize shall be based upon a percentage of the sales from
21 opportunities to participate in bonus ball games not to exceed seventy-
22 five percent of the sum of money received from the sale of bonus ball
23 opportunities or ten thousand dollars, whichever shall be less, and
24 which is not subject to the prize limits imposed by subdivisions five
25 and six of section fifteen hundred twenty-three and paragraph (a) of
26 subdivision one of section fifteen hundred twenty-five of this article.
27 The percentage shall be specified both in the application for the bingo
28 license and the license. Notwithstanding section fifteen hundred thir-
29 ty-one of this article, not more than one dollar shall be charged per
30 player for an opportunity to participate in all bonus ball games
31 conducted during a single bingo occasion, and the total amount collected
32 from the sale of bonus ball opportunities and the amount of the prize to
33 be awarded shall be announced prior to the start of each bingo occasion.

34 10. "Clerk" shall mean the clerk of a municipality outside the city of
35 New York.

36 11. "Coin board" and "merchandise board" shall mean a board used in
37 conjunction with bell jar tickets that contains and displays various
38 coins and/or merchandise as prizes. A player having a bell jar ticket
39 with a number matching a pre-designated number reflected on the board
40 for a prize wins that prize.

41 11-a. "Commission" shall mean the New York state gaming commission.

42 12. "Department" shall mean the New York city department of consumer
43 affairs.

44 13. "Early bird" shall mean a bingo game that is played as a special
45 game, conducted not more than twice during a bingo occasion, in which
46 prizes are awarded based upon a percentage not to exceed seventy-five
47 percent of the sum of money received from the sale of the early bird
48 cards and that is neither subject to the prize limits imposed by subdivi-
49 sions five and six of section fifteen hundred twenty-three and para-
50 graph (a) of subdivision one of section fifteen hundred twenty-five, nor
51 the special game opportunity charge limit imposed by section fifteen
52 hundred thirty-one of this article. The percentage shall be specified
53 both in the application for bingo license and the license. Not more
54 than one dollar shall be charged per card with the total amount
55 collected from the sale of the early bird cards and the prize for each
56 game to be announced before the commencement of each game.

1 14. "Event game" shall mean a bell jar game in which certain winners
2 are determined by the random selection of one or more bingo numbers, the
3 use of a seal card or by another method approved by the commission.

4 15. "Flare" shall mean a poster description of the bell jar game,
5 which shall include:

6 (a) a declaration of the number of winners and amount of prizes in
7 each deal;

8 (b) the number of prizes available in the deal;

9 (c) the number of tickets in each deal that contain the stated prize;

10 (d) the manufacturer's game form number and the serial number of the
11 deal, which shall be identical to the serial number imprinted on each
12 ticket contained in the deal; and

13 (e) such other requirements as the rules and regulations of the
14 commission may require.

15 16. "Games of chance" shall mean and include only the games known as
16 "merchandise wheels," "coin boards," "merchandise boards," "seal cards,"
17 "event games," "raffles," "bell jars" and such other specific games as
18 may be authorized by the commission, in which prizes are awarded on the
19 basis of a designated winning number or numbers, color or colors, symbol
20 or symbols determined by chance, but not including games commonly known
21 as "bingo" or "lotto," which are controlled under titles two and three
22 of this article, and also not including "bookmaking," "policy or numbers
23 games" and "lottery" as defined in section 225.00 of the penal law.

24 17. "Lawful purposes" shall mean one or more of the following causes,
25 deeds or activities:

26 (a) those that benefit needy or deserving persons indefinite in number
27 by enhancing their opportunity for religious or educational advancement,
28 by relieving them from disease, suffering or distress, or by contribut-
29 ing to their physical well-being, by assisting them in establishing
30 themselves in life as worthy and useful citizens, or by increasing their
31 comprehension of and devotion to the principles upon which this nation
32 was founded and enhancing their loyalty to their governments;

33 (b) those that initiate, perform or foster worthy public works or
34 enable or further the erection or maintenance of public structures;

35 (c) those that initiate, perform or foster the provisions of services
36 to veterans by encouraging the gathering of such veterans and enable or
37 further the erection or maintenance of facilities for use by such veter-
38 ans that shall be used primarily for charitable or patriotic purposes,
39 or those purposes that shall be authorized by a bona fide organization
40 of veterans, provided however that such proceeds are disbursed in
41 accordance with the rules and regulations of the commission and section
42 fifteen hundred fifty-four of this article; and

43 (d) those that otherwise lessen the burdens borne by the government or
44 that are voluntarily undertaken by an authorized organization to augment
45 or supplement services that the government would normally render to the
46 people, including, in the case of volunteer firefighters' activities,
47 the purchase, erection or maintenance of a building for a firehouse,
48 activities open to the public for the enhancement of membership and the
49 purchase of equipment that can reasonably be expected to increase the
50 efficiency of response to fires, accidents, public calamities and other
51 emergencies.

52 18. "License period" shall mean:

53 (a) for bingo, the duration of a license issued pursuant to section
54 fifteen hundred twenty-five of this article;

55 (b) for games of chance other than bell jars or raffles, a period of
56 time not to exceed fourteen consecutive hours; and

1 (c) for bell jars and raffles, a period of time running from January
2 first to December thirty-first of the year set forth in the license.

3 19. "Limited-period bingo" shall mean the conduct of bingo by a
4 licensed authorized organization, for a period of not more than seven of
5 twelve consecutive days in any one year, at a festival, bazaar, carnival
6 or similar function conducted by such licensed authorized organization.
7 No authorized organization licensed to conduct limited-period bingo
8 shall be otherwise eligible to conduct bingo pursuant to this title in
9 the same year.

10 20. "Municipal officer" shall mean the chief law enforcement officer
11 of a municipality outside the city of New York, or if such municipality
12 exercises the option set forth in subdivision two of section fifteen
13 hundred sixty-three of this article, the chief law enforcement officer
14 of the county.

15 21. "Municipality" shall mean any city, town or village within this
16 state.

17 22. "Net lease" shall mean a written agreement between a lessor and
18 lessee under the terms of which the lessee is entitled to the
19 possession, use or occupancy of the whole or part of any commercial
20 premises for which the lessee pays rent to the lessor and likewise
21 undertakes to pay substantially all of the regularly recurring expenses
22 incident to the operation and maintenance of such leased premises.

23 23. "Net proceeds" shall mean:

24 (a) in relation to the gross receipts from one or more occasions of
25 bingo, the amount that remains after deducting the reasonable sums
26 necessarily and actually expended for bingo supplies and equipment,
27 prizes, stated rental, if any, bookkeeping or accounting services
28 according to a schedule of compensation prescribed by the commission,
29 janitorial services and utility supplies if any, license fees, and the
30 cost of bus transportation, if authorized by the commission;

31 (b) in relation to bell jars, the difference between the ideal handle
32 from the sale of bell jar tickets, seal cards, merchandise boards and
33 coin boards less the amount of money paid out in prizes and less the
34 purchase price of the bell jar deal, seal card deal, merchandise board
35 deal or coin board deal. Additionally, a credit shall be permitted
36 against the net proceeds fee tendered to the commission for unsold tick-
37 ets of the bell jar deal so long as the unsold tickets have the same
38 serial and form number as the tickets for which the fee is rendered;

39 (c) in relation to the gross receipts from one or more license periods
40 of games of chance, the amount that shall remain after deducting the
41 reasonable sums necessarily and actually expended for supplies and
42 equipment, prizes, security-personnel, stated rental, if any, bookkeep-
43 ing or accounting services according to a schedule of compensation
44 prescribed by the commission, janitorial services and utility supplies,
45 if any, license fees, and the cost of bus transportation, if authorized
46 by the clerk or department;

47 (d) in relation to the gross rent received by an organization licensed
48 to conduct bingo for the use of its premises by another licensee, the
49 amount that remains after deducting the reasonable sums necessarily and
50 actually expended for janitorial services and utility supplies directly
51 attributable thereto if any; and

52 (e) in relation to the gross rent received by an authorized games of
53 chance lessor for the use of its premises by a game of chance licensee,
54 the amount that shall remain after deducting the reasonable sums neces-
55 sarily and actually expended for janitorial services and utility
56 supplies directly attributable thereto if any.

1 24. (a) "One occasion" shall mean the successive operations of any one
2 single type of game of chance that results in the awarding of a series
3 of prizes amounting to five hundred dollars or four hundred dollars
4 during any one license period, in accordance with the provisions of
5 subdivision eight of section fifteen hundred fifty-four of this article,
6 as the case may be.

7 (b) For purposes of the game of chance known as a merchandise wheel or
8 a raffle, "one occasion" shall mean the successive operations of any one
9 such merchandise wheel or raffle for which the limit on a series of
10 prizes provided by subdivision six of section fifteen hundred fifty-four
11 of this article shall apply.

12 (c) For purposes of the game of chance known as a bell jar, "one occa-
13 sion" shall mean the successive operation of any one such bell jar, seal
14 card, event game, coin board, or merchandise board that results in the
15 awarding of a series of prizes amounting to six thousand dollars.

16 (d) For the purposes of the game of chance known as raffle "one occa-
17 sion" shall mean a calendar year during which successive operations of
18 such game are conducted.

19 25. "Operation" shall mean, in regard to a game of chance, the play of
20 a single type of game of chance necessary to determine the outcome or
21 winners each time wagers are made. A single drawing of a winning ticket
22 or other receipt in a raffle shall be deemed one operation.

23 26. "Premises" shall mean, in regard to games of chance, a designated
24 area within a building, hall, tent or grounds reasonably identified for
25 the conduct of games of chance. Nothing herein shall require such area
26 to be enclosed.

27 27. "Prize," where supercard is played as set forth in subdivision
28 thirty-three of this section, shall mean the sum of money or actual
29 value of merchandise awarded to the winner or winners on a game card
30 during a game of bingo and the sum of money or actual value of merchan-
31 dise awarded to the winner or winners on a supercard in excess of the
32 total receipts derived from the sale of supercards for that specific
33 game.

34 28. "Raffle" shall mean and include those games of chance in which a
35 participant pays money in return for a ticket or other receipt and in
36 which a prize is awarded on the basis of a winning number or numbers,
37 color or colors, or symbol or symbols designated on the ticket or
38 receipt, determined by chance as a result of:

39 (a) a drawing from among those tickets or receipts previously sold; or

40 (b) a random event, the results of which correspond with tickets or
41 receipts previously sold.

42 29. "Seal cards" shall mean a board or placard used in conjunction
43 with a deal of the same serial number that contains one or more
44 concealed areas that, when removed or opened, reveal a predesignated
45 winning number, letter or symbol located on the board or placard. A seal
46 card used in conjunction with an event game shall not be required to
47 contain lines for prospective seal winners to sign their name.

48 30. "Series of prizes" shall mean the total amount of single prizes
49 minus the total amount of wagers lost during the successive operations
50 of a single type of game of chance, except that for merchandise wheels
51 and raffles, "series of prizes" shall mean the sum of cash and the fair
52 market value of merchandise awarded as single prizes during the succes-
53 sive operations of any single merchandise wheel or raffle. In the game
54 of raffle, a series of prizes may include a percentage of the sum of
55 cash received from the sale of raffle tickets.

1 31. "Single prize" shall mean the sum of money or fair market value of
2 merchandise or coins awarded to a participant by a games of chance
3 licensee in any one operation of a single type of game of chance in
4 excess of his or her wager.

5 32. "Single type of game" shall mean the games of chance known as
6 merchandise wheels, coin boards, merchandise boards, event games,
7 raffles and bell jars and each other specific game of chance authorized
8 by the commission.

9 33. "Supercard" shall mean a bingo card on which prizes are awarded,
10 which card is selected by the player, containing five designated
11 numbers, colors or symbols, corresponding to the letters B, I, N, G, O,
12 displayed on the bingo board of the bingo premises operator, which can
13 be played concurrently with the other bingo cards played during the game
14 of bingo.

15 § 1501. Forms. The commission shall, to the greatest extent practica-
16 ble, make forms and applications required by this article or related
17 rules and regulations of the commission available in electronic formats
18 that minimize paperwork and are designed to maximize efficiency for
19 authorized organizations, municipalities and the commission.

20 § 1502. Participation by persons under the age of eighteen. 1. No
21 person under the age of eighteen years shall be permitted to play any
22 game of bingo or any game of chance conducted pursuant to this article.

23 2. No person under the age of eighteen years shall be permitted to
24 conduct, operate or assist in the conduct of any game of bingo or game
25 of chance conducted pursuant to this article. Provided, however for the
26 game of bingo a person under the age eighteen shall be permitted to
27 assist in the preparation and sale of concession stand items if accompa-
28 nied by an adult.

29 3. Persons under the age of eighteen years may be permitted to attend
30 games of chance at the discretion of the games of chance licensee.
31 Provided, however that a person under the age of eighteen years of age
32 who is sixteen years of age or older shall be permitted to assist in any
33 raffle or bingo if accompanied by an adult.

34 § 1503. Sundays. A municipality may restrict a license to conduct
35 bingo or games of chance by providing that no bingo or games of chance
36 shall be conducted on the first day of the week, commonly known as
37 Sunday, if the provisions of a local law or an ordinance duly adopted by
38 the governing body of the municipality issuing the license prohibits the
39 conduct of bingo or games of chance pursuant to this title on such days.

40 § 1504. Advertising of charitable games. A licensee may advertise the
41 conduct of an occasion of bingo or games of chance event to the general
42 public by means of newspaper, radio, circular, handbill and poster, by
43 one sign not exceeding sixty square feet in area, which may be displayed
44 on or adjacent to the premises owned or occupied by a licensed author-
45 ized organization, by other signs as may be permitted by the rules and
46 regulations of the commission and through the internet or television as
47 may be permitted by the rules and regulations of the commission. When an
48 organization is licensed or authorized to conduct bingo occasions or
49 games of chance events on the premises of another licensed authorized
50 organization or of an authorized bingo lessor or authorized games of
51 chance lessor, one additional such sign may be displayed on or adjacent
52 to the premises in which the occasions are to be conducted. Additional
53 signs may be displayed upon any firefighting equipment belonging to any
54 licensed authorized organization that is a volunteer fire company, or
55 upon any equipment of a first aid or rescue squad in and throughout the
56 community served by such volunteer fire company or such first aid or

1 rescue squad, as the case may be. All advertisements shall be limited
2 to:

3 (a) the description of such event as "bingo," "games of chance" or
4 "casino night," as the case may be;

5 (b) the name of the authorized organization conducting such bingo
6 occasions or games of chance;

7 (c) the license number of the authorized organization as assigned by
8 the clerk or department;

9 (d) the prizes offered; and

10 (e) the date, location and time of the bingo occasion or games of
11 chance event.

12 § 1505. Sanctions for violations. The commission shall have the power
13 to issue letters of reprimand or impose fines in any amount up to the
14 maximum authorized by section one hundred sixteen of this chapter for
15 any violation of this article or the rules and regulations of the
16 commission. A person or entity that has been fined may request a de novo
17 hearing before the commission to review and determine such fine, pursu-
18 ant to the rules and regulations of the commission.

19 § 1506. Severability. If any provision of this article or the applica-
20 tion thereof to any municipality, person or circumstances shall be
21 adjudged unconstitutional by any court of competent jurisdiction, the
22 remainder of this article or the application thereof to other munici-
23 palities, persons and circumstances shall not be affected thereby, and
24 the legislature hereby declares that it would have enacted this title
25 without the invalid provision or application, as the case may be, had
26 such invalidity been apparent.

27 TITLE 2

28 BINGO CONTROL

29 Section 1510. Short title.

30 1511. Purpose of title.

31 1512. Other agency assistance.

32 1513. Powers and duties of the commission.

33 1514. Hearings; immunity.

34 1515. Place of investigations and hearings; witnesses; books and
35 documents.

36 1516. Privilege against self-incrimination.

37 1517. Filing and availability of rules and regulations.

38 1518. Municipality to file copies of local laws and ordinances;
39 reports.

40 § 1510. Short title. This title shall be known and may be cited as the
41 bingo control law.

42 § 1511. Purpose of title. The purpose of this title is to implement
43 section nine of article one of the state constitution, as amended by
44 vote of the people at the general election in November, nineteen hundred
45 fifty-seven. The legislature hereby declares that the raising of funds
46 for the promotion of bona fide charitable, educational, scientific,
47 health, religious, civic and patriotic causes and undertakings, where
48 the beneficiaries are indefinite, is in the public interest. It hereby
49 finds that, as conducted prior to the enactment of this title, bingo was
50 the subject of exploitation by professional gamblers, promoters and
51 commercial interests. It is hereby declared to be the policy of the
52 legislature that all phases of the supervision, licensing and the regu-
53 lation of bingo and of the conduct of bingo games, should be controlled
54 closely and that the laws and regulations pertaining thereto should be
55 construed strictly and enforced rigidly; that the conduct of bingo and
56 all attendant activities should be so regulated and adequate controls so

1 instituted as to discourage commercialization in all its forms, includ-
2 ing the rental of commercial premises for bingo games, and to ensure a
3 maximum availability of the net proceeds of bingo exclusively for appli-
4 cation to the worthy causes and undertakings specified herein; that the
5 only justification for this title is to foster and support such worthy
6 causes and undertakings, and that the mandate of section nine of article
7 one of the state constitution, as amended, should be carried out by
8 rigid regulation to prevent commercialized gambling, prevent partic-
9 ipation by criminal and other undesirable elements and prevent the
10 diversion of funds from the purposes herein authorized.

11 § 1512. Other agency assistance. To effectuate the purposes of this
12 title, the governor may authorize any department, division, board,
13 bureau, commission or agency of the state or in any political subdivi-
14 sion thereof to provide such facilities, assistance and data as will
15 enable the commission properly to carry out its activities and effectu-
16 ate its purposes hereunder.

17 § 1513. Powers and duties of the commission. 1. The commission shall
18 have the power and it shall be its duty to:

19 (a) supervise the administration of the bingo licensing law and adopt,
20 amend and repeal rules and regulations governing the issuance and amend-
21 ment of licenses thereunder and the conducting of bingo under such
22 licenses, which rules and regulations shall have the force and effect of
23 law and shall be binding upon all municipalities issuing licenses and
24 upon licensees thereunder and licensees of the commission, to the end
25 that such licenses shall be issued to qualified licensees only and that
26 said bingo games shall be fairly and properly conducted for the purposes
27 and in the manner in the said bingo licensing law prescribed and to
28 prevent the bingo games thereby authorized to be conducted from being
29 conducted for commercial purposes or purposes other than those therein
30 authorized, participated in by criminal or other undesirable elements
31 and the funds derived from the bingo games being diverted from the
32 purposes authorized, and, to provide uniformity in the administration of
33 said law throughout the state, the commission shall prescribe forms of
34 application for licenses, licenses, amendment of licenses, reports of
35 the conduct of bingo games and other matters incident to the adminis-
36 tration of such law;

37 (b) conduct, anywhere within the state, investigations of the adminis-
38 tration, enforcement and potential or actual violations of the bingo
39 licensing law and of the rules and regulations of the commission;

40 (c) review all determinations and actions of the municipal governing
41 body in issuing an initial license and review the issuance of subsequent
42 licenses and, after hearing, revoke those licenses that do not in all
43 respects meet the requirements of this title and the rules and regu-
44 lations of the commission;

45 (d) suspend or revoke a license, after hearing, for any violation of
46 the provisions of this title or the rules and regulations of the commis-
47 sion;

48 (e) hear appeals from the determinations and action of the municipal
49 governing body in connection with the refusing to issue licenses, the
50 suspension and revocation of licenses and the imposition of fines in the
51 manner prescribed by law and the action and determination of the commis-
52 sion upon any such appeal shall be binding upon the municipal governing
53 body and all parties thereto;

54 (f) initiate prosecutions for violations of this title and of the
55 bingo licensing law;

1 (g) carry on continuous study of the operation of the bingo licensing
2 law to ascertain from time to time defects therein jeopardizing or
3 threatening to jeopardize the purposes of this title and to formulate
4 and recommend changes in such law and in other laws of the state that
5 the commission may determine to be necessary for the realization of such
6 purposes, and to the same end to make a continuous study of the opera-
7 tion and administration of similar laws that may be in effect in other
8 states of the United States;

9 (h) supervise the disposition of all funds derived from the conduct of
10 bingo by authorized organizations not currently licensed to conduct such
11 bingo games; and

12 (i) issue an identification number to an applicant authorized organ-
13 ization if the commission determines that the applicant satisfies the
14 requirements of the bingo licensing law and the rules and regulations of
15 the commission.

16 2. (a) The commission shall have the power to issue or, after hearing,
17 refuse to issue a license permitting a person, firm or corporation to
18 sell or distribute to any other person, firm or corporation engaged in
19 business as a wholesaler, jobber, distributor or retailer of all cards,
20 boards, sheets, pads and all other supplies, devices and equipment
21 designed for use in the play of bingo by an organization duly licensed
22 to conduct bingo games or to sell or distribute any such materials
23 directly to such an organization. For the purposes of this section the
24 words "sell or distribute" shall include, without limitation, the
25 following activities: offering for sale, receiving, handling, maintain-
26 ing, storing the same on behalf of such an organization, distributing or
27 providing the same to such an organization and offering for sale or
28 lease bingo devices and equipment. Each such license shall be valid for
29 one year.

30 (b) (1) No person, firm or corporation, other than an organization
31 that is or has been during the preceding twelve months duly licensed to
32 conduct bingo games, shall sell or distribute bingo supplies or equip-
33 ment without having first obtained a license therefor upon written
34 application made, verified and filed with the commission in the form
35 prescribed by the rules and regulations of the commission.

36 (2) The commission, as a part of its determination concerning the
37 applicant's suitability for licensing as a bingo supplier, shall require
38 the applicant to furnish to the commission two sets of fingerprints.
39 Such fingerprints shall be submitted to the division of criminal justice
40 services for a state criminal history record check, as defined in subdi-
41 vision one of section three thousand thirty-five of the education law,
42 and may be submitted to the federal bureau of investigation for a
43 national criminal history record check.

44 (3) In each such application for a license under this section shall be
45 stated:

46 (i) the name and address of the applicant;
47 (ii) the names and addresses of its officers, directors, shareholders
48 or partners;

49 (iii) the amount of gross receipts realized on the sale or distrib-
50 ution of bingo supplies and equipment to duly licensed organizations
51 during the last preceding calendar or fiscal year; and

52 (iv) such other information as shall be prescribed by such rules and
53 regulations.

54 (4) The fee for such license shall be as prescribed by regulation of
55 the commission, which shall take into account the quantity of gross
56 sales of the applicant.

1 (c) The following shall be ineligible for such a license:

2 (1) a person convicted of a crime if there is a direct relationship
3 between one or more of the previous criminal offenses and the integrity
4 of bingo, considering the factors set forth in section seven hundred
5 fifty-three of the correction law;

6 (2) a person who is or has been a professional gambler or gambling
7 promoter or who for other reasons is not of good moral character;

8 (3) a public officer or employee;

9 (4) an operator or proprietor of a commercial hall duly licensed under
10 the bingo licensing law; and

11 (5) a firm or corporation in which a person defined in subparagraph
12 one, two, three or four of this paragraph, or a person married or
13 related in the first degree to such a person, has greater than a ten
14 percent proprietary, equitable or credit interest or in which such a
15 person is active or employed.

16 (d) The commission shall have power to examine or cause to be examined
17 the books and records of any applicant for a license, or any licensee,
18 under this section. Any information so received shall not be disclosed
19 except so far as may be necessary for the purpose of carrying out the
20 provisions of this article.

21 (e) Any solicitation of an organization licensed to conduct bingo
22 games, to purchase or induce the purchase of bingo supplies and equip-
23 ment, or any representation, statement or inquiry designed or reasonably
24 tending to influence such an organization to purchase the same, other
25 than by a person licensed or otherwise authorized pursuant to this
26 section shall constitute a violation of this section.

27 (f) Any person who willfully makes any material false statement in any
28 application for a license authorized to be issued under this title or
29 who willfully violates any of the provisions of this section or of any
30 license issued hereunder shall be guilty of a misdemeanor and, in addi-
31 tion to the penalties in such case made and provided, shall forfeit any
32 license issued to him, her or it under this section and be ineligible to
33 apply for a license under this section for one year thereafter.

34 (g) At the end of the license period, a recapitulation shall be made
35 as between the licensee and the commission in respect of the gross sales
36 actually recorded during the license period and the fee paid therefor,
37 and any deficiency of fee thereby shown to be due shall be paid by the
38 licensee and any excess of fee thereby shown to have been paid shall be
39 credited to said licensee in such manner as the commission by the rules
40 and regulations shall prescribe.

41 3. The commission shall have the power to approve and establish a
42 standard set of bingo cards comprising a consecutively numbered series
43 and shall by rules and regulations prescribe the manner in which such
44 cards are to be reproduced and distributed to licensed authorized organ-
45 izations. The sale or distribution to a licensed authorized organization
46 of any card or cards other than those contained in the standard set of
47 bingo cards shall constitute a violation of this section. Licensed
48 authorized organizations shall not be required to use nor to maintain
49 such cards seriatim excepting that the same may be required in the
50 conduct of limited-period bingo games.

51 § 1514. Hearings; immunity. 1. A hearing upon any investigation or
52 review authorized by this article may be conducted by two or more
53 members of the commission or by a hearing officer duly designated by the
54 commission, as the commission shall determine.

55 2. A person who has violated any provision of this article, or of the
56 rules and regulations of the commission, or any term of any license

1 issued under this article or such rules and regulations, is a competent
2 witness against another person so charged. In any hearing upon any
3 investigation or review authorized by this article, for or relating to a
4 violation of any provision of said article or of the rules and regu-
5 lations of the commission or of the term of any such license, the
6 commission may confer immunity upon such witness in accordance with the
7 provisions of section 50.20 of the criminal procedure law. Such immuni-
8 ty shall be conferred only upon the vote of at least three members of
9 the commission and only after affording the attorney general and the
10 appropriate district attorney a reasonable opportunity to be heard with
11 respect to any objections that they or either of them may have to the
12 granting of such immunity.

13 § 1515. Place of investigations and hearings; witnesses; books and
14 documents. The commission may conduct investigations and hearings within
15 or without the state and shall have power to compel the attendance of
16 witnesses, the production of books, records, documents and other
17 evidence by the issuance of a subpoena signed by a person authorized by
18 the commission to do so.

19 § 1516. Privilege against self-incrimination. The willful refusal to
20 answer a material question or the assertion of privilege against self-
21 incrimination during a hearing upon any investigation or review author-
22 ized by this article by any licensee or any person identified with any
23 licensee as an officer, director, stockholder, partner, member, employee
24 or agent thereof shall constitute sufficient cause for the revocation or
25 suspension of any license issued under this title or under the licensing
26 law, as the commission or as the municipal governing body may determine.

27 § 1517. Filing and availability of rules and regulations. A copy of
28 every rule and regulation adopted and promulgated by the commission
29 shall be made available to the various municipalities operating under
30 the bingo licensing law.

31 § 1518. Municipality to file copies of local laws and ordinances;
32 reports. Each municipality in which the bingo licensing law is adopted
33 shall file with the commission a copy of each local law or ordinance
34 enacted pursuant thereto within ten days after the same has been
35 approved by a majority of the electors voting on a proposition submitted
36 at a general or special election, or within ten days after the same has
37 been amended or repealed by the common council or other local legisla-
38 tive body and on or before February first of each year, and at any other
39 time or times that the commission may determine, make a report to the
40 commission of the number of licenses issued therein under the bingo
41 licensing law, the names and addresses of the licensees, the aggregate
42 amount of license fees collected, the names and addresses of all persons
43 detected of violating the bingo licensing law, this title or the rules
44 and regulations adopted by the commission pursuant hereto, and of all
45 persons prosecuted for such violations and the result of each such pros-
46 ecution, the penalties imposed therein during the preceding calendar
47 year, or the period for which the report is required, which report may
48 contain any recommendations for improvement of the bingo licensing law
49 or the administration thereof that the governing body of the munici-
50 pality deems desirable.

TITLE 3

LOCAL OPTION FOR CONDUCT OF BINGO BY CERTAIN ORGANIZATIONS

53 Section 1520. Short title; purpose of title.

54 1521. Local option.

55 1522. Local laws and ordinances.

56 1523. Restrictions upon conduct of bingo games.

1 1524. Application for license.

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21 1538. Title inoperative until adopted by voters.

22 1539. Amendment and repeal of local laws and ordinances.

23 1540. Delegation of authority.

24 1541. Powers and duties of mayors or managers of certain cities.

25 § 1520. Short title; purpose of title. This title shall be known and
26 may be cited as the bingo licensing law. The legislature hereby declares
27 that the raising of funds for the promotion of bona fide charitable,
28 educational, scientific, health, religious, civic and patriotic causes
29 and undertakings, where the beneficiaries are indefinite, is in the
30 public interest. It hereby finds that, as conducted prior to the effec-
31 tive date of this title, bingo was the subject of exploitation by
32 professional gamblers, promoters, and commercial interests. It is hereby
33 declared to be the policy of the legislature that all phases of the
34 supervision, licensing and regulation of bingo and of the conduct of
35 bingo games, should be closely controlled and that the laws and regu-
36 lations pertaining thereto should be strictly construed and rigidly
37 enforced; that the conduct of the bingo game and all attendant activ-
38 ities should be so regulated and adequate controls so instituted as to
39 discourage commercialization in all its forms, including the rental of
40 commercial premises for bingo games, and to ensure a maximum availabili-
41 ty of the net proceeds of bingo exclusively for application to the
42 worthy causes and undertakings specified herein; that the only justi-
43 fication for this title is to foster and support such worthy causes and
44 undertakings, and that the mandate of section nine of article one of the
45 state constitution, as amended, should be carried out by rigid regu-
46 lation to prevent commercialized gambling, prevent participation by
47 criminal and other undesirable elements and prevent the diversion of
48 funds from the purposes herein authorized.

49 § 1521. Local option. Subject to the provisions of this title, and
50 pursuant to the direction contained in subdivision two of section nine
51 of article one of the constitution of the state, the legislature hereby
52 gives and grants to every municipality the right, power and authority to
53 authorize the conduct of bingo games by authorized organizations within
54 the territorial limits of such municipality provided, however, that
55 where the electors of a village hereafter approve a local law or ordi-
56 nance pursuant to section fifteen hundred twenty-three of this title,

1 the right, power and authority under this title of any town in which
2 such village is located shall not extend to such village during such
3 time as such village local law or ordinance is in effect.

4 § 1522. Local laws and ordinances. 1. The common council or other
5 local legislative body of any municipality may, either by local law or
6 ordinance, provide that it shall be lawful for any authorized organiza-
7 tion, upon obtaining a license therefor as provided in this title, to
8 conduct the game of bingo within the territorial limits of such munici-
9 pality, subject to the provisions of such local law or ordinance, the
10 provisions of this title and the provisions of the bingo control law.

11 2. No such local law or ordinance shall become operative or effective
12 unless and until it has been approved by a majority of the electors
13 voting on a proposition submitted at a general or special election held
14 within such municipality who are qualified to vote for officers of such
15 municipality.

16 3. The time, method and manner of submission, preparation and
17 provision of ballots and ballot labels, balloting by voting machine and
18 conducting the election, canvassing the result and making and filing the
19 returns and all other procedure with reference to the submission of and
20 action upon any proposition for the approval of any such local law or
21 ordinance shall be the same as in the case of any other proposition to
22 be submitted to the electors of such municipality at a general or
23 special election in such municipality, as provided by law.

24 § 1523. Restrictions upon conduct of bingo games. The conduct of bingo
25 games authorized by local law or ordinance shall be subject to the
26 following restrictions without regard to whether such restrictions are
27 contained in such local law or ordinance, but nothing in this section
28 shall be construed to prevent the inclusion within such local law or
29 ordinance of other provisions imposing additional restrictions upon the
30 conduct of bingo games:

31 1. No person, firm, association, corporation or organization, other
32 than a licensee under the provisions of this title, shall

33 (a) conduct bingo; or

34 (b) lease or otherwise make available for conducting bingo a hall or
35 other premises for any consideration whatsoever, direct or indirect,
36 without obtaining the prior written approval of the commission.

37 2. No bingo games shall be held, operated or conducted on or within
38 any leased premises if rental under such lease is to be paid, wholly or
39 partly, on the basis of a percentage of the receipts or net profits
40 derived from the operation of such game.

41 3. No authorized organization licensed under the provisions of this
42 title shall purchase, lease or receive any supplies or equipment specif-
43 ically designed or adapted for use in the conduct of bingo games from
44 other than a supplier licensed under the bingo control law or from
45 another authorized organization.

46 4. The entire net proceeds of any game of bingo and of any rental
47 shall be devoted exclusively to the lawful purposes of the organization
48 permitted to conduct the same.

49 5. No prize shall exceed the sum or value of five thousand dollars in
50 any single game of bingo.

51 6. No series of prizes on any one bingo occasion shall aggregate more
52 than fifteen thousand dollars.

53 7. No person except a bona fide member of any such organization shall
54 participate in the management or operation of such bingo game.

55 8. No person shall receive any remuneration for participating in the
56 management or operation of any game of bingo.

1 9. The unauthorized conduct of a bingo game and any willful violation
2 of any provision of any local law or ordinance shall constitute and be
3 punishable as a misdemeanor.

4 10. No person licensed to sell bingo supplies or equipment, or any
5 agent of such person, shall conduct, participate in or assist in the
6 conduct of bingo. Nothing herein shall prohibit a licensed distributor
7 from selling, offering for sale or explaining a product to an authorized
8 organization or installing or servicing bingo equipment upon the prem-
9 ises of a bingo game licensee.

10 11. Limited-period bingo shall be conducted in accordance with the
11 provisions of this title and the rules and regulations of the commis-
12 sion.

13 § 1524. Application for license. 1. To conduct bingo. (a) Each appli-
14 cant for a license to conduct bingo shall, after obtaining an identifi-
15 cation number from the commission, file with the clerk of the munici-
16 pality an application therefor in the form prescribed in the rules and
17 regulations of the commission, duly executed and verified, in which such
18 applicant shall state:

19 (1) the name and address of the applicant together with sufficient
20 facts relating to such applicant's incorporation and organization to
21 enable the governing body of the municipality to determine whether or
22 not the applicant is a bona fide authorized organization;

23 (2) the names and addresses of the applicant's officers;

24 (3) the place or places where, and the date or dates and the time or
25 times when, the applicant intends to conduct bingo under the license
26 applied for;

27 (4) in case the applicant intends to lease premises for this purpose
28 from other than an authorized organization, the name and address of the
29 licensed bingo lessor of such premises, and the capacity or potential
30 capacity for public assembly purposes of space in any premises presently
31 owned or occupied by the applicant;

32 (5) the amount of rent to be paid or other consideration to be given
33 directly or indirectly for each occasion for use of the premises of
34 another authorized organization licensed under this title to conduct
35 bingo or for use of the premises of a licensed bingo lessor;

36 (6) all other items of expense intended to be incurred or paid in
37 connection with the holding, operating and conducting of such games of
38 bingo and the names and addresses of the persons to be paid and the
39 purposes for which such persons are to be paid;

40 (7) the specific purposes to which the entire net proceeds of such
41 games of bingo are to be devoted and in what manner;

42 (8) that no commission, salary, compensation, reward or recompense
43 will be paid to any person for conducting such bingo game or games or
44 for assisting therein except as in this title otherwise provided; and

45 (9) such other information as shall be prescribed by the rules and
46 regulations of the commission.

47 (b) In each application there shall be designated an active member or
48 members of the applicant organization under whom the game or games of
49 bingo will be conducted and to the application shall be appended a
50 statement executed by the member or members so designated, that he, she
51 or they will be responsible for the conduct of such bingo games in
52 accordance with the terms of the license and the rules and regulations
53 of the commission and of this title.

54 2. Bingo lessor. (a) Each applicant for a license to lease premises to
55 a licensed organization for the purposes of conducting bingo therein
56 shall file with the clerk of the municipality an application therefor in

1 a form prescribed in the rules and regulations of the commission duly
2 executed and verified, which shall set forth:

- 3 (1) the name and address of the applicant;
- 4 (2) designation and address of the premises intended to be covered by
5 the license sought;
- 6 (3) lawful capacity for public assembly purposes;
- 7 (4) cost of premises and assessed valuation for real estate tax
8 purposes, or annual net lease rent, whichever is applicable;
- 9 (5) gross rentals received and itemized expenses for the immediately
10 preceding calendar or fiscal year, if any;
- 11 (6) gross rentals, if any, derived from bingo during the last preced-
12 ing calendar or fiscal year;
- 13 (7) computation by which proposed rental schedule was determined;
- 14 (8) number of occasions on which applicant anticipates receiving rent
15 for bingo during the ensuing year or shorter period if applicable;
- 16 (9) proposed rent for each such occasion; estimated gross rental
17 income from all other sources during the ensuing year;
- 18 (10) estimated expenses itemized for ensuing year and amount of each
19 item allocated to bingo rentals;
- 20 (11) a statement that the applicant in all respects conforms with the
21 specifications contained in the definition of "authorized bingo lessor"
22 set forth in section fifteen hundred of this article; and
- 23 (12) such other information as shall be prescribed by the rules and
24 regulations of the commission.

25 (b) At the end of the license period, a recapitulation, in a manner
26 prescribed in the rules and regulations of the commission, shall be made
27 as between the licensee and the municipal governing body in respect of
28 the gross rental actually received during the license period and the fee
29 paid therefor. The licensee shall pay any deficiency of fee thereby
30 shown to be due and any excess of fee thereby shown to have been paid
31 shall be credited to such licensee, in such manner as the commission by
32 rules and regulations shall prescribe.

33 § 1525. Investigation; matters to be determined; issuance of license;
34 fees; duration of license. 1. The governing body of the municipality
35 shall make an investigation of the qualifications of each applicant and
36 the merits of each application, with due expedition after the filing of
37 the application.

38 (a) Issuance of licenses to conduct bingo. If the governing body of
39 the municipality determines:

- 40 (1) that the applicant is duly qualified to be licensed to conduct
41 bingo under this title;
- 42 (2) that the member or members of the applicant designated in the
43 application to conduct bingo are bona fide active members of the appli-
44 cant and are persons of good moral character and have never been
45 convicted of a crime if there is a direct relationship between one or
46 more of the previous criminal offenses and the integrity of bingo,
47 considering the factors set forth in section seven hundred fifty-three
48 of the correction law;
- 49 (3) that such games of bingo are to be conducted in accordance with
50 the provisions of this title and in accordance with the rules and regu-
51 lations of the commission;
- 52 (4) that the proceeds thereof are to be disposed of as provided by
53 this title;
- 54 (5) if the governing body is satisfied that no commission, salary,
55 compensation, reward or recompense whatever will be paid or given to any
56 person holding, operating or conducting or assisting in the holding,

1 operation and conduct of any such games of bingo except as in this title
2 otherwise provided; and

3 (6) that no prize will be offered and given in excess of the sum or
4 value of five thousand dollars in any single game of bingo and that the
5 aggregate of all prizes offered and given in all of such games of bingo
6 conducted on a single occasion, under said license shall not exceed the
7 sum or value of fifteen thousand dollars, then the municipality shall
8 issue a license to the applicant for the conduct of bingo upon payment
9 of a license fee for each bingo occasion, to be established by regu-
10 lation of the commission. Notwithstanding anything to the contrary in
11 this paragraph, the governing body shall refuse to issue a license to an
12 applicant seeking to conduct bingo in premises of a licensed bingo
13 lessor where such governing body determines that the premises presently
14 owned or occupied by such applicant are in every respect adequate and
15 suitable for conducting bingo games.

16 (b) Issuance of licenses to bingo lessors. If the governing body of
17 the municipality determines that:

18 (1) the applicant seeking to lease a hall or premises for the conduct
19 of bingo to an authorized organization is duly qualified to be licensed
20 under this title;

21 (2) the applicant satisfies the requirements for an authorized bingo
22 lessor as defined in section fifteen hundred of this article;

23 (3) at the time of the issuance of an initial license, there is a
24 public need and that public advantage will be served by the issuance of
25 such license;

26 (4) the applicant has filed its proposed rent for each bingo occasion;

27 (5) the commission has approved as fair and reasonable a schedule of
28 maximum rentals for each such occasion;

29 (6) there is no diversion of the funds of the proposed lessee from the
30 lawful purposes as defined in this title; and

31 (7) such leasing of a hall or premises for the conduct of bingo is to
32 be in accordance with the provisions of this title and in accordance
33 with the rules and regulations of the commission, such governing body
34 shall issue a license permitting the applicant to lease said premises
35 for the conduct of bingo to the authorized organization or organizations
36 specified in the application during the period therein specified or such
37 shorter period as the governing body of the municipality determines, but
38 not to exceed one year, upon payment of a license fee established by
39 regulation of the commission.

40 2. On or before the thirtieth day of each month, the treasurer of the
41 municipality shall transmit to the state comptroller a sum equal to
42 fifty percent of all bingo lessor license fees and sixty percent of all
43 license fees for the conduct of bingo collected by such municipality
44 pursuant to this section during the preceding calendar month.

45 3. No license shall be issued under this title that is effective for a
46 period of more than one year. In the case of limited-period bingo, no
47 license shall be issued authorizing the conduct of such games on more
48 than two occasions in any one day, nor shall any license be issued under
49 this title that is effective for a period of more than seven of twelve
50 consecutive days in any one year. No license for the conduct of limit-
51 ed-period bingo shall be issued in cities having a population of one
52 million or more.

53 § 1526. Hearing; amendment of license. 1. No application for the iss-
54 uance of a license shall be denied by the governing body until after a
55 hearing, held on due notice to the applicant, at which the applicant

1 shall be entitled to be heard upon the qualifications of the applicant
2 and the merits of the application.

3 2. Any license issued under this title may be amended, upon applica-
4 tion made to the governing body of the municipality that issued such
5 license, if the subject matter of the proposed amendment could lawfully
6 and properly have been included in the original license and upon payment
7 of such additional license fee if any, as would have been payable if
8 such amendment had been so included.

9 § 1527. Form and contents of license; display of license. 1. Each
10 license to conduct bingo shall be in such form as the rules and regu-
11 lations of the commission prescribe and shall contain:

12 (a) the name and address of the licensee;

13 (b) the names of the member or members of the licensee under whom the
14 games will be conducted;

15 (c) the place or places where and the date or dates and time or times
16 when such games are to be conducted;

17 (d) the specific purposes to which the entire net proceeds of such
18 games are to be devoted; and

19 (e) if any prize or prizes are to be offered and given in cash, a
20 statement of the amounts of the prizes authorized so to be offered and
21 given and any other information that the rules and regulations of the
22 commission may require.

23 2. Each license issued for the conduct of any game of bingo shall be
24 displayed conspicuously at the place where such game of bingo is to be
25 conducted at all times during such conduct.

26 3. Each license to lease premises for conducting bingo shall be in
27 such form as the rules and regulations of the commission prescribe and
28 shall contain a statement of the name and address of the licensee and
29 the address of the leased premises, the amount of permissible rent and
30 any other information that the rules and regulations of the commission
31 may require. Each such license shall be displayed conspicuously upon
32 such premises at all times during the conduct of bingo.

33 § 1528. Control and supervision; suspension of licenses; inspection of
34 premises. 1. The governing body of any municipality issuing any license
35 under this title shall have and exercise rigid control and close super-
36 vision over all games of bingo conducted under such license, to the end
37 that the same are fairly conducted in accordance with the provisions of
38 such license, the provisions of the rules and regulations of the commis-
39 sion and the provisions of this title and such governing body.

40 2. The commission shall have the power and the authority to suspend
41 any license issued by such governing body and to revoke the same, and,
42 additionally, in the case of an authorized bingo lessor, to impose a
43 fine in an amount not exceeding one thousand dollars, after notice and
44 hearing, for violation of any such provisions, and shall have the right
45 of entry, by the commission's officers and agents, at all times into any
46 premises where any game of bingo is being conducted or where it is
47 intended that any such game of bingo shall be conducted, or where any
48 equipment being used or intended to be used in the conduct thereof is
49 found, for the purpose of inspecting the same.

50 3. In addition to the authority granted pursuant to subdivision two of
51 this section, the governing body in a city having a population of one
52 million or more and the commission may impose a fine in an amount not
53 exceeding one thousand dollars, after notice and hearing, on any licen-
54 see under this title for violation of any provision of such license,
55 this title or rules and regulations of the commission.

1 § 1529. Frequency of game; sale of alcoholic beverages. No game or
2 games of bingo, except limited-period bingo, shall be conducted under
3 any license issued under this title more often than on eighteen days in
4 any three successive calendar months. No game or games of limited-period
5 bingo shall be conducted between the hours of twelve midnight and noon,
6 and no more than sixty games may be conducted on any single occasion of
7 limited-period bingo. No game or games of bingo shall be conducted in
8 any room or outdoor area where alcoholic beverages are sold, served or
9 consumed during the progress of the game or games.

10 § 1530. Persons operating and conducting bingo games; equipment;
11 expenses; compensation. 1. (a) No person shall hold, operate or conduct
12 any game of bingo under any license issued under this title except a
13 bona fide member of the authorized organization to which the license is
14 issued. No person shall assist in the holding, operating or conducting
15 of any game of bingo under such license except such a bona fide member
16 or a bona fide member of an organization or association that is an
17 auxiliary to the licensee or a bona fide member of an organization or
18 association of which such licensee is an auxiliary or a bona fide member
19 of an organization or association that is affiliated with the licensee
20 by being, with it, auxiliary to another organization or association and
21 except bookkeepers or accountants as hereinafter provided, but any
22 person may assist the licensed organization in any activity related to
23 the game of bingo that does not actually involve the holding, conduct-
24 ing, managing or operating of such game of bingo.

25 (b) No game of bingo shall be conducted with any equipment except such
26 as shall be owned absolutely or leased by the authorized organization so
27 licensed or used without payment of any compensation therefor by the
28 licensee.

29 (c) Lease terms and conditions shall be subject to the rules and regu-
30 lations of the commission.

31 (d) This title shall not be construed to authorize or permit an
32 authorized organization to engage in the business of leasing bingo
33 supplies or equipment.

34 (e) No items of expense shall be incurred or paid in connection with
35 the conducting of any game of bingo pursuant to any license issued under
36 this title, except those that are reasonable and are necessarily
37 expended for bingo supplies and equipment, prizes, stated rental, if
38 any, bookkeeping or accounting services according to a schedule of
39 compensation prescribed by the commission, janitorial services and util-
40 ity supplies, if any, and license fees, and the cost of bus transporta-
41 tion, if authorized by the commission.

42 2. Notwithstanding any provision of this title to the contrary, a
43 person who is a bona fide member of an organization licensed to conduct
44 the game of bingo and is also a bona fide member of one or more other
45 organizations that are also licensed to conduct the game of bingo, and
46 such organizations are not affiliates or auxiliaries of the others,
47 shall be authorized to operate, conduct or assist in the operation or
48 conduct of games of bingo held by any of such organizations licensed to
49 conduct bingo.

50 § 1531. Charge for admission and participation; amount of prizes;
51 award of prizes. 1. Except in the conduct of limited-period bingo, the
52 regulations of the commission shall establish a maximum amount to be
53 charged by any licensee for admission to any room or place in which any
54 game or games of bingo are to be conducted under any license issued
55 under this title, which admission fee, upon payment thereof, shall enti-
56 tle the person paying the same to participate without additional charge

1 in all regular games of bingo to be played under such license on such
2 occasion.

3 2. In the conduct of limited-period bingo:

4 (a) no admission fee shall be charged;

5 (b) not more than an amount established by regulation of the commis-
6 sion shall be charged for a single opportunity to participate in any one
7 game of bingo, which charge, upon payment thereof, shall entitle the
8 person paying the same to one card for participation in one such game;
9 and

10 (c) no licensee shall sell more than five opportunities to each player
11 participating in any one game of bingo. Every winner in a game of bingo
12 shall be determined and every prize shall be awarded and delivered with-
13 in the same calendar day as that upon which the game of bingo was
14 played.

15 § 1532. Statement of receipts, expenses; additional license fees. 1.
16 Within seven days after the conclusion of any occasion of bingo, the
17 authorized organization that conducted the same, and such authorized
18 organization's members who were in charge thereof, and when applicable
19 the authorized organization that rented its premises therefor, shall
20 each furnish to the clerk or the department a statement subscribed by
21 the member in charge and affirmed by such person as true, under the
22 penalties of perjury, showing the amount of the gross receipts derived
23 therefrom and each item of expense incurred, or paid, and each item of
24 expenditure made or to be made, the name and address of each person to
25 whom each such item has been paid, or is to be paid, with a detailed
26 description of the merchandise purchased or the services rendered there-
27 for, the net proceeds derived from such game or rental, as the case may
28 be, and the use to which such proceeds have been or are to be applied
29 and a list of prizes offered and given, with the respective values ther-
30 eof. A clerk or the department shall make provisions for the electronic
31 filing of such statement. It shall be the duty of each licensee to main-
32 tain and keep such books and records as may be necessary to substantiate
33 the particulars of each such statement and within fifteen days after the
34 end of each calendar quarter during which there has been any occasion of
35 bingo, a summary statement of such information, in form prescribed by
36 the commission, shall be furnished in the same manner to the commission.

37 2. Upon the filing of such statement of receipts, the authorized
38 organization furnishing the same shall pay to the clerk of the munici-
39 pality as and for an additional license fee a sum based upon the
40 reported net proceeds, if any, for the occasion covered by such state-
41 ment and determined in accordance with such schedule as shall be estab-
42 lished from time to time by the commission to defray the cost to munici-
43 palties of administering the provisions of this article.

44 § 1533. Examination of books and records; examination of managers,
45 etc.; disclosure of information. 1. The governing body of the munici-
46 pality and the commission shall have power to examine or cause to be
47 examined the books and records of any:

48 (a) authorized organization that is or has been licensed to conduct
49 bingo, so far as such books and records may relate to bingo, including
50 the maintenance, control and disposition of net proceeds derived from
51 bingo or from the use of its premises for bingo, and to examine any
52 manager, officer, director, agent, member or employee thereof under oath
53 in relation to the conduct of any such game of bingo under any such
54 license, the use of its premises for bingo, or the disposition of net
55 proceeds derived from bingo, as the case may be; and

1 (b) licensed authorized bingo lessor so far as such books and records
2 may relate to leasing premises for bingo and to examine said lessor or
3 any manager, officer, director, agent or employee thereof under oath in
4 relation to such leasing.

5 2. Any information so received shall not be disclosed except so far as
6 may be necessary for the purpose of carrying out the provisions of this
7 article.

8 § 1534. Appeals from municipal governing body to commission. Any
9 applicant for, or holder of, any license issued or to be issued under
10 this title aggrieved by any action of the governing body of the munici-
11 pality to which such application has been made or by which such license
12 has been issued, may appeal to the commission from the determination of
13 said governing body by filing with the governing body a written notice
14 of appeal within thirty days after the determination or action appealed
15 from. Upon the hearing of such appeal, the evidence, if any, taken
16 before the governing body and any additional evidence may be produced
17 and shall be considered in arriving at a determination of the matters in
18 issue. Action of the commission upon said appeal shall be binding upon
19 said governing body and all parties to said appeal.

20 § 1535. Exemption from prosecution. No person or corporation lawfully
21 conducting, or participating in the conduct of bingo or permitting the
22 conduct upon any premises owned or leased by him, her or it under any
23 license lawfully issued pursuant to this title, shall be liable to pros-
24 ecution or conviction for violation of any provision of article two
25 hundred twenty-five of the penal law or any other law or ordinance to
26 the extent that such conduct is specifically authorized by this title,
27 but this immunity shall not extend to any person or corporation knowin-
28 gly conducting or participating in the conduct of bingo under any license
29 obtained by any false pretense or by any false statement made in any
30 application for license or otherwise, or permitting the conduct upon any
31 premises owned or leased by him, her or it of any game of bingo
32 conducted under any license known to him, her or it to have been
33 obtained by any such false pretense or statement.

34 § 1536. Offenses; forfeiture of license; ineligibility to apply for
35 license. Any person who, or association or corporation that:

36 1. makes any false statement in any application for any license
37 authorized to be issued under this title;

38 2. pays or receives, for the use of any premises for conducting bingo,
39 a rental in excess of the amount specified as the permissible rent in
40 the license provided for in subdivision two of section fifteen hundred
41 twenty-four of this title;

42 3. fails to keep books and records that fully and truly record all
43 transactions connected with the conducting of bingo or the leasing of
44 premises to be used for the conduct of bingo;

45 4. falsifies or makes any false entry in any books or records so far
46 as such books or records relate in any manner to the conduct of bingo,
47 to the disposition of the proceeds thereof and to the application of the
48 rents received by any authorized organization;

49 5. diverts or pays any portion of the net proceeds of any game of
50 bingo to any person, association or corporation, except in furtherance
51 of one or more of the lawful purposes defined in this title; or

52 6. violates any of the provisions of this title or of any term of any
53 license issued under this title; shall be guilty of a misdemeanor and
54 shall forfeit any license issued under this title and be ineligible to
55 apply for a license under this title for one year thereafter.

1 § 1537. Unlawful bingo. 1. For the purposes of this section, bingo
2 shall include a game of bingo whether or not a person who participates
3 as a player furnishes something of value for the opportunity to partic-
4 ipate.

5 2. Any person, firm, partnership, association, corporation or organ-
6 ization holding, operating or conducting bingo is guilty of a misdemea-
7 nor, except when operating, holding or conducting:

8 (a) in accordance with a valid license issued pursuant to this title;
9 or

10 (b) within a municipality that has authorized the conduct of bingo
11 games by authorized organizations:

12 (1) within the confines of a home for purposes of amusement or recre-
13 ation where no player or other person furnishes anything of value for
14 the opportunity to participate and the prizes awarded or to be awarded
15 are nominal.

16 (2) within any apartment, condominium or cooperative complex, retire-
17 ment community, or other group residential complex or facility where:

18 (i) sponsored by the operator of or an association related to such
19 complex, community or facility;

20 (ii) such games are conducted solely for the purpose of amusement and
21 recreation of its residents;

22 (iii) no player or other person furnishes anything of value for the
23 opportunity to participate;

24 (iv) the value of the prizes do not exceed ten dollars for any one
25 game or a total of one hundred fifty dollars in any calendar day;

26 (v) such games are not conducted on more than fifteen days during any
27 calendar year; and

28 (vi) no person other than an employee or volunteer of such complex,
29 community or facility conducts or assists in conducting the game or
30 games.

31 (3) on behalf of any bona fide social, charitable, educational, recre-
32 ational, fraternal or age-group organization, club or association solely
33 for the purpose of amusement and recreation of its members or benefici-
34 aries where:

35 (i) no player or other person furnishes anything of value for the
36 opportunity to participate;

37 (ii) the value of the prizes do not exceed ten dollars for any one
38 game or a total of one hundred fifty dollars in any calendar day;

39 (iii) such games are not conducted on more than fifteen days during
40 any calendar year;

41 (iv) no person other than a bona fide active member of the organiza-
42 tion, club or association participates in the conduct of the games; and

43 (v) no person is paid for conducting or assisting in the conduct of
44 the game or games.

45 (4) as a hotel's, motel's, recreational or entertainment facility's or
46 common carrier's social activity solely for the purpose of amusement and
47 recreation of its patrons where:

48 (i) no player or other person furnishes anything of value for the
49 opportunity to participate;

50 (ii) the value of the prizes do not exceed ten dollars for any one
51 game or a total of one hundred fifty dollars in any calendar day;

52 (iii) such games are not conducted on more than fifteen days during
53 any calendar year;

54 (iv) no person other than an employee or volunteer conducts or assists
55 in conducting the game or games; and

1 (v) the game or games are not conducted in the same room where alco-
2 holic beverages are sold.

3 (5) The commission and the governing body of the municipality in which
4 bingo games are conducted pursuant to paragraph (b) of subdivision two
5 of this section shall have the authority to regulate the conduct of such
6 games. Any bingo game or games, in which no participant or other person
7 furnishes anything of value for the opportunity to participate, that is
8 or are operated in violation of paragraph (b) of subdivision two of this
9 section, a civil penalty of not more than one hundred dollars may be
10 imposed for the first such violation, a civil penalty of not more than
11 one hundred fifty dollars may be imposed for the second such violation
12 in a period of three years and a civil penalty of not more than two
13 hundred dollars may be imposed for the third or subsequent such
14 violation in a period of five years.

15 3. The provisions of this section shall apply to all municipalities
16 within this state, including those municipalities where this title is
17 inoperative.

18 § 1538. Title inoperative until adopted by voters. Except as provided
19 in section fifteen hundred forty, the provisions of this title shall
20 remain inoperative in any municipality unless and until a proposition
21 therefor submitted at a general or special election in such municipality
22 is approved by a vote of the majority of the qualified electors in such
23 municipality voting thereon.

24 § 1539. Amendment and repeal of local laws and ordinances. 1. Any
25 local law or ordinance concerning bingo may be amended, from time to
26 time, or repealed by the common council or other local legislative body
27 of the municipality that enacted it and such amendment or repeal, as the
28 case may be, may be made effective and operative not earlier than thirty
29 days following the effective date of the local law or ordinance effect-
30 ing such amendment or repeal, as the case may be.

31 2. The approval of a majority of the electors of such municipality
32 shall not be a condition prerequisite to the taking effect of such local
33 law or ordinance.

34 § 1540. Delegation of authority. The governing body of a municipality
35 may delegate to a municipal officer or officers designated by such muni-
36 cipality for that purpose any of the authority granted to it hereby in
37 relation to the issuance, amendment and cancellation of licenses, the
38 conduct of investigations and hearings, the supervision of the operation
39 of the games and the collection and transmission of fees.

40 § 1541. Powers and duties of mayors or managers of certain cities.
41 Notwithstanding any other provision of this title, whenever the charter
42 of any city, or any special or local law, provides that the mayor or
43 manager of such city is the chief law enforcement officer thereof, then
44 and in that event such mayor or manager, as the case may be, shall have,
45 exercise and perform all the powers and duties otherwise prescribed by
46 this title to be exercised and performed by the governing body of such
47 city except those prescribed by section fifteen hundred twenty-two of
48 this title, and in any such case, the term "governing body of a muni-
49 city" as used in this title shall be deemed to mean and include the
50 mayor or manager of any such city.

51 TITLE 4

52 LOCAL OPTION FOR CONDUCT OF GAMES OF CHANCE BY CERTAIN 53 ORGANIZATIONS

54 Section 1550. Short title; purpose of title.

55 1551. Local option.

56 1552. Local laws and ordinances.

- 1 1553. Powers and duties of the commission.
- 2 1554. Restrictions upon conduct of games of chance.
- 3 1555. Authorized supplier of games of chance equipment.
- 4 1556. Declaration of state's exemption from operation of
- 5 provisions of 15 U.S.C. § 1172.
- 6 1557. Legal shipments of gaming devices into New York state.
- 7 1558. Application for license.
- 8 1559. Raffles; license not required.
- 9 1560. Investigation; matters to be determined; issuance of
- 10 license; fees; duration of license.
- 11 1561. Hearing; amendment of license.
- 12 1562. Form and contents of license; display of license.
- 13 1563. Control and supervision; suspension of identification
- 14 numbers and licenses; inspections of premises.
- 15 1564. Frequency of games.
- 16 1565. Persons operating games; equipment; expenses; compen-
- 17 sation.
- 18 1566. Charge for admission and participation; amount of prizes;
- 19 award of prizes.
- 20 1567. Statement of receipts and expenses; additional license
- 21 fees.
- 22 1568. Examination of books and records; examination of officers
- 23 and employees; disclosure of information.
- 24 1569. Appeals for the decision of a municipal officer, clerk or
- 25 department to the commission.
- 26 1570. Exemption from prosecution.
- 27 1571. Offenses; forfeiture of license; ineligibility to apply
- 28 for license.
- 29 1572. Unlawful games of chance.
- 30 1573. Title inoperative until adopted by voters.
- 31 1574. Amendment and repeal of local laws and ordinances.
- 32 1575. Manufacturers of bell jars; reports and records.
- 33 1576. Distributor of bell jars; reports and records.
- 34 1577. Transfer restrictions.
- 35 1578. Bell jars compliance and enforcement.

36 § 1550. Short title; purpose of title. This title shall be known and
37 may be cited as the games of chance licensing law. The legislature here-
38 by declares that the raising of funds for the promotion of bona fide
39 charitable, educational, scientific, health, religious and patriotic
40 causes and undertakings, where the beneficiaries are undetermined, is in
41 the public interest. The legislature hereby finds that, as conducted
42 prior to the effective date of this title, games of chance were the
43 subject of exploitation by professional gamblers, promoters and commer-
44 cial interests. It is hereby declared to be the policy of the legisla-
45 ture that all phases of the supervision, licensing and regulation of
46 games of chance and of the conduct of games of chance should be closely
47 controlled and that the laws and regulations pertaining thereto should
48 be strictly construed and rigidly enforced; that the conduct of the game
49 and all attendant activities should be so regulated and adequate
50 controls so instituted as to discourage commercialization of gambling in
51 all its forms, including the rental of commercial premises for games of
52 chance, and to ensure a maximum availability of the net proceeds of
53 games of chance exclusively for application to the worthy causes and
54 undertakings specified herein; that the only justification for this
55 title is to foster and support such worthy causes and undertakings, and
56 that the mandate of subdivision two of section nine of article one of

1 the state constitution, as amended, should be carried out by rigid regu-
2 lations to prevent commercialized gambling, prevent participation by
3 criminal and other undesirable elements and prevent the diversion of
4 funds from the purposes herein authorized.

5 § 1551. Local option. Subject to the provisions of this title, and
6 pursuant to the direction contained in subdivision two of section nine
7 of article one of the state constitution, the legislature hereby gives
8 and grants to every municipality the right, power and authority to
9 authorize the conduct of games of chance by authorized organizations
10 within the territorial limits of such municipality. A local law or ordi-
11 nance adopted by a town shall be operative in any village or within any
12 part of any village located within such town if, after adoption of such
13 local law or ordinance, the board of trustees of such village adopts a
14 local law or resolution subject to a permissive referendum as provided
15 in article nine of the village law authorizing the issuance of licenses
16 by the town for games of chance within such village. Such local law or
17 resolution may be repealed only by a local law or resolution that shall
18 also be subject to a permissive referendum, or by enactment of a local
19 law authorizing games of chance as provided in section fifteen hundred
20 fifty-two of this title.

21 § 1552. Local laws and ordinances. 1. The common council or other
22 local legislative body of any municipality may, either by local law or
23 ordinance, provide that it shall be lawful for any authorized organiza-
24 tion, upon obtaining a license therefor as hereinafter provided, to
25 conduct games of chance within the territorial limits of such munici-
26 pality, subject to the provisions of such local law or ordinance, the
27 provisions of this title and the provisions set forth by the commission.

28 2. No such local law or ordinance shall become operative or effective
29 unless and until it shall have been approved by a majority of the elec-
30 tors voting on a proposition submitted at a general or special election
31 held within such municipality who are qualified to vote for officers of
32 such municipality.

33 3. The time, method and manner of submission, preparation and
34 provision of ballots and ballot labels, balloting by voting machine and
35 conducting the election, canvassing the result and making and filing the
36 returns and all other procedure with reference to the submission of and
37 action upon any proposition for the approval of any such local law or
38 ordinance shall be the same as in the case of any other proposition to
39 be submitted to the electors of such municipality at a general or
40 special election in such municipality, as provided by law.

41 § 1553. Powers and duties of the commission. The commission shall have
42 the power and it shall be the duty of the commission to:

43 1. supervise the administration of the games of chance licensing law
44 and to adopt, amend and repeal rules and regulations governing the issu-
45 ance and amendment of licenses thereunder and the conducting of games
46 under such licenses, which rules and regulations shall have the force
47 and effect of law and shall be binding upon all municipalities issuing
48 licenses, and upon licensees of the commission, to the end that such
49 licenses shall be issued to qualified licensees only, and that said
50 games shall be fairly and properly conducted for the purposes and in the
51 manner of the said games of chance licensing law prescribed and to
52 prevent the games of chance thereby authorized to be conducted from
53 being conducted for commercial purposes or purposes other than those
54 therein authorized, participated in by criminal or other undesirable
55 elements and the funds derived from the games being diverted from the
56 purposes authorized, and to provide uniformity in the administration of

1 said law throughout the state, the commission shall prescribe forms of
2 application for licenses, licensees, amendment of licenses, reports of
3 the conduct of games and other matters incident to the administration of
4 such law.

5 2. conduct, anywhere in the state, investigations of the adminis-
6 tration, enforcement and potential or actual violations of the games of
7 chance licensing law and of the rules and regulations of the commission.

8 3. review all determinations and actions of the clerk or department in
9 issuing an initial license and it may review the issuance of subsequent
10 licenses and, after hearing, revoke those licenses that do not in all
11 respects meet the requirements of this title and the rules and regu-
12 lations of the commission.

13 4. suspend or revoke a license, after hearing, for any violation of
14 the provisions of this title or the rules and regulations of the commis-
15 sion.

16 5. hear appeals from the determinations and action of the clerk,
17 department or municipal officer in connection with the refusing to issue
18 licenses, the suspension and revocation of licenses and the imposition
19 of fines in the manner prescribed by law and the action and determi-
20 nation of the commission upon any such appeal shall be binding upon the
21 clerk, department or municipal officer and all parties thereto.

22 6. carry on continuous study of the operation of the games of chance
23 licensing law to ascertain from time to time defects therein jeopardiz-
24 ing or threatening to jeopardize the purposes of this title, and to
25 formulate and recommend changes in such law and in other laws of the
26 state that the commission may determine to be necessary for the realiza-
27 tion of such purposes, and to the same end to make a continuous study of
28 the operation and administration of similar laws that may be in effect
29 in other states of the United States.

30 7. supervise the disposition of all funds derived from the conduct of
31 games of chance by authorized organizations not currently licensed to
32 conduct such games.

33 8. issue an identification number to an applicant authorized organiza-
34 tion if the commission determines that the applicant satisfies the
35 requirements of the games of chance licensing law and the rules and
36 regulations of the commission.

37 9. approve and establish a standard set of games of chance equipment
38 and by rules and regulations prescribe the manner in which such equip-
39 ment is to be reproduced and distributed to licensed authorized organ-
40 izations. The sale or distribution to a licensed authorized organization
41 of any equipment other than that contained in the standard set of games
42 of chance equipment shall constitute a violation of this section.

43 § 1554. Restrictions upon conduct of games of chance. The conduct of
44 games of chance authorized by local law or ordinance shall be subject to
45 the following restrictions without regard to whether the restrictions
46 are contained in such local law or ordinance, but nothing herein shall
47 be construed to prevent the inclusion within such local law or ordinance
48 of other provisions imposing additional restrictions upon the conduct of
49 such games:

50 1. No person, firm, partnership, corporation or organization, other
51 than a licensee under the provisions of section fifteen hundred sixty of
52 this title, shall

53 (a) conduct such game; or

54 (b) lease or otherwise make available for conducting games of chance
55 premises for any consideration whatsoever, direct or indirect, without
56 obtaining the prior written approval of the commission.

1 2. No game of chance shall be held, operated or conducted on or within
2 any leased premises if rental under such lease is to be paid, wholly or
3 partly, on the basis of a percentage of the receipts or net profits
4 derived from the operation of such game.

5 3. No authorized organization licensed under the provisions of this
6 title shall purchase, lease, or receive any supplies or equipment
7 specifically designed or adapted for use in the conduct of games of
8 chance from other than a supplier licensed by the commission or from
9 another authorized organization. Lease terms and conditions shall be
10 subject to rules and regulations of the commission. The provisions of
11 this title shall not be construed to authorize or permit an authorized
12 organization to engage in the business of leasing games of chance,
13 supplies or equipment. No organization shall purchase bell jar tickets,
14 or deals of bell jar tickets, from any other person or organization
15 other than those specifically authorized under section fifteen hundred
16 seventy-six of this title.

17 4. The entire net proceeds of any game of chance shall be devoted
18 exclusively to the lawful purposes of the organization permitted to
19 conduct the same and the net proceeds of any rental derived therefrom
20 shall be devoted exclusively to the lawful purposes of the authorized
21 games of chance lessor.

22 5. (a) No single prize awarded by games of chance other than raffle
23 shall exceed the sum or value of three hundred dollars, except that for
24 merchandise wheels, no single prize shall exceed the sum or value of two
25 hundred fifty dollars, and for bell jar, no single prize shall exceed
26 the sum or value of one thousand dollars.

27 (b) No single prize awarded by raffle shall exceed the sum or value of
28 three hundred thousand dollars.

29 (c) No single wager shall exceed six dollars and for bell jars, coin
30 boards or merchandise boards, no single prize shall exceed one thousand
31 dollars, provided, however, that such limitation shall not apply to the
32 amount of money or value paid by the participant in a raffle in return
33 for a ticket or other receipt.

34 (d) For coin boards and merchandise boards, the value of a prize shall
35 be determined by the cost of such prize to the authorized organization
36 or, if donated, the fair market value of such prize.

37 6. (a) No authorized organization shall award a series of prizes
38 consisting of cash or of merchandise with an aggregate value in excess
39 of:

40 (1) ten thousand dollars during the successive operations of any one
41 merchandise wheel; and

42 (2) six thousand dollars during the successive operations of any bell
43 jar, coin board or merchandise board.

44 (b) No series of prizes awarded by raffle shall have an aggregate
45 value in excess of five hundred thousand dollars.

46 (c) For coin boards and merchandise boards, the value of a prize shall
47 be determined by its cost to the authorized organization or, if donated,
48 its fair market value.

49 7. In addition to merchandise wheels, raffles and bell jars, no more
50 than five other single types of games of chance shall be conducted
51 during any one license period.

52 8. (a) Except for merchandise wheels and raffles, no series of prizes
53 on any one occasion shall aggregate more than four hundred dollars when
54 the licensed authorized organization conducts five single types of games
55 of chance during any one license period. Except for merchandise wheels,
56 raffles and bell jars, no series of prizes on any one occasion shall

1 aggregate more than five hundred dollars when the licensed authorized
2 organization conducts fewer than five single types of games of chance,
3 exclusive of merchandise wheels, raffles and bell jars, during any one
4 license period.

5 (b) No authorized organization shall award by raffle prizes with an
6 aggregate value in excess of three million dollars during any one
7 license period.

8 9. Except for the limitations on the sum or value for single prizes
9 and series of prizes, no limit shall be imposed on the sum or value of
10 prizes awarded to any one participant during any occasion or any license
11 period.

12 10. (a) No person except a bona fide member of the licensed authorized
13 organization shall participate in the management of such games.

14 (b) No person except a bona fide member of the licensed authorized
15 organization, its auxiliary or affiliated organization, shall partic-
16 ipate in the operation of such game, as set forth in section fifteen
17 hundred sixty-five of this title.

18 11. No person shall receive any remuneration for participating in the
19 management or operation of any such game.

20 12. No authorized organization shall extend credit to a person to
21 participate in playing a game of chance.

22 13. (a) No game of chance, other than a raffle that complies with
23 paragraph (b) of this subdivision, shall be conducted on other than the
24 premises of an authorized organization or an authorized games of chance
25 lessor; provided, however, nothing in this subdivision shall prohibit a
26 game of chance from being conducted on state-owned property.

27 (b) Raffle tickets may be sold to the public outside the premises of
28 an authorized organization or an authorized games of chance lessor if
29 such sales occur in a municipality that:

30 (1) has passed a local law, ordinance or resolution in accordance with
31 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
32 title approving the conduct of games of chance;

33 (2) is located in the county in which the municipality issuing the
34 raffle license is located or in a county that is contiguous to the coun-
35 ty in which the municipality issuing the raffle license is located; and

36 (3) has not objected to such sales after the commission gives notice
37 to such municipality of an authorized organization's request to sell
38 such raffle tickets in such municipality.

39 (c) The commission may by regulation prescribe the advance notice an
40 authorized organization must provide to the commission in order to take
41 advantage of the provisions of paragraph (b) of this subdivision, forms
42 in which such a request shall be made and the time period in which a
43 municipality must communicate an objection to the commission.

44 (d) No sale of raffle tickets shall be made more than one hundred
45 eighty days prior to the date scheduled for the occasion at which the
46 raffle will be conducted.

47 (e) The winner of any single prize in a raffle shall not be required
48 to be present at the time such raffle is conducted.

49 14. No person licensed to manufacture, distribute or sell games of
50 chance supplies or equipment, or their agents, shall conduct, partic-
51 ipate in, or assist in the conduct of games of chance. Nothing herein
52 shall prohibit a licensed distributor from selling, offering for sale or
53 explaining a product to an authorized organization or installing or
54 servicing games of chance equipment upon the premises of games of chance
55 licensees.

1 15. The unauthorized conduct of a game of chance shall constitute and
2 be punishable as a misdemeanor.

3 16. No coins or merchandise from a coin board or merchandise board
4 shall be redeemable or convertible into cash directly or indirectly by
5 the authorized organization.

6 17. No game of chance shall involve wagering of money by one player
7 against another player.

8 § 1555. Authorized supplier of games of chance equipment. 1. No
9 person, firm, partnership, corporation or organization shall sell or
10 distribute supplies or equipment specifically designed or adapted for
11 use in conduct of games of chance without having first obtained a
12 license therefor upon written application made, verified and filed with
13 the commission in the form prescribed by the rules and regulations of
14 the commission. As a part of the commission's determination concerning
15 the applicant's suitability for licensing as a games of chance supplier,
16 the commission shall require the applicant to furnish to the commission
17 two sets of fingerprints. Such fingerprints shall be submitted to the
18 division of criminal justice services for a state criminal history
19 record check, as defined in subdivision one of section three thousand
20 thirty-five of the education law, and may be submitted to the federal
21 bureau of investigation for a national criminal history record check.
22 Manufacturers of bell jar tickets shall be considered suppliers of such
23 equipment. In each such application for a license under this section
24 shall be stated the name and address of the applicant; the names and
25 addresses of its officers, directors, shareholders or partners; the
26 amount of gross receipts realized on the sale and rental of games of
27 chance supplies and equipment to duly licensed authorized organizations
28 during the last preceding calendar or fiscal year, and such other infor-
29 mation as shall be prescribed by such rules and regulations. The fee for
30 such license shall be a sum equal to an amount established by commission
31 regulation plus an amount equal to two percent of the gross sales and
32 rentals, if any, of games of chance equipment and supplies to authorized
33 organizations or authorized games of chance lessors by the applicant
34 during the preceding calendar year, or fiscal year if the applicant
35 maintains his accounts on a fiscal year basis. No license granted
36 pursuant to the provisions of this section shall be effective for a
37 period of more than one year.

38 2. The following shall be ineligible for such a license:

39 (a) a person convicted of a crime if there is a direct relationship
40 between one or more of the previous criminal offenses and the integrity
41 of charitable gaming, considering the factors set forth in section seven
42 hundred fifty-three of the correction law;

43 (b) a person who is or has been a professional gambler or gambling
44 promoter or who for other reasons is not of good moral character;

45 (c) a public officer or employee;

46 (d) an authorized games of chance lessor; or

47 (e) a firm or corporation in which a person defined in subparagraph
48 (a), (b), (c) or (d) of this subdivision has greater than a ten percent
49 proprietary, equitable or credit interest or in which such a person is
50 active or employed.

51 3. The commission shall have power to examine or cause to be examined
52 the books and records of any applicant for a license under this section.
53 Any information so received shall not be disclosed except so far as may
54 be necessary for the purpose of carrying out the provisions of this
55 title.

1 4. Any solicitation of an organization licensed to conduct games of
2 chance, to purchase or induce the purchase of games of chance supplies
3 and equipment, other than by a person licensed or otherwise authorized
4 pursuant to this section, shall constitute a violation of this section.

5 5. Any person who willfully makes any material false statement in any
6 application for a license authorized to be issued under this section or
7 who willfully violates any of the provisions of this section or of any
8 license issued hereunder shall be guilty of a misdemeanor and, in addi-
9 tion to the penalties in such case made and provided, shall forfeit any
10 license issued to him, her or it under this section and be ineligible to
11 apply for a license under this section for one year thereafter.

12 6. At the end of such period specified in the license, a recapitu-
13 lation shall be made as between the licensee and the commission in
14 respect of the gross sales and rentals actually recorded during that
15 period and the fee paid therefor, and any deficiency of fee thereby
16 shown to be due shall be paid by the licensee and any excess of fee
17 thereby shown to have been paid shall be credited to said licensee in
18 such manner as the commission by rules and regulations shall prescribe.

19 § 1556. Declaration of state's exemption from operation of provisions
20 of 15 U.S.C. § 1172. Pursuant to section two of an Act of Congress of
21 the United States entitled "An act to prohibit transportation of gambl-
22 ing devices in interstate and foreign commerce," approved January
23 second, nineteen hundred fifty-one, being chapter 1194, 64 Stat. 1134,
24 and also designated as 15 U.S.C. §§ 1171-1177, the state of New York,
25 acting by and through the duly elected and qualified members of its
26 legislature, does hereby, in accordance with and in compliance with the
27 provisions of section two of said Act of Congress, declare and proclaim
28 that it is exempt from the provisions of section two of said Act of
29 Congress.

30 § 1557. Legal shipments of gaming devices into New York state. All
31 shipments into this state of gaming devices, excluding slot machines and
32 coin operated gambling devices, as defined in subdivision seven-a of
33 section 225.00 of the penal law, the registering, recording and labeling
34 of which has been duly had by the manufacturer or dealer thereof in
35 accordance with sections three and four of an Act of Congress of the
36 United States entitled "An act to prohibit transportation of gambling
37 devices in interstate and foreign commerce," approved January second,
38 nineteen hundred fifty-one, being chapter 1194, 64 Stat. 1134, and also
39 designated as 15 U.S.C. §§ 1171-1177, shall be deemed legal shipments
40 thereof into this state.

41 § 1558. Application for license. 1. To conduct games of chance. (a)
42 Each applicant for a license shall, after obtaining an identification
43 number from the commission, file with the clerk or department, an appli-
44 cation therefor in a form to be prescribed by the commission, duly
45 executed and verified, in which shall be stated:

46 (1) the name and address of the applicant together with sufficient
47 facts relating to its incorporation and organization to enable such
48 clerk or department, as the case may be, to determine whether or not it
49 is a bona fide authorized organization;

50 (2) the names and addresses of its officers; the place or places
51 where, the date or dates and the time or times when the applicant
52 intends to conduct games under the license applied for;

53 (3) the amount of rent to be paid or other consideration to be given
54 directly or indirectly for each licensed period for use of the premises
55 of an authorized games of chance lessor;

1 (4) all other items of expense intended to be incurred or paid in
2 connection with the holding, operating and conducting of such games of
3 chance and the names and addresses of the persons to whom, and the
4 purposes for which, they are to be paid;

5 (5) the purposes to which the entire net proceeds of such games are to
6 be devoted and in what manner; that no commission, salary, compensation,
7 reward or recompense will be paid to any person for conducting such game
8 or games or for assisting therein except as in this title otherwise
9 provided; and such other information as shall be prescribed by such
10 rules and regulations; and

11 (6) the name of each single type of game of chance to be conducted
12 under the license applied for and the number of merchandise wheels and
13 raffles, if any, to be operated.

14 (b) In each application there shall be designated not less than four
15 bona fide members of the applicant organization under whom the game or
16 games of chance will be managed and to the application shall be appended
17 a statement executed by the members so designated, that they will be
18 responsible for the management of such games in accordance with the
19 terms of the license, the rules and regulations of the commission, this
20 title and the applicable local laws or ordinances.

21 2. Authorized games of chance lessor. Each applicant for a license to
22 lease premises to a licensed organization for the purposes of conducting
23 games of chance therein shall file with the clerk or department an
24 application therefor, in a form to be prescribed by the commission duly
25 executed and verified, which shall set forth:

26 (a) the name and address of the applicant;

27 (b) designation and address of the premises intended to be covered by
28 the license sought;

29 (c) a statement that the applicant in all respects conforms with the
30 specifications contained in the definition of "authorized organization"
31 set forth in section fifteen hundred of this article; and

32 (d) a statement of the lawful purposes to which the net proceeds from
33 any rental are to be devoted by the applicant and such other information
34 as shall be prescribed by the commission.

35 3. In counties outside the city of New York, municipalities may,
36 pursuant to section fifteen hundred fifty-two of this title, adopt an
37 ordinance providing that an authorized organization having obtained an
38 identification number from the commission, and having applied for no
39 more than one license to conduct games of chance during the period not
40 less than twelve nor more than eighteen months immediately preceding,
41 may file with the clerk or department a summary application in a form to
42 be prescribed by the commission duly executed and verified, containing
43 the names and addresses of the applicant organization and its officers,
44 the date, time and place or places where the applicant intends to
45 conduct games under the license applied for, the purposes to which the
46 entire net proceeds of such games are to be devoted and the information
47 and statement required by paragraph (b) of subdivision one of this
48 section in lieu of the application required under subdivision one of
49 this section.

50 4. (a) Notwithstanding and in lieu of the licensing requirements set
51 forth in this title, an authorized organization defined in section
52 fifteen hundred of this article may file a verified statement, for which
53 no fee shall be required, with the clerk or department and the commis-
54 sion attesting that such organization shall derive net proceeds or net
55 profits from raffles in an amount less than thirty thousand dollars
56 during one occasion or part thereof at which raffles are to be

1 conducted. Such statement shall be on a single-page form prescribed by
2 the commission, and shall be deemed a license to conduct raffles:

3 (1) under this title; and

4 (2) within the municipalities in which the authorized organization is
5 domiciled that have passed a local law, ordinance or resolution in
6 accordance with sections fifteen hundred fifty-one and fifteen hundred
7 fifty-two of this title approving the conduct of games of chance, and in
8 municipalities that have passed a local law, ordinance or resolution in
9 accordance with sections fifteen hundred fifty-one and fifteen hundred
10 fifty-two of this title approving the conduct of games of chance that
11 are located in the county in which the municipality issuing the license
12 is located and in the counties that are contiguous to the county in
13 which the municipality issuing the raffle license is located, provided
14 those municipalities have authorized the licensee, in writing, to sell
15 such raffle tickets therein.

16 (b) An organization that has filed a verified statement with the clerk
17 or department and the commission attesting that such organization shall
18 derive net proceeds or net profits from raffles in an amount less than
19 thirty thousand dollars during one occasion or part thereof that in fact
20 derives net proceeds or net profits exceeding thirty thousand dollars
21 during any one occasion or part thereof shall be required to obtain a
22 license as required by this title and shall be subject to the provisions
23 of section fifteen hundred sixty-seven of this title.

24 § 1559. Raffles; license not required. 1. Notwithstanding the licens-
25 ing requirements set forth in this title and their filing requirements
26 set forth in subdivision four of section fifteen hundred fifty-eight of
27 this title, an authorized organization may conduct a raffle without
28 complying with such licensing requirements or such filing requirements,
29 provided, that such organization shall derive net proceeds from raffles
30 in an amount less than five thousand dollars during the conduct of one
31 raffle and shall derive net proceeds from raffles in an amount less than
32 thirty thousand dollars during one calendar year.

33 2. No person under the age of eighteen shall be permitted to play,
34 operate or assist in any raffle conducted pursuant to this section.

35 3. No raffle shall be conducted pursuant to this section except within
36 a municipality in which the authorized organization is domiciled that
37 has passed a local law, ordinance or resolution in accordance with
38 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
39 title approving the conduct of games of chance, and in municipalities
40 that have passed a local law, ordinance or resolution in accordance with
41 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
42 title approving the conduct of games of chance that are located within
43 the county or contiguous to the county in which the organization is
44 domiciled.

45 § 1560. Investigation; matters to be determined; issuance of license;
46 fees; duration of license. 1. The clerk or department shall make an
47 investigation of the qualifications of each applicant and the merits of
48 each application, with due expedition after the filing of the applica-
49 tion.

50 (a) Issuance of licenses to conduct games of chance. If such clerk or
51 department determines:

52 (1) that the applicant is duly qualified to be licensed to conduct
53 games of chance under this title;

54 (2) that the member or members of the applicant designated in the
55 application to manage games of chance are bona fide active members of
56 the applicant and are persons of good moral character and have never

1 been convicted of a crime if there is a direct relationship between one
2 or more of the previous criminal offenses and the integrity of charita-
3 ble gaming, considering the factors set forth in section seven hundred
4 fifty-three of the correction law;

5 (3) that such games are to be conducted in accordance with the
6 provisions of this title and in accordance with the rules and regu-
7 lations of the commission and applicable local laws or ordinances and
8 that the proceeds thereof are to be disposed of as provided by this
9 title; and

10 (4) is satisfied that no commission, salary, compensation, reward or
11 recompense whatsoever will be paid or given to any person managing,
12 operating or assisting therein except as in this title otherwise
13 provided, then such clerk or department shall issue a license to the
14 applicant for the conduct of games of chance upon payment of a license
15 fee in an amount established by regulation of the commission for each
16 license period.

17 (b) Issuance of licenses to authorized games of chance lessors. If
18 such clerk or department determines:

19 (1) that the applicant seeking to lease premises for the conduct of
20 games of chance to a games of chance licensee is duly qualified to be
21 licensed under this title;

22 (2) that the applicant satisfies the requirements for an authorized
23 organization as defined in section fifteen hundred of this article;

24 (3) that the applicant has filed its proposed rent for each license
25 period; and

26 (4) that such proposed rent is fair and reasonable;

27 (5) that the net proceeds from any rental will be devoted to the
28 lawful purposes of the applicant;

29 (6) that there is no diversion of the funds of the proposed lessee
30 from the lawful purposes as defined in this title; and

31 (7) that such leasing of premises for the conduct of such games is to
32 be in accordance with the provisions of this title, with the rules and
33 regulations of the commission and applicable local laws and ordinances,
34 then such clerk or department shall issue a license permitting the
35 applicant to lease said premises for the conduct of such games to the
36 games of chance licensee or licensees specified in the application
37 during the period therein specified or such shorter period as such clerk
38 or department determines, but not to exceed twelve license periods
39 during a calendar year, upon payment of a license fee in an amount
40 established by the regulations of the commission. Nothing herein shall
41 be construed to require the applicant to be licensed under this title to
42 conduct games of chance.

43 (c) Issuance of license upon summary application. If, upon the basis
44 of a summary application as prescribed under subdivision three of
45 section fifteen hundred fifty-eight of this title, the clerk or depart-
46 ment determines that the applicant is duly qualified to be licensed to
47 conduct games of chance under this title, said clerk or department shall
48 forthwith issue said license. In the event the clerk or department has
49 reason to believe that the applicant is not so qualified the applicant
50 shall be directed to file an application pursuant to subdivision one of
51 section fifteen hundred fifty-eight of this title.

52 2. On or before the last day of each month, the treasurer of the muni-
53 cipality in which the licensed property is located shall transmit to the
54 state comptroller a sum equal to fifty percent of all authorized games
55 of chance lessor license fees and sixty percent of all license fees for

1 the conduct of games of chance collected by such clerk or department
2 pursuant to this section during the preceding calendar month.

3 3. No license shall be issued under this section that is effective for
4 a period of more than one year.

5 § 1561. Hearing; amendment of license. 1. No application for the issu-
6 ance of a license to conduct games of chance or lease premises to an
7 authorized organization shall be denied by the clerk or department,
8 until after a hearing, held on due notice to the applicant, at which the
9 applicant shall be entitled to be heard upon the qualifications of the
10 applicant and the merits of the application.

11 2. Any license issued under this title may be amended, upon applica-
12 tion made to such clerk or department that issued it, if the subject
13 matter of the proposed amendment could lawfully and properly have been
14 included in the original license and upon payment of such additional
15 license fee, if any, as would have been payable if it had been so
16 included.

17 § 1562. Form and contents of license; display of license. 1. Each
18 license to conduct games of chance shall be in such form as shall be
19 prescribed in the rules and regulations of the commission and shall
20 contain:

21 (a) a statement of the name and address of the licensee, of the names
22 and addresses of the members of the licensee under whom the games will
23 be managed;

24 (b) a statement of the place or places where, and the date or dates
25 and time or times when, such games are to be conducted;

26 (c) a statement of the purposes to which the entire net proceeds of
27 such games are to be devoted;

28 (d) the name of each single type of game to be conducted under the
29 license and the number of merchandise wheels and raffles, if any, to be
30 operated; and

31 (e) any other information that may be required by the rules and regu-
32 lations of the commission to be contained therein.

33 2. Each license issued for the conduct of any games shall be displayed
34 conspicuously at the place where such games are to be conducted at all
35 times during the conduct thereof.

36 3. Each license to lease premises for conducting games of chance shall
37 be in such form as shall be prescribed in the rules and regulations of
38 the commission and shall contain a statement of the name and address of
39 the licensee and the address of the leased premises, the amount of
40 permissible rent and any information that may be required by said rules
41 and regulations to be contained therein, and each such license shall be
42 conspicuously displayed upon such premises at all times during the
43 conduct of games of chance.

44 § 1563. Control and supervision; suspension of identification numbers
45 and licenses; inspections of premises. 1. The municipal officer or
46 department shall have and exercise rigid control and close supervision
47 over all games of chance conducted under such license, to the end that
48 the same are conducted fairly in accordance with the provisions of such
49 license, the provisions of the rules and regulations promulgated by the
50 commission and the provisions of this title. Such municipal officer or
51 department and the commission shall have the power and the authority to
52 suspend temporarily any license issued by the clerk or department and/or
53 impose fines for violations not to exceed one thousand dollars. Tempo-
54 rary suspension of licenses shall be followed promptly by a hearing, and
55 after notice and hearing, the clerk, department or the commission may
56 suspend or revoke the same and declare the violator ineligible to apply

1 for a license for a period not exceeding twelve months thereafter. Any
2 finances tendered to the clerk, department or the commission shall not be
3 paid from funds derived from the conduct of games of chance. The municipi-
4 pal officer and the department or the commission shall additionally have
5 the right of entry, by their respective municipal officers and agents,
6 at all times into any premises where any game of chance is being
7 conducted or where it is intended that any such game shall be conducted,
8 or where any equipment being used or intended to be used in the conduct
9 thereof is found, for the purpose of inspecting the same. Upon suspen-
10 sion or revocation of any license or upon declaration of ineligibility
11 to apply for a license, the commission may suspend or revoke the iden-
12 tification number issued pursuant to section fifteen hundred fifty-three
13 of this title. An agent of the appropriate municipal officer or depart-
14 ment shall make an on-site inspection during the conduct of all games of
15 chance licensed pursuant to this title.

16 2. A municipality may, by local law or ordinance enacted pursuant to
17 the provisions of section fifteen hundred fifty-two of this title,
18 provide that the powers and duties set forth in subdivision one of this
19 section shall be exercised by the chief law enforcement officer of the
20 county. In the event a municipality exercises this option, the fees
21 provided for by subdivision two of section fifteen hundred sixty-seven
22 of this title shall be remitted to the chief fiscal officer of the coun-
23 ty.

24 3. Service of alcoholic beverages. Subject to the applicable
25 provisions of the alcoholic beverage control law, beer may be offered
26 for sale during the conduct of games of chance on games of chance prem-
27 ises as such premises are defined in section fifteen hundred of this
28 article; provided, however, that nothing herein shall be construed to
29 limit the offering for sale of any other alcoholic beverage in areas
30 other than the games of chance premises or the sale of any other alco-
31 holic beverage in premises where only the games of chance known as bell
32 jars or raffles are conducted.

33 § 1564. Frequency of games. 1. No game or games of chance shall be
34 conducted under any license issued under this title more often than
35 twelve times in any calendar year. No particular premises shall be used
36 for the conduct of games of chance on more than twenty-four license
37 periods during any one calendar year.

38 2. Games of chance other than bell jars and raffles may be conducted
39 at any time, unless the games of chance license provides otherwise. No
40 license may restrict the times in which bell jars or raffles are
41 conducted, subject to the limitations on the license period for such
42 games set forth in subdivision eighteen of section fifteen hundred of
43 this article.

44 § 1565. Persons operating games; equipment; expenses; compensation. 1.
45 No person shall operate any game of chance under any license issued
46 under this title except a bona fide member of the authorized organiza-
47 tion to which the license is issued, or a bona fide member of an organ-
48 ization or association that is an auxiliary to the licensee or a bona
49 fide member of an organization or association of which such licensee is
50 an auxiliary or a bona fide member of an organization or association
51 that is affiliated with the licensee by being, with it, auxiliary to
52 another organization or association. Nothing herein shall be construed
53 to limit the number of games of chance licensees for whom such persons
54 may operate games of chance nor to prevent non-members from assisting
55 the licensee in any activity other than managing or operating games. For
56 the purpose of the sale of tickets for the game of raffle, the term

1 "operate" shall not include the sale of such tickets by persons of
2 lineal or collateral consanguinity to members of an authorized organiza-
3 tion licensed to conduct a raffle.

4 2. No game of chance shall be conducted with any equipment except such
5 as shall be owned or leased by the authorized organization so licensed
6 or used without payment of any compensation therefor by the licensee.
7 However, in no event shall bell jar tickets be transferred from one
8 authorized organization to another, with or without payment of any
9 compensation thereof.

10 3. The head or heads of the authorized organization shall upon request
11 certify, under oath, that the persons operating any game of chance are
12 bona fide members of such authorized organization, auxiliary or affil-
13 iated organization.

14 4. Upon request by a municipal officer or the department any such
15 person involved in such games of chance shall certify that he or she has
16 no criminal record or shall disclose previous criminal offenses for
17 consideration of the factors set forth in section seven hundred fifty-
18 three of the correction law.

19 5. No items of expense shall be incurred or paid in connection with
20 the conducting of any game of chance pursuant to any license issued
21 under this title except those that are reasonable and are necessarily
22 expended for games of chance supplies and equipment, prizes, security
23 personnel, stated rental, if any, bookkeeping or accounting services
24 according to a schedule of compensation prescribed by the commission,
25 janitorial services and utility supplies if any, and license fees, and
26 the cost of bus transportation, if authorized by such clerk or depart-
27 ment.

28 6. No commission, salary, compensation, reward or recompense shall be
29 paid or given to any person for the sale or assisting with the sale of
30 raffle tickets.

31 § 1566. Charge for admission and participation; amount of prizes;
32 award of prizes. 1. A fee may be charged by any licensee for admission
33 to any game or games of chance conducted under any license issued under
34 this title. The clerk or department may in its discretion fix a minimum
35 fee.

36 2. With the exception of bell jars, coin boards, seal cards, merchan-
37 dise boards and raffles, every winner shall be determined and every
38 prize shall be awarded and delivered within the same calendar day as
39 that upon which the game was played.

40 3. A player may purchase a chance with cash or, if the authorized
41 organization wishes, with a personal check, credit card or debit card.

42 § 1567. Statement of receipts and expenses; additional license fees.

43 1. Within seven days after the conclusion of any license period other
44 than a license period for a raffle, or as otherwise prescribed by the
45 commission, the authorized organization that conducted the same, and its
46 members who were in charge thereof, and when applicable the authorized
47 games of chance lessor that rented its premises therefor, shall each
48 furnish to the clerk or department a statement subscribed by the member
49 in charge and affirmed by him or her as true, under the penalties of
50 perjury, showing the amount of the gross receipts derived therefrom and
51 each item of expense incurred, or paid, and each item of expenditure
52 made or to be made other than prizes, the name and address of each
53 person to whom each such item of expense has been paid, or is to be
54 paid, with a detailed description of the merchandise purchased or the
55 services rendered therefor, the net proceeds derived from the conduct of
56 games of chance during such license period, and the use to which such

1 proceeds have been or are to be applied. It shall be the duty of each
2 licensee to maintain and keep such books and records as may be necessary
3 to substantiate the particulars of each such statement.

4 2. Within thirty days after the conclusion of an occasion during which
5 a raffle was conducted, the authorized organization conducting such
6 raffle and the members in charge of such raffle, and, when applicable,
7 the authorized games of chance lessor that rented its premises therefor,
8 shall each furnish to the clerk or department a statement on a form
9 prescribed by the commission, subscribed by the member in charge and
10 affirmed by him or her as true, under the penalties of perjury, showing:

11 (a) the number of tickets printed;

12 (b) the number of tickets sold;

13 (c) the price and the number of tickets returned to or retained by the
14 authorized organization as unsold;

15 (d) a description and statement of the fair market value for each
16 prize actually awarded;

17 (e) the amount of the gross receipts derived therefrom;

18 (f) each item of expenditure made or to be made other than prizes;

19 (g) the name and address of each person to whom each such item of
20 expense has been paid, or is to be paid;

21 (h) a detailed description of the merchandise purchased or the
22 services rendered therefor;

23 (i) the net proceeds derived from the raffle at such occasion; and

24 (j) the use to which the proceeds have been or are to be applied. It
25 shall be the duty of each licensee to maintain and keep such books and
26 records as may be necessary to substantiate the particulars of each such
27 statement, provided, however, where the cumulative net proceeds or net
28 profits derived from the conduct of a raffle or raffles are less than
29 thirty thousand dollars during any one occasion, in such case, the
30 reporting requirement shall be satisfied by the filing within thirty
31 days of the conclusion of such occasion a verified statement prescribed
32 by the commission attesting to the amount of such net proceeds or net
33 profits and the distribution thereof for lawful purposes with the clerk
34 or department and a copy with the commission, and provided further,
35 however, where the cumulative net proceeds derived from the conduct of a
36 raffle or raffles are less than five thousand dollars during any one
37 occasion and less than thirty thousand dollars during one calendar year,
38 no reporting shall be required.

39 3. Any authorized organization required to file an annual report with
40 the secretary of state pursuant to article seven-A of the executive law
41 or the attorney general pursuant to article eight of the estates, powers
42 and trusts law shall include with such annual report a copy of the
43 statement required to be filed with the clerk or department pursuant to
44 subdivision one or two of this section.

45 4. Upon the filing of such statement of receipts pursuant to subdivi-
46 sion one or two of this section, the authorized organization furnishing
47 the same shall pay to the clerk or department as and for an additional
48 license fee a sum based upon the reported net proceeds, if any, for the
49 license period, or in the case of raffles, for the occasion covered by
50 such statement and determined in accordance with such schedule as shall
51 be established from time to time by the commission to defray the actual
52 cost to municipalities or counties of administering the provisions of
53 this title, but such additional license fee shall not exceed five
54 percent of the net proceeds for such license period. The provisions of
55 this subdivision shall not apply to the net proceeds from the sale of
56 bell jar tickets. No fee shall be required where the net proceeds or net

1 profits derived from the conduct of a raffle or raffles are less than
2 thirty thousand dollars during any one occasion.

3 § 1568. Examination of books and records; examination of officers and
4 employees; disclosure of information. The clerk or department and the
5 commission shall have power to examine or cause to be examined the books
6 and records of:

7 1. any authorized organization that is or has been licensed to conduct
8 games of chance, so far as they may relate to games of chance, including
9 the maintenance, control and disposition of net proceeds derived from
10 games of chance or from the use of its premises for games of chance, and
11 to examine any manager, officer, director, agent, member or employee
12 thereof under oath in relation to the conduct of any such game under any
13 such license, the use of its premises for games of chance, or the dispo-
14 sition of net proceeds derived from games of chance, as the case may be;
15 or

16 2. any authorized games of chance lessor, so far as such books and
17 records may relate to leasing premises for games of chance, and to exam-
18 ine such lessor or any manager, officer, director, agent or employee
19 thereof under oath in relation to such leasing. Any information so
20 received shall not be disclosed except so far as may be necessary for
21 the purpose of carrying out the provisions of this title.

22 § 1569. Appeals for the decision of a municipal officer, clerk or
23 department to the commission. Any applicant for, or holder of, any
24 license issued or to be issued under this title aggrieved by any action
25 of a municipal officer, clerk or department, to which such application
26 has been made or by which such license has been issued, may appeal to
27 the commission from the determination of said municipal officer, clerk
28 or department by filing with such municipal officer, clerk or department
29 a written notice of appeal within thirty days after the determination or
30 action appealed from, and upon the hearing of such appeal, the evidence,
31 if any, taken before such municipal officer, clerk or department and any
32 additional evidence may be produced and shall be considered in arriving
33 at a determination of the matters in issue, and the action of the
34 commission upon said appeal shall be binding upon such municipal offi-
35 cer, clerk or department and all parties to said appeal.

36 § 1570. Exemption from prosecution. No person, firm, partnership,
37 corporation or organization lawfully conducting, or participating in the
38 conduct of, games of chance, or permitting the conduct upon any premises
39 owned or leased by him, her or it under any license lawfully issued
40 pursuant to this title, shall be liable to prosecution or conviction for
41 violation of any provision of article two hundred twenty-five of the
42 penal law or any other law or ordinance to the extent that such conduct
43 is specifically authorized by this title, but this immunity shall not
44 extend to any person or corporation knowingly conducting or participat-
45 ing in the conduct of games of chance under any license obtained by any
46 false pretense or by any false statement made in any application for
47 license or otherwise, or permitting the conduct upon any premises owned
48 or leased by him, her or it of any game of chance conducted under any
49 license known to him, her or it to have been obtained by any such false
50 pretense or statement.

51 § 1571. Offenses; forfeiture of license; ineligibility to apply for
52 license. Any person, firm, partnership, corporation or organization who
53 or that shall:

54 1. make any material false statement in any application for any
55 license authorized to be issued under this title;

1 2. pay or receive, for the use of any premises for conducting games of
2 chance, a rental in excess of the amount specified as the permissible
3 rent in the license provided for in subdivision three of section fifteen
4 hundred sixty-two of this title;

5 3. fail to keep such books and records as shall fully and truly record
6 all transactions connected with the conducting of games of chance or the
7 leasing of premises to be used for the conduct of games of chance;

8 4. falsify or make any false entry in any books or records so far as
9 they relate in any manner to the conduct of games of chance, to the
10 disposition of the proceeds thereof and to the application of the rents
11 received by any authorized organization;

12 5. divert or pay any portion of the net proceeds of any game of chance
13 to any person, firm, partnership, corporation, except in furtherance of
14 one or more of the lawful purposes defined in this title; shall be guilty
15 of a misdemeanor and shall forfeit any license issued under this
16 title and be ineligible to apply for a license under this title for at
17 least one year thereafter.

18 § 1572. Unlawful games of chance. 1. Any person, association, corpo-
19 ration or organization holding, operating or conducting a game or games
20 of chance is guilty of a misdemeanor, except when operating, holding or
21 conducting:

22 (a) in accordance with a valid license issued pursuant to this title;

23 (b) on behalf of a bona fide organization of persons sixty years of
24 age or over, commonly referred to as senior citizens, solely for the
25 purpose of amusement and recreation of its members where:

26 (1) the organization has applied for and received an identification
27 number from the commission;

28 (2) no player or other person furnishes anything of value for the
29 opportunity to participate;

30 (3) the prizes awarded or to be awarded are nominal;

31 (4) no person other than a bona fide active member of the organization
32 participates in the conduct of the games; and

33 (5) no person is paid for conducting or assisting in the conduct of
34 the game or games; or

35 (c) a raffle pursuant to section fifteen hundred fifty-nine of this
36 title.

37 2. The provisions of this section shall apply to all municipalities
38 within this state, including those municipalities where this title is
39 inoperative.

40 § 1573. Title inoperative until adopted by voters. Except as provided
41 in section fifteen hundred seventy-two of this title, the provisions of
42 this title shall remain inoperative in any municipality unless and until
43 a proposition therefor submitted at a general or special election in
44 such municipality shall be approved by a vote of the majority of the
45 qualified electors in such municipality voting thereon.

46 § 1574. Amendment and repeal of local laws and ordinances. Any such
47 local law or ordinance may be amended, from time to time, or repealed by
48 the common council or other local legislative body of the municipality
49 that enacted it, by a two-thirds vote of such legislative body and such
50 amendment or repeal, as the case may be, may be made effective and oper-
51 ative not earlier than thirty days following the effective date of the
52 local law or ordinance effecting such amendment or repeal, as the case
53 may be, and the approval of a majority of the electors of such munici-
54 pality shall not be a condition prerequisite to the taking effect of
55 such local law or ordinance.

1 § 1575. Manufacturers of bell jars; reports and records. 1. Distrib-
2 ution; manufacturers. For business conducted in this state, manufactur-
3 ers licensed by the commission to sell bell jar tickets shall sell such
4 tickets only to distributors licensed by the commission. Manufacturers
5 of bell jar tickets, seal cards, merchandise boards and coin boards may
6 submit samples, artists' renderings or color photocopies of proposed
7 bell jar tickets, seal cards, merchandise boards, coin boards, payout
8 cards and flares for review and approval by the commission. Within thir-
9 ty days of receipt of such sample or rendering, the commission shall
10 approve or deny such bell jar tickets. Following approval of a rendering
11 of a bell jar ticket, seal card, merchandise board or coin board by the
12 commission, the manufacturer shall submit to the commission a sample of
13 the printed bell jar ticket, seal card, merchandise board, coin board,
14 payout card and flare for such game. Such sample shall be submitted
15 prior to the sale of the game to any licensed distributor for resale in
16 this state. For coin boards and merchandise boards, nothing herein shall
17 require the submittal of actual coins or merchandise as part of the
18 approval process. Any licensed manufacturer who willfully violates the
19 provisions of this section shall:

20 (a) upon such first offense, have its license suspended for a period
21 of thirty days;

22 (b) upon such second offense, participate in a hearing to be conducted
23 by the commission, and surrender its license for such period as recom-
24 mended by the commission; and

25 (c) upon such third or subsequent offense, have its license suspended
26 for a period of one year and shall be guilty of a class E felony. Any
27 unlicensed manufacturer who violates the provisions of this section
28 shall be guilty of a class E felony.

29 1-a. Approval of bell jar vending machines. No manufacturer of bell
30 jar vending machines shall sell, lease, or otherwise distribute such
31 vending machines to an authorized distributor for sale or lease to an
32 authorized organization or permit its vending machines to be sold,
33 leased, or other distributed to an authorized distributor or authorized
34 organization until such manufacturer has been issued a license by the
35 commission and until such vending machine has been approved by the
36 commission, pursuant to regulations adopted by the commission, provided
37 such vending machine contains identical functionality as the vending
38 machine approved by the commission. An application for a license or a
39 renewal of such license shall be accompanied by a fee of one thousand
40 dollars and shall be made on forms prescribed by the commission. A
41 license shall be valid for a period of one year from the date of iss-
42 ance.

43 2. Bar codes. The manufacturer shall affix to the flare of each bell
44 jar game a bar code that provides all information prescribed by the
45 commission and shall require that the bar code include the serial number
46 of the game the flare describes. A manufacturer shall also affix to the
47 outside of the container or wrapping containing a deal of bell jar tick-
48 ets a bar code providing all information prescribed by the commission
49 and containing the same information as the bar code affixed to the
50 flare. The commission may also prescribe additional bar code require-
51 ments. No person may alter the bar code that appears on the flare or on
52 the outside of the container or wrapping containing a deal of bell jar
53 tickets. Possession of a deal of bell jar tickets that has a bar code
54 different from the serial number of the deal inside the container or
55 wrapping as evidenced on the flare is prima facie evidence that the
56 possessor has altered the bar code on the container or wrapping.

1 3. Bell jar flares. (a) A manufacturer shall not ship or cause to be
2 shipped into this state any deal of bell jar tickets that does not have
3 its own individual flare as required for that deal by rule of the
4 commission. A person other than a licensed manufacturer shall not manu-
5 facture, alter, modify or otherwise change a flare for a deal of bell
6 jar tickets except as authorized by this title or rules and regulations
7 promulgated by the commission.

8 (b) The flare for each deal of bell jar tickets sold by a manufacturer
9 in this state shall be placed inside the wrapping of the deal that the
10 flare describes.

11 (c) The bar code affixed to the flare of each bell jar game shall bear
12 the serial number of such game as prescribed by the commission.

13 (d) The flare of each bell jar game shall have affixed a bar code that
14 provides:

15 (1) the game code;

16 (2) the serial number of the game;

17 (3) the name of the manufacturer; and

18 (4) other information the commission by rule may require.

19 The serial number included on the bar code shall be the same as the
20 serial number of the tickets included in the deal. A manufacturer who
21 manufactures a deal of bell jar tickets shall affix to the outside of
22 the container or wrapping containing the bell jar tickets the same bar
23 code that is affixed to the flare for that deal.

24 (e) No person shall alter the bar code that appears on the outside of
25 a container or wrapping containing a deal of bell jar tickets.
26 Possession of a deal of bell jar tickets that has a bar code different
27 from the bar code of the deal inside the container or wrapping is prima
28 facie evidence that the possessor has altered the bar code on the box.

29 4. Reports of sales. A manufacturer who sells bell jar tickets for
30 resale in this state shall file with the commission, on a form
31 prescribed by the commission, a report of all bell jar tickets sold to
32 distributors in the state. The report shall be filed quarterly on or
33 before the twentieth day of the month succeeding the end of the quarter
34 in which the sale was made. The commission may require that the report
35 be submitted via electronic media or electronic data transfer.

36 5. Inspection. The commission may inspect the premises, books,
37 records, and inventory of a manufacturer without notice during the
38 normal business hours of the manufacturer.

39 § 1576. Distributor of bell jars; reports and records. 1. Distrib-
40 ution; distributors. Any distributor licensed in accordance with section
41 fifteen hundred fifty-five of this title to distribute bell jar tickets
42 shall purchase bell jar tickets only from licensed manufacturers and may
43 manufacture coin boards and merchandise boards only as authorized in
44 subdivision two of this section. Licensed distributors of bell jar tick-
45 ets shall sell such tickets only to not-for-profit, charitable or reli-
46 gious organizations registered by the commission. Any licensed distribu-
47 tor who willfully violates the provisions of this section shall:

48 (a) upon such first offense, have its license suspended for a period
49 of thirty days;

50 (b) upon such second offense, participate in a hearing to be conducted
51 by the commission, and surrender its license for such period as recom-
52 ended by the commission; and

53 (c) upon such third or subsequent offense, have its license suspended
54 for a period of one year and shall be guilty of a class E felony. Any
55 unlicensed distributor who violates this section shall be guilty of a
56 class E felony.

2. Coin boards and merchandise boards. Distributors of bell jar tickets may manufacture coin boards and merchandise boards only if such boards have been approved by the commission and have a bar code affixed to them setting forth all information required by the commission. Except that for coin boards and merchandise boards, delineation of the prize or prize value need not be included on the game ticket sold in conjunction with a coin board or merchandise board. In lieu of such requirement, the distributor shall be required to disclose the prize levels and the number of winners at each level and shall print clearly on the game ticket that a ticket holder may obtain the prize and prize value for each prize level by referencing the flare. Such coin boards shall be sold only by licensed distributors to licensed authorized organizations registered by the commission in accordance with the provisions of this title.

3. Business records. A distributor shall keep at each place of business complete and accurate records for that place of business, including itemized invoices of bell jar tickets held and purchased. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required, all bell jar tickets on hand and other pertinent papers and documents relating to the purchase, sale or disposition of bell jar tickets as may be required by the commission. Books, records, itemized invoices and other papers and documents required by this section shall be kept for a period of at least four years after the date of the documents, or the date of the entries appearing in the records, unless the commission authorizes in writing their destruction or disposal at an earlier date. A person who violates this section shall be guilty of a misdemeanor.

4. Sales records. A distributor shall maintain a record of all bell jar tickets that it sells. The record shall include, but need not be limited to:

(a) the identity of the manufacturer from whom the distributor purchased the product;

(b) the serial number of the product;

(c) the name, address and license or exempt permit number of the organization or person to which the sale was made;

(d) the date of the sale;

(e) the name of the person who ordered the product;

(f) the name of the person who received the product;

(g) the type of product;

(h) the serial number of the product;

(i) the account number identifying the sale from the manufacturer to distributor and the account number identifying the sale from the distributor to the licensed organization; and

(j) the name, form number or other identifying information for each game.

5. Invoices. A distributor shall supply with each sale of a bell jar product an itemized invoice showing:

(a) the distributor's name and address;

(b) the purchaser's name, address, and license number;

(c) the date of the sale;

(d) the account number identifying the sale from the manufacturer to distributor;

(e) the account number identifying the sale from the distributor to the licensed organization; and

1 (f) the description of the deals, including the form number, the seri-
2 al number and the ideal gross from every deal of bell jar or similar
3 game.

4 6. Reports. A distributor shall report quarterly to the commission, on
5 a form prescribed by the commission, its sales of each type of bell jar
6 deal or tickets. This report shall be filed quarterly on or before the
7 twentieth day of the month succeeding the end of the quarter in which
8 the sale was made. The commission may require that a distributor submit
9 the quarterly report and invoices required by this section via electron-
10 ic media or electronic data transfer.

11 7. The commission may inspect the premises, books, records and inven-
12 tory of a distributor without notice during the normal business hours of
13 the distributor.

14 8. Certified physical inventory. The commission may, upon request,
15 require a distributor to furnish a certified physical inventory of all
16 bell jar tickets in stock. The inventory shall contain the information
17 requested by the commission.

18 § 1577. Transfer restrictions. Not-for-profit, charitable or religious
19 organizations authorized to sell bell jar tickets in accordance with
20 this title shall purchase bell jar tickets only from distributors
21 licensed by the commission. No not-for-profit, charitable or religious
22 organization shall sell, donate or otherwise transfer bell jar tickets
23 to any other not-for-profit, charitable or religious organization.

24 § 1578. Bell jars compliance and enforcement. 1. In the case of bell
25 jars, the licensee, upon filing financial statements of bell jar oper-
26 ations, shall also tender to the commission a sum in the amount of five
27 percent of the net proceeds from the sale of bell jar tickets, seal
28 cards, merchandise boards and coin boards, if any, for that portion of
29 license period covered by such statement.

30 2. Unsold tickets of the bell jar deal shall be kept on file by the
31 selling organization for inspection by the commission for a period of
32 one year following the date upon which the relevant financial statement
33 was received by the commission.

34 3. One-half of one percent of the fee set forth in subdivision one of
35 this section received from authorized volunteer fire companies shall be
36 paid to the New York state emergency services revolving loan account
37 established pursuant to section ninety-seven-pp of the state finance
38 law.

39 4. The commission shall submit to the director of the division of the
40 budget an annual plan that details the amount of money the commission
41 deems necessary to maintain operations, compliance and enforcement of
42 the provisions of this title and the collection of the license fee
43 authorized by this section. Contingent upon the approval of the direc-
44 tor of the division of the budget, the commission shall pay into an
45 account, to be known as the bell jar collection account, under the joint
46 custody of the comptroller and the commission, the total amount of
47 license fees collected pursuant to this section. With the approval of
48 the director of the division of the budget, monies to be used to main-
49 tain the operations necessary to enforce the provisions of this title
50 and the collection of the license fee imposed by this section shall be
51 paid out of such account on the audit and warrant of the comptroller on
52 vouchers certified or approved by the director of the division of the
53 budget or the director's duly designated official. Those monies that are
54 not used to maintain operations necessary to enforce the provisions of
55 this title and the collection of the license fee authorized by this

1 section shall be paid out of such amount on the audit and warrant of the
2 state comptroller and shall be credited to the general fund.

3 5. (a) Within five business days after the sale, lease, or distrib-
4 ution of a bell jar vending machine to an authorized organization, a
5 distributor shall provide the commission with a copy of the invoice
6 which shows: (i) the name and address of the authorized organization;
7 (ii) the date of sale, lease, or distribution; (iii) the serial number
8 of each such vending machine; and (iv) such other information as the
9 commission may, by regulation, direct.

10 (b) An authorized organization may only operate bell jar vending
11 machines on premises that it owns or leases.

12 (c) Each bell jar vending machine shall generate such reports and such
13 other information that the commission may direct, by regulation, which
14 allows the commission to determine that the vending machine is operating
15 in accordance with law.

16 (d) Notwithstanding the provisions of subdivision one of this section,
17 the monthly fee to be paid to the commission for operating each bell jar
18 vending machine shall be five percent of the net proceeds from each bell
19 jar vending machine during the preceding month. Net proceeds shall be
20 defined by paragraph (b) of subdivision twenty-three of section fifteen
21 hundred of this article.

22 § 3. Section 129 of the racing, pari-mutuel wagering and breeding law,
23 as added by section 1 of part A of chapter 60 of the laws of 2012, is
24 amended to read as follows:

25 § 129. Construction of other laws or provisions. Unless the context
26 ~~[shall require]~~ requires otherwise, the terms "division of the lottery",
27 "state quarter horse racing commission", "state racing commission",
28 "state harness racing commission", "state racing and wagering board" or
29 "board" wherever occurring in any of the provisions of this chapter or
30 of any other law, or, in any official books, records, instruments, rules
31 or papers, shall hereafter mean and refer to the state gaming commission
32 created by section one hundred two of this article. The provisions of
33 article three of this chapter shall be inapplicable to article two of
34 this chapter; and the provisions of such article two shall be inapplica-
35 ble to such article three, except that section two hundred thirty-one of
36 such article two shall apply to such article three. Unless the context
37 requires otherwise, any reference to "article 19-B of the executive law"
38 wherever occurring in any law, or, in any official books, records,
39 instruments, rules or papers, shall hereafter mean and refer to titles
40 one and two of article fifteen of this chapter. Unless the context
41 requires otherwise, any reference to "article 14-H of the general munic-
42 ipal law" wherever occurring in any law, or, in any official books,
43 records, instruments, rules or papers, shall hereafter mean and refer to
44 titles one and three of article fifteen of this chapter. Unless the
45 context requires otherwise, any reference to "article 9-A of the general
46 municipal law" wherever occurring in any law, or, in any official books,
47 records, instruments, rules or papers, shall hereafter mean and refer to
48 titles one and four of article fifteen of this chapter.

49 § 4. Paragraph (b) of subdivision 2 of section 103 of the racing,
50 pari-mutuel wagering and breeding law, as added by section 1 of part A
51 of chapter 60 of the laws of 2012, is amended as follows:

52 (b) Charitable gaming. The division of charitable gaming shall be
53 responsible for the supervision and administration of the games of
54 chance licensing law, bingo licensing law and bingo control law as
55 prescribed by ~~[articles nine-A and fourteen-H of the general municipal~~

~~law and nineteen B of the executive law]~~ article fifteen of this chapter.

§ 5. Subdivision 1 and paragraph (b) of subdivision 3 of section 151 of the social services law, subdivision 1 as amended and paragraph (b) of subdivision 3 as added by section 2 of part F of chapter 58 of the laws of 2014, are amended to read as follows:

1. Unauthorized transactions. Except as otherwise provided in subdivision two of this section, no person, firm, establishment, entity, or corporation (a) licensed under the provisions of the alcoholic beverage control law to sell liquor and/or wine at retail for off-premises consumption; (b) licensed to sell beer at wholesale and also authorized to sell beer at retail for off-premises consumption; (c) licensed or authorized to conduct pari-mutuel wagering activity under the racing, pari-mutuel wagering and breeding law; (d) licensed to participate in charitable gaming under ~~[article fourteen H of the general municipal]~~ title three of article fifteen of the racing, pari-mutuel wagering and breeding law; (e) licensed to participate in the operation of a video lottery facility under section one thousand six hundred seventeen-a of the tax law; (f) licensed to operate a gaming facility under section ~~[one thousand three]~~ thirteen hundred eleven of the racing, pari-mutuel wagering and breeding law; or (g) providing adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment, or making available the venue in which performers disrobe or perform in an unclothed state for entertainment, shall cash or accept any public assistance check or electronic benefit transfer device issued by a public welfare official or department, or agent thereof, as and for public assistance.

(b) A violation of the provisions of subdivision one of this section by any person, corporation or entity licensed to operate a gaming facility under section one thousand three hundred eleven of the racing, pari-mutuel wagering and breeding law; licensed under section one thousand six hundred seventeen-a of the tax law to participate in the operation of a video lottery facility; licensed or authorized to conduct pari-mutuel wagering under the racing, pari-mutuel wagering and breeding law; or licensed to participate in charitable gaming under ~~[article fourteen H of the general municipal]~~ title three of article fifteen of the racing, pari-mutuel wagering and breeding law, shall subject such person, corporation or entity to disciplinary action pursuant to section one hundred four of the racing, pari-mutuel wagering and breeding law and section one thousand six hundred seven of the tax law, which may include revocation, cancellation or suspension of such license or authorization.

§ 6. Paragraph 3 of subdivision (c) of section 290 of the tax law, as amended by chapter 547 of the laws of 1987, is amended to read as follows:

(3) Any income derived from the conduct of games of chance or from rental of premises for the conduct of games of chance pursuant to a license granted under title four of article ~~[nine-A of the general municipal]~~ fifteen of the racing, pari-mutuel wagering and breeding law shall not be subject to tax under this article.

§ 7. This act shall take effect on the ninetieth day after it shall have become a law.

1 Section 1. Subdivision 1 of section 207 of the racing, pari-mutuel
2 wagering and breeding law is REPEALED and a new subdivision 1 is added
3 to read as follows:

4 1. a. The board of directors, to be called the New York racing associ-
5 ation board, shall consist of fifteen members, eight of whom shall be
6 elected by the executive committee of the New York racing association
7 reorganization board of which at least one shall be a full time resident
8 of each of Nassau, Queens and Saratoga counties, one shall be the chief
9 executive officer of the New York racing association, two shall be
10 appointed by the governor, one shall be appointed by the temporary pres-
11 ident of the senate, one shall be appointed by the speaker of the assem-
12 bly, one shall be appointed by the New York Thoroughbred Breeders Inc.
13 provided that a current board member of the New York racing association
14 shall serve on the board of directors of the New York Thoroughbred
15 Breeders Inc., and one shall be appointed by the New York thoroughbred
16 horsemen's association (or such other entity as is certified and
17 approved pursuant to section two hundred twenty-eight of this article)
18 provided that a current board member of the New York racing association
19 shall serve on the board of directors of the New York thoroughbred
20 horsemen's association (or such other entity as is certified and
21 approved pursuant to section two hundred twenty-eight of this article).

22 (i) The governor shall nominate a member to serve as the first chair,
23 subject to confirmation by majority vote of the board of directors. All
24 members shall have equal voting rights.

25 (ii) In the event of a member vacancy occurring by death, resignation
26 or otherwise, the respective appointing officer or officers shall
27 appoint a successor who shall hold office for the unexpired portion of
28 the term. A vacancy from the members appointed from the present board of
29 the New York racing association reorganization board, shall be filled by
30 the remaining such members.

31 (iii) Each board member, other than the chief executive officer of the
32 New York racing association, shall serve a term of three years. However,
33 the first terms of five of the members elected by the executive commit-
34 tee of the New York racing association reorganization board shall expire
35 December thirty-first, two thousand eighteen; the first terms of the
36 remaining three members elected by the executive committee of the New
37 York racing association reorganization board, the member appointed by
38 the New York Thoroughbred Breeders Inc., and the member appointed by the
39 New York thoroughbred horsemen's association shall expire December thir-
40 ty-first, two thousand nineteen; and the first terms of the members
41 appointed by the governor, temporary president of the senate and speaker
42 of the assembly shall expire December thirty-first, two thousand twenty.

43 b. The franchised corporation shall establish a compensation committee
44 to fix salary guidelines, such guidelines to be consistent with an oper-
45 ation of other first class thoroughbred racing operations in the United
46 States; an equine safety committee, to review industry best practices to
47 improve the safety of horses racing at each of the three racetracks; a
48 finance committee, to review annual operating and capital budgets for
49 each of the three racetracks; a nominating committee, to nominate any
50 new directors to be designated by the franchised corporation to replace
51 its existing directors; a racing committee, to review industry best
52 practices to improve the quality of racing at the three racetracks; and
53 an executive committee. Each of the compensation, finance, nominating
54 and executive committees shall include at least one of the directors
55 appointed by the governor, and the executive committee shall include the

1 director appointed by the temporary president of the senate and the
2 director appointed by the speaker of the assembly.

3 c. Upon the effective date of this paragraph, the structure of the
4 board of the franchised corporation shall be deemed to be incorporated
5 within and made part of the certificate of incorporation of the fran-
6 chised corporation, and no amendment to such certificate of incorpo-
7 ration shall be necessary to give effect to any such provision, and any
8 provision contained within such certificate inconsistent in any manner
9 shall be superseded by the provisions of this section. Such board shall,
10 however, make appropriate conforming changes to all governing documents
11 of the franchised corporation including but not limited to corporate
12 by-laws. Following such conforming changes, amendments to the by-laws of
13 the franchised corporation shall only be made by unanimous vote of the
14 board.

15 § 2. This act shall take effect upon the appointment of a majority of
16 board members; provided, further, that the state franchise oversight
17 board shall notify the legislative bill drafting commission upon the
18 occurrence of such appointments in order that the commission may main-
19 tain an accurate and timely effective data base of the official text of
20 the laws of the state of New York in furtherance of effectuating the
21 provisions of section 44 of the legislative law and section 70-b of the
22 public officers law.

23 PART 00

24 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
25 racing, pari-mutuel wagering and breeding law, as amended by section 1
26 of part FF of chapter 60 of the laws of 2016, is amended to read as
27 follows:

28 (a) Any racing association or corporation or regional off-track
29 betting corporation, authorized to conduct pari-mutuel wagering under
30 this chapter, desiring to display the simulcast of horse races on which
31 pari-mutuel betting shall be permitted in the manner and subject to the
32 conditions provided for in this article may apply to the commission for
33 a license so to do. Applications for licenses shall be in such form as
34 may be prescribed by the commission and shall contain such information
35 or other material or evidence as the commission may require. No license
36 shall be issued by the commission authorizing the simulcast transmission
37 of thoroughbred races from a track located in Suffolk county. The fee
38 for such licenses shall be five hundred dollars per simulcast facility
39 and for account wagering licensees that do not operate either a simul-
40 cast facility that is open to the public within the state of New York or
41 a licensed racetrack within the state, twenty thousand dollars per year
42 payable by the licensee to the commission for deposit into the general
43 fund. Except as provided in this section, the commission shall not
44 approve any application to conduct simulcasting into individual or group
45 residences, homes or other areas for the purposes of or in connection
46 with pari-mutuel wagering. The commission may approve simulcasting into
47 residences, homes or other areas to be conducted jointly by one or more
48 regional off-track betting corporations and one or more of the follow-
49 ing: a franchised corporation, thoroughbred racing corporation or a
50 harness racing corporation or association; provided (i) the simulcasting
51 consists only of those races on which pari-mutuel betting is authorized
52 by this chapter at one or more simulcast facilities for each of the
53 contracting off-track betting corporations which shall include wagers
54 made in accordance with section one thousand fifteen, one thousand

1 sixteen and one thousand seventeen of this article; provided further
2 that the contract provisions or other simulcast arrangements for such
3 simulcast facility shall be no less favorable than those in effect on
4 January first, two thousand five; (ii) that each off-track betting
5 corporation having within its geographic boundaries such residences,
6 homes or other areas technically capable of receiving the simulcast
7 signal shall be a contracting party; (iii) the distribution of revenues
8 shall be subject to contractual agreement of the parties except that
9 statutory payments to non-contracting parties, if any, may not be
10 reduced; provided, however, that nothing herein to the contrary shall
11 prevent a track from televising its races on an irregular basis primari-
12 ly for promotional or marketing purposes as found by the commission. For
13 purposes of this paragraph, the provisions of section one thousand thir-
14 teen of this article shall not apply. Any agreement authorizing an
15 in-home simulcasting experiment commencing prior to May fifteenth, nine-
16 teen hundred ninety-five, may, and all its terms, be extended until June
17 thirtieth, two thousand [~~seventeen~~ eighteen]; provided, however, that
18 any party to such agreement may elect to terminate such agreement upon
19 conveying written notice to all other parties of such agreement at least
20 forty-five days prior to the effective date of the termination, via
21 registered mail. Any party to an agreement receiving such notice of an
22 intent to terminate, may request the commission to mediate between the
23 parties new terms and conditions in a replacement agreement between the
24 parties as will permit continuation of an in-home experiment until June
25 thirtieth, two thousand [~~seventeen~~ eighteen]; and (iv) no in-home simul-
26 casting in the thoroughbred special betting district shall occur without
27 the approval of the regional thoroughbred track.

28 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
29 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
30 section 2 of part FF of chapter 60 of the laws of 2016, is amended to
31 read as follows:

32 (iii) Of the sums retained by a receiving track located in Westchester
33 county on races received from a franchised corporation, for the period
34 commencing January first, two thousand eight and continuing through June
35 thirtieth, two thousand [~~seventeen~~ eighteen], the amount used exclusive-
36 ly for purses to be awarded at races conducted by such receiving track
37 shall be computed as follows: of the sums so retained, two and one-half
38 percent of the total pools. Such amount shall be increased or decreased
39 in the amount of fifty percent of the difference in total commissions
40 determined by comparing the total commissions available after July twen-
41 ty-first, nineteen hundred ninety-five to the total commissions that
42 would have been available to such track prior to July twenty-first,
43 nineteen hundred ninety-five.

44 § 3. The opening paragraph of subdivision 1 of section 1014 of the
45 racing, pari-mutuel wagering and breeding law, as amended by section 3
46 of part FF of chapter 60 of the laws of 2016, is amended to read as
47 follows:

48 The provisions of this section shall govern the simulcasting of races
49 conducted at thoroughbred tracks located in another state or country on
50 any day during which a franchised corporation is conducting a race meet-
51 ing in Saratoga county at Saratoga thoroughbred racetrack until June
52 thirtieth, two thousand [~~seventeen~~ eighteen] and on any day regardless
53 of whether or not a franchised corporation is conducting a race meeting
54 in Saratoga county at Saratoga thoroughbred racetrack after June thirti-
55 eth, two thousand [~~seventeen~~ eighteen]. On any day on which a fran-
56 chised corporation has not scheduled a racing program but a thoroughbred

1 racing corporation located within the state is conducting racing, every
2 off-track betting corporation branch office and every simulcasting
3 facility licensed in accordance with section one thousand seven (that
4 have entered into a written agreement with such facility's represen-
5 tative horsemen's organization, as approved by the commission), one
6 thousand eight, or one thousand nine of this article shall be authorized
7 to accept wagers and display the live simulcast signal from thoroughbred
8 tracks located in another state or foreign country subject to the
9 following provisions:

10 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
11 and breeding law, as amended by section 4 of part FF of chapter 60 of
12 the laws of 2016, is amended to read as follows:

13 1. The provisions of this section shall govern the simulcasting of
14 races conducted at harness tracks located in another state or country
15 during the period July first, nineteen hundred ninety-four through June
16 thirtieth, two thousand [~~seventeen~~] ~~eighteen~~. This section shall super-
17 sede all inconsistent provisions of this chapter.

18 § 5. The opening paragraph of subdivision 1 of section 1016 of the
19 racing, pari-mutuel wagering and breeding law, as amended by section 5
20 of part FF of chapter 60 of the laws of 2016, is amended to read as
21 follows:

22 The provisions of this section shall govern the simulcasting of races
23 conducted at thoroughbred tracks located in another state or country on
24 any day during which a franchised corporation is not conducting a race
25 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
26 thirtieth, two thousand [~~seventeen~~] ~~eighteen~~. Every off-track betting
27 corporation branch office and every simulcasting facility licensed in
28 accordance with section one thousand seven that have entered into a
29 written agreement with such facility's representative horsemen's organ-
30 ization as approved by the commission, one thousand eight or one thou-
31 sand nine of this article shall be authorized to accept wagers and
32 display the live full-card simulcast signal of thoroughbred tracks
33 (which may include quarter horse or mixed meetings provided that all
34 such wagering on such races shall be construed to be thoroughbred races)
35 located in another state or foreign country, subject to the following
36 provisions; provided, however, no such written agreement shall be
37 required of a franchised corporation licensed in accordance with section
38 one thousand seven of this article:

39 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
40 wagering and breeding law, as amended by section 6 of part FF of chapter
41 60 of the laws of 2016, is amended to read as follows:

42 Notwithstanding any other provision of this chapter, for the period
43 July twenty-fifth, two thousand one through September eighth, two thou-
44 sand [~~sixteen~~] ~~seventeen~~, when a franchised corporation is conducting a
45 race meeting within the state at Saratoga Race Course, every off-track
46 betting corporation branch office and every simulcasting facility
47 licensed in accordance with section one thousand seven (that has entered
48 into a written agreement with such facility's representative horsemen's
49 organization as approved by the commission), one thousand eight or one
50 thousand nine of this article shall be authorized to accept wagers and
51 display the live simulcast signal from thoroughbred tracks located in
52 another state, provided that such facility shall accept wagers on races
53 run at all in-state thoroughbred tracks which are conducting racing
54 programs subject to the following provisions; provided, however, no such
55 written agreement shall be required of a franchised corporation licensed
56 in accordance with section one thousand seven of this article.

§ 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, ~~2017~~ 2018; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

§ 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, ~~2017~~ 2018; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

§ 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less an amount which shall be established and retained by such franchised corporation of between twelve to seventeen per centum of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one per centum of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five per centum of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six per centum of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the gaming commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five

dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand ~~seventeen~~ eighteen, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April first, two thousand one through December thirty-first, two thousand ~~seventeen~~ eighteen, such payment shall be seven-tenths of one per centum of such pools.

§ 10. This act shall take effect immediately.

PART PP

Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part EE of chapter 60 of the laws of 2016, is amended to read as follows:

(F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subparagraph, when a vendor track, is located in Sullivan county and within sixty miles from any gaming facility in a contiguous state such vendor fee shall, for a period of ~~nine~~ ten years commencing April first, two thousand eight, be at a rate of forty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, after which time such rate shall be as for all tracks in clause (C) of this subparagraph.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART QQ

Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as separately amended by section 1 of part GG and section 2 of part SS of chapter 60 of the laws of 2016, is amended to read as follows:

1 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
2 this subparagraph, the track operator of a vendor track and in the case
3 of Aqueduct, the video lottery terminal facility operator, shall be
4 eligible for a vendor's capital award of up to four percent of the total
5 revenue wagered at the vendor track after payout for prizes pursuant to
6 this chapter, which shall be used exclusively for capital project
7 investments to improve the facilities of the vendor track which promote
8 or encourage increased attendance at the video lottery gaming facility
9 including, but not limited to hotels, other lodging facilities, enter-
10 tainment facilities, retail facilities, dining facilities, events
11 arenas, parking garages and other improvements that enhance facility
12 amenities; provided that such capital investments shall be approved by
13 the division, in consultation with the [~~state racing and wagering board~~
14 gaming commission], and that such vendor track demonstrates that such
15 capital expenditures will increase patronage at such vendor track's
16 facilities and increase the amount of revenue generated to support state
17 education programs. The annual amount of such vendor's capital awards
18 that a vendor track shall be eligible to receive shall be limited to two
19 million five hundred thousand dollars, except for the vendor track
20 located in Westchester county and Aqueduct racetrack, for which there
21 shall be no annual limit, provided, however, that any such capital award
22 for the Aqueduct video lottery terminal facility operator shall be one
23 percent of the total revenue wagered at the video lottery terminal
24 facility after payout for prizes pursuant to this chapter until the
25 earlier of the designation of one thousand video lottery devices as
26 hosted pursuant to paragraph four of subdivision a of section sixteen
27 hundred seventeen-a of this chapter or April first, two thousand nine-
28 teen and shall then be four percent of the total revenue wagered at the
29 video lottery terminal facility after payout for prizes pursuant to this
30 chapter, provided, further, that such capital award for the Aqueduct
31 video lottery terminal facility operator and the vendor track located in
32 Westchester county shall only be provided pursuant to an agreement with
33 the respective operator to construct an expansion of the facility,
34 hotel, and convention and exhibition space requiring a minimum capital
35 investment of three hundred million dollars for the Aqueduct video
36 lottery terminal facility and one hundred eighty million dollars for the
37 vendor track located in Westchester county. [~~Except for tracks having~~
38 ~~less than one thousand one hundred video gaming machines, and except for~~
39 ~~a vendor track located west of State Route 14 from Sodus Point to the~~
40 ~~Pennsylvania border within New York, and except for Aqueduct racetrack~~
41 ~~each track operator shall be required to co-invest an amount of capital~~
42 ~~expenditure equal to its cumulative vendor's capital award.~~] For all
43 tracks, except for Aqueduct racetrack, the amount of any vendor's capi-
44 tal award that is not used during any one year period may be carried
45 over into subsequent years ending before April first, two thousand
46 [~~seventeen~~] eighteen. Any amount attributable to a capital expenditure
47 approved prior to April first, two thousand [~~seventeen~~] eighteen and
48 completed before April first, two thousand [~~nineteen~~] twenty; or
49 approved prior to April first, two thousand [~~twenty-one~~] twenty-two and
50 completed before April first, two thousand [~~twenty-three~~] twenty-four
51 for a vendor track located west of State Route 14 from Sodus Point to
52 the Pennsylvania border within New York, shall be eligible to receive
53 the vendor's capital award. In the event that a vendor track's capital
54 expenditures, approved by the division prior to April first, two thou-
55 sand [~~seventeen~~] eighteen and completed prior to April first, two thou-
56 sand [~~nineteen~~] twenty, exceed the vendor track's cumulative capital

1 award during the five year period ending April first, two thousand
2 [~~seventeen~~ eighteen], the vendor shall continue to receive the capital
3 award after April first, two thousand [~~seventeen~~ eighteen] until such
4 approved capital expenditures are paid to the vendor track subject to
5 any required co-investment. [~~In no event shall any vendor track that~~
6 ~~receives a vendor fee pursuant to clause (F) or (G) of this subparagraph~~
7 ~~be eligible for a vendor's capital award under this section.~~] Any opera-
8 tor of a vendor track which has received a vendor's capital award,
9 choosing to divest the capital improvement toward which the award was
10 applied, prior to the full depreciation of the capital improvement in
11 accordance with generally accepted accounting principles, shall reim-
12 burse the state in amounts equal to the total of any such awards. Any
13 capital award not approved for a capital expenditure at a video lottery
14 gaming facility by April first, two thousand [~~seventeen~~ eighteen] shall
15 be deposited into the state lottery fund for education aid; and

16 § 2. Paragraph 2 of subdivision c of section 1612 of the tax law, as
17 amended by chapter 174 of the laws of 2013, is amended to read as
18 follows:

19 2. Of the ten percent retained by the division for administrative
20 purposes, any amounts beyond that which are necessary for the operation
21 and administration of this [~~pilot~~] program shall be [~~deposited in the~~
22 ~~lottery education account~~] made available for vendor capital awards
23 pursuant to clause (H) of subparagraph (ii) of paragraph one of subdivi-
24 sion b of this section.

25 § 3. This act shall take effect immediately.

26 PART RR

27 Section 1. Subdivision 3 of section 99-h of the state finance law, as
28 amended by section 7 of chapter 174 of the laws of 2013, is amended to
29 read as follows:

30 3. Moneys of the account, following the segregation of appropriations
31 enacted by the legislature, shall be available for purposes including
32 but not limited to: (a) reimbursements or payments to municipal govern-
33 ments that host tribal casinos pursuant to a tribal-state compact for
34 costs incurred in connection with services provided to such casinos or
35 arising as a result thereof, for economic development opportunities and
36 job expansion programs authorized by the executive law; provided, howev-
37 er, that for any gaming facility located in the city of Buffalo, the
38 city of Buffalo shall receive a minimum of twenty-five percent of the
39 negotiated percentage of the net drop from electronic gaming devices the
40 state receives pursuant to the compact, and provided further that for
41 any gaming facility located in the city of Niagara Falls, county of
42 Niagara a minimum of twenty-five percent of the negotiated percentage of
43 the net drop from electronic gaming devices the state receives pursuant
44 to the compact shall be distributed in accordance with subdivision four
45 of this section, and provided further that for any gaming facility
46 located in the county or counties of Cattaraugus, Chautauqua or Allega-
47 ny, the municipal governments of the state hosting the facility shall
48 collectively receive a minimum of twenty-five percent of the negotiated
49 percentage of the net drop from electronic gaming devices the state
50 receives pursuant to the compact; and provided further that pursuant to
51 chapter five hundred ninety of the laws of two thousand four, a minimum
52 of twenty-five percent of the revenues received by the state pursuant to
53 the state's compact with the St. Regis Mohawk tribe shall be made avail-
54 able to the counties of Franklin and St. Lawrence, and affected towns in

1 such counties. Each such county and its affected towns shall receive
2 fifty percent of the moneys made available by the state; and provided
3 further that the state shall annually make twenty-five percent of the
4 negotiated percentage of the net drop from all gaming devices the state
5 actually receives pursuant to the Oneida Settlement Agreement confirmed
6 by section eleven of the executive law as available to the county of
7 Oneida, and a sum of three and one-half million dollars to the county of
8 Madison. Additionally, the state shall distribute annually the sum of
9 two and one quarter million dollars to the county of Madison for the
10 impact of gaming devices located within its borders. Additionally, the
11 state shall distribute for a period of nineteen and one-quarter years,
12 an additional annual sum of two and one-half million dollars to the
13 county of Oneida. Additionally, the state shall distribute the one-time
14 eleven million dollar payment received by the state pursuant to such
15 agreement with the Oneida Nation of New York to the county of Madison by
16 wire transfer upon receipt of such payment by the state; and (b) support
17 and services of treatment programs for persons suffering from gambling
18 addictions. Moneys not segregated for such purposes shall be trans-
19 ferred to the general fund for the support of government during the
20 fiscal year in which they are received.

21 § 2. Subdivision 3 of section 99-h of the state finance law, as
22 amended by section 8 of chapter 174 of the laws of 2013, is amended to
23 read as follows:

24 3. Moneys of the account, following the segregation of appropriations
25 enacted by the legislature, shall be available for purposes including
26 but not limited to: (a) reimbursements or payments to municipal govern-
27 ments that host tribal casinos pursuant to a tribal-state compact for
28 costs incurred in connection with services provided to such casinos or
29 arising as a result thereof, for economic development opportunities and
30 job expansion programs authorized by the executive law; provided, howev-
31 er, that for any gaming facility located in the county of Erie or
32 Niagara, the municipal governments hosting the facility shall collec-
33 tively receive a minimum of twenty-five percent of the negotiated
34 percentage of the net drop from electronic gaming devices the state
35 receives pursuant to the compact and provided further that for any
36 gaming facility located in the county or counties of Cattaraugus, Chau-
37 tauqua or Allegany, the municipal governments of the state hosting the
38 facility shall collectively receive a minimum of twenty-five percent of
39 the negotiated percentage of the net drop from electronic gaming devices
40 the state receives pursuant to the compact; and provided further that
41 pursuant to chapter five hundred ninety of the laws of two thousand
42 four, a minimum of twenty-five percent of the revenues received by the
43 state pursuant to the state's compact with the St. Regis Mohawk tribe
44 shall be made available to the counties of Franklin and St. Lawrence,
45 and affected towns in such counties. Each such county and its affected
46 towns shall receive fifty percent of the moneys made available by the
47 state; and provided further that the state shall annually make twenty-
48 five percent of the negotiated percentage of the net drop from all
49 gaming devices the state actually receives pursuant to the Oneida
50 Settlement Agreement confirmed by section eleven of the executive law
51 available to the county of Oneida, and a sum of three and one-half
52 million dollars to the county of Madison. Additionally, the state shall
53 distribute annually the sum of two and one quarter million dollars to
54 the county of Madison for the impact of gaming devices located within
55 its borders. Additionally, the state shall distribute, for a period of
56 nineteen and one-quarter years, an additional annual sum of two and

1 one-half million dollars to the county of Oneida. Additionally, the
2 state shall distribute the one-time eleven million dollar payment actu-
3 ally received by the state pursuant to the Oneida Settlement Agreement
4 to the county of Madison by wire transfer upon receipt of such payment
5 by the state; and (b) support and services of treatment programs for
6 persons suffering from gambling addictions. Moneys not segregated for
7 such purposes shall be transferred to the general fund for the support
8 of government during the fiscal year in which they are received.

9 § 3. This act shall take effect immediately and shall be deemed in
10 full force and effect on the date the state actually receives payment
11 from gaming devices located in Madison county, provided that the amend-
12 ments to subdivision 3 of section 99-h of the state finance law made by
13 section one of this act shall be subject to the expiration and reversion
14 of such section as provided in section 4 of chapter 747 of the laws of
15 2006, as amended when upon such date the provisions of section two of
16 this act shall take effect.

17 PART SS

18 Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of
19 section 210 of the tax law, as amended by section 12 of part A of chap-
20 ter 59 of the laws of 2014, is amended to read as follows:

21 (iv) (A) for taxable years beginning before January first, two thou-
22 sand sixteen, if the business income base is not more than two hundred
23 ninety thousand dollars the amount shall be six and one-half percent of
24 the business income base; if the business income base is more than two
25 hundred ninety thousand dollars but not over three hundred ninety thou-
26 sand dollars the amount shall be the sum of (1) eighteen thousand eight
27 hundred fifty dollars, (2) seven and one-tenth percent of the excess of
28 the business income base over two hundred ninety thousand dollars but
29 not over three hundred ninety thousand dollars and (3) four and thirty-
30 five hundredths percent of the excess of the business income base over
31 three hundred fifty thousand dollars but not over three hundred ninety
32 thousand dollars;

33 (B) for taxable years beginning on or after January first, two thou-
34 sand eighteen, if the business income base is not more than four hundred
35 thousand dollars the amount shall be four percent of the business income
36 base; if the business income base is more than four hundred thousand
37 dollars but not over five hundred thousand dollars the amount shall be
38 the sum of (1) sixteen thousand dollars, (2) six and one-half percent of
39 the excess of the business income base over four hundred thousand
40 dollars but not over five hundred thousand dollars and (3) twenty
41 percent of the excess of the business income base over four hundred
42 fifty thousand dollars but not over five hundred thousand dollars;

43 (C) for taxable years beginning on or after January first, two thou-
44 sand nineteen, if the business income base is not more than four hundred
45 thousand dollars the amount shall be two and one-half percent of the
46 business income base; if the business income base is more than four
47 hundred thousand dollars but not over five hundred thousand dollars the
48 amount shall be the sum of (1) ten thousand dollars, (2) six and one-
49 half percent of the excess of the business income base over four hundred
50 thousand dollars but not over five hundred thousand dollars and (3)
51 thirty-two percent of the excess of the business income base over four
52 hundred fifty thousand dollars but not over five hundred thousand
53 dollars.

§ 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as added by section 1 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(39) (A) In the case of a taxpayer who is a small business or a taxpayer who is a member, partner, or shareholder of a limited liability company, partnership, or New York S corporation, respectively, that is a small business, who or which has business income [~~and/or farm income~~] as defined in the laws of the United States, an amount equal to [~~three~~] five percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand [~~thirteen~~] seventeen, an amount equal to [~~three and three-quarters~~] ten percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand [~~fourteen~~] eighteen, and an amount equal to [~~five~~] nineteen percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand [~~fifteen~~] nineteen.

(B) In the case of a taxpayer who is a farm business or a taxpayer who is a member, partner, or shareholder of a limited liability company, partnership, or New York S corporation, respectively, that is a farm business, who or which has farm income as defined by the laws of the United States, an amount equal to twenty percent of the net items of income, gain, loss and deduction attributable to such farm. The term farm business shall mean a farm business that has net farm income of less than five hundred thousand dollars.

(C) (i) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [~~or a farm business who employs one or more persons during the taxable year and~~] who has net business income [~~or net farm income~~] of less than [~~two hundred fifty~~] five hundred thousand dollars; or (II) a limited liability company, partnership or New York S corporation that during the taxable year has New York gross business income attributable to a non-farm business that is greater than zero but less than one million five hundred thousand dollars or net farm income attributable to a farm business that is greater than zero but less than five hundred thousand dollars. (ii) For purposes of this paragraph, the term New York gross business income shall mean: (I) in the case of a limited liability company or a partnership, New York source gross income as defined in subparagraph (B) of paragraph three of subsection (c) of section six hundred fifty-eight of this article, and, (II) in the case of a New York S corporation, New York receipts included in the numerator of the apportionment factor determined under section two hundred ten-A of article nine-A of this chapter for the taxable year.

(D) To qualify for this modification in relation to a non-farm small business that is a limited liability company, partnership or New York S corporation, the taxpayer's income attributable to the net business income from its ownership interests in non-farm limited liability companies, partnerships or New York S corporations must be less than five hundred thousand dollars.

§ 3. Paragraph 35 of subdivision (c) of section 11-1712 of the administrative code of the city of New York, as added by section 2 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(35) (A) In the case of a taxpayer who is a small business or a taxpayer who is a member, partner, or shareholder of a limited liability company, partnership, or New York S corporation, respectively, that is a small business, who or which has business income [~~and/or farm income~~] as defined in the laws of the United States, an amount equal to [~~three~~] fifteen percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero[~~, for taxable years beginning after two thousand thirteen, an amount equal to three and three-quarters percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fourteen, and an amount equal to five percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fifteen~~].

(B) In the case of a taxpayer who is a farm business or a taxpayer who is a member, partner, or shareholder of a limited liability company, partnership, or New York S corporation, respectively, that is a farm business, who or which has farm income as defined by the laws of the United States, an amount equal to twenty percent of the net items of income, gain, loss and deduction attributable to such farm. The term farm business shall mean a farm business that has net farm income of less than five hundred thousand dollars.

(C) (i) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [~~or a farm business who employs one or more persons during the taxable year and~~] who has net business income [~~or not farm income~~] of less than [~~two hundred fifty~~] five hundred thousand dollars; or (II) a limited liability company, partnership or New York S corporation that during the taxable year has New York gross business income attributable to a non-farm business that is greater than zero but less than one million five hundred thousand dollars or net farm income attributable to a farm business that is greater than zero but less than five hundred thousand dollars. (ii) For purposes of this paragraph, the term New York gross business income shall mean: (I) in the case of a limited liability company or a partnership, New York source gross income as defined in subparagraph (B) of paragraph three of subsection (c) of section six hundred fifty-eight of the tax law, and, (II) in the case of a New York S corporation, New York receipts included in the numerator of the apportionment factor determined under section two hundred ten-A of the tax law for the taxable year.

(D) To qualify for this modification in relation to a non-farm small business that is a limited liability company, partnership or New York S corporation, the taxpayer's income attributable to the net business income from its ownership interests in non-farm limited liability companies, partnerships or New York S corporations must be less than five hundred thousand dollars.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2018.

PART TT

Section 1. Paragraph (a) of subdivision 43 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) A qualified New York manufacturer, as defined in subparagraph (vi) of paragraph (a) of subdivision one of section two hundred ten of this article, will be allowed a credit equal to ~~[twenty]~~ fifty percent of the real property tax it paid during the taxable year for real property owned by such manufacturer in New York which was principally used during the taxable year for manufacturing to the extent not deducted in determining entire net income. This credit will not be allowed if the real property taxes that are the basis for this credit are included in the calculation of another credit claimed by the taxpayer.

§ 2. Paragraph 1 of subdivision (xx) of section 606 of the tax law, as amended by section 8 of part I of chapter 59 of the laws of 2015, is amended to read as follows:

(1) A qualified New York manufacturer will be allowed a credit equal to ~~[twenty]~~ fifty percent of the real property tax it paid during the taxable year for real property owned by such manufacturer in New York which was principally used during the taxable year for manufacturing to the extent not deducted in computing New York adjusted gross income. This credit will not be allowed if the real property taxes that are the basis for this credit are included in the calculation of another credit claimed by the taxpayer.

§ 3. This act shall take effect immediately and shall apply to tax years beginning on or after January 1, 2017.

PART UU

Section 1. Subdivision (e) of section 42 of the tax law, as added by section 1 of part RR of chapter 60 of the laws of 2016, is amended and a new subdivision (e-1) is added to read as follows:

(e) For taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and ~~[two hundred fifty]~~ five hundred dollars. For taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and ~~[three]~~ six hundred dollars. For taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and ~~[five]~~ eight hundred dollars. For taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and ~~[four hundred]~~ one thousand dollars. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand twenty-two, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and ~~[six]~~ one thousand two hundred dollars.

(e-1) For taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen, if such farm is located in Nassau, Suffolk, or Westchester county, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and six hundred dollars. For taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen, if such farm is located

1 in Nassau, Suffolk, or Westchester county, the amount of the credit
2 allowed under this section shall be equal to the product of the total
3 number of eligible farm employees and nine hundred dollars. For taxable
4 years beginning on or after January first, two thousand nineteen and
5 before January first, two thousand twenty, if such farm is located in
6 Nassau, Suffolk, or Westchester county, the amount of the credit allowed
7 under this section shall be equal to the product of the total number of
8 eligible farm employees and one thousand two hundred dollars. For taxa-
9 ble years beginning on or after January first, two thousand twenty and
10 before January first, two thousand twenty-one, if such farm is located
11 in Nassau, Suffolk, or Westchester county, the amount of the credit
12 allowed under this section shall be equal to the product of the total
13 number of eligible farm employees and one thousand five hundred dollars.
14 For taxable years beginning on or after January first, two thousand
15 twenty-one and before January first, two thousand twenty-two, if such
16 farm is located in Nassau, Suffolk, or Westchester county, the amount of
17 the credit allowed under this section shall be equal to the product of
18 the total number of eligible farm employees and one thousand five
19 hundred dollars.

20 § 2. This act shall take effect immediately.

21 PART VV

22 Section 1. Subdivision 1 of section 210-B of the tax law is amended by
23 adding a new paragraph (d-1) to read as follows:

24 (d-1) Notwithstanding any other provision of this subdivision, for
25 taxable years beginning on or after January first, two thousand seven-
26 teen, if the credit allowed under this subdivision is greater than the
27 tax due in any taxable year for a taxpayer whose primary source of
28 income is derived from operating a farm operation, such taxpayer may
29 elect to treat the amount by which such credit exceeds such tax due as
30 an overpayment of tax to be refunded in accordance with the provisions
31 of section one thousand eighty-six of this chapter. For purposes of
32 this paragraph, the term "farm operation" shall have the same meaning
33 as such term is defined in subdivision eleven of section three hundred
34 one of the agriculture and markets law.

35 § 2. Subsection (a) of section 606 of the tax law is amended by adding
36 a new paragraph 5-a to read as follows:

37 (5-a) Notwithstanding any other provision of this subsection, for
38 taxable years beginning on or after January first, two thousand seven-
39 teen, if the credit allowed under this subsection is greater than the
40 tax due in any taxable year for a taxpayer whose primary source of
41 income is derived from operating a farm operation, such taxpayer may
42 elect to treat the amount by which such credit exceeds such tax due as
43 an overpayment of tax to be refunded in accordance with the provisions
44 of section six hundred eighty-six of this article. For purposes of this
45 paragraph, the term "farm operation" shall have the same meaning as
46 such term is defined in subdivision eleven of section three hundred one
47 of the agriculture and markets law.

48 § 3. This act shall take effect immediately, and shall be deemed to
49 have been in full force and effect on and after January 1, 2017.

50 PART WW

51 Section 1. Section 606 of the tax law is amended by adding a new
52 subsection (n-2) to read as follows:

(n-2) Credit for farm donations to food bank or emergency food program. (1) General. In the case of a taxpayer who is an eligible farmer, there shall be allowed a credit, to be computed as hereinafter provided against the tax imposed by this article for taxable years on and after January first, two thousand eighteen. The amount of the credit shall be twenty-five percent of the wholesale cost of the taxpayer's qualified donations, as defined in paragraph three of this subsection, made to any food bank or other public, charitable or not-for-profit emergency food program operating within this state, up to five thousand dollars per year.

(2) Eligible farmer. For purposes of this subsection, the term "eligible farmer" means a New York state resident taxpayer whose federal gross income from farming for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year reduced by the sum (not to exceed thirty thousand dollars) of those items included in federal gross income which consist of (i) earned income, (ii) pension payments, including social security payments, (iii) interest, and (iv) dividends. For purposes of this paragraph, the term "earned income" shall mean wages, salaries, tips and other employee compensation, and those items of gross income which are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers.

(3) Qualified donation. For purposes of this subsection, the term "qualified donation" means a donation of any fresh food item grown or produced by an eligible farmer to a food bank or other emergency food program operating within this state.

(4) Application of credit. The credit allowed under this subsection for any taxable year will not reduce the tax due for such year to less than the minimum tax fixed by this article. However, if the amount of credit allowed under this subsection for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

§ 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

<u>(xliii) Farm donations to food</u>	<u>Amount of credit under</u>
<u>bank or emergency food program</u>	<u>subdivision fifty-two</u>
<u>credit under subsection (n-2)</u>	<u>of section two hundred</u>
	<u>ten-B</u>

§ 3. Section 210-B of the tax law is amended by adding a new subdivision 52 to read as follows:

52. Credit for farm donations to food bank or emergency food program. (a) General. In the case of a taxpayer who is an eligible farmer, there shall be allowed a credit, to be computed as hereinafter provided against the tax imposed by this article for taxable years beginning on and after January first, two thousand eighteen. The amount of the credit shall be twenty-five percent of the wholesale cost of the taxpayer's qualified donations, as defined in paragraph (c) of this subdivision,

1 made to any food bank or other public, charitable or not-for-profit
2 emergency food program operating within this state, up to five thousand
3 dollars during the taxable year.

4 (b) Eligible farmer. For purposes of this subdivision, the term
5 "eligible farmer" means a New York state resident taxpayer whose federal
6 gross income from farming for the taxable year is at least two-thirds of
7 excess federal gross income. Excess federal gross income means the
8 amount of federal gross income from all sources for the taxable year
9 reduced by the sum (not to exceed thirty thousand dollars) of those
10 items included in federal gross income which consist of (i) earned
11 income, (ii) pension payments, including social security payments, (iii)
12 interest, and (iv) dividends. For purposes of this paragraph, the term
13 "earned income" shall mean wages, salaries, tips and other employee
14 compensation, and those items of gross income which are includible in
15 the computation of net earnings from self-employment. For the purposes
16 of this paragraph, payments from the state's farmland protection
17 program, administered by the department of agriculture and markets,
18 shall be included as federal gross income from farming for otherwise
19 eligible farmers.

20 (c) Qualified donation. For purposes of this subdivision, the term
21 "qualified donation" means a donation of any fresh food item grown or
22 produced by an eligible farmer to a food bank or other emergency food
23 program operating within this state.

24 (d) Application of credit. The credit allowed under this subdivision
25 for any taxable year will not reduce the tax due for such year to less
26 than the minimum tax fixed by this article. However, if the amount of
27 credit allowed under this subdivision for any taxable year reduces the
28 tax to such amount, any amount of credit thus not deductible in such
29 taxable year will be treated as an overpayment of tax to be credited or
30 refunded in accordance with the provisions of section one thousand
31 eighty-six of this chapter. Provided, however, the provisions of
32 subsection (c) of section one thousand eighty-eight of this chapter
33 notwithstanding, no interest will be paid thereon.

34 § 4. The department of agriculture and markets, in conjunction with
35 the department of taxation and finance, shall establish an accepted
36 wholesale price of the taxpayer's qualified donations and promulgate any
37 necessary rules and regulations.

38 § 5. This act shall take effect on January 1, 2018 and shall apply to
39 taxable years beginning on or after such date.

40 PART XX

41 Section 1. Section 38 of the tax law, as added by section 1 of part EE
42 of chapter 59 of the laws of 2013, is renumbered section 43 and subdivi-
43 sions (b) and (c) are amended to read as follows:

44 (b) An eligible employer is a corporation (including a New York S
45 corporation), a sole proprietorship, a limited liability company or a
46 partnership. An eligible employee is an individual who is (i) employed
47 by an eligible employer in New York state, (ii) paid ~~at~~ a maximum of
48 \$0.5 over the minimum wage rate as defined in article nineteen of the
49 labor law during the taxable year by the eligible employer, (iii)
50 between the ages of sixteen and nineteen during the period in which he
51 or she is paid at such minimum wage rate by the eligible employer, and
52 (iv) a student during the period in which he or she is paid at such
53 minimum wage rate by the taxpayer.

(c) For taxable years beginning on or after January first, two thousand fourteen and before January first, two thousand fifteen, the amount of the credit allowed under this section shall be equal to the product of the total number of hours worked during the taxable year by eligible employees for which they were paid at the minimum wage rate as defined in article nineteen of the labor law and ~~[seventy-five]~~ seventy-five cents. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen, the amount of the credit allowed under this section shall be equal to the product of the total number of hours during the taxable year worked by eligible employees for which they were paid at such minimum wage rate and one dollar and thirty-one cents. For taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand ~~[nineteen]~~ twenty, the amount of the credit allowed under this section shall be equal to the product of the total number of hours during the taxable year worked by eligible employees for which they were paid at ~~[such]~~ a maximum of \$0.5 over the minimum wage rate and one dollar and thirty-five cents. Provided, however, if the federal minimum wage established by federal law pursuant to 29 U.S.C. section 206 or its successors is increased above eighty-five percent of the minimum wage in article nineteen of the labor law, the dollar amounts in this subdivision shall be reduced to the difference between the minimum wage in article nineteen of the labor law and the federal minimum wage. Such reduction would take effect on the date that employers are required to pay such federal minimum wage.

§ 2. This act shall take effect September 1, 2017.

PART YY

Section 1. Subdivision 3 of section 425 of the real property tax law, as added by section 1 of part B of chapter 389 of the laws of 1997, paragraph (a) as amended by chapter 264 of the laws of 2000, paragraph (b-1) as added by section 1 of part FF of chapter 57 of the laws of 2010, paragraph (d) as amended by chapter 564 of the laws of 2015, paragraph (e) as added by section 2 of part W of chapter 57 of the laws of 2008, and paragraph (f) as added by section 1 of part B of chapter 59 of the laws of 2012, is amended to read as follows:

3. Eligibility requirements. (a) Property use. To qualify for exemption pursuant to this section, the property must be a one, two or three family residence, a farm dwelling, small business or residential property held in condominium or cooperative form of ownership. If the property is not an eligible type of property, but a portion of the property is partially used by the owner as a primary residence, that portion which is so used shall be entitled to the exemption provided by this section; provided that in no event shall the exemption exceed the assessed value attributable to that portion.

(b) Primary residence. The property must serve as the primary residence of one or more of the owners thereof, unless such property is owned by a small business as defined in paragraph (g) of this subdivision.

(b-1) Income. For final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year and thereafter, the parcel's affiliated income may be no greater than five hundred thousand dollars, as determined by the commissioner of taxation and finance pursuant to section one hundred seventy-one-u of the tax law, in order to be eligible for the basic exemption authorized by this

1 section. As used herein, the term "affiliated income" shall mean the
2 combined income of all of the owners of the parcel who resided primarily
3 thereon on the applicable taxable status date, and of any owners' spouses
4 residing primarily thereon. For exemptions on final assessment rolls
5 to be used for the levy of taxes for the two thousand eleven-two thousand
6 and twelve school year, affiliated income shall be determined based
7 upon the parties' incomes for the income tax year ending in two thousand
8 nine. In each subsequent school year, the applicable income tax year
9 shall be advanced by one year. The term "income" as used herein shall
10 have the same meaning as in subdivision four of this section.

11 (c) Trusts. If legal title to the property is held by one or more
12 trustees, the beneficial owner or owners shall be deemed to own the
13 property for purposes of this subdivision.

14 (d) Farm dwellings not owned by the resident. (i) If legal title to
15 the farm dwelling is held by an S-corporation or by a C-corporation, the
16 exemption shall be granted if the property serves as the primary residence
17 of a shareholder of such corporation.

18 (ii) If the legal title to the farm dwelling is held by a partnership,
19 the exemption shall be granted if the property serves as the primary
20 residence of one or more of the partners.

21 (iii) If the legal title to the farm dwelling is held by a limited
22 liability company, the exemption shall be granted if the property serves
23 as the primary residence of one or more of the owners.

24 (iv) Any information deemed necessary to establish shareholder, partner
25 or owner status for eligibility purposes shall be considered confidential
26 and exempt from the freedom of information law.

27 (e) Dwellings owned by limited partnerships. (i) If legal title to a
28 dwelling is held by a limited partnership, the exemption shall be granted
29 if the property serves as the primary residence of one or more of the
30 partners, provided that the limited partnership which holds title to the
31 property does not engage in any commercial activity, that the limited
32 partnership was lawfully created to hold title solely for estate planning
33 and asset protection purposes, and that the partner or partners who
34 primarily reside thereon personally pay all of the real property taxes
35 and other costs associated with the property's ownership.

36 (ii) Any information deemed necessary to establish partner status for
37 eligibility purposes shall be considered confidential and exempt from
38 the freedom of information law.

39 (f) Compliance with state tax obligations. The property's eligibility
40 for the STAR exemption must not be suspended pursuant to section one
41 hundred seventy-one-y of the tax law due to the past-due state tax
42 liabilities of one or more of its owners. Notwithstanding any provision
43 of law to the contrary, where a property's eligibility for a STAR
44 exemption has been suspended pursuant to such section, the following
45 provisions shall be applicable:

46 (i) The property shall be ineligible for a basic or enhanced STAR
47 exemption effective with the next school year commencing after the issuance
48 of notice by the department of the suspension of its eligibility
49 for the STAR exemption, even if the notice was issued after the applicable
50 taxable status date. If a STAR exemption has been granted to such a
51 property on a tentative or final assessment roll, the assessor or other
52 person having custody of that roll is hereby authorized and directed to
53 immediately remove that STAR exemption from the roll.

54 (ii) Any challenge to the factual or legal basis behind the suspension
55 of a property's eligibility for a STAR exemption pursuant to section one
56 hundred seventy-one-y of the tax law must be presented to the department

1 in the manner prescribed by such section. Neither an assessor nor a
2 board of assessment review has the authority to consider such a chal-
3 lenge.

4 (iii) The property shall remain ineligible for the STAR exemption
5 until the department notifies the assessor that the suspension of its
6 eligibility has been lifted. Once the assessor has been so notified, the
7 exemption may be resumed on a prospective basis only, provided that the
8 eligibility requirements of this section are otherwise satisfied.

9 (iv) In the case of a cooperative apartment or mobile home receiving a
10 STAR exemption pursuant to paragraph (k) or (l) of subdivision two of
11 this section, a suspension of a STAR exemption due to a taxpayer's past-
12 due state tax liabilities shall only apply to the STAR exemption on the
13 cooperative apartment or mobile home owned, or deemed to be owned, by
14 that taxpayer.

15 (g) Small businesses. (i) For the purposes of this subdivision, the
16 term "small business" shall mean a sole proprietor, a limited liability
17 company, partnership, or New York S-corporation, that during the taxable
18 year employs twenty persons or less and has a gross business income
19 and/or farm income of less than three hundred fifty thousand dollars
20 attributable to the business or a New York corporation that during the
21 taxable year employs twenty persons or less and has a business income
22 base of five hundred thousand dollars or less.

23 (ii) For purposes of this paragraph, the term New York gross business
24 income shall mean: (A) in the case of a limited liability company or a
25 partnership, New York source gross income as defined in subparagraph (B)
26 of paragraph three of subsection (c) of section six hundred fifty-eight
27 of the tax law; and (B) in the case of a New York S-corporation, New
28 York receipts included in the apportionment determined under section two
29 hundred ten-A of this chapter for the taxable year.

30 (iii) For purposes of this paragraph, the term business income base
31 shall mean in the case of a New York corporation, business income as
32 defined in subdivision eight of section two hundred eight of the tax
33 law.

34 § 2. Clause (B) of subparagraph (vi) of paragraph (b) of subdivision 2
35 of section 425 of the real property tax law, as added by section 1 of
36 part D-1 of chapter 57 of the laws of 2007, is amended to read as
37 follows:

38 (B) The base figure for the basic STAR exemption shall be thirty thou-
39 sand dollars. In the case of a small business as defined in paragraph
40 (g) of subdivision three of this section, the base figure for the basic
41 STAR exemption shall be: (I) ten thousand dollars in the two thousand
42 eighteen--two thousand nineteen school year; (II) twenty thousand
43 dollars in the two thousand nineteen--two thousand twenty school year;
44 and (III) thirty thousand dollars in the two thousand twenty--two thou-
45 sand twenty-one school year and thereafter.

46 § 3. This act shall take effect immediately and shall apply to all
47 taxable years beginning on and after January 1, 2018.

48 PART ZZ

49 Section 1. Section 208 of the tax law is amended by adding a new
50 subdivision 13 to read as follows:

51 13. The term "fulfillment services" shall mean any of the following
52 services performed by an entity on its premises on behalf of a purchas-
53 er:

1 (a) the acceptance of orders electronically or by mail, telephone,
2 telefax or internet;

3 (b) responses to consumer correspondence or inquires electronically or
4 by mail, telephone, telefax or internet;

5 (c) billing and collection activities; or

6 (d) the shipment of orders from an inventory of products offered for
7 sale by the purchaser.

8 § 2. Subdivision 2 of section 209 of the tax law, as amended by
9 section 5 of part A of chapter 59 of the laws of 2014, is amended to
10 read as follows:

11 2. A foreign corporation shall not be deemed to be doing business,
12 employing capital, owning or leasing property, or maintaining an office
13 in this state, or deriving receipts from activity in this state, for the
14 purposes of this article, by reason of (a) the maintenance of cash
15 balances with banks or trust companies in this state, or (b) the owner-
16 ship of shares of stock or securities kept in this state, if kept in a
17 safe deposit box, safe, vault or other receptacle rented for the
18 purpose, or if pledged as collateral security, or if deposited with one
19 or more banks or trust companies, or brokers who are members of a recog-
20 nized security exchange, in safekeeping or custody accounts, or (c) the
21 taking of any action by any such bank or trust company or broker, which
22 is incidental to the rendering of safekeeping or custodian service to
23 such corporation, or (d) the maintenance of an office in this state by
24 one or more officers or directors of the corporation who are not employ-
25 ees of the corporation if the corporation otherwise is not doing busi-
26 ness in this state, and does not employ capital or own or lease property
27 in this state, or (e) the keeping of books or records of a corporation
28 in this state if such books or records are not kept by employees of such
29 corporation and such corporation does not otherwise do business, employ
30 capital, own or lease property or maintain an office in this state, or
31 (f) the use of fulfillment services, provided receipts, including
32 receipts pursuant to such services, do not exceed the threshold set by
33 paragraph (b) of subdivision one of this section, of a person other than
34 an affiliated person and the ownership of property stored on the prem-
35 ises of such person in conjunction with such services, or (g) any combi-
36 nation of the foregoing activities. For purposes of this subdivision,
37 persons are affiliated persons with respect to each other where one of
38 such persons has an ownership interest of more than five percent, wheth-
39 er direct or indirect, in the other, or where an ownership interest of
40 more than five percent, whether direct or indirect, in the other, or
41 where an ownership interest of more than five percent, whether direct or
42 indirect, is held in each of such persons by another person or by a
43 group of other persons which are affiliated persons with respect to each
44 other. The term "person" in the preceding sentence and in paragraph (f)
45 of this subdivision shall have the meaning ascribed thereto by subdivi-
46 sion (a) of section eleven hundred one of this chapter.

47 § 3. This act shall take effect January 1, 2018 and shall apply to
48 taxable years commencing on or after such date.

49 PART AAA

50 Section 1. The opening paragraph of paragraph (a) of subdivision 5 of
51 section 210-A of the tax law, as amended by section 4 of part P of chap-
52 ter 60 of the laws of 2016, is amended to read as follows:

53 A financial instrument is a "nonqualified financial instrument" if it
54 is not a qualified financial instrument. A qualified financial instru-

ment means a financial instrument that is of a type described in any of clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of the clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, (iii) stock that is investment capital as defined in paragraph (a) of subdivision five of section two hundred eight of this article shall not be a qualified financial instrument, and (iv) stock that generates other exempt income as defined in subdivision six-a of section two hundred eight of this article and that is not marked to market under section 475 or section 1256 of the internal revenue code shall not constitute a qualified financial instrument with respect to the income from that stock that is described in such subdivision six-a. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis. In the case of a RIC or a REIT that is not a captive RIC or a captive REIT, a qualified financial instrument means a financial instrument that is of a type described in any of clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph, other than (i) a loan secured by real property, (ii) stock that is investment capital as defined in paragraph (a) of subdivision five of section two hundred eight of this article, and (iii) stock that generates other exempt income as defined in subdivision six-a of section two hundred eight of this article with respect to the income from that stock that is described in such subdivision six-a.

§ 2. Clause (D) of subparagraph 1 of paragraph (d) of subdivision 1 of section 210 of the tax law, as amended by section 19 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(D) Otherwise, for all other taxpayers not covered by clauses (A), (B) ~~and~~, (C) and (D-1) of this subparagraph, the amount prescribed by this paragraph will be determined in accordance with the following table:

If New York receipts are:	The fixed dollar minimum tax is:
not more than \$100,000	\$ 25
more than \$100,000 but not over \$250,000	\$ 75
more than \$250,000 but not over \$500,000	\$ 175
more than \$500,000 but not over \$1,000,000	\$ 500
more than \$1,000,000 but not over \$5,000,000	\$1,500
more than \$5,000,000 but not over \$25,000,000	\$3,500
more than \$25,000,000 but not over \$50,000,000	\$5,000
more than \$50,000,000 but not over \$100,000,000	\$10,000
more than \$100,000,000 but not over \$250,000,000	\$20,000
more than \$250,000,000 but not over \$500,000,000	\$50,000
more than \$500,000,000 but not over \$1,000,000,000	\$100,000
Over \$1,000,000,000	\$200,000

§ 3. Subparagraph 1 of paragraph (d) of subdivision 1 of section 210 of the tax law is amended by adding a new clause (D-1) to read as follows:

(D-1) In the case of a REIT or a RIC that is not a captive REIT or captive RIC, the amount prescribed by this paragraph will be determined in accordance with the following table:

<u>If New York receipts are:</u>	<u>The fixed dollar minimum tax is:</u>
<u>not more than \$100,000</u>	<u>\$ 25</u>
<u>more than \$100,000 but not over \$250,000</u>	<u>\$ 75</u>
<u>more than \$250,000 but not over \$500,000</u>	<u>\$ 175</u>
<u>more than \$500,000</u>	<u>\$ 500</u>

§ 4. The opening paragraph of paragraph (a) of subdivision 5 of section 11-654.2 of the administrative code of the city of New York, as amended by section 16 of part P of chapter 60 of the laws of 2016, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of ~~clause~~ clauses (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of ~~clause~~ clauses (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, (iii) stock that is investment capital as defined in paragraph (a) of subdivision four of section 11-652 of this subchapter shall not be a qualified financial instrument, and (iv) stock that generates other exempt income as defined in subdivision five-a of section 11-652 of this subchapter and that is not marked to market under section 475 or section 1256 of the internal revenue code shall not constitute a qualified financial instrument with respect to the income from that stock that is described in such subdivision five-a. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis. In the case of a RIC or a REIT that is not a captive RIC or a captive REIT, a qualified financial instrument means a financial instrument that is of a type described in any of clauses (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, other than (i) a loan secured by real property, (ii) stock that is investment capital as defined in paragraph (a) of subdivision four of section 11-652 of this subchapter, and (iii) stock that generates other exempt income as defined in subdivision five-a of section 11-652 of this subchapter with respect to the income from that stock that is described in such subdivision five-a.

§ 5. Clause (iv) of subparagraph 1 of paragraph (e) of subdivision 1 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(iv) If New York city receipts are:

Fixed dollar minimum
tax is:

Not more than \$100,000	\$25
More than \$100,000 but not over \$250,000	\$75
More than \$250,000 but not over \$500,000	\$175
More than \$500,000 but not over \$1,000,000	\$500
More than \$1,000,000 but not over \$5,000,000	\$1,500
More than \$5,000,000 but not over \$25,000,000	\$3,500
More than \$25,000,000 but not over \$50,000,000	\$5,000
More than \$50,000,000 but not over \$100,000,000	\$10,000
More than \$100,000,000 but not over \$250,000,000	\$20,000
More than \$250,000,000 but not over \$500,000,000	\$50,000
More than \$500,000,000 but not over \$1,000,000,000	\$100,000
Over \$1,000,000,000	\$200,000

For purposes of this clause, New York city receipts are the receipts computed in accordance with section 11-654.2 of this subchapter for the taxable year. If the taxable year is less than twelve months, the amount prescribed by this clause shall be reduced by twenty-five percent if the period for which the taxpayer is subject to tax is more than six months but not more than nine months and by fifty percent if the period for which the taxpayer is subject to tax is not more than six months. If the taxable year is less than twelve months, the amount of New York city receipts for purposes of this clause is determined by dividing the amount of the receipts for the taxable year by the number of months in the taxable year and multiplying the result by twelve.

Provided however, in the case of a REIT or RIC that is not a captive REIT or a captive RIC, the following schedule shall apply:

If New York city receipts are:

Fixed dollar minimum
tax is:

<u>Not more than \$100,000</u>	<u>\$25</u>
<u>More than \$100,000 but not over \$250,000</u>	<u>\$75</u>
<u>More than \$250,000 but not over \$500,000</u>	<u>\$175</u>
<u>More than \$500,000</u>	<u>\$500</u>

§ 6. This act shall take effect immediately; provided however that sections one, two and three of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part A of chapter 59 of the laws of 2014, took effect; and provided further that sections four and five of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part D of chapter 60 of the laws of 2015, took effect.

PART BBB

Section 1. Paragraph (a) of subdivision 7 of section 208 of the tax law, as amended by section 4 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) The term "business capital" means all assets, other than investment capital and stock issued by the taxpayer, less liabilities not deducted from investment capital. Business capital shall include only those assets the income, loss or expense of which are properly reflected (or would have been properly reflected if not fully depreciated or

expensed or depreciated or expensed to a nominal amount) in the computation of entire net income for the taxable year, except business capital shall not include those assets the dividends from which are, or would be, "exempt unitary corporation dividends" under paragraph (c) of subdivision six-a of this section (such as stock in corporations taxable under the franchise tax imposed by article thirty-three of this chapter).

§ 2. This act shall take effect immediately.

PART CCC

Section 1. Paragraph 2 of subdivision (f) of section 1137 of the tax law, as amended by section 1 of part H of chapter 62 of the laws of 2006, is amended to read as follows:

(2) The amount of the credit authorized by paragraph one of this subdivision shall be five percent of the amount of taxes and fees (but not including any penalty or interest thereon) required to be reported on, and paid or paid over with, the return but only if the return is filed on or before the filing due date, but not more than ~~[two]~~ four hundred dollars, for each quarterly or longer period, except that, with respect to returns required to be filed for quarterly or longer periods ending on or before the last day of February, two thousand seven, the amount of the credit shall be not more than one hundred seventy-five dollars for each such quarterly or longer period.

§ 2. This act shall take effect immediately and shall apply to returns filed for the quarter beginning March 1, 2018 and thereafter.

PART DDD

Section 1. The tax law is amended by adding a new section 43 to read as follows:

§ 43. Empire state music production credit. (a) Allowance of credit. (1) A taxpayer which is a music production entity engaged in qualified music production, or who is a sole proprietor of or a member of a partnership, which is a music production entity engaged in qualified music production, and is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax to be computed as provided herein.

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership or limited liability company) of twenty-five percent and the eligible production costs of one or more qualified music productions.

(3) Eligible production costs for a qualified music production incurred and paid in this state but outside such metropolitan commuter transportation district shall be eligible for a credit of ten percent of such eligible production costs in addition to the credit specified in paragraph two of this subdivision.

(4) Eligible production costs shall not include those costs used by the taxpayer or another taxpayer as the basis calculation of any other tax credit allowed under this chapter or allowed in any other state.

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-two of section two hundred ten-B and subsection (hhh) of section six hundred six of this chapter in any taxable year shall be twenty-five million dollars. The aggregate amount of credits for any taxable year shall be distributed on a regional basis as follows: fifty percent of the aggregate amount of credits shall be

1 available for qualified music productions that incur at least sixty
2 percent of eligible production costs for a qualified music production in
3 region one; twenty percent of the aggregate amount of credits shall be
4 available for qualified music productions that incur at least sixty
5 percent of eligible production costs for a qualified music production in
6 region two; and thirty percent of the aggregate amount of credits shall
7 be available for qualified music productions that incur at least sixty
8 percent of eligible production costs for a qualified music production in
9 region three. If such regional distribution is not fully allocated in
10 any taxable year, the remainder of such credits shall be available for
11 allocation to any region in the subsequent tax year. For the purposes
12 of this section region one shall contain the city of New York; region
13 two shall contain the counties of Westchester, Rockland, Nassau and
14 Suffolk; and region three shall contain any county not contained in
15 regions one and two. Such credit shall be allocated by the empire state
16 development corporation among taxpayers in order of priority based upon
17 the date of filing an application for allocation of music production
18 credits with such office. If the total amount of allocated credits
19 applied for in any particular year exceeds the aggregate amount of tax
20 credits allowed for such year under this section, such excess shall be
21 treated as having been applied for on the first day of the subsequent
22 taxable year.

23 (c) Definitions. As used in this section:

24 (1) "Music production" means the creation of a sound recording and any
25 related music video, either of which is intended for commercial release.
26 A "music production" does not include recordings that are primarily
27 spoken word or wildlife or nature sounds, or produced for instructional
28 use or advertising or promotional purposes.

29 (2) "Qualified music production" is a music production in which eligi-
30 ble production costs equal to or are in excess of seven thousand five
31 hundred dollars if incurred and paid in this state in the twelve months
32 preceding the date on which the credit is claimed. Provided, however, if
33 such production costs are incurred and paid outside the metropolitan
34 commuter transportation district in this state, such production costs
35 shall be equal to or in excess of three thousand seven hundred fifty
36 dollars to be a qualified music production for the purposes of this
37 paragraph.

38 (3) (A) "Eligible production costs for a qualified music production"
39 are costs incurred and paid in this state for tangible property and
40 services used in the production of qualified music production, as deter-
41 mined by the department of economic development, including, but not
42 limited to: (i) studio rental fees and related costs, (ii) instrument
43 and equipment rental fees, (iii) production session fees for musicians,
44 programmers, engineers, and technicians and (iv) mixing and mastering
45 services.

46 (B) Eligible production costs shall not include: (i) costs for tangi-
47 ble property or services used or performed outside of this state, (ii)
48 performance fees for featured artists or featured guest artists receiv-
49 ing royalties or advances on royalties or special performance fees
50 (other than those that would normally be collected by a performing
51 rights organization) pursuant to an agreement directly with the producer
52 or employer, (iii) salaries or related compensation for producers or
53 songwriters, (iv) composer, artist or producer residual royalties or
54 advances, (v) licensing fees for samples, (vi) interpolations or other
55 music clearance costs, (vii) mastering or post-production expenditures
56 for projects that were not principally tracked and recorded in this

state, (viii) any costs associated with manufacturing, duplication, packaging, distribution, promotion, marketing or touring not specifically outlined in this subparagraph, or (ix) local transportation expenditures directly related to music production and provided at or to the site of such music production. With respect to the production of a music video, eligible production costs are those defined in paragraph two of subdivision (b) of section twenty-four of this article. Such total production costs incurred and paid in this state shall be equal to or exceed seventy-five percent of total cost of an eligible production incurred and paid within and without this state.

(d) Cross-references. For applications of the credit provided for in this section, see the following provisions of this chapter:

(1) Article nine-A: section two hundred ten-B, subdivision fifty-two.

(2) Article twenty-two: section six hundred six, subsection (i), paragraph one, subparagraph (B), clause (xliii).

(3) Article twenty-two: section six hundred six, subsection (hhh).

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 52 to read as follows:

52. Empire state music production credit. (a) Allowance of credit. A taxpayer who is eligible pursuant to section forty-three of this chapter shall be allowed a credit to be computed as provided in such section forty-three against the tax imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable year reduces the tax to such amount, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter, provided, however, no interest shall be paid thereon.

§ 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

(xliii) Empire state music	Amount of credit
production credit under	under subdivision
subsection (hhh)	fifty-two of section two hundred
	ten-B

§ 4. Section 606 of the tax law is amended by adding a new subsection (hhh) to read as follows:

(hhh) Empire state music production credit. (1) Allowance of credit. A taxpayer who is eligible pursuant to section forty-three of this chapter shall be allowed a credit to be computed as provided in such section forty-three against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowable under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 5. The tax law is amended by adding a new section 44 to read as follows:

§ 44. Empire state digital gaming media production credit. (a) Allowance of credit. (1) A taxpayer which is a digital gaming media production entity engaged in qualified digital gaming media production,

1 or who is a sole proprietor of or a member of a partnership, which is a
2 digital gaming media production entity engaged in qualified digital
3 gaming media production, and is subject to tax under article nine-A or
4 twenty-two of this chapter, shall be allowed a credit against such tax
5 to be computed as provided herein.

6 (2) The amount of the credit shall be the product (or pro rata share
7 of the product, in the case of a member of a partnership or limited
8 liability company) of twenty-five percent and the eligible production
9 costs of one or more qualified digital gaming media productions.

10 (3) Eligible digital gaming media production costs for a qualified
11 digital gaming media production incurred and paid in this state but
12 outside such metropolitan commuter transportation district shall be
13 eligible for a credit of ten percent of such eligible production costs
14 in addition to the credit specified in paragraph two of this subdivi-
15 sion.

16 (4) Eligible production costs shall not include those costs used by
17 the taxpayer or another taxpayer as the basis calculation of any other
18 tax credit allowed under this chapter or allowed in any other state.

19 (b) Allocation of credit. The aggregate amount of tax credits allowed
20 under this section, subdivision fifty-three of section two hundred ten-B
21 and subsection (iii) of section six hundred six of this chapter in any
22 taxable year shall be twenty-five million dollars. The aggregate amount
23 of credits for any taxable year must be distributed on a regional basis
24 as follows: fifty percent of the aggregate amount of credits shall be
25 available for qualified digital gaming media productions that incur at
26 least sixty percent of eligible production costs for a qualified digital
27 gaming media production in region one; twenty percent of the aggregate
28 amount of credits shall be available for qualified digital gaming media
29 productions that incur at least sixty percent of eligible production
30 costs for a qualified digital gaming media production in region two; and
31 thirty percent of the aggregate amount of credits shall be available for
32 qualified digital gaming media productions that incur at least sixty
33 percent of eligible production costs for a qualified digital gaming
34 media production in region three. If such regional distribution is not
35 fully allocated in any taxable year, the remainder of such credits shall
36 be available for allocation to any region in the subsequent tax year.
37 For the purposes of this section region one shall contain the city of
38 New York; region two shall contain the counties of Westchester, Rock-
39 land, Nassau and Suffolk; and region three shall contain any county not
40 contained in regions one and two. Such credit shall be allocated by the
41 empire state development corporation among taxpayers in order of priori-
42 ty based upon the date of filing an application for allocation of
43 digital gaming media production credit with such office. If the total
44 amount of allocated credits applied for in any particular year exceeds
45 the aggregate amount of tax credits allowed for such year under this
46 section, such excess shall be treated as having been applied for on the
47 first day of the subsequent taxable year.

48 (c) Definitions. As used in this section:

49 (1) "Qualified digital gaming media production" means: (i) a website,
50 the digital media production costs of which are paid or incurred predom-
51 inately in connection with (A) video simulation, animation, text,
52 audio, graphics or similar gaming related property embodied in digital
53 format, and (B) interactive features of digital gaming (e.g., links,
54 message boards, communities or content manipulation); (ii) video or
55 interactive games produced primarily for distribution over the internet,
56 wireless network or successors thereto; (iii) animation, simulation or

1 embedded graphics digital gaming related software intended for commer-
2 cial distribution regardless of medium; and (iv) a digital gaming media
3 production in which qualified digital gaming media production costs
4 equal to or are in excess of seven thousand five hundred dollars if
5 incurred and paid in this state in twelve months preceding the date on
6 which the credit is claimed. Provided, however, if such a production
7 costs are incurred and paid outside the metropolitan commuter transpor-
8 tation district in this state, such production costs shall be equal to
9 or in excess of three thousand seven hundred fifty dollars to be a qual-
10 ified digital gaming media production for purposes of this paragraph. A
11 qualified digital gaming media production does not include a website,
12 video, interactive game or software that is used predominately for:
13 electronic commerce (retail or wholesale purposes other than the sale of
14 video or interactive games), gambling (including activities regulated by
15 a New York gaming agency), exclusive local consumption for entities not
16 accessible by the general public including industrial or other private
17 purposes, and political advocacy purposes.

18 (2) "Digital gaming media production costs" means any costs for prop-
19 erty used and wages or salaries paid to individuals directly employed
20 for services performed by those individuals directly and predominately
21 in the creation of a digital gaming media production or productions.
22 Digital gaming media production costs include but shall not be limited
23 to to payments for property used and services performed directly and
24 predominately in the development (including concept creation), design,
25 production (including concept creation), design, production (including
26 testing), editing (including encoding) and compositing (including the
27 integration of digital files for interaction by end users) of digital
28 gaming media. Digital gaming media production costs shall not include
29 expenses incurred for the distribution, marketing, promotion, or adver-
30 tising content generated by end-users or other costs not directly and
31 predominately related to the creation, production or modification of
32 digital gaming media. In addition, salaries or other income distribution
33 related to the creation of digital gaming media for any person who
34 serves in the role of chief executive officer, chief financial officer,
35 president, treasurer or similar position shall not be included as
36 digital gaming media production costs. Furthermore, any income or other
37 distribution to any individual who holds an ownership interest in a
38 digital gaming media production entity shall not be included as digital
39 gaming media production costs.

40 (3) "Qualified digital gaming media production costs" means digital
41 gaming media production costs only to the extent such costs are attrib-
42 utable to the use of property or the performance of services by any
43 persons within the state directly and predominantly in the creation,
44 production or modification of digital gaming related media. Such total
45 production costs incurred and paid in this state shall be equal to or
46 exceed seventy-five percent of total cost of an eligible production
47 incurred and paid within and without this state.

48 (d) Cross-references. For application of the credit provided for in
49 this section, see the following provisions of this chapter:

50 (1) Article nine-A: section two hundred ten-B, subdivision fifty-
51 three.

52 (2) Article twenty-two: section six hundred six, subsection (i), para-
53 graph one, subparagraph (B), clause (xliv).

54 (3) Article twenty-two: section six hundred six, subsection (iii).

55 § 6. Section 210-B of the tax law is amended by adding a new subdivi-
56 sion 53 to read as follows:

53. Empire state digital gaming media production credit. (a) Allowance of credit. A taxpayer who is eligible pursuant to section forty-four of this chapter shall be allowed a credit to be computed as provided in such section forty-four against the tax imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable year reduces the tax to such amount, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter, provided, however, no interest shall be paid thereon.

§ 7. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliv) to read as follows:

<u>(xliv) Empire state digital</u>	<u>Amount of credit</u>
<u>gaming media production</u>	<u>under subdivision</u>
<u>credit under subsection (iii)</u>	<u>fifty-three of section</u>
	<u>two hundred ten-B</u>

§ 8. Section 606 of the tax law is amended by adding a new subsection (iii) to read as follows:

(iii) Empire state digital gaming media production credit. (1) Allowance of credit. A taxpayer who is eligible pursuant to section forty-four of this chapter shall be allowed a credit to be computed as provided in such section forty-four against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowable under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 9. The state commissioner of economic development, after consulting with the state commissioner of taxation and finance, shall promulgate regulations by December 31, 2017 to establish procedures for the allocation of tax credits as required by subdivision (a) of section 43 and subdivision (a) of section 44 of the tax law. Such rules and regulations shall include provisions describing the application process, the due dates for such applications, the standards which shall be used to evaluate the applications, the documentation that will be provided to taxpayers substantiate to the New York state department of taxation and finance the amount of tax credits allocated to such taxpayers, under what conditions all or a portion of this tax credit may be revoked, and such other provisions as deemed necessary and appropriate. Notwithstanding any other provisions to the contrary in the state administrative procedure act, such rules and regulations may be adopted on an emergency basis if necessary to meet such December 31, 2017 deadline.

§ 10. Subdivision 11 of section 352 of the economic development law is REPEALED.

§ 11. Subdivisions 1, 3 and 5 of section 353 of the economic development law, as amended by section 2 of part K of chapter 59 of the laws of 2015, are amended to read as follows:

1. To be a participant in the excelsior jobs program, a business entity shall operate in New York state predominantly:

1 (a) as a financial services data center or a financial services back
2 office operation;

3 (b) in manufacturing;

4 (c) in software development and new media;

5 (d) in scientific research and development;

6 (e) in agriculture;

7 (f) in the creation or expansion of back office operations in the
8 state;

9 (g) in a distribution center;

10 (h) in an industry with significant potential for private-sector
11 economic growth and development in this state as established by the
12 commissioner in regulations promulgated pursuant to this article. In
13 promulgating such regulations the commissioner shall include job and
14 investment criteria; **or**

15 (i) as an entertainment company[~~,-or~~

16 ~~-(j)-in-music-production~~].

17 3. For the purposes of this article, in order to participate in the
18 excelsior jobs program, a business entity operating predominantly in
19 manufacturing must create at least ten net new jobs; a business entity
20 operating predominately in agriculture must create at least five net new
21 jobs; a business entity operating predominantly as a financial service
22 data center or financial services customer back office operation must
23 create at least fifty net new jobs; a business entity operating predomi-
24 nantly in scientific research and development must create at least five
25 net new jobs; a business entity operating predominantly in software
26 development must create at least five net new jobs; a business entity
27 creating or expanding back office operations must create at least fifty
28 net new jobs; [~~a business entity operating predominately in music~~
29 ~~production must create at least five net new jobs,~~] a business entity
30 operating predominantly as an entertainment company must create or
31 obtain at least one hundred net new jobs; or a business entity operating
32 predominantly as a distribution center in the state must create at least
33 seventy-five net new jobs, notwithstanding subdivision five of this
34 section; or a business entity must be a regionally significant project
35 as defined in this article; or

36 5. A not-for-profit business entity, a business entity whose primary
37 function is the provision of services including personal services, busi-
38 ness services, or the provision of utilities, and a business entity
39 engaged predominantly in the retail or entertainment industry, other
40 than a business operating as an entertainment company as defined in this
41 article [~~and other than a business entity engaged in music production~~],
42 and a company engaged in the generation or distribution of electricity,
43 the distribution of natural gas, or the production of steam associated
44 with the generation of electricity are not eligible to receive the tax
45 credit described in this article.

46 § 12. Subdivision 21 of section 352 of the economic development law,
47 as amended by section 1 of part K of chapter 59 of the laws of 2015, is
48 amended to read as follows:

49 21. "Software development" means the creation of coded computer
50 instructions [~~or production or post-production of video games, as~~
51 ~~defined in subdivision one-a of section six hundred eleven of the gener-~~
52 ~~al business law, other than those embedded and used exclusively in~~
53 ~~advertising, promotional websites or microsites,~~] and [**also**] includes
54 new media as defined by the commissioner in regulations.

55 § 13. The economic development law is amended by adding a new section
56 243 to read as follows:

§ 243. Reports on the music and digital gaming industries in New York.
1. The empire state development corporation shall file a report on a
biannual basis with the director of the division of the budget and the
chairpersons of the assembly ways and means committee and senate finance
committee. The report shall be filed no later than thirty days before
the mid-point and the end of the state fiscal year. The first report
shall cover the calendar half year that begins on January first, two
thousand nineteen. Each report must contain the following information
for the covered calendar half year:

(a) the total dollar amount of credits allocated pursuant to sections
forty-three and forty-four of the tax law during the half year, broken
down by month;

(b) the number of music and digital gaming projects, which have been
allocated tax credits of less than one million dollars per project, and
the total dollar amount of credits allocated to those projects distrib-
uted by region pursuant to subdivision (b) of sections forty-three and
forty-four of the tax law;

(c) the number of music and digital gaming projects, which have been
allocated tax credits of more than one million dollars, and the total
dollar amount of credits allocated to those projects distributed by
region pursuant to subdivision (b) of sections forty-three and forty-
four of the tax law;

(d) a list of each eligible music and digital gaming project, which
has been allocated a tax credit enumerated by region pursuant to subdi-
vision (b) of sections forty-three and forty-four of the tax law, and
for each of those projects, (i) the estimated number of employees asso-
ciated with the project, (ii) the estimated qualifying costs for the
projects, (iii) the estimated total costs of the project, (iv) the cred-
it eligible employee hours for each project, and (v) total wages for
such credit eligible employee hours for each project; and

(e) (i) the name of each taxpayer allocated a tax credit for each
project and the county of residence or incorporation of such taxpayer
or, if the taxpayer does not reside or is not incorporated in New York,
the state of residence or incorporation; however, if the taxpayer claims
a tax credit because the taxpayer is a member of a limited liability
company, a partner in a partnership or a shareholder in a subchapter S
corporation, the name of each limited liability company, partnership or
subchapter S corporation earning any of those tax credits must be
included in the report instead of information about the taxpayer claim-
ing the tax credit, (ii) the amount of tax credit allocated to each
taxpayer; provided however, if the taxpayer claims a tax credit because
the taxpayer is a member of a limited liability company, a partner in a
partnership or a shareholder in a subchapter S corporation, the amount
of tax credit earned by each entity must be included in the report
instead of information about the taxpayer claiming the tax credit, and
(iii) information identifying the project associated with each taxpayer
for which a tax credit was claimed under section forty-three or forty-
four of the tax law.

2. The empire state development corporation shall file a report on a
triennial basis with the director of the division of the budget and the
chairpersons of the assembly ways and means committee and senate finance
committee. The first report shall be filed no later than March first,
two thousand twenty-one. The report must be prepared by an independent
third party auditor and include: (a) information regarding the empire
state music production credit and the empire state digital gaming
production credit programs including the efficiency of operations, reli-

ability of financial reporting, compliance with laws and regulations and distribution of assets and funds; (b) and economic impact study prepared by an independent third party of the program with special emphasis on the regional impact by region and the total dollar amount of credits allocated to those projects distributed by region pursuant to subdivision (b) of sections forty-three and forty-four of the tax law; and (c) any other information or statistical information that the commissioner of economic development deems to be useful in analyzing the effects of the programs.

§ 14. This act shall take effect immediately and shall apply to taxable years beginning on January 1, 2018 and before January 1, 2023; provided that sections one through eight of this act shall expire and be deemed repealed December 31, 2022.

PART EEE

Section 1. Article 2-A of the public housing law, as added by section 1 of part CC of chapter 63 of the laws of 2000, subdivision 4 of section 22 as amended by section 1 of part H of chapter 60 of the laws of 2016, is amended to read as follows:

ARTICLE 2-A

NEW YORK STATE LOW INCOME AND MIDDLE INCOME HOUSING TAX CREDIT PROGRAM

Section 21. Definitions.

22. Allowance of credit, amount and limitations.

23. Project monitoring.

24. Credit recapture.

25. Regulations, coordination with federal low-income housing credit provisions.

§ 21. Definitions. 1. (a) "Applicable percentage" means, for the purposes of an eligible low-income building, the appropriate percentage (depending on whether a building is new, existing, or federally subsidized) prescribed by the secretary of the treasury for purposes of section 42 of the internal revenue code and, for the purposes of an eligible middle-income building, thirty percent of the qualified basis of the building as determined pursuant to section 42 of the internal revenue code, for the month which is the earlier of:

(i) the month in which the eligible low-income building or the eligible middle-income building is placed in service, or

(ii) at the election of the taxpayer,

(A) the month in which the taxpayer and the commissioner enter into an agreement with respect to such building (which is binding on the commissioner, the taxpayer, and all successors in interest) as to the housing credit dollar amount to be allocated to such building, or

(B) in the case of any building to which subsection (h)(4)(B) of such section 42 applies, the month in which the tax-exempt obligations are issued.

(b) A month may be elected under subparagraph (ii) of paragraph (a) of this subdivision only if the election is made not later than the fifth day after the close of such month. Such election, once made, shall be irrevocable.

(c) If, as of the close of any taxable year in the credit period, the qualified basis of an eligible low-income building or an eligible middle-income building exceeds such basis as of the close of the first year of the credit period, the applicable percentage which shall apply

1 to such excess shall be two-thirds of the applicable percentage
2 originally ascribed to such building.

3 2. "Compliance period" means, with respect to any building, the period
4 of fifteen taxable years beginning with the first taxable year of the
5 credit period with respect to such building.

6 3. "Credit period" means, with respect to any eligible low-income
7 building or eligible middle-income building, the period of ten taxable
8 years beginning with

9 (a) the taxable year in which the building is placed in service, or

10 (b) at the election of the taxpayer, the succeeding taxable year,
11 but only if the building is an eligible low-income building as of the
12 close of the first year of such period. The election under this para-
13 graph [~~(b) of this subdivision~~], once made, shall be irrevocable.

14 4. "Eligibility statement" means a statement issued by the commission-
15 er certifying that a building is an eligible low-income building or an
16 eligible middle-income building. Such statement shall set forth the
17 taxable year in which such building is placed in service, the dollar
18 amount of low-income housing credit or middle-income housing credit
19 allocated by the commissioner to such building as provided in subdivi-
20 sion five of section twenty-two of this article, the applicable percent-
21 age and maximum qualified basis with respect to such building taken into
22 account in determining such dollar amount, sufficient information to
23 identify each such building and the taxpayer or taxpayers with respect
24 to each such building, and such other information as the commissioner,
25 in consultation with the commissioner of taxation and finance, shall
26 prescribe. Such statement shall be first issued following the close of
27 the first taxable year in the credit period, and thereafter, to the
28 extent required by the commissioner of taxation and finance, following
29 the close of each taxable year of the compliance period.

30 5. "Eligible low-income building" means a building located in this
31 state which either

32 (a) is a qualified low-income building as defined in section 42(c) of
33 the internal revenue code, or

34 (b) would be a qualified low-income building under such section if the
35 20-50 test specified in subsection (g)(1) of such section were disre-
36 garded and the 40-60 test specified in such subsection (requiring that
37 at least forty percent of residential units be both rent-restricted and
38 occupied by individuals whose income is sixty percent or less of area
39 median gross income) were a 40-90 test.

40 5-a. "Eligible middle-income building" means a building located in
41 this state which is composed of multiple residential units which will,
42 upon completion, be affordable by eligible middle-income households.

43 5-b. "Eligible middle-income household" means (a) in cities having a
44 population of one million or more, a person or family residing in a
45 residential unit whose income does not exceed one hundred thirty percent
46 of the median income for the metropolitan statistical area in which an
47 eligible middle-income building is located; or (b) in any portion of the
48 state outside of a city having a population of one million or more and
49 (i) within a metropolitan statistical area, a person or family residing
50 in a residential unit whose income does not exceed one hundred thirty
51 percent of the median income for the metropolitan statistical area in
52 which an eligible middle-income building is located, or one hundred
53 thirty percent of the statewide median income, whichever shall be less,
54 or (ii) outside of metropolitan statistical area, a person or family
55 residing in a residential unit whose income does not exceed one hundred
56 thirty percent of the median income for the county in which an eligible

1 middle-income building is located, or one hundred thirty percent of the
2 statewide median income, whichever shall be less.

3 6. "Qualified basis" of an eligible low-income building or an eligible
4 middle-income building means the qualified basis of such building deter-
5 mined under section 42(c) of the internal revenue code, or, for an
6 eligible low-income building, which would be determined under such
7 section if the 40-90 test specified in paragraph (b) of subdivision five
8 of this section applied under such section 42 to determine if such
9 building were part of a qualified low-income housing project.

10 7. References in this article to section 42 of the internal revenue
11 code shall mean such section as amended from time to time.

12 § 22. Allowance of credit, amount and limitations. 1. A taxpayer
13 subject to tax under article nine-A, twenty-two, [~~thirty-two~~] or thir-
14 ty-three of the tax law which owns an interest in one or more eligible
15 low-income buildings or eligible middle-income buildings shall be
16 allowed a credit against such tax for the amount of low-income housing
17 credit or for the amount of the middle-income housing credit, as the
18 case may be, allocated by the commissioner to each such building. Except
19 as provided in subdivision two of this section, the credit amount so
20 allocated shall be allowed as a credit against the tax for the ten taxa-
21 ble years in the credit period.

22 2. Adjustment of first-year credit allowed in eleventh year. The cred-
23 it allowable for the first taxable year of the credit period with
24 respect to any building shall be adjusted using the rules of section
25 42(f)(2) of the internal revenue code (relating to first-year adjustment
26 of qualified basis by the weighted average of low-income to total resi-
27 dential units, or by the weighted average of middle-income to total
28 residential units, as the case may be), and any reduction in first-year
29 credit by reason of such adjustment shall be allowable for the first
30 taxable year following the credit period.

31 3. Amount of credit. Except as provided in subdivisions four and five
32 of this section, the amount of low-income housing credit and middle-in-
33 come housing credit shall be the applicable percentage of the qualified
34 basis of each eligible low-income building or of each eligible middle-
35 income building.

36 4. Statewide limitation. The aggregate dollar amount of credit which
37 the commissioner may allocate to eligible low-income buildings under
38 this article shall be seventy-two million dollars. The aggregate dollar
39 amount of credit which the commissioner may allocate to eligible
40 middle-income buildings under this article shall be twenty-five million
41 dollars. The limitation provided by this subdivision applies only to
42 allocation of the aggregate dollar amount of credit by the commissioner,
43 and does not apply to allowance to a taxpayer of the credit with respect
44 to an eligible low-income building or an eligible middle-income building
45 for each year of the credit period.

46 5. Building limitation. The dollar amount of credit allocated to any
47 building shall not exceed the amount the commissioner determines is
48 necessary for the financial feasibility of the project and the viability
49 of the building as an eligible low-income building or as an eligible
50 middle-income building throughout the credit period. In allocating a
51 dollar amount of credit to any building, the commissioner shall specify
52 the applicable percentage and the maximum qualified basis which may be
53 taken into account under this article with respect to such building. The
54 applicable percentage and the maximum qualified basis with respect to a
55 building shall not exceed the amounts determined in subdivisions one and
56 six, respectively, of section twenty-one of this article.

6. Long-term commitment to low-income or middle-income housing required. (a) No credit shall be allowed under this article with respect to ~~[a]~~ an eligible low-income building for the taxable year unless an extended low-income housing commitment is in effect as of the end of such taxable year. For purposes of this ~~[subdivision]~~ paragraph, the term "extended low-income housing commitment" means an agreement between the taxpayer and the commissioner substantially similar to the agreement specified in section 42(h)(6)(B) of the internal revenue code.

(b) No credit shall be allowed under this article with respect to an eligible middle-income building for the taxable year unless an extended middle-income housing commitment is in effect as of the end of such taxable year. For the purposes of this paragraph, the term "extended middle-income housing commitment" means an agreement between the taxpayer and the commissioner which has been determined by the commissioner to be similar to the agreement specified in section 42(h)(6)(B) of the internal revenue code.

7. Credit to successor owner. If a credit is allowed under subdivision one of this section with respect to an eligible low-income building or an eligible middle-income building, and such building (or an interest therein) is sold during the credit period, the credit for the period after the sale which would have been allowable under such subdivision one to the prior owner had the building not been sold shall be allowable to the new owner. Credit for the year of sale shall be allocated between the parties on the basis of the number of days during such year that the building or interest was held by each.

§ 23. Project monitoring. The commissioner shall establish such procedures as he or she deems necessary for monitoring compliance of an eligible low-income building or an eligible middle-income building with the provisions of this article, and for notifying the commissioner of taxation and finance of any such noncompliance of which he or she becomes aware.

§ 24. Credit recapture. If, as of the close of any taxable year in the compliance period, the amount of the qualified basis of any building with respect to the taxpayer is less than the amount of such basis as of the close of the preceding taxable year, the credit under this article may be recaptured as provided in section eighteen or eighteen-a of the tax law.

§ 25. Regulations, coordination with federal low-income housing credit provisions. 1. The commissioner shall promulgate rules and regulations necessary to administer the provisions of this act.

2. The provisions of section 42 of the internal revenue code shall apply to the credit under this article, provided however, to the extent such provisions are inconsistent with this article, the provisions of this article shall control.

§ 2. Subdivision 4 of section 22 of the public housing law, as amended by section 2 of part H of chapter 60 of the laws of 2016, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be eighty million dollars. The aggregate dollar amount of credit which the commissioner may allocate to eligible middle-income buildings under this article shall be twenty-five million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect

1 to an eligible low-income building or an eligible middle-income building
2 for each year of the credit period.

3 § 3. Subdivision 4 of section 22 of the public housing law, as amended
4 by section 3 of part H of chapter 60 of the laws of 2016, is amended to
5 read as follows:

6 4. Statewide limitation. The aggregate dollar amount of credit which
7 the commissioner may allocate to eligible low-income buildings under
8 this article shall be eighty-eight million dollars. The aggregate
9 dollar amount of credit which the commissioner may allocate to eligible
10 middle-income buildings under this article shall be twenty-five million
11 dollars. The limitation provided by this subdivision applies only to
12 allocation of the aggregate dollar amount of credit by the commissioner,
13 and does not apply to allowance to a taxpayer of the credit with respect
14 to an eligible low-income building or an eligible middle-income building
15 for each year of the credit period.

16 § 4. Subdivision 4 of section 22 of the public housing law, as amended
17 by section 4 of part H of chapter 60 of the laws of 2016, is amended to
18 read as follows:

19 4. Statewide limitation. The aggregate dollar amount of credit which
20 the commissioner may allocate to eligible low-income buildings under
21 this article shall be ninety-six million dollars. The aggregate dollar
22 amount of credit which the commissioner may allocate to eligible
23 middle-income buildings under this article shall be twenty-five million
24 dollars. The limitation provided by this subdivision applies only to
25 allocation of the aggregate dollar amount of credit by the commissioner,
26 and does not apply to allowance to a taxpayer of the credit with respect
27 to an eligible low-income building or an eligible middle-income building
28 for each year of the credit period.

29 § 5. Subdivision 4 of section 22 of the public housing law, as amended
30 by section 5 of part H of chapter 60 of the laws of 2016, is amended to
31 read as follows:

32 4. Statewide limitation. The aggregate dollar amount of credit which
33 the commissioner may allocate to eligible low-income buildings under
34 this article shall be one hundred four million dollars. The aggregate
35 dollar amount of credit which the commissioner may allocate to eligible
36 middle-income buildings under this article shall be twenty-five million
37 dollars. The limitation provided by this subdivision applies only to
38 allocation of the aggregate dollar amount of credit by the commissioner,
39 and does not apply to allowance to a taxpayer of the credit with respect
40 to an eligible low-income building or an eligible middle-income building
41 for each year of the credit period.

42 § 6. The tax law is amended by adding a new section 18-a to read as
43 follows:

44 § 18-a. Middle-income housing credit. (a) Allowance of credit. A
45 taxpayer subject to tax under article nine-A, twenty-two, or thirty-
46 three of this chapter shall be allowed a credit against such tax, pursu-
47 ant to the provisions referenced in subdivision (d) of this section,
48 with respect to the ownership of eligible middle-income buildings for
49 which an eligibility statement has been issued by the commissioner of
50 housing and community renewal. The amount of the credit shall be the
51 credit amount for each such building allocated by such commissioner as
52 provided in article two-A of the public housing law. The credit amount
53 shall be allowed for each of the ten taxable years in the credit period,
54 and any reduction in first-year credit as provided in subdivision two of
55 section twenty-two of such law shall be allowed in the eleventh taxable
56 year.

1 (b) Credit recapture. (1) General. If, as of the close of any taxable
2 year in the compliance period, the amount of the qualified basis of any
3 building with respect to the taxpayer is less than the amount of such
4 basis as of the close of the preceding taxable year, then the credit
5 recapture amount must be added back for the taxable year.

6 (2) Credit recapture amount. The credit recapture amount is an amount
7 equal to the sum of

8 (A) the aggregate decrease in the credits allowed to the taxpayer
9 under this section for all prior taxable years which would have resulted
10 if the accelerated portion of the credit allowable by reason of this
11 section were not allowed for all prior taxable years with respect to the
12 excess of the amount described in subparagraph (B) of paragraph one of
13 this subdivision over the amount described in subparagraph (A) of such
14 paragraph, plus

15 (B) interest at the overpayment rate established under section one
16 thousand ninety-six of this chapter on the amount determined under
17 subparagraph (A) of this paragraph for each prior taxable year for the
18 period beginning on the due date for filing the report for the prior
19 taxable year involved.

20 (3) Accelerated portion of credit. For purposes of paragraph two of
21 this subdivision, the accelerated portion of the credit for the prior
22 taxable years with respect to any amount of basis is the excess of

23 (A) the aggregate credit allowed by reason of this section (without
24 regard to this subdivision) for such years with respect to such basis,
25 over

26 (B) the aggregate credit which would be allowable by reason of this
27 section for such years with respect to such basis if the aggregate cred-
28 it which would (but for this subdivision) have been allowed for the
29 entire compliance period were allowable ratably over fifteen years.

30 (4) Special rules. For purposes of this subdivision, the rules of
31 section 42 (j)(4)(B) and (C) of the internal revenue code shall apply in
32 determining the credit recapture amount.

33 (5) Exceptions to recapture. Recapture under this subdivision shall
34 not apply to a reduction in qualified basis

35 (A) by reason of a casualty loss, if the commissioner, in consultation
36 with the commissioner of housing and community renewal, determines that
37 such loss is restored by reconstruction or replacement within a reason-
38 able period, or

39 (B) by reason of a change in floor space devoted to middle-income
40 units in a building, if such building remains an eligible middle-income
41 building after such change, and if the commissioner, in consultation
42 with the commissioner of housing and community renewal, determines that
43 such change is de minimis, or

44 (C) by reason of error in complying with middle-income eligibility
45 tests referred to in subdivision five of section twenty-one of the
46 public housing law, if the commissioner, in consultation with the
47 commissioner of housing and community renewal, determines that such
48 error is de minimis.

49 (6) Recapture by partners of a partnership. In the case of ownership
50 of a building or interest therein by a partnership which has thirty-five
51 or more partners, the provisions of section 42(j)(5) of the internal
52 revenue code shall apply to any recapture under this subdivision unless
53 the partnership elects not to have such provisions apply.

54 (7) (A) The credit recapture required under this subdivision will not
55 apply solely by reason of the disposition of a building or an interest
56 therein if it is reasonably expected that such building will continue to

1 be operated as an eligible middle-income building for the remaining
 2 compliance period with respect to such building.

3 (B) Statute of limitations. If a building (or an interest therein) is
 4 disposed of during any taxable year and there is any reduction in the
 5 qualified basis of such building which results in an increase in tax
 6 under this section for such taxable or any subsequent taxable year, then

7 (i) the statutory period for the assessment of any deficiency with
 8 respect to such increase in tax will not expire before the expiration of
 9 three years from the date the commissioner of housing and community
 10 renewal is notified by the taxpayer (in such manner as the commissioner
 11 of housing and community renewal may prescribe) of such reduction in
 12 qualified basis, and

13 (ii) such deficiency may be assessed before the expiration of such
 14 three-year period notwithstanding the provisions of any other law or
 15 rule of law which would otherwise prevent such assessment.

16 (c) Construction with public housing law; definitions. The provisions
 17 of this section shall be construed in conjunction with the provisions of
 18 article two-A of the public housing law. For definitions relating to the
 19 middle-income housing credit, see section twenty-one of such law.

20 (d) Cross-references. For application of the credit provided for in
 21 this section, see the following provisions of this chapter:

22 (1) Article 9-A: Section 210-B: subdivision 15-a,

23 (2) Article 22: Section 606: subsections (i) and (x-1),

24 (3) Article 33: Section 1511: subdivision (n-1).

25 § 7. Section 210-B of the tax law is amended by adding a new subdivi-
 26 sion 15-a to read as follows:

27 15-a. Middle-income housing credit. (a) Allowance of credit. A taxpay-
 28 er shall be allowed a credit against the tax imposed by this article
 29 with respect to the ownership of eligible middle-income buildings,
 30 computed as provided in section eighteen-a of this chapter.

31 (b) Application of credit. The credit allowed under this subdivision
 32 for any taxable year shall not, in the aggregate, reduce the tax due for
 33 such year to less than the higher of the amounts prescribed in para-
 34 graphs (c) and (d) of subdivision one of this section. However, if the
 35 amount of credit allowed under this subdivision for any taxable year
 36 reduces the tax to such amount, any amount of credit thus not deductible
 37 in such taxable year shall be treated as an overpayment of tax to be
 38 credited or refunded in accordance with the provisions of section two
 39 hundred eighty-six of this chapter. Provided, however, the provisions of
 40 subsection (c) of section one thousand eighty-eight of this chapter
 41 notwithstanding, no interest shall be paid thereon.

42 (c) Credit recapture. For provisions requiring recapture of credit,
 43 see subdivision (b) of section eighteen-a of this chapter.

44 § 8. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 45 of the tax law is amended by adding a new clause (xiii-a) to read as
 46 follows:

47 <u>(xiii-a) Middle-income housing</u>	<u>Credit amount under subdivision</u>
48 <u>credit under subsection (x-1)</u>	<u>fifteen-a of section two</u>
49	<u>hundred ten-B</u>

50 § 9. Section 606 of the tax law is amended by adding a new subsection
 51 (x-1) to read as follows:

52 (x-1) Middle-income housing credit. (1) Allowance of credit. A taxpay-
 53 er shall be allowed a credit against the tax imposed by this article

1 with respect to the ownership of eligible middle-income buildings,
2 computed as provided in section eighteen-a of this chapter.

3 (2) Application of credit. If the amount of credit allowable under
4 this subsection for any taxable year shall exceed the taxpayer's tax for
5 such year, the excess shall be treated as an overpayment of tax to be
6 credited or refunded in accordance with the provisions of section six
7 hundred eighty-six of this article, provided, however, that no interest
8 shall be paid thereon.

9 (3) Credit recapture. For provisions requiring recapture of credit,
10 see subdivision (b) of section eighteen-a of this chapter.

11 § 10. Section 1511 of the tax law is amended by adding a new subdivi-
12 sion (n-1) to read as follows:

13 (n-1) Middle-income housing credit. (1) Allowance of credit. A taxpay-
14 er shall be allowed a credit against the tax imposed by this article
15 with respect to the ownership of eligible middle-income buildings,
16 computed as provided in section eighteen-a of this chapter.

17 (2) Application of credit. The credit allowed under this subdivision
18 for any taxable year shall not, in the aggregate, reduce the tax due for
19 such year to less than the minimum tax fixed by paragraph four of subdi-
20 vision (a) of section fifteen hundred two of this article or by section
21 fifteen hundred two-a of this article, whichever is applicable. Howev-
22 er, if the amount of credit allowed under this subdivision for any taxa-
23 ble year reduces the tax to such amount, then any amount of credit thus
24 not deductible in such taxable year shall be treated as an overpayment
25 of tax to be credited or refunded in accordance with the provisions of
26 section one thousand eighty-six of this chapter. Provided, however, the
27 provisions of subsection (c) of section one thousand eighty-eight of
28 this chapter notwithstanding, no interest shall be paid thereon.

29 (3) Credit recapture. For provisions requiring recapture of credit,
30 see subdivision (b) of section eighteen-a of this chapter.

31 § 11. This act shall take effect immediately; provided that:

32 (a) section two of this act shall take effect on the same date and in
33 the same manner as section 2 of part H of chapter 60 of the laws of 2016
34 takes effect;

35 (b) section three of this act shall take effect on the same date and
36 in the same manner as section 3 of part H of chapter 60 of the laws of
37 2016 takes effect;

38 (c) section four of this act shall take effect on the same date and in
39 the same manner as section 4 of part H of chapter 60 of the laws of 2016
40 takes effect; and

41 (d) section five of this act shall take effect on the same date and in
42 the same manner as section 5 of part H of chapter 60 of the laws of 2016
43 takes effect.

44 PART FFF

45 Section 1. Section 606 of the tax law is amended by adding a new
46 subsection (ccc) to read as follows:

47 (ccc) Credit for rehabilitation of distressed commercial properties.
48 (1) For taxable years beginning on or after January first, two thousand
49 seventeen, a taxpayer shall be allowed a credit as hereinafter provided,
50 against the tax imposed by this article, in an amount equal to thirty
51 percent of the qualified rehabilitation expenditures made by the taxpay-
52 er with respect to a qualified distressed commercial property. Provided,
53 however, the credit shall not exceed one hundred thousand dollars.

1 (2) Tax credits allowed pursuant to this subsection shall be allowed
2 in the taxable year in which the property is deemed a certified rehabil-
3 itation.

4 (3) If the amount of the credit allowable under this subsection for
5 any taxable year shall exceed the taxpayer's tax for such year, the
6 excess may be carried over to the following year or years, and may be
7 applied against the taxpayer's tax for such year or years, but shall not
8 exceed twenty-five thousand dollars.

9 (4) (A) The term "qualified rehabilitation expenditure" means, for
10 purposes of this subsection, any amount properly chargeable to a capital
11 account:

12 (i) in connection with the certified rehabilitation of a qualified
13 distressed commercial property, and

14 (ii) for property for which depreciation would be allowable under
15 section 168 of the internal revenue code.

16 (B) Such term shall not include (i) the cost of acquiring any building
17 or interest therein, (ii) any expenditure attributable to the enlarge-
18 ment of an existing building, or (iii) any expenditure made prior to
19 January first, two thousand seventeen or after December thirty-first,
20 two thousand twenty-two.

21 (5) The term "certified rehabilitation" means, for purposes of this
22 subsection, any rehabilitation of a certified distressed commercial
23 property which has been approved and certified by a local government as
24 being completed, with a certificate of occupancy issued, and that the
25 costs are consistent with the work completed. Such certification shall
26 be acceptable as proof that the expenditures related to such rehabili-
27 tation qualify as qualified rehabilitation expenditures for purposes of
28 the credit allowed under paragraph one of this subsection.

29 (6) (A) The term "qualified distressed commercial property" means, for
30 purposes of this subsection, a distressed commercial property located
31 within New York state:

32 (i) which has been substantially rehabilitated,

33 (ii) which is owned by the taxpayer, and

34 (iii) which is located within a distressed commercial area, as identi-
35 fied by each locality through local law, that is deemed an area in need
36 of community renewal due to dilapidation and vacancies.

37 (B) If the distressed commercial property is rental property, such
38 property shall have been more than thirty percent vacant for twelve
39 months while actively marketed for lease.

40 (C) A building shall be treated as having been "substantially rehabil-
41 itated" if the qualified rehabilitation expenditures in relation to such
42 building total ten thousand dollars or more.

43 (7) (A) If the taxpayer disposes of such taxpayer's interest in the
44 qualified distressed commercial property, or such property ceases to be
45 used as a commercial property of the taxpayer within five years of
46 receiving the credit under this subsection, the taxpayer's tax imposed
47 by this article for the taxable year in which such disposition or cessa-
48 tion occurs shall be increased by the recapture portion of the credit
49 allowed under this subsection for all prior taxable years with respect
50 to such rehabilitation.

51 (B) For purposes of subparagraph (A) of this paragraph, the recapture
52 portion shall be the product of the amount of credit claimed by the
53 taxpayer multiplied by a ratio, the numerator of which is equal to sixty
54 less the number of months the building is owned or used as commercial
55 property by the taxpayer and the denominator of which is sixty.

(8) Any expenditure for which a credit is claimed under this subsection shall not be eligible for any other credit under this chapter.

§ 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

<u>(xliii) Credit for rehabilitation</u>	<u>Amount of credit under</u>
<u>of distressed commercial properties</u>	<u>subdivision forty-nine</u>
<u>under subsection (ccc)</u>	<u>of section two hundred ten-B</u>

§ 3. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. Credit for rehabilitation of distressed commercial properties. (1) For taxable years beginning on or after January first, two thousand seventeen, a taxpayer shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to thirty percent of the qualified rehabilitation expenditures made by the taxpayer with respect to a qualified distressed commercial property. Provided, however, the credit shall not exceed one hundred thousand dollars.

(2) Tax credits allowed pursuant to this subdivision shall be allowed in the taxable year in which the property is deemed a certified rehabilitation.

(3) If the amount of the credit allowable under this subdivision for any taxable year shall exceed the taxpayer's tax for such year, the excess may be carried over to the following year or years, and may be applied against the taxpayer's tax for such year or years, but shall not exceed twenty-five thousand dollars.

(4) (A) The term "qualified rehabilitation expenditure" means, for purposes of this subdivision, any amount properly chargeable to a capital account:

(i) in connection with the certified rehabilitation of a qualified commercial property, and

(ii) for property for which depreciation would be allowable under section 168 of the internal revenue code.

(B) Such term shall not include (i) the cost of acquiring any building or interest therein, (ii) any expenditure attributable to the enlargement of an existing building, or (iii) any expenditure made prior to January first, two thousand seventeen or after December thirty-first, two thousand twenty-two.

(5) The term "certified rehabilitation" means, for purposes of this subdivision, any rehabilitation of a certified distressed commercial property which has been approved and certified by a local government as being completed, with a certificate of occupancy issued, and that the costs are consistent with the work completed. Such certification shall be acceptable as proof that the expenditures related to such rehabilitation qualify as qualified rehabilitation expenditures for purposes of the credit allowed under paragraph one of this subdivision.

(6) (A) The term "qualified distressed commercial property" means, for purposes of this subdivision, a distressed commercial property located within New York state:

(i) which has been substantially rehabilitated,

(ii) which is owned by the taxpayer, and

(iii) which is located within a distressed commercial area, as identified by each locality through local law, that is deemed an area in need of community renewal due to dilapidation and vacancies.

1 (B) If the distressed commercial property is rental property, such
2 property shall have been more than thirty percent vacant for twelve
3 months while actively marketed for lease.

4 (C) A building shall be treated as having been "substantially rehabil-
5 itated" if the qualified rehabilitation expenditures in relation to such
6 building total ten thousand dollars or more.

7 (7) (A) If the taxpayer disposes of such taxpayer's interest in the
8 qualified distressed commercial property, or such property ceases to be
9 used as a commercial property of the taxpayer within five years of
10 receiving the credit under this subdivision, the taxpayer's tax imposed
11 by this article for the taxable year in which such disposition or cessa-
12 tion occurs shall be increased by the recapture portion of the credit
13 allowed under this subdivision for all prior taxable years with respect
14 to such rehabilitation.

15 (B) For purposes of subparagraph (A) of this paragraph, the recapture
16 portion shall be the product of the amount of credit claimed by the
17 taxpayer multiplied by a ratio, the numerator of which is equal to sixty
18 less the number of months the building is owned or used as commercial
19 property by the taxpayer and the denominator of which is sixty.

20 (8) Any expenditure for which a credit is claimed under this subdivi-
21 sion shall not be eligible for any other credit under this chapter.

22 § 4. This act shall take effect immediately and shall apply to taxable
23 years beginning on or after January 1, 2018.

24 PART GGG

25 Section 1. Section 606 of the tax law is amended by adding a new
26 subsection (ccc) to read as follows:

27 (ccc) Universal visitability tax credit. 1. For taxable years begin-
28 ning on or after January first, two thousand eighteen, until December
29 thirty-first, two thousand twenty-two, a taxpayer shall be allowed a
30 credit against the tax imposed by this article for a portion of the
31 total purchase price paid by such taxpayer for a principal residence
32 attributable to universal visitability or the total amount expended by a
33 taxpayer to retrofit an existing principal residence to achieve
34 universal visitability provided that the principal residence or the
35 retrofitting of the existing principal residence is located within this
36 state and designed to provide universal visitability as defined through
37 the eligibility requirements established by guidelines developed by the
38 division of code enforcement and administration within the department of
39 state. For the purpose of this subsection, principal residence shall
40 mean such residence pursuant to section one hundred twenty-one of the
41 internal revenue code.

42 2. The credit shall be allowed for the taxable year in which the resi-
43 dence has been purchased or constructed, or the retrofitting or reno-
44 vation of the residence or residential unit has been completed. The
45 credit allowed under this section shall not exceed (i) twenty-seven
46 hundred fifty dollars for the purchase of a new residence, or (ii) fifty
47 percent of the total amount expended, but not to exceed twenty-seven
48 hundred fifty dollars for the retrofitting or renovation of each exist-
49 ing residence or unit.

50 3. No credit shall be allowed under this section for the purchase,
51 retrofitting or renovation of residential rental property.

52 4. If the amount of the credit allowable under this subsection shall
53 exceed the taxpayer's tax for such year, the excess may be carried over

1 to the following year or years and may be deducted from the taxpayer's
2 tax for such year or years.

3 5. Eligible taxpayers shall apply for the credit by making application
4 to the division of code enforcement and administration within the
5 department of state. The division of code enforcement and administration
6 within the department of state shall issue a certification for an
7 approved application to the taxpayer. The taxpayer shall submit the
8 certification together with their personal income return.

9 6. (A) The aggregate amount of tax credits allowed pursuant to the
10 authority of this subsection shall be one million dollars each year
11 during the period two thousand eighteen through two thousand twenty-two.
12 Such aggregate amounts of credits shall be allocated by the department
13 of state among taxpayers in order of priority based upon the date of
14 filing an application for allocation of credit with the division of code
15 enforcement and administration. If the total amount of allocated credits
16 applied for in any particular year exceeds the aggregate amount of tax
17 credits allowed for such year under this section, such excess shall be
18 treated as having been applied for on the first day of the subsequent
19 year.

20 (B) The secretary of state, after consulting with the commissioner,
21 shall promulgate regulations by October thirty-first, two thousand
22 seventeen to establish procedures for the allocation of tax credits as
23 required by this subparagraph. Such rules and regulations shall include
24 provisions describing the application process, the due days for such
25 applications, the standards which shall be used to evaluate the applica-
26 tions, the documentation that will be provided to taxpayers to substan-
27 tiate to the department the amount of tax credits allocated to such
28 taxpayers, and such other provisions as deemed necessary and appropri-
29 ate. Notwithstanding any other provisions to the contrary in the state
30 administrative procedure act, such rules and regulations may be adopted
31 on an emergency basis if necessary to meet such October thirty-first,
32 two thousand seventeen deadline.

33 7. The department of state shall submit to the governor, the temporary
34 president of the senate, and the speaker of the assembly, an annual
35 report to be submitted by February first of each year evaluating the
36 effectiveness of the universal visitability tax credit provided by this
37 section. Such report shall be based on data available from the applica-
38 tion filed with the division of code enforcement and administration for
39 universal visitability credits. Notwithstanding any provision of law to
40 the contrary, the information contained in the report shall be public
41 information. The report may also include any recommendations of changes
42 in the calculation or administration of the credit, and any other recom-
43 mendation of the commissioner of the department of state or the division
44 of code enforcement and administration regarding continuing modifica-
45 tion, repeal of such act, and such other information regarding the act
46 as the division may feel useful and appropriate.

47 § 2. This act shall take effect immediately and shall expire and be
48 deemed repealed December 31, 2022.

49 PART HHH

50 Section 1. Subsection (a) of section 801 of the tax law, as amended by
51 section 1 of part N of chapter 59 of the laws of 2012, is amended to
52 read as follows:

53 (a) For the sole purpose of providing an additional stable and reli-
54 able dedicated funding source for the metropolitan transportation

1 authority and its subsidiaries and affiliates to preserve, operate and
2 improve essential transit and transportation services in the metropol-
3 itan commuter transportation district, a tax is hereby imposed on
4 employers and individuals as follows: (1) For employers who engage in
5 business within the MCTD, the tax is imposed at a rate of (A) eleven
6 hundredths (.11) percent of the payroll expense for employers with
7 payroll expense no greater than three hundred seventy-five thousand
8 dollars in any calendar quarter, (B) twenty-three hundredths (.23)
9 percent of the payroll expense for employers with payroll expense great-
10 er than three hundred seventy-five thousand dollars and no greater than
11 four hundred thirty-seven thousand five hundred dollars in any calendar
12 quarter, and (C) thirty-four hundredths (.34) percent of the payroll
13 expense for employers with payroll expense in excess of four hundred
14 thirty-seven thousand five hundred dollars in any calendar quarter. If
15 the employer is a professional employer organization, as defined in
16 section nine hundred sixteen of the labor law, the employer's tax shall
17 be calculated by determining the payroll expense attributable to each
18 client who has entered into a professional employer agreement with such
19 organization and the payroll expense attributable to such organization
20 itself, multiplying each of those payroll expense amounts by the appli-
21 cable rate set forth in this paragraph and adding those products togeth-
22 er. (2) For individuals, the tax is imposed at a rate of thirty-four
23 hundredths (.34) percent of the net earnings from self-employment of
24 individuals that are attributable to the MCTD if such earnings attribut-
25 able to the MCTD exceed two hundred fifty thousand dollars for the tax
26 year.

27 § 2. This act shall take effect immediately and shall apply to taxable
28 years beginning on or after January 1, 2018.

29 PART III

30 Section 1. Paragraphs 3 and 4 of subsection (b) of section 800 of the
31 tax law, paragraph 3 as amended by section 1 of part B of chapter 56 of
32 the laws of 2011, paragraph 4 as amended by section 1 of part YY of
33 chapter 59 of the laws of 2015, are amended and a new paragraph 5 is
34 added to read as follows:

35 (3) an interstate agency or public corporation created pursuant to an
36 agreement or compact with another state or the Dominion of Canada; ~~[or]~~

37 (4) Any eligible educational institution. An "eligible educational
38 institution" shall mean any public school district, a board of cooper-
39 ative educational services, a public elementary or secondary school, a
40 school approved pursuant to article eighty-five or eighty-nine of the
41 education law to serve students with disabilities of school age, or a
42 nonpublic elementary or secondary school that provides instruction in
43 grade one or above, all public library systems as defined in subdivision
44 one of section two hundred seventy-two of the education law, and all
45 public and free association libraries as such terms are defined in
46 subdivision two of section two hundred fifty-three of the education
47 law~~[-]~~; or

48 (5) any agency or instrumentality of the state of New York.

49 § 2. This act shall take effect immediately.

50 PART JJJ

1 Section 1. Paragraph (f) of subdivision 1 of section 209-B of the tax
2 law, as added by section 7 of part A of chapter 59 of the laws of 2014,
3 is amended to read as follows:

4 (f) The commissioner shall determine the rate of tax for taxable years
5 beginning on or after January first, two thousand sixteen by adjusting
6 the rate for taxable years beginning on or after January first, two
7 thousand fifteen and before January first, two thousand sixteen as
8 necessary to ensure that the receipts attributable to such surcharge, as
9 impacted by the chapter of the laws of two thousand fourteen which added
10 this paragraph, will meet and not exceed the financial projections for
11 state fiscal year two thousand sixteen-two thousand seventeen, as
12 reflected in state fiscal year two thousand fifteen-two thousand sixteen
13 enacted budget. The commissioner shall annually determine the rate there-
14 after using the financial projections for the state fiscal year that
15 commences in the year for which the rate is to be set as reflected in
16 the enacted budget for the fiscal year commencing on the previous April
17 first. Provided however, no increase in the rate shall occur in taxable
18 years beginning after two thousand twenty-one.

19 § 2. This act shall take effect immediately.

20 PART KKK

21 Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax
22 law, as amended by section 3 of part I of chapter 59 of the laws of
23 2015, is amended to read as follows:

24 (3-a) Pensions and annuities received by an individual who has
25 attained the age of fifty-nine and one-half, not otherwise excluded
26 pursuant to paragraph three of this subsection, to the extent includible
27 in gross income for federal income tax purposes, but not in excess of
28 ~~[twenty]~~ twenty-seven thousand dollars for any taxable year beginning on
29 or after January first, two thousand seventeen, thirty-four thousand
30 dollars for any taxable year beginning on or after January first, two
31 thousand eighteen, and forty thousand dollars in each subsequent year,
32 which are periodic payments attributable to personal services performed
33 by such individual prior to his retirement from employment, which arise
34 (i) from an employer-employee relationship or (ii) from contributions to
35 a retirement plan which are deductible for federal income tax purposes.
36 Provided, however, the pension and annuities by a married couple who
37 file joint tax returns shall be double the limitations set forth in this
38 paragraph. However, the term "pensions and annuities" shall also include
39 distributions received by an individual who has attained the age of
40 fifty-nine and one-half from an individual retirement account or an
41 individual retirement annuity, as defined in section four hundred eight
42 of the internal revenue code, and distributions received by an individ-
43 ual who has attained the age of fifty-nine and one-half from self-em-
44 ployed individual and owner-employee retirement plans which qualify
45 under section four hundred one of the internal revenue code, whether or
46 not the payments are periodic in nature. Nevertheless, the term
47 "pensions and annuities" shall not include any lump sum distribution, as
48 defined in subparagraph (D) of paragraph four of subsection (e) of
49 section four hundred two of the internal revenue code and taxed under
50 section six hundred three of this article. Where a husband and wife file
51 a joint state personal income tax return, the modification provided for
52 in this paragraph shall be computed as if they were filing separate
53 state personal income tax returns. Where a payment would otherwise come
54 within the meaning of the term "pensions and annuities" as set forth in

1 this paragraph, except that such individual is deceased, such payment
2 shall, nevertheless, be treated as a pension or annuity for purposes of
3 this paragraph if such payment is received by such individual's benefi-
4 ciary.

5 § 2. This act shall take effect immediately and shall be deemed to
6 have been in full force and effect on and after the first of January of
7 the year in which it shall have become a law.

8 PART LLL

9 Section 1. Subdivision 1 of section 190 of the tax law, as amended by
10 section 102 of part A of chapter 59 of the laws of 2014, is amended to
11 read as follows:

12 1. General. A taxpayer shall be allowed a credit against the tax
13 imposed by this article equal to twenty percent of the premium paid
14 during the taxable year for long-term care insurance or for a policy
15 rider to a life insurance policy issued pursuant to subparagraph (C),
16 (D), (E) or (F) of paragraph one of subsection (a) of section one thou-
17 sand one hundred thirteen of the insurance law; provided, however, that
18 for taxable years commencing on or after January first, two thousand
19 seventeen and before January first, two thousand twenty-one, such credit
20 shall be forty percent of the premium paid during the taxable year for
21 long-term care insurance. In order to qualify for such credit, the
22 taxpayer's premium payment must be for the purchase of or for continuing
23 coverage under a long-term care insurance policy that qualifies for such
24 credit pursuant to section one thousand one hundred seventeen of the
25 insurance law.

26 § 2. Paragraph (a) of subdivision 14 of section 210-B of the tax law,
27 as added by section 17 of part A of chapter 59 of the laws of 2014, is
28 amended to read as follows:

29 (a) General. A taxpayer shall be allowed a credit against the tax
30 imposed by this article equal to twenty percent of the premium paid
31 during the taxable year for long-term care insurance or for a policy
32 rider to a life insurance policy issued pursuant to subparagraph (C),
33 (D), (E) or (F) of paragraph one of subsection (a) of section one thou-
34 sand one hundred thirteen of the insurance law; provided, however, that
35 for taxable years commencing on or after January first, two thousand
36 seventeen and before January first, two thousand twenty-one, such credit
37 shall be forty percent of the premium paid during the taxable year for
38 long-term care insurance. In order to qualify for such credit, the
39 taxpayer's premium payment must be for the purchase of or for continuing
40 coverage under a long-term care insurance policy that qualifies for such
41 credit pursuant to section one thousand one hundred seventeen of the
42 insurance law.

43 § 3. Paragraph 1 of subsection (aa) of section 606 of the tax law, as
44 amended by section 1 of part P of chapter 61 of the laws of 2005, is
45 amended to read as follows:

46 (1) Residents. A taxpayer shall be allowed a credit against the tax
47 imposed by this article equal to twenty percent of the premium paid
48 during the taxable year for long-term care insurance or for a policy
49 rider to a life insurance policy issued pursuant to subparagraph (C),
50 (D), (E) or (F) of paragraph one of subsection (a) of section one thou-
51 sand one hundred thirteen of the insurance law; provided, however, that
52 for taxable years commencing on or after January first, two thousand
53 seventeen and before January first, two thousand twenty-one, such credit
54 shall be forty percent of the premium paid during the taxable year for

1 long-term care insurance. In order to qualify for such credit, the
2 taxpayer's premium payment must be for the purchase of or for continuing
3 coverage under a long-term care insurance policy that qualifies for such
4 credit pursuant to section one thousand one hundred seventeen of the
5 insurance law. If the amount of the credit allowable under this
6 subsection for any taxable year shall exceed the taxpayer's tax for such
7 year, the excess may be carried over to the following year or years and
8 may be deducted from the taxpayer's tax for such year or years.

9 § 4. Paragraph 1 of subsection (m) of section 1511 of the tax law, as
10 amended by section 21 of part B of chapter 58 of the laws of 2004, is
11 amended to read as follows:

12 (1) A taxpayer shall be allowed a credit against the tax imposed by
13 this article equal to twenty percent of the premium paid during the
14 taxable year for long-term care insurance or for a policy rider to a
15 life insurance policy issued pursuant to subparagraph (C), (D), (E) or
16 (F) of paragraph one of subsection (a) of section one thousand one
17 hundred thirteen of the insurance law; provided, however, that for taxa-
18 ble years commencing on or after January first, two thousand seventeen
19 and before January first, two thousand twenty-one, such credit shall be
20 forty percent of the premium paid during the taxable year for long-term
21 care insurance. In order to qualify for such credit, the taxpayer's
22 premium payment must be for the purchase of or for continuing coverage
23 under a long-term care insurance policy that qualifies for such credit
24 pursuant to section one thousand one hundred seventeen of the insurance
25 law.

26 § 5. Paragraphs 1 and 2 of subsection (g) of section 1117 of the
27 insurance law, paragraph 1 as amended by chapter 417 of the laws of
28 2001, paragraph 2 as amended by section 12 of part E of chapter 63 of
29 the laws of 2000 and subparagraphs (A) and (B) of paragraph 2 as amended
30 by chapter 311 of the laws of 2002, are amended to read as follows:

31 (1) Except for certain group contracts described in paragraph four of
32 this subsection, in order for premium payments for long-term care insur-
33 ance, or for a policy rider to a life insurance policy issued pursuant
34 to subparagraph (C), (D), (E) or (F) of paragraph one of subsection (a)
35 of section one thousand one hundred thirteen of this article, to qualify
36 for purposes of section one hundred ninety, subdivision [~~twenty-five-a~~
37 fourteen] of section two hundred [~~ten~~] ten-B, subsection (aa) of section
38 six hundred six[~~, subsection (k) of section one thousand four hundred~~
39 ~~fifty-six~~] and subsection (m) of section one thousand five hundred elev-
40 en of the tax law, the long-term care insurance or such policy rider
41 must be approved by the superintendent pursuant to this subsection.
42 Prior to approving any such insurance or policy rider, the superinten-
43 dent shall conclude that it meets minimum standards, including minimum
44 loss ratio standards under this section or section three thousand two
45 hundred twenty-nine of this chapter and is a qualified long-term care
46 insurance contract as defined in section 7702B of the internal revenue
47 code.

48 (2) (A) No insurer, agent, broker, person, business or corporation
49 doing business in or into this state shall in any manner state, adver-
50 tise or claim that a long-term care insurance policy, or a policy rider
51 to a life insurance policy issued pursuant to subparagraph (C), (D), (E)
52 or (F) of paragraph one of subsection (a) of section one thousand one
53 hundred thirteen of this article, qualifies for purposes of the above-
54 referenced provisions of the tax law unless either: (i) the superinten-
55 dent has issued a letter or other written instrument to the insurer
56 stating that the policy or policy rider has been determined to qualify

1 under this subsection, or (ii) the policy or policy rider qualifies
2 under paragraph four of this subsection without the need for approval by
3 the superintendent.

4 (B) Any policy or policy rider which is held out or purported to be a
5 long-term care insurance policy by any insurer, agent, broker, person,
6 business or corporation doing business in or into this state which has
7 not been determined by the superintendent to qualify and which does not
8 qualify under paragraph four of this subsection for purposes of the
9 above referenced provisions of the tax law shall so state clearly, legi-
10 bly and in close physical proximity to any description of the policy or
11 policy rider as a long-term care insurance policy that it does not so
12 qualify. This subsection shall also be deemed to cover any statement,
13 advertisement or claim concerning such policy by any insurer, agent,
14 broker, person, business or corporation doing business in or into this
15 state.

16 (C) Violation of this paragraph shall be considered a misrepresen-
17 tation under section [~~twenty-one~~] two thousand one hundred twenty-three
18 of this chapter.

19 § 6. This act shall take effect immediately and shall be deemed to
20 have been in full force and effect on and after January 1, 2017.

21 PART MMM

22 Section 1. Subsection (d) of section 615 of the tax law is amended by
23 adding a new paragraph 5 to read as follows:

24 (5) an amount equal to ten thousand dollars for the adoption of a
25 child with special needs. The amount allowed by this paragraph may be
26 used by a taxpayer to increase his or her deduction in each year that
27 the taxpayer is the legal parent of a child with special needs.

28 For purposes of this paragraph, a child with special needs shall mean
29 any child who is under the age of twenty-one and who possesses a specif-
30 ic physical, mental, or emotional condition or disability of such sever-
31 ity or kind that, in the opinion of the office of children and family
32 services, would constitute a significant obstacle to the child's
33 adoption.

34 § 2. This act shall take effect immediately and shall apply to taxable
35 years commencing on and after January 1, 2017.

36 PART NNN

37 Section 1. Subsection (a) of section 601-a of the tax law, as amended
38 by section 10 of part FF of chapter 59 of the laws of 2013, is amended
39 to read as follows:

40 (a) For tax year two thousand thirteen, the commissioner, not later
41 than September first, two thousand twelve, shall multiply the amounts
42 specified in subsection (b) of this section for tax year two thousand
43 twelve by one plus the cost of living adjustment described in subsection
44 (c) of this section. For tax year two thousand fourteen, the commission-
45 er, not later than September first, two thousand thirteen, shall multi-
46 ply the amounts specified in subsection (b) of this section for tax year
47 two thousand thirteen by one plus the cost of living adjustment. For
48 each succeeding tax year after tax year two thousand fourteen [~~and~~
49 ~~before tax year two thousand eighteen~~], the commissioner, not later than
50 September first of such tax year, shall multiply the amounts specified
51 in subsection (b) of this section for such tax year by one plus the cost

1 of living adjustment described in subsection (c) of this section for
2 such tax year.

3 § 2. This act shall take effect immediately.

4 PART 000

5 Section 1. Paragraph 1 of subsection (a) of section 651 of the tax
6 law, as amended by section 6 of part J of chapter 59 of the laws of
7 2014, is amended to read as follows:

8 (1) every resident individual (A) required to file a federal income
9 tax return for the taxable year, or (B) having federal adjusted gross
10 income for the taxable year, increased by the modifications under
11 subsection (b) of section six hundred twelve of this article, in excess
12 of [~~four thousand dollars, or in excess of~~] his or her New York standard
13 deduction, [~~if lower,~~] or (C) subject to tax under former section six
14 hundred two of this article, or (D) having received during the taxable
15 year a lump sum distribution any portion of which is subject to tax
16 under section six hundred three of this article;

17 § 2. This act shall take effect immediately and apply to taxable years
18 beginning on or after January 1, 2017.

19 PART PPP

20 Section 1. Subdivision (c) of section 3013 of the tax law, as added by
21 chapter 479 of the laws of 2011, is amended to read as follows:

22 (c) (1) In the event that the commissioner elects to implement a
23 program providing for payment of personal income tax refunds by prepaid
24 debit card or direct deposit to [~~a~~] designated [~~account~~] accounts of the
25 taxpayer, the department shall amend the forms used to file personal
26 income tax returns to reflect, in the area designated for selection of
27 options for processing of refunds, that the taxpayer has the option of
28 receiving his or her tax refund by personal check and shall provide a
29 box which the taxpayer may check to select that option.

30 (2) Designated accounts include but are not limited to, up to three
31 accounts with financial institutions that have routing and account
32 numbers and are held in the names of the taxpayer's spouse or joint
33 account. Designated accounts held in one spouse's name may receive
34 personal income tax refunds from a married filing joint return.

35 § 2. This act shall take effect immediately, provided, however, that
36 the amendments to subdivision (c) of section 3013 of the tax law made by
37 section one of this act shall not affect the repeal of such section and
38 shall be deemed repealed therewith.

39 PART QQQ

40 Section 1. Paragraph (a) of subdivision 6 of section 425 of the real
41 property tax law, as amended by section 1 of part A of chapter 60 of the
42 laws of 2016, is amended to read as follows:

43 (a) Generally. All owners of the property who primarily reside thereon
44 [~~and who are not subject to the provisions of subdivision sixteen of~~
45 ~~this section~~] must jointly file an application for exemption with the
46 assessor on or before the appropriate taxable status date. Such applica-
47 tion may be filed by mail if it is enclosed in a postpaid envelope prop-
48 erly addressed to the appropriate assessor, deposited in a post office
49 or official depository under the exclusive care of the United States
50 postal service, and postmarked by the United States postal service on or

1 before the applicable taxable status date. Each such application shall
2 be made on a form prescribed by the commissioner, which shall require
3 the applicant or applicants to agree to notify the assessor if their
4 primary residence changes while their property is receiving the
5 exemption. The assessor may request that proof of residency be submitted
6 with the application. If the applicant requests a receipt from the
7 assessor as proof of submission of the application, the assessor shall
8 provide such receipt. If such request is made by other than personal
9 request, the applicant shall provide the assessor with a self-addressed
10 postpaid envelope in which to mail the receipt.

11 § 2. Subdivision 16 of section 425 of the real property tax law is
12 REPEALED.

13 § 3. Subdivision 2 of section 496 of the real property tax law, as
14 amended by section 3 of part A of chapter 60 of the laws of 2016, is
15 amended to read as follows:

16 2. An application to renounce an exemption shall be made on a form
17 prescribed by the commissioner and shall be filed with the county direc-
18 tor of real property tax services no later than ten years after the levy
19 of taxes upon the assessment roll on which the renounced exemption
20 appears. The county director, after consulting with the assessor as
21 appropriate, shall compute the total amount owed on account of the
22 renounced exemption as follows:

23 (a) For each assessment roll on which the renounced exemption appears,
24 the assessed value that was exempted shall be multiplied by the tax rate
25 or rates that were applied to that assessment roll. Interest shall then
26 be added to each such product at the rate prescribed by section nine
27 hundred twenty-four-a of this chapter or such other law as may be appli-
28 cable for each month or portion thereon since the levy of taxes upon
29 such assessment roll.

30 (b) The sum of the calculations made pursuant to paragraph (a) of this
31 subdivision with respect to all of the assessment rolls in question
32 shall be determined.

33 (c) A processing fee of five hundred dollars shall be added to the sum
34 determined pursuant to paragraph (b) of this subdivision[~~, unless the~~
35 ~~provisions of paragraph (d) of this subdivision are applicable.~~

36 ~~(d) If the applicant is renouncing a STAR exemption in order to quali-~~
37 ~~fy for the personal income tax credit authorized by subsection (eee) of~~
38 ~~section six hundred six of the tax law, and no other exemptions are~~
39 ~~being renounced on the same application, no processing fee shall be~~
40 ~~applicable].~~

41 § 4. Subdivision 6 of section 1306-a of the real property tax law is
42 REPEALED.

43 § 5. Subparagraph (A) of paragraph 3 of subsection (eee) of section
44 606 of the tax law, as amended by section 8 of part A of chapter 73 of
45 the laws of 2016, is amended to read as follows:

46 (A) [~~Beginning with~~ For taxable years [~~after~~ two thousand [~~fifteen~~
47 sixteen and seventeen, a basic STAR credit shall be available to a qual-
48 ified taxpayer if the affiliated income of the parcel that serves as the
49 taxpayer's primary residence is less than or equal to five hundred thou-
50 sand dollars.

51 § 6. The opening paragraph of subparagraph (A) of paragraph 4 of
52 subsection (eee) of section 606 of the tax law, as amended by section 8
53 of part A of chapter 73 of the laws of 2016, is amended to read as
54 follows:

1 ~~[Beginning with]~~ For taxable years ~~[after]~~ two thousand ~~[fifteen]~~
2 sixteen and seventeen, an enhanced STAR credit shall be available to a
3 qualified taxpayer where both of the following conditions are satisfied:

4 § 7. Clause (iii) of subparagraph (A) of paragraph 10 of subsection
5 (eee) of section 606 of the tax law is REPEALED.

6 § 8. Paragraph (c) of subdivision 11 of section 425 of the real prop-
7 erty tax law, as amended by section 3 of part A of chapter 73 of the
8 laws of 2016, is amended to read as follows:

9 (c) Transfers of title. When the assessor has received a report pursu-
10 ant to section five hundred seventy-four of this chapter of a transfer
11 of title to real property which is exempt pursuant to this section, the
12 assessor shall ~~[discontinue the exemption as required by subdivision~~
13 ~~sixteen of this section]~~ send the new owner or owners as shown thereon
14 an application for the exemption authorized by this section. The asses-
15 sor shall not implement the provisions of section five hundred twenty of
16 this chapter upon such a transfer, except to the extent that the proper-
17 ty may also be receiving one or more other exemptions.

18 § 9. Paragraph (c) of subdivision 6 of section 425 of the real proper-
19 ty tax law, as amended by section 4 of part A of chapter 73 of the laws
20 of 2016, is amended to read as follows:

21 (c) Senior citizens exemption. When property is eligible for the
22 senior citizens exemption authorized by section four hundred sixty-seven
23 of this article, it shall also be deemed to be eligible for the enhanced
24 exemption authorized by this section for certain senior citizens,
25 provided, where applicable, that the age requirement established by a
26 municipal corporation pursuant to subdivision five of section four
27 hundred sixty-seven of this article is satisfied, and no separate appli-
28 cation need be filed therefor. ~~[Provided, however, that the provisions~~
29 ~~of this paragraph shall only apply where at least one of the applicants~~
30 ~~held title to the property on the taxable status date of the assessment~~
31 ~~roll that was used to levy school district taxes for the two thousand~~
32 ~~fifteen two thousand sixteen school year and the property was granted~~
33 ~~an exemption pursuant to this section on such assessment roll.]~~

34 § 10. Implementation for the 2018--2019 school year. The commissioner
35 of taxation and finance shall assist localities in notifying the public
36 of the provisions of this act and any action required by taxpayers to
37 receive a STAR exemption for the 2018--2019 school year. Notwithstand-
38 ing subdivision 6 of section 425 of the real property tax law, for
39 assessment rolls used to levy school district taxes for the 2018--2019
40 school year, an application for an exemption under section 425 of the
41 real property tax law shall be filed with the local assessor by the last
42 date on which a petition with respect to complaints of assessment may be
43 filed or not later than the sixtieth day after the effective date of
44 this act, whichever is later. The assessor shall approve or deny such
45 application as if it had been filed on or before the taxable status
46 date. If the assessor determines that the property is eligible for the
47 exemption, the assessor shall thereupon be authorized and directed to
48 correct the assessment roll accordingly, or, if another person has
49 custody or control of the assessment roll, to direct that person to make
50 the appropriate corrections. If the correction is not made before school
51 taxes are levied, the failure to take the exemption into account in the
52 computation of the tax shall be deemed a "clerical error" for purposes
53 of title 3 of article 5 of the real property tax law, or any comparable
54 laws governing the correction of administrative errors on assessment
55 rolls and tax rolls, and shall be corrected accordingly.

Notwithstanding any other provision of law to the contrary, the commissioner of taxation and finance shall no later than December 31, 2017 notify local assessors of the name and address of any taxpayer within their assessing unit who qualified for the school tax relief (STAR) credit pursuant to subsection (eee) of section 606 of the tax law for taxable year 2017, or has applied for a credit for taxable year 2018 and any additional information available that would assist the assessor in accurately determining the property's eligibility for the STAR exemption pursuant to section 425 of the real property tax law. To the extent possible, the local assessor shall determine the eligibility of the property for the 2018--2019 school year using information provided by the commissioner of taxation and finance. Taxpayers who received the STAR credit for the 2017--2018 school year, shall not be required to file an application for an exemption in order to receive an exemption on the same property for the 2018--2019 school year; however, if a property's eligibility cannot be determined by using information supplied by the department of taxation and finance, the assessor may seek additional documentation from the taxpayer to prove his or her eligibility. Such taxpayer shall have until the last date on which a petition, with respect to complaints of assessment may be filed, to supply proof of eligibility, or thirty days of such request, whichever is later. The assessor shall mail notice of his or her determination to such owner. If the assessor determines that the property is eligible for the exemption, the assessor shall thereupon be authorized and directed to correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections. If the correction is not made before school taxes are levied, the failure to take the exemption into account in the computation of the tax shall be deemed a "clerical error" for purposes of title 3 of article 5 of the real property tax law, or any comparable laws governing the correction of administrative errors on assessment rolls and tax rolls, and shall be corrected accordingly. Nothing within this act shall preclude a taxpayer from seeking administrative and judicial review of an assessor's denial of the exemption.

§ 11. This act shall take effect immediately.

PART RRR

Section 1. Subparagraphs (B) and (C) of paragraph 10 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, are amended to read as follows:

(B) On or before September ~~fifteenth~~ first of each year, or as soon thereafter as practicable, the commissioner shall determine the eligibility of taxpayers for this credit utilizing the information available to him or her as obtained from the applications submitted on or before July first of that year, or such later date as may have been prescribed by the commissioner for that purpose, and from such other sources as the commissioner deems reliable and appropriate. For those taxpayers whom the commissioner has determined eligible for this credit, the commissioner shall advance a payment in the amount specified in paragraph three, four or six of this subsection, whichever is applicable. Such payment shall be issued by September ~~thirtieth~~ fifteenth of the year the credit is allowed, or as soon thereafter as is practicable. Nothing contained herein shall be deemed to preclude the commissioner from issuing payments after September thirtieth to qualified taxpayers whose applications were made after July first of that year, or such later date

as may have been prescribed by the commissioner for such purpose.
Provided, however, for a qualified taxpayer that has applied for the advanced payment by July first of the tax year or is already eligible to receive an advanced payment prior to July first, if the advanced payment is not postmarked by the fifteenth of September or the amount of the advanced payment that is postmarked by the fifteenth of September is less than the amount due the taxpayer then the qualified taxpayer shall receive an amount equal to the interest and penalty payment imposed by the school district for late payment of the school tax bill plus interest pursuant to paragraph (i) of section six hundred eighty-eight of this article.

(C) A taxpayer who has failed to receive an advance payment that he or she believes was due to him or her, or who has received an advance payment that he or she believes is less than the amount that was due to him or her, or who did not receive the advance payment by the date prescribed in subparagraph (B) of this paragraph may request payment of the claimed deficiency plus the amount of interest and penalty payment imposed by the school district for late payment of the school tax bill and interest pursuant to paragraph (i) of section six hundred eighty-eight of this article in a manner prescribed by the commissioner. Provided, however, if a taxpayer receives an advanced payment on or after October first, the taxpayer is not eligible for any interest or penalty imposed by the school district that is incurred five business days after the postmark of the advanced payment.

§ 2. Section 688 of the tax law is amended by adding a new paragraph (i) to read as follows:

(i) Notwithstanding any other provisions in this section, interest will be allowed on any advance payment allowed pursuant to paragraph (eee) of section six hundred six of this article that is not postmarked by the fifteenth of September or is less than the amount due the taxpayer for qualified taxpayers that has applied for the advance payment prior to July first of that tax year or is already eligible to receive an advance payment prior to July first.

§ 3. This act shall take effect immediately.

PART SSS

Section 1. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) monuments as that term is defined in subdivision (f) of section fifteen hundred two of the not-for-profit corporation law.

§ 2. This act shall take effect on the first day of a sales tax quarterly period, as described in subdivision (b) of section 1136 of the tax law, beginning at least ninety days after the date this act shall have become a law and shall apply to sales made on or after such date.

PART TTT

Section 1. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 7-a to read as follows:

(7-a) Tangible personal property and services sold by a cemetery for the exclusive use on the grounds and in the buildings of the cemetery corporation including but not limited to the additional services provided by a cemetery as defined in paragraph (b) of section fifteen hundred nine of the not-for-profit corporation law and for the maintenance and preservation of lots, plots and parts thereof.

1 § 2. Subdivision (a) of section 1116 of the tax law is amended by
2 adding a new paragraph 10 to read as follows:

3 (10) A cemetery corporation, as defined in paragraph (a) of section
4 fifteen hundred two of the not-for-profit corporation law, including but
5 not limited to those cemeteries regulated by the religious corporations
6 law where it is the purchaser, user, or consumer, or where it is the
7 vendor of services or property exclusively to be used on the grounds or
8 buildings of the corporation.

9 § 3. The tax law is amended by adding a new section 1149 to read as
10 follows:

11 § 1149. Amnesty program. (a) Notwithstanding the provisions of any
12 other law to the contrary, there is hereby established an amnesty
13 program as described herein, to be administered by the commissioner, to
14 be effective for the period of April first, two thousand seventeen to
15 March fifteenth, two thousand eighteen for all eligible taxpayers as
16 described herein, owing any tax or surcharge imposed or formerly imposed
17 by sections eleven hundred five and eleven hundred ten of this article,
18 and administered by such commissioner.

19 (b) Such amnesty program shall apply to tax liabilities for the taxes
20 set forth in sections eleven hundred five and eleven hundred ten of this
21 article for taxable periods ending or transactions or uses occurring on
22 or before December thirty first, two thousand seventeen.

23 (c) For purposes of the amnesty program established under this
24 section, an eligible taxpayer is a cemetery corporation as defined by
25 paragraph (a) of section fifteen hundred two of the not-for-profit
26 corporation law who or which has a tax liability with regard to one or
27 more of the designated taxes for the period of time described in subdi-
28 vision (b) of this section.

29 (d) The amnesty program established herein shall provide, that upon
30 application, including applicable returns, which application and returns
31 shall be in such form and submitted in such manner as prescribed by the
32 commissioner of taxation and finance, by an eligible taxpayer, and upon
33 payment in such form and in such manner as prescribed by such commis-
34 sioner, which payment shall either accompany such application or be made
35 within the time stated on a bill issued by such commissioner to such
36 taxpayer, of the amount of a tax liability under one or more of the
37 designated taxes with respect to which amnesty is sought, such commis-
38 sioner shall waive any applicable penalties and interest (including the
39 additional rate of interest prescribed under section eleven hundred
40 forty-five of this part). In addition, no civil, administrative or crim-
41 inal action or proceeding shall be brought against such an eligible
42 taxpayer relating to the tax liability covered by such waiver. Failure
43 to pay all such taxes by the later of March fifteenth, two thousand
44 eighteen, or the date prescribed therefor on a bill issued by such
45 commissioner, shall invalidate any amnesty granted pursuant to the
46 amnesty program established under this section.

47 (e) Amnesty tax return forms shall be in a form, contain such informa-
48 tion and be submitted as prescribed by the commissioner and shall
49 provide for specifications by the applicant of the tax liability with
50 respect to which amnesty is sought. The applicant must also provide such
51 additional information as is required by such commissioner. Amnesty
52 shall be granted only with respect to the tax liabilities specified by
53 the taxpayer on such forms. Any return or report filed under the amnesty
54 program established herein is subject to verification and assessment as
55 provided by statute. If the applicant files a false or fraudulent tax

1 return or report, or attempts in any manner to defeat or evade a tax
2 under the amnesty program, amnesty shall be denied or rescinded.

3 (f) With respect to any existing installment payment agreement of an
4 eligible taxpayer, where such agreement applies to a tax liability with
5 respect to which amnesty is sought by such taxpayer, notwithstanding any
6 terms of such agreement to the contrary, such taxpayer, as a condition
7 of receiving amnesty, must pay any such liability in full by the later
8 of the last day of the prescribed amnesty period, or the date prescribed
9 therefor on a bill issued by the commissioner.

10 (g) The commissioner may promulgate regulations, issue forms and
11 instructions and take any and all other actions necessary to implement
12 the provisions of the amnesty program established under this section.
13 Such commissioner shall publicize the amnesty program provided for in
14 this section so as to maximize public awareness of and participation in
15 such program.

16 § 4. On or before February 28, 2020, the commissioner of taxation and
17 finance shall submit a report to the chairperson of the assembly ways
18 and means committee, the ranking minority member of the assembly ways
19 and means committee, the chairperson of the senate finance committee,
20 the ranking minority member of the senate finance committee and the
21 director of the budget regarding the amnesty program established pursu-
22 ant to this act. The report shall contain the following information as
23 of the report cutoff date: (i) the gross revenue collected under each
24 tax and the year or other applicable period for or during which the
25 liability was incurred; (ii) the amount of money spent on advertising,
26 notification, and outreach activities, by each activity, and a
27 description of the form and content of such activities, by each activ-
28 ity; (iii) the amount paid by the department of taxation and finance for
29 services and expenses related to the establishment of the amnesty
30 program; and (iv) an estimate of the net revenue generated from the
31 amnesty program.

32 § 5. This act shall take effect on the first day of the sales tax
33 quarterly period, as described in subdivision (b) of section 1136 of the
34 tax law beginning on or after December 1, 2017.

35 PART UUU

36 Section 1. Subdivision (a) of section 1115 of the tax law is amended
37 by adding a new paragraph 44 to read as follows:

38 (44) Energy efficient tangible personal property of whatever nature
39 for use or consumption directly and exclusively: (i) in the production
40 of snow; (ii) in the uphill transportation of skiers; or (iii) in the
41 grooming and maintenance of snow by any person engaged in the business
42 of operating a recreational facility for skiing.

43 § 2. Section 1115 of the tax law is amended by adding a new subdivi-
44 sion (11) to read as follows:

45 (11) Fuel, gas, electricity and refrigeration, and gas, electric and
46 refrigeration service of whatever nature for use or consumption directly
47 and exclusively in the production of snow by any person engaged in the
48 business of operating a recreational facility for skiing, shall be
49 exempt from the taxes imposed under subdivisions (a) and (b) of section
50 eleven hundred five and the compensating use tax imposed under section
51 eleven hundred ten of this article.

52 § 3. This act shall take effect on the first of July next succeeding
53 the date on which it shall have become a law.

1

PART VVV

2 Section 1. Subdivision 13 of section 1118 of the tax law, as added by
3 section 7 of part V of chapter 60 of the laws of 2016, is amended to
4 read as follows:

5 [~~(13)~~] (14) In respect to the use of the following items at a tasting
6 held by a licensed producer of alcoholic beverages in accordance with
7 the alcoholic beverage control law: (i) the alcoholic beverage or bever-
8 ages authorized by the alcoholic beverage control law to be furnished
9 [~~at no charge~~] to a customer or prospective customer at such tasting for
10 consumption at such tasting; and (ii) bottles, corks, caps and labels
11 used to package such alcoholic beverages.

12 § 2. Paragraph 33 of subdivision (a) of section 1115 of the tax law,
13 as amended by section 1 of part U of chapter 59 of the laws of 2015, is
14 amended to read as follows:

15 (33) Wine or wine product, beer or beer product, cider or cider prod-
16 uct, liquor or liquor product, and the kegs, cans, bottles, growlers,
17 corks, caps, and labels used to package such [~~wine or wine~~] alcoholic
18 product, furnished by the official agent of a farm winery, winery, brew-
19 ery, farm brewery, cider producer, farm cidery, distillery, farm distil-
20 lery, wholesaler, or importer at a wine, beer, cider or liquor tasting
21 held in accordance with the alcoholic beverage control law to a customer
22 or prospective customer who consumes such wine, beer, cider or liquor at
23 such [~~wine~~] tasting.

24 § 3. This act shall take effect on the first day of the sales tax
25 quarterly period, as described in subdivision (b) of section 1136 of the
26 tax law, beginning at least ninety days after the date this act shall
27 have become a law, and shall apply in accordance with the applicable
28 transitional provisions of sections 1106 and 1217 of the tax law.

29

PART WWW

30 Section 1. Paragraph 2 of subdivision (e) of section 1111 of the tax
31 law is amended by adding a new subparagraph (iv) to read as follows:

32 (iv) Provided, however, when the commissioner determines that the
33 price of motor fuel or Diesel motor fuel results in the payment of sales
34 tax refunds based on the amount of the prepayment provided for in this
35 section, the commissioner, based on such determination, is authorized
36 and empowered to prescribe at the beginning of each sales tax quarter
37 the amount of tax prepayment provided by this subdivision for each
38 region to be collected upon each gallon of motor fuel and Diesel motor
39 fuel sold at retail. Such calculation by the commissioner shall be based
40 on the average retail sales price for motor fuel and Diesel motor fuel
41 within each respective region, calculated by the commissioner. The
42 commissioner shall determine a prepayment rate which is approximately
43 equal to the percentage of the prepayment rate otherwise applicable
44 without causing refunds, based on the amount of tax prepayment, consid-
45 ering the regional average retail sales prices of such fuel within each
46 respective region. Such amended schedules, with reference to the tax
47 required to be prepaid on motor fuel or Diesel motor fuel, may fix the
48 rate per gallon in multiples of one-tenth of one cent. Such authori-
49 zation and empowerment provided within this subparagraph shall expire
50 January first, two thousand twenty-three.

51 § 2. This act shall take effect April 1, 2017, and shall expire and be
52 deemed repealed January 1, 2023.

1

PART XXX

2 Section 1. Subparagraph (A) of paragraph 7 of subdivision (ee) of
3 section 1115 of the tax law, as amended by section 33 of part A of chap-
4 ter 20 of the laws of 2015, is amended to read as follows:

5 (A) "Tenant" means a person who, as lessee, enters into a space lease
6 with a landlord for a term of ten years or more commencing on or after
7 September first, two thousand five, but not later than, in the case of a
8 space lease with respect to leased premises located in eligible areas as
9 defined in clause (i) of subparagraph (D) of this paragraph, September
10 first, two thousand [~~seventeen~~] twenty-one and, in the case of a space
11 lease with respect to leased premises located in eligible areas as
12 defined in clause (ii) of subparagraph (D) of this paragraph not later
13 than September first, two thousand [~~nineteen~~] twenty-one, of premises
14 for use as commercial office space in buildings located or to be located
15 in the eligible areas. A person who currently occupies premises for use
16 as commercial office space under an existing lease in a building in the
17 eligible areas shall not be eligible for exemption under this subdivi-
18 sion unless such existing lease, in the case of a space lease with
19 respect to leased premises located in eligible areas as defined in
20 clause (i) of subparagraph (D) of this paragraph expires according to
21 its terms before September first, two thousand [~~seventeen~~] twenty-one or
22 such existing lease, in the case of a space lease with respect to leased
23 premises located in eligible areas as defined in clause (ii) of subpara-
24 graph (D) of this paragraph and such person enters into a space lease,
25 for a term of ten years or more commencing on or after September first,
26 two thousand five, of premises for use as commercial office space in a
27 building located or to be located in the eligible areas, provided that
28 such space lease with respect to leased premises located in eligible
29 areas as defined in clause (i) of subparagraph (D) of this paragraph
30 commences no later than September first, two thousand [~~seventeen~~] twen-
31 ty-one, and provided that such space lease with respect to leased prem-
32 ises located in eligible areas as defined in clause (ii) of subparagraph
33 (D) of this paragraph commences no later than September first, two thou-
34 sand [~~nineteen~~] twenty-one and provided, further, that such space lease
35 shall expire no earlier than ten years after the expiration of the
36 original lease.

37 § 2. Section 2 of part C of chapter 2 of the laws of 2005 amending the
38 tax law relating to exemptions from sales and use taxes, as amended by
39 section 34 of part A of chapter 20 of the laws of 2015, is amended to
40 read as follows:

41 § 2. This act shall take effect September 1, 2005 and shall expire and
42 be deemed repealed on December 1, [~~2020~~] 2022, and shall apply to sales
43 made, uses occurring and services rendered on or after such effective
44 date, in accordance with the applicable transitional provisions of
45 sections 1106 and 1217 of the tax law; except that clause (i) of subpara-
46 graph (D) of paragraph seven of subdivision (ee) of section 1115 of the
47 tax law, as added by section one of this act, shall expire and be deemed
48 repealed December 1, [~~2018~~] 2022.

49 § 3. Subdivision (b) of section 25-z of the general city law, as
50 amended by section 35 of part A of chapter 20 of the laws of 2015, is
51 amended to read as follows:

52 (b) No eligible business shall be authorized to receive a credit under
53 any local law enacted pursuant to this article until the premises with
54 respect to which it is claiming the credit meet the requirements in the
55 definition of eligible premises and until it has obtained a certif-

1 ication of eligibility from the mayor of such city or an agency design-
2 nated by such mayor, and an annual certification from such mayor or an
3 agency designated by such mayor as to the number of eligible aggregate
4 employment shares maintained by such eligible business that may qualify
5 for obtaining a tax credit for the eligible business' taxable year. Any
6 written documentation submitted to such mayor or such agency or agencies
7 in order to obtain any such certification shall be deemed a written
8 instrument for purposes of section 175.00 of the penal law. Such local
9 law may provide for application fees to be determined by such mayor or
10 such agency or agencies. No such certification of eligibility shall be
11 issued under any local law enacted pursuant to this article to an eligi-
12 ble business on or after July first, two thousand [~~seventeen~~] twenty-one
13 unless:

14 (1) prior to such date such business has purchased, leased or entered
15 into a contract to purchase or lease particular premises or a parcel on
16 which will be constructed such premises or already owned such premises
17 or parcel;

18 (2) prior to such date improvements have been commenced on such prem-
19 ises or parcel, which improvements will meet the requirements of subdivi-
20 sion (e) of section twenty-five-y of this article relating to expendi-
21 tures for improvements;

22 (3) prior to such date such business submits a preliminary application
23 for a certification of eligibility to such mayor or such agency or agen-
24 cies with respect to a proposed relocation to such particular premises;
25 and

26 (4) such business relocates to such particular premises not later than
27 thirty-six months or, in a case in which the expenditures made for the
28 improvements specified in paragraph two of this subdivision are in
29 excess of fifty million dollars within seventy-two months from the date
30 of submission of such preliminary application.

31 § 4. Subdivision (b) of section 25-ee of the general city law, as
32 amended by section 36 of part A of chapter 20 of the laws of 2015, is
33 amended to read as follows:

34 (b) No eligible business or special eligible business shall be author-
35 ized to receive a credit against tax under any local law enacted pursu-
36 ant to this article until the premises with respect to which it is
37 claiming the credit meet the requirements in the definition of eligible
38 premises and until it has obtained a certification of eligibility from
39 the mayor of such city or any agency designated by such mayor, and an
40 annual certification from such mayor or an agency designated by such
41 mayor as to the number of eligible aggregate employment shares main-
42 tained by such eligible business or such special eligible business that
43 may qualify for obtaining a tax credit for the eligible business' taxa-
44 ble year. No special eligible business shall be authorized to receive a
45 credit against tax under the provisions of this article unless the
46 number of relocated employee base shares calculated pursuant to subdivi-
47 sion (o) of section twenty-five-dd of this article is equal to or great-
48 er than the lesser of twenty-five percent of the number of New York city
49 base shares calculated pursuant to subdivision (p) of such section and
50 two hundred fifty employment shares. Any written documentation submitted
51 to such mayor or such agency or agencies in order to obtain any such
52 certification shall be deemed a written instrument for purposes of
53 section 175.00 of the penal law. Such local law may provide for applica-
54 tion fees to be determined by such mayor or such agency or agencies. No
55 certification of eligibility shall be issued under any local law enacted

1 pursuant to this article to an eligible business on or after July first,
2 two thousand [~~seventeen~~] twenty-one unless:

3 (1) prior to such date such business has purchased, leased or entered
4 into a contract to purchase or lease premises in the eligible Lower
5 Manhattan area or a parcel on which will be constructed such premises;

6 (2) prior to such date improvements have been commenced on such prem-
7 ises or parcel, which improvements will meet the requirements of subdivi-
8 sion (e) of section twenty-five-dd of this article relating to expend-
9 itures for improvements;

10 (3) prior to such date such business submits a preliminary application
11 for a certification of eligibility to such mayor or such agency or agen-
12 cies with respect to a proposed relocation to such premises; and

13 (4) such business relocates to such premises as provided in subdivi-
14 sion (j) of section twenty-five-dd of this article not later than thir-
15 ty-six months or, in a case in which the expenditures made for the
16 improvements specified in paragraph two of this subdivision are in
17 excess of fifty million dollars within seventy-two months from the date
18 of submission of such preliminary application.

19 § 5. Subdivision (b) of section 22-622 of the administrative code of
20 the city of New York, as amended by section 37 of part A of chapter 20
21 of the laws of 2015, is amended to read as follows:

22 (b) No eligible business shall be authorized to receive a credit
23 against tax or a reduction in base rent subject to tax under the
24 provisions of this chapter, and of title eleven of the code as described
25 in subdivision (a) of this section, until the premises with respect to
26 which it is claiming the credit meet the requirements in the definition
27 of eligible premises and until it has obtained a certification of eligi-
28 bility from the mayor or an agency designated by the mayor, and an annu-
29 al certification from the mayor or an agency designated by the mayor as
30 to the number of eligible aggregate employment shares maintained by such
31 eligible business that may qualify for obtaining a tax credit for the
32 eligible business' taxable year. Any written documentation submitted to
33 the mayor or such agency or agencies in order to obtain any such certif-
34 ication shall be deemed a written instrument for purposes of section
35 175.00 of the penal law. Application fees for such certifications shall
36 be determined by the mayor or such agency or agencies. No certification
37 of eligibility shall be issued to an eligible business on or after July
38 first, two thousand [~~seventeen~~] twenty-one unless:

39 (1) prior to such date such business has purchased, leased or entered
40 into a contract to purchase or lease particular premises or a parcel on
41 which will be constructed such premises or already owned such premises
42 or parcel;

43 (2) prior to such date improvements have been commenced on such prem-
44 ises or parcel which improvements will meet the requirements of subdivi-
45 sion (e) of section 22-621 of this chapter relating to expenditures for
46 improvements;

47 (3) prior to such date such business submits a preliminary application
48 for a certification of eligibility to such mayor or such agency or agen-
49 cies with respect to a proposed relocation to such particular premises;
50 and

51 (4) such business relocates to such particular premises not later than
52 thirty-six months or, in a case in which the expenditures made for
53 improvements specified in paragraph two of this subdivision are in
54 excess of fifty million dollars within seventy-two months from the date
55 of submission of such preliminary application.

§ 6. Subdivision (b) of section 22-624 of the administrative code of the city of New York, as amended by section 38 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(b) No eligible business or special eligible business shall be authorized to receive a credit against tax under the provisions of this chapter, and of title eleven of the code as described in subdivision (a) of this section, until the premises with respect to which it is claiming the credit meet the requirements in the definition of eligible premises and until it has obtained a certification of eligibility from the mayor or an agency designated by the mayor, and an annual certification from the mayor or an agency designated by the mayor as to the number of eligible aggregate employment shares maintained by such eligible business or special eligible business that may qualify for obtaining a tax credit for the eligible business' taxable year. No special eligible business shall be authorized to receive a credit against tax under the provisions of this chapter and of title eleven of the code unless the number of relocated employee base shares calculated pursuant to subdivision (o) of section 22-623 of this chapter is equal to or greater than the lesser of twenty-five percent of the number of New York city base shares calculated pursuant to subdivision (p) of such section 22-623, and two hundred fifty employment shares. Any written documentation submitted to the mayor or such agency or agencies in order to obtain any such certification shall be deemed a written instrument for purposes of section 175.00 of the penal law. Application fees for such certifications shall be determined by the mayor or such agency or agencies. No certification of eligibility shall be issued to an eligible business on or after July first, two thousand ~~seventeen~~ twenty-one unless:

(1) prior to such date such business has purchased, leased or entered into a contract to purchase or lease premises in the eligible Lower Manhattan area or a parcel on which will be constructed such premises;

(2) prior to such date improvements have been commenced on such premises or parcel, which improvements will meet the requirements of subdivision (e) of section 22-623 of this chapter relating to expenditures for improvements;

(3) prior to such date such business submits a preliminary application for a certification of eligibility to such mayor or such agency or agencies with respect to a proposed relocation to such premises; and

(4) such business relocates to such premises not later than thirty-six months or, in a case in which the expenditures made for the improvements specified in paragraph two of this subdivision are in excess of fifty million dollars within seventy-two months from the date of submission of such preliminary application.

§ 7. Paragraph 1 of subdivision (b) of section 25-s of the general city law, as amended by section 39 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(1) non-residential premises that are wholly contained in property that is eligible to obtain benefits under title two-D or two-F of article four of the real property tax law, or would be eligible to receive benefits under such article except that such property is exempt from real property taxation and the requirements of paragraph (b) of subdivision seven of section four hundred eighty-nine-dddd of such title two-D, or the requirements of subparagraph (ii) of paragraph (b) of subdivision five of section four hundred eighty-nine-cccccc of such title two-F, whichever is applicable, have not been satisfied, provided that application for such benefits was made after May third, nineteen hundred eighty-five and prior to July first, two thousand ~~seventeen~~ twenty-one,

1 that construction or renovation of such premises was described in such
2 application, that such premises have been substantially improved by such
3 construction or renovation so described, that the minimum required
4 expenditure as defined in such title two-D or two-F, whichever is appli-
5 cable, has been made, and that such real property is located in an
6 eligible area; or

7 § 8. Paragraph 3 of subdivision (b) of section 25-s of the general
8 city law, as amended by section 40 of part A of chapter 20 of the laws
9 of 2015, is amended to read as follows:

10 (3) non-residential premises that are wholly contained in real proper-
11 ty that has obtained approval after October thirty-first, two thousand
12 and prior to July first, two thousand [~~seventeen~~ **twenty-one** for financ-
13 ing by an industrial development agency established pursuant to article
14 eighteen-A of the general municipal law, provided that such financing
15 has been used in whole or in part to substantially improve such premises
16 (by construction or renovation), and that expenditures have been made
17 for improvements to such real property in excess of ten per centum of
18 the value at which such real property was assessed for tax purposes for
19 the tax year in which such improvements commenced, that such expendi-
20 tures have been made within thirty-six months after the earlier of (i)
21 the issuance by such agency of bonds for such financing, or (ii) the
22 conveyance of title to such property to such agency, and that such real
23 property is located in an eligible area; or

24 § 9. Paragraph 5 of subdivision (b) of section 25-s of the general
25 city law, as amended by section 41 of part A of chapter 20 of the laws
26 of 2015, is amended to read as follows:

27 (5) non-residential premises that are wholly contained in real proper-
28 ty owned by such city or the New York state urban development corpo-
29 ration, or a subsidiary thereof, a lease for which was approved in
30 accordance with the applicable provisions of the charter of such city or
31 by the board of directors of such corporation, and such approval was
32 obtained after October thirty-first, two thousand and prior to July
33 first, two thousand [~~seventeen~~ **twenty-one**, provided, however, that such
34 premises were constructed or renovated subsequent to such approval, that
35 expenditures have been made subsequent to such approval for improvements
36 to such real property (by construction or renovation) in excess of ten
37 per centum of the value at which such real property was assessed for tax
38 purposes for the tax year in which such improvements commenced, that
39 such expenditures have been made within thirty-six months after the
40 effective date of such lease, and that such real property is located in
41 an eligible area; or

42 § 10. Paragraph 2 of subdivision (c) of section 25-t of the general
43 city law, as amended by section 42 of part A of chapter 20 of the laws
44 of 2015, is amended to read as follows:

45 (2) No eligible energy user, qualified eligible energy user, on-site
46 cogenerator, or clean on-site cogenerator shall receive a rebate pursu-
47 ant to this article until it has obtained a certification from the
48 appropriate city agency in accordance with a local law enacted pursuant
49 to this section. No such certification for a qualified eligible energy
50 user shall be issued on or after November first, two thousand. No such
51 certification of any other eligible energy user, on-site cogenerator, or
52 clean on-site cogenerator shall be issued on or after July first, two
53 thousand [~~seventeen~~ **twenty-one**.

54 § 11. Paragraph 1 of subdivision (a) of section 25-aa of the general
55 city law, as amended by section 43 of part A of chapter 20 of the laws
56 of 2015, is amended to read as follows:

(1) is eligible to obtain benefits under title two-D or two-F of article four of the real property tax law, or would be eligible to receive benefits under such title except that such property is exempt from real property taxation and the requirements of paragraph (b) of subdivision seven of section four hundred eighty-nine-dddd of such title two-D, or the requirements of subparagraph (ii) of paragraph (b) of subdivision five of section four hundred eighty-nine-ccccc of such title two-F, whichever is applicable, of the real property tax law have not been satisfied, provided that application for such benefits was made after the thirtieth day of June, nineteen hundred ninety-five and before the first day of July, two thousand [~~seventeen~~] twenty-one, that construction or renovation of such building or structure was described in such application, that such building or structure has been substantially improved by such construction or renovation, and (i) that the minimum required expenditure as defined in such title has been made, or (ii) where there is no applicable minimum required expenditure, the building was constructed within such period or periods of time established by title two-D or two-F, whichever is applicable, of article four of the real property tax law for construction of a new building or structure; or

§ 12. Paragraphs 2 and 3 of subdivision (a) of section 25-aa of the general city law, as amended by section 44 of part A of chapter 20 of the laws of 2015, are amended to read as follows:

(2) has obtained approval after the thirtieth day of June, nineteen hundred ninety-five and before the first day of July, two thousand [~~seventeen~~] twenty-one, for financing by an industrial development agency established pursuant to article eighteen-A of the general municipal law, provided that such financing has been used in whole or in part to substantially improve such building or structure by construction or renovation, that expenditures have been made for improvements to such real property in excess of twenty per centum of the value at which such real property was assessed for tax purposes for the tax year in which such improvements commenced, and that such expenditures have been made within thirty-six months after the earlier of (i) the issuance by such agency of bonds for such financing, or (ii) the conveyance of title to such building or structure to such agency; or

(3) is owned by the city of New York or the New York state urban development corporation, or a subsidiary corporation thereof, a lease for which was approved in accordance with the applicable provisions of the charter of such city or by the board of directors of such corporation, as the case may be, and such approval was obtained after the thirtieth day of June, nineteen hundred ninety-five and before the first day of July, two thousand [~~seventeen~~] twenty-one, provided that expenditures have been made for improvements to such real property in excess of twenty per centum of the value at which such real property was assessed for tax purposes for the tax year in which such improvements commenced, and that such expenditures have been made within thirty-six months after the effective date of such lease; or

§ 13. Subdivision (f) of section 25-bb of the general city law, as amended by section 45 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(f) Application and certification. An owner or lessee of a building or structure located in an eligible revitalization area, or an agent of such owner or lessee, may apply to such department of small business services for certification that such building or structure is an eligible building or targeted eligible building meeting the criteria of

1 subdivision (a) or (q) of section twenty-five-aa of this article.
2 Application for such certification must be filed after the thirtieth day
3 of June, nineteen hundred ninety-five and before a building permit is
4 issued for the construction or renovation required by such subdivisions
5 and before the first day of July, two thousand ~~seventeen~~ **twenty-one**,
6 provided that no certification for a targeted eligible building shall be
7 issued after October thirty-first, two thousand. Such application shall
8 identify expenditures to be made that will affect eligibility under such
9 subdivision (a) or (q). Upon completion of such expenditures, an appli-
10 cant shall supplement such application to provide information (i) estab-
11 lishing that the criteria of such subdivision (a) or (q) have been met;
12 (ii) establishing a basis for determining the amount of special rebates,
13 including a basis for an allocation of the special rebate among eligible
14 revitalization area energy users purchasing or otherwise receiving ener-
15 gy services from an eligible redistributor of energy or a qualified
16 eligible redistributor of energy; and (iii) supporting an allocation of
17 charges for energy services between eligible charges and other charges.
18 Such department shall certify a building or structure as an eligible
19 building or targeted eligible building after receipt and review of such
20 information and upon a determination that such information establishes
21 that the building or structure qualifies as an eligible building or
22 targeted eligible building. Such department shall mail such certif-
23 ication or notice thereof to the applicant upon issuance. Such certif-
24 ication shall remain in effect provided the eligible redistributor of
25 energy or qualified eligible redistributor of energy reports any changes
26 that materially affect the amount of the special rebates to which it is
27 entitled or the amount of reduction required by subdivision (c) of this
28 section in an energy services bill of an eligible revitalization area
29 energy user and otherwise complies with the requirements of this arti-
30 cle. Such department shall notify the private utility or public utility
31 service required to make a special rebate to such redistributor of the
32 amount of such special rebate established at the time of certification
33 and any changes in such amount and any suspension or termination by such
34 department of certification under this subdivision. Such department may
35 require some or all of the information required as part of an applica-
36 tion or other report be provided by a licensed engineer.

37 § 14. Paragraph 1 of subdivision (i) of section 22-601 of the adminis-
38 trative code of the city of New York, as amended by section 46 of part A
39 of chapter 20 of the laws of 2015, is amended to read as follows:

40 (1) Non-residential premises that are wholly contained in property
41 that is eligible to obtain benefits under part four or part five of
42 subchapter two of chapter two of title eleven of this code, or would be
43 eligible to receive benefits under such chapter except that such proper-
44 ty is exempt from real property taxation and the requirements of para-
45 graph two of subdivision g of section 11-259 of this code, or the
46 requirements of subparagraph (b) of paragraph two of subdivision e of
47 section 11-270 of this code, whichever is applicable, have not been
48 satisfied, provided that application for such benefits was made after
49 May third, nineteen hundred eighty-five and prior to July first, two
50 thousand ~~seventeen~~ **twenty-one**, that construction or renovation of such
51 premises was described in such application, that such premises have been
52 substantially improved by such construction or renovation so described,
53 that the minimum required expenditure as defined in such part four or
54 part five, whichever is applicable, has been made, and that such real
55 property is located in an eligible area; or

1 § 15. Paragraph 3 of subdivision (i) of section 22-601 of the adminis-
2 trative code of the city of New York, as amended by section 47 of part A
3 of chapter 20 of the laws of 2015, is amended to read as follows:

4 (3) non-residential premises that are wholly contained in real proper-
5 ty that has obtained approval after October thirty-first, two thousand
6 and prior to July first, two thousand [~~seventeen~~] twenty-one for financ-
7 ing by an industrial development agency established pursuant to article
8 eighteen-A of the general municipal law, provided that such financing
9 has been used in whole or in part to substantially improve such premises
10 (by construction or renovation), and that expenditures have been made
11 for improvements to such real property in excess of ten per centum of
12 the value at which such real property was assessed for tax purposes for
13 the tax year in which such improvements commenced, that such expendi-
14 tures have been made within thirty-six months after the earlier of (i)
15 the issuance by such agency of bonds for such financing, or (ii) the
16 conveyance of title to such property to such agency, and that such real
17 property is located in an eligible area; or

18 § 16. Paragraph 5 of subdivision (i) of section 22-601 of the adminis-
19 trative code of the city of New York, as amended by section 48 of part A
20 of chapter 20 of the laws of 2015, is amended to read as follows:

21 (5) non-residential premises that are wholly contained in real proper-
22 ty owned by such city or the New York state urban development corpo-
23 ration, or a subsidiary thereof, a lease for which was approved in
24 accordance with the applicable provisions of the charter of such city or
25 by the board of directors of such corporation, and such approval was
26 obtained after October thirty-first, two thousand and prior to July
27 first, two thousand [~~seventeen~~] twenty-one, provided, however, that such
28 premises were constructed or renovated subsequent to such approval, that
29 expenditures have been made subsequent to such approval for improvements
30 to such real property (by construction or renovation) in excess of ten
31 per centum of the value at which such real property was assessed for tax
32 purposes for the tax year in which such improvements commenced, that
33 such expenditures have been made within thirty-six months after the
34 effective date of such lease, and that such real property is located in
35 an eligible area; or

36 § 17. Paragraph 1 of subdivision (c) of section 22-602 of the adminis-
37 trative code of the city of New York, as amended by section 49 of part A
38 of chapter 20 of the laws of 2015, is amended to read as follows:

39 (1) No eligible energy user, qualified eligible energy user, on-site
40 cogenerator, clean on-site cogenerator or special eligible energy user
41 shall receive a rebate pursuant to this chapter until it has obtained a
42 certification as an eligible energy user, qualified eligible energy
43 user, on-site cogenerator, clean on-site cogenerator or special eligible
44 energy user, respectively, from the commissioner of small business
45 services. No such certification for a qualified eligible energy user
46 shall be issued on or after July first, two thousand three. No such
47 certification of any other eligible energy user, on-site cogenerator or
48 clean on-site cogenerator shall be issued on or after July first, two
49 thousand [~~seventeen~~] twenty-one. The commissioner of small business
50 services, after notice and hearing, may revoke a certification issued
51 pursuant to this subdivision where it is found that eligibility criteria
52 have not been met or that compliance with conditions for continued
53 eligibility has not been maintained. The corporation counsel may main-
54 tain a civil action to recover an amount equal to any benefits improper-
55 ly obtained.

§ 18. Subparagraph (b-2) of paragraph 2 of subdivision i of section 11-704 of the administrative code of the city of New York, as amended by section 50 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(b-2) The amount of the special reduction allowed by this subdivision with respect to a lease other than a sublease commencing between July first, two thousand five and June thirtieth, two thousand ~~seventeen~~ twenty-one with an initial or renewal lease term of at least five years shall be determined as follows:

(i) For the base year the amount of such special reduction shall be equal to the base rent for the base year.

(ii) For the first, second, third and fourth twelve-month periods following the base year the amount of such special reduction shall be equal to the lesser of (A) the base rent for each such twelve-month period or (B) the base rent for the base year.

§ 19. Subdivision 9 of section 499-aa of the real property tax law, as amended by section 51 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

9. "Eligibility period." The period commencing April first, nineteen hundred ninety-five and terminating March thirty-first, two thousand one, provided, however, that with respect to eligible premises defined in subparagraph (i) of paragraph (b) of subdivision ten of this section, the period commencing July first, two thousand and terminating June thirtieth, two thousand ~~eighteen~~ twenty-one, and provided, further, however, that with respect to eligible premises defined in subparagraph (ii) of paragraph (b) or paragraph (c) of subdivision ten of this section, the period commencing July first, two thousand five and terminating June thirtieth, two thousand ~~eighteen~~ twenty-one.

§ 20. Subparagraph (iii) of paragraph (a) of subdivision 3 of section 499-cc of the real property tax law, as amended by section 52 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(iii) With respect to the eligible premises defined in subparagraph (ii) of paragraph (b) or paragraph (c) of subdivision ten of section four hundred ninety-nine-aa of this title and for purposes of determining whether the amount of expenditures required by subdivision one of this section have been satisfied, expenditures on improvements to the common areas of an eligible building shall be included only if work on such improvements commenced and the expenditures are made on or after July first, two thousand five and on or before December thirty-first, two thousand ~~eighteen~~ twenty-one; provided, however, that expenditures on improvements to the common areas of an eligible building made prior to three years before the lease commencement date shall not be included.

§ 21. Subdivisions 5 and 9 of section 499-a of the real property tax law, as amended by section 53 of part A of chapter 20 of the laws of 2015, are amended to read as follows:

5. "Benefit period." The period commencing with the first day of the month immediately following the rent commencement date and terminating no later than sixty months thereafter, provided, however, that with respect to a lease commencing on or after April first, nineteen hundred ninety-seven with an initial lease term of less than five years, but not less than three years, the period commencing with the first day of the month immediately following the rent commencement date and terminating no later than thirty-six months thereafter. Notwithstanding the foregoing sentence, a benefit period shall expire no later than March thirty-first, two thousand ~~twenty-four~~ twenty-seven.

1 9. "Eligibility period." The period commencing April first, nineteen
2 hundred ninety-five and terminating March thirty-first, two thousand
3 ~~[eighteen]~~ twenty-one.

4 § 22. paragraph (a) of subdivision 3 of section 449-c of the real
5 property tax law, as amended by section 54 of part A of chapter 20 of
6 the laws of 2015, is amended to read as follows:

7 (a) For purposes of determining whether the amount of expenditures
8 required by subdivision one of this section have been satisfied, expend-
9 itures on improvements to the common areas of an eligible building shall
10 be included only if work on such improvements commenced and the expendi-
11 tures are made on or after April first, nineteen hundred ninety-five and
12 on or before September thirtieth, two thousand ~~[eighteen]~~ twenty-one;
13 provided, however, that expenditures on improvements to the common areas
14 of an eligible building made prior to three years before the lease
15 commencement date shall not be included.

16 § 23. Subdivision 8 of section 499-d of the real property tax law, as
17 amended by section 55 of part A of chapter 20 of the laws of 2015, is
18 amended to read as follows:

19 8. Leases commencing on or after April first, nineteen hundred nine-
20 ty-seven shall be subject to the provisions of this title as amended by
21 chapter six hundred twenty-nine of the laws of nineteen hundred ninety-
22 seven, chapter one hundred eighteen of the laws of two thousand one,
23 chapter four hundred forty of the laws of two thousand three, chapter
24 sixty of the laws of two thousand seven, chapter twenty-two of the laws
25 of two thousand ten, chapter fifty-nine of the laws of two thousand
26 fourteen, chapter twenty of the laws of two thousand fifteen and the
27 chapter of the laws of two thousand ~~[fifteen]~~ seventeen that added this
28 phrase. Notwithstanding any other provision of law to the contrary, with
29 respect to leases commencing on or after April first, nineteen hundred
30 ninety-seven, an application for a certificate of abatement shall be
31 considered timely filed if filed within one hundred eighty days follow-
32 ing the lease commencement date or within sixty days following the date
33 chapter six hundred twenty-nine of the laws of nineteen hundred ninety-
34 seven became a law, whichever is later.

35 § 24. Subparagraph (a) of paragraph 2 of subdivision i of section
36 11-704 of the administrative code of the city of New York, as amended by
37 section 56 of part A of chapter 20 of the laws of 2015, is amended to
38 read as follows:

39 (a) An eligible tenant of eligible taxable premises shall be allowed a
40 special reduction in determining the taxable base rent for such eligible
41 taxable premises. Such special reduction shall be allowed with respect
42 to the rent for such eligible taxable premises for a period not exceed-
43 ing sixty months or, with respect to a lease commencing on or after
44 April first, nineteen hundred ninety-seven with an initial lease term of
45 less than five years, but not less than three years, for a period not
46 exceeding thirty-six months, commencing on the rent commencement date
47 applicable to such eligible taxable premises, provided, however, that in
48 no event shall any special reduction be allowed for any period beginning
49 after March thirty-first, two thousand ~~[twenty-four]~~ twenty-seven. For
50 purposes of applying such special reduction, the base rent for the base
51 year shall, where necessary to determine the amount of the special
52 reduction allowable with respect to any number of months falling within
53 a tax period, be prorated by dividing the base rent for the base year by
54 twelve and multiplying the result by such number of months.

§ 25. Paragraph (a) of subdivision 1 of section 489-ddddddd of the real property tax law, as amended by section 57 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(a) Application for benefits pursuant to this title may be made immediately following the effective date of a local law enacted pursuant to this title and continuing until March first, two thousand ~~[nineteen]~~ twenty-one.

§ 26. Subdivision 3 of section 489-ddddddd of the real property tax law, as amended by section 58 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

3. (a) No benefits pursuant to this title shall be granted for construction work performed pursuant to a building permit issued after April first, two thousand ~~[nineteen]~~ twenty-one.

(b) If no building permit was required, then no benefits pursuant to this title shall be granted for construction work that is commenced after April first, two thousand ~~[nineteen]~~ twenty-one.

§ 27. Paragraph 1 of subdivision a of section 11-271 of the administrative code of the city of New York, as amended by section 59 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(1) Application for benefits pursuant to this part may be made immediately following the effective date of the local law that added this section and continuing until March first, two thousand ~~[nineteen]~~ twenty-one.

§ 28. Subdivision c of section 11-271 of the administrative code of the city of New York, as amended by section 60 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

c. (1) No benefits pursuant to this part shall be granted for construction work performed pursuant to a building permit issued after April first, two thousand ~~[nineteen]~~ twenty-one.

(2) If no building permit was required, then no benefits pursuant to this part shall be granted for construction work that is commenced after April first, two thousand ~~[nineteen]~~ twenty-one.

§ 28-a. Subparagraph (A) of paragraph 2 of subdivision (f) of section 11-1706 of the administrative code of the city of New York, as amended by section 60-a of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(A) Subject to the limitations set forth in subparagraphs (B) and (C) of this paragraph, the credit allowed to a taxpayer for a taxable year under this subdivision shall be determined as follows:

(i) For taxable years beginning on or after January first, two thousand fourteen and before July first, two thousand ~~[nineteen]~~ twenty-one:

(I) If the city taxable income is thirty-five thousand dollars or less, the amount of the credit shall be one hundred percent of the amount determined in paragraph three of this subdivision.

(II) If the city taxable income is greater than thirty-five thousand dollars but less than one hundred thousand dollars, the amount of the credit shall be a percentage of the amount determined in paragraph three of this subdivision, such percentage to be determined by subtracting from one hundred percent, a percentage determined by subtracting thirty-five thousand dollars from city taxable income, dividing the result by sixty-five thousand dollars and multiplying by one hundred percent.

(III) If the city taxable income is one hundred thousand dollars or greater, no credit shall be allowed.

(IV) Provided further that for any taxable year of a taxpayer for which this credit is effective that encompasses days occurring after June thirtieth, two thousand ~~[nineteen]~~ twenty-one, the amount of the

1 credit determined in item (I) or (II) of this clause shall be multiplied
2 by a fraction, the numerator of which is the number of days in the
3 taxpayer's taxable year occurring on or before June thirtieth, two thou-
4 sand [~~nineteen~~] twenty-one, and the denominator of which is the number
5 of days in the taxpayer's taxable year.

6 § 29. The opening paragraph of subparagraph (B) of paragraph 2 of
7 subdivision (b) of section 1402 of the tax law, as amended by chapter
8 500 of the laws of 2014, is amended to read as follows:

9 For purposes of this subdivision, the phrase "real estate investment
10 trust transfer" shall mean any conveyance of real property or an inter-
11 est therein to a REIT, or to a partnership or corporation in which a
12 REIT owns a controlling interest immediately following the conveyance,
13 which conveyance (I) occurs in connection with the initial formation of
14 the REIT, provided that the conditions set forth in clauses (i) and (ii)
15 of this subparagraph are satisfied, or (II) in the case of any real
16 estate investment trust transfer occurring on or after July thirteenth,
17 nineteen hundred ninety-six and before September first, two thousand
18 [~~seventeen~~] twenty-one, is described in the last sentence of this
19 subparagraph.

20 § 29-a. Subparagraph 2 of paragraph (xi) of subdivision (b) of section
21 1201 of the tax law, as amended by chapter 500 of the laws of 2014, is
22 amended to read as follows:

23 (2) any issuance or transfer of an interest in a REIT, or in a part-
24 nership or corporation in which a REIT owns a controlling interest imme-
25 diately following the issuance or transfer, in connection with a trans-
26 action described in subparagraph one of this paragraph. Notwithstanding
27 the foregoing, a transaction described in the preceding sentence shall
28 not constitute a real estate investment trust transfer unless (A) it
29 occurs in connection with the initial formation of the REIT and the
30 conditions described in subparagraphs three and four of this paragraph
31 are satisfied, or (B) in the case of any real estate investment trust
32 transfer occurring on or after July thirteenth, nineteen hundred nine-
33 ty-six and before September first, two thousand [~~seventeen~~] twenty-one,
34 the transaction is described in subparagraph five of this paragraph in
35 which case the provisions of such subparagraph shall apply.

36 § 29-b. Subparagraph (B) of paragraph 2 of subdivision e of section
37 11-2102 of the administrative code of the city of New York, as amended
38 by chapter 500 of the laws of 2014, is amended to read as follows:

39 (B) any issuance or transfer of an interest in a REIT, or in a part-
40 nership or corporation in which a REIT owns a controlling interest imme-
41 diately following the issuance or transfer in connection with a trans-
42 action described in subparagraph (A) of this paragraph. Notwithstanding
43 the foregoing, a transaction described in the preceding sentence shall
44 not constitute a real estate investment trust transfer unless (i) it
45 occurs in connection with the initial formation of the REIT and the
46 conditions described in subparagraphs (C) and (D) of this paragraph are
47 satisfied, or (ii) in the case of any real estate investment trust
48 transfer occurring on or after July thirteenth, nineteen hundred nine-
49 ty-six and before September first, two thousand [~~seventeen~~] twenty-one,
50 the transaction is described in subparagraph (E) of this paragraph in
51 which case the provision of such subparagraph shall apply.

52 § 30. This act shall take effect immediately.

1 Section 1. Short title. This act shall be known and may be cited as
2 the "education affordability act".

3 § 2. The tax law is amended by adding a new section 43 to read as
4 follows:

5 § 43. Education affordability tax credit. (a) Definitions. For the
6 purposes of this section, the following terms shall have the same defi-
7 inition as provided for in article twenty-five of the education law:

8 "Authorized contribution";

9 "Contribution";

10 "Educational program";

11 "Educational scholarship organization";

12 "Eligible pupil";

13 "Local education fund";

14 "Nonpublic school";

15 "Public education entity";

16 "Public school";

17 "Qualified contribution";

18 "Qualified educator";

19 "Qualified school";

20 "Scholarship"; and

21 "School improvement organization".

22 (b) Allowance of credit. A taxpayer subject to tax under article
23 nine-A or twenty-two of this chapter shall be allowed credit against
24 such tax, pursuant to the provisions referenced in subdivision (1) of
25 this section, with respect to qualified contributions made during the
26 taxable year.

27 (c) Amount of credit. For taxpayers whose federal adjusted gross
28 income is less than three hundred thousand dollars for the taxable year
29 during which such taxpayer made at least one qualified contribution, the
30 amount of the credit shall be ninety percent of the taxpayer's total
31 qualified contributions, capped at eight hundred seventy-five thousand
32 dollars. For taxpayers whose federal adjusted gross income is greater
33 than or equal to three hundred thousand dollars for the taxable year
34 during which such taxpayer made at least one qualified contribution, the
35 amount of credit shall be seventy-five percent of the taxpayer's total
36 qualified contributions, capped at eight hundred seventy-five thousand
37 dollars. A taxpayer that is a partner in a partnership, member of a
38 limited liability company or shareholder in an S corporation shall be
39 allowed to claim its pro rata share of the credit earned by the partner-
40 ship, limited liability company or S corporation, provided that such a
41 taxpayer shall not claim credit in excess of eight hundred seventy-five
42 thousand dollars.

43 (d) Information to be posted on the department's website. The commis-
44 sioner shall maintain on the department's website a running total of the
45 amount of available credit for which taxpayers may apply pursuant to
46 this section. Such running total shall be updated on a daily basis.
47 Additionally, the commissioner shall maintain on the department's
48 website a list of the school improvement organizations, local education
49 funds and educational scholarship organizations approved to issue
50 certificates of receipt pursuant to article twenty-five of the education
51 law. The commissioner shall also maintain on the department's website a
52 list of public education entities, school improvement organizations,
53 local education funds and educational scholarship organizations whose
54 approval to issue certificates of receipt has been revoked along with
55 the date of revocation.

1 (e) Applications for contribution authorization certificates. Prior to
2 making a contribution to a public education entity, school improvement
3 organization, local education fund, or educational scholarship organiza-
4 tion, the taxpayer shall apply to the department for a contribution
5 authorization certificate for such contribution. Such application shall
6 be in the form and manner prescribed by the department. The department
7 may allow taxpayers to make multiple applications on the same form,
8 provided that each contribution listed on such application shall be
9 treated as a separate application and that the department shall issue
10 separate contribution authorization certificates for each such applica-
11 tion.

12 (f) Contribution authorization certificates. 1. Issuance of certifi-
13 icates. The commissioner shall issue contribution authorization certifi-
14 icates in two phases. In phase one, which begins on the first day of
15 January and ends on the thirty-first day of January, the commissioner
16 shall accept applications for contribution authorization certificates.
17 Commencing after the fifth day of February, the commissioner shall issue
18 contribution authorization certificates for applications received during
19 phase one, provided that if the aggregate total of the contributions for
20 which applications have been received during phase one exceeds the
21 amount of the credit cap in subdivision (h) of this section, then phase
22 one of the credit cap application shall be allocated in two steps. In
23 step one, the allocation shall equal the contribution cap divided by the
24 total number of applications for contributions, rounded down to the
25 nearest cent. Each application requesting an amount which is less than
26 or equal to the allocation in step one shall receive the amount on their
27 application for contribution and the difference, which shall be referred
28 to as "excess distributions" for the purposes of this subdivision, shall
29 be available for allocation in step two. Each application requesting an
30 amount which exceeds the allocation in step one shall be allocated cred-
31 its in step two. In step two, if excess distributions equal zero then
32 each application shall receive the allocation amount from step one,
33 otherwise each application shall receive an amount equal to the sum of
34 the (i) the allocation amount in step one and (ii) a pro rata share of
35 aggregate excess distributions based on the difference between the
36 amount on their application for contribution and the allocation in step
37 one. For the purposes of this subdivision, multiple applications by the
38 same taxpayer shall be treated as one application. If the credit cap is
39 not exceeded, phase two commences on February twentieth and ends on
40 October thirty-first. During phase two the commissioner shall issue
41 contribution authorization certificates on a first-come first serve
42 basis based upon the date the department received the taxpayer's appli-
43 cation for such certificate. Contribution authorization certificates
44 for applications received during phase one shall be mailed no later than
45 the twentieth day of February. Contribution authorization certificates
46 for applications received during phase two shall be mailed within five
47 days of receipt of such applications.

48 2. Contribution authorization certificate contents. Each contribution
49 authorization certificate shall state (i) the date such certificate was
50 issued, (ii) the date by which the authorized contribution listed on the
51 certificate must be made, which shall be no later than December thirty-
52 first of the year for which the contribution authorization certificate
53 was issued, (iii) the amount of authorized contribution, (iv) the
54 certificate number, (v) the taxpayer's name and address, (vi) the name
55 and address of the public education entity, school improvement organiza-
56 tion, local education fund or educational scholarship organization to

1 which the taxpayer may make the authorized contribution, and (vii) any
2 other information that the commissioner deems necessary.

3 3. Notification of the issuance of a contribution authorization
4 certificate. Upon the issuance of a contribution authorization certif-
5 icate to a taxpayer, the commissioner shall notify the public education
6 entity, school improvement organization, local education fund or educa-
7 tional scholarship organization of the issuance of such contribution
8 authorization certificate. Such notification shall include (i) the
9 taxpayer's name and address, (ii) the date such certificate was issued,
10 (iii) the date by which the authorized contribution listed in the
11 notification must be made by the taxpayer, (iv) the amount of the
12 authorized contribution, (v) the contribution authorization certif-
13 icate's certificate number, and (vi) any other information that the
14 commissioner deems necessary.

15 (g) Certificate of receipt. 1. In general. No public education entity,
16 school improvement organization, local education fund, or educational
17 scholarship organization shall issue a certificate of receipt for any
18 contribution made by a taxpayer unless such public education entity,
19 school improvement organization, local education fund, or educational
20 scholarship organization has been approved to issue certificates of
21 receipt pursuant to article twenty-five of the education law. No public
22 education entity, school improvement organization, local education fund,
23 or educational scholarship organization shall issue a certificate of
24 receipt for a contribution made by a taxpayer unless such public educa-
25 tion entity, school improvement organization, local education fund, or
26 educational scholarship organization has received notice from the
27 department that the department issued a contribution authorization
28 certificate to the taxpayer for such contribution.

29 2. Timely contribution. If a taxpayer makes an authorized contribution
30 to the public education entity, school improvement organization, local
31 education fund, or educational scholarship organization set forth on the
32 contribution authorization certificate issued to the taxpayer no later
33 than the date by which such authorized contribution is required to be
34 made, such public education entity, school improvement organization,
35 local education fund, or educational scholarship organization shall,
36 within thirty days of receipt of the authorized contribution, issue to
37 the taxpayer a certificate of receipt; provided, however, that if the
38 taxpayer contributes an amount that is less than the amount listed on
39 the taxpayer's contribution authorization certificate, the taxpayer
40 shall not be issued a certificate of receipt for such contribution.

41 3. Certificate of receipt contents. Each certificate of receipt shall
42 state (i) the name and address of the issuing public education entity,
43 school improvement organization, local education fund, or educational
44 scholarship organization, (ii) the taxpayer's name and address, (iii)
45 the date for each contribution, (iv) the amount of each contribution and
46 the corresponding contribution authorization certificate number, (v) the
47 total amount of contributions, (vi) certificate of receipt number and
48 (vii) any other information that the commissioner may deem necessary.

49 4. Notification to the department for the issuance of a certificate of
50 receipt. Upon the issuance of a certificate of receipt, the issuing
51 public education entity, school improvement organization, local educa-
52 tion fund, or educational scholarship organization shall, within thirty
53 days of issuing the certificate of receipt, provide the department with
54 notification of the issuance of such certificate in the form and manner
55 prescribed by the department.

1 5. Notification to the department of the non-issuance of a certificate
2 of receipt. Each public education entity, school improvement organiza-
3 tion, local education fund, or educational scholarship organization that
4 received notification from the department pursuant to subdivision (f) of
5 this section regarding the issuance of a contribution authorization
6 certificate to a taxpayer shall, within thirty days of the expiration
7 date for such authorized contribution, provide notification to the
8 department for each taxpayer that failed to make the authorized contrib-
9 ution to such public education entity, school improvement organization,
10 local education fund, or educational scholarship organization in the
11 form and manner prescribed by the department.

12 6. Failure to notify the department. Within thirty days of the discov-
13 ery of the failure of any public education entity, school improvement
14 program, local education fund, or educational scholarship organization
15 to comply with the notification requirements prescribed by paragraphs
16 four and five of this subdivision, the commissioner shall issue a notice
17 of compliance failure to such entity, program, fund, or organization.
18 Such entity, program, fund, or organization shall have thirty days from
19 the date of such notice to make the notifications prescribed by para-
20 graphs four and five of this subdivision. Such period may be extended
21 for an additional thirty days upon the request of the entity, program,
22 fund, or organization. Upon the expiration of period for compliance set
23 forth in the notice prescribed by this paragraph, the commissioner shall
24 notify the commissioner of education that such entity, program, fund, or
25 organization failed to make the notifications prescribed by paragraphs
26 four and five of this subdivision.

27 (h) Credit cap. The maximum permitted credits under this section
28 available to all taxpayers for qualified contributions for calendar year
29 two thousand eighteen shall be one hundred fifty million dollars. In
30 calendar year two thousand nineteen, the maximum permitted credits under
31 this section available to all taxpayers shall be two hundred twenty-five
32 million dollars plus any amounts that are required to be added to the
33 cap pursuant to subdivision (i) of this section. For calendar year two
34 thousand twenty and each calendar year thereafter, the maximum permitted
35 credits available to all taxpayers shall be three hundred million
36 dollars plus any amounts that are required to be added to the cap pursu-
37 ant to subdivision (i) of this section. The maximum permitted credits
38 under this section for qualified contributions shall be allocated fifty
39 percent to public education entities, school improvement organizations,
40 and local education funds and fifty percent to educational scholarship
41 organizations.

42 (i) Additions to credit cap. Unissued certificates of receipt. Any
43 amounts for which the department receives notification of non-issuance
44 of a certificate of receipt shall be added to the cap prescribed in
45 subdivision (h) of this section for the immediately following year.

46 (j) Regulations. The commissioner is hereby authorized to promulgate
47 and adopt on an emergency basis regulations necessary for the implemen-
48 tation of this section.

49 (k) Written report. On or before the last day of June for each calen-
50 dar year, for the immediately preceding year, the commissioner and the
51 commissioner of education shall jointly submit a written report to the
52 governor, the temporary president of the senate, the speaker of the
53 assembly, the chairman of the senate finance committee and the chairman
54 of the assembly ways and means committee regarding the education afford-
55 ability tax credit. Such report shall contain information for articles
56 nine-A and twenty-two, respectively, regarding: (i) the number of appli-

cations received; (ii) the number of and aggregate value of the contribution authorization certificates issued for contributions to public education entities, school improvement organizations, local education funds, and scholarship organizations, respectively; (iii) the geographical distribution by county of (A) the applications for contribution authorization certificates, distribution by county of (B) the public education entities, school improvement organizations, local education funds, and educational scholarship organizations listed on the issued contribution authorization certificates; and (iv) information, including geographical distribution by county, of the number of eligible pupils that received scholarships, the number of qualified schools attended by eligible pupils that received such scholarships, and the average value of scholarships received by such eligible pupils. The commissioner and designated employees of the department, the commissioner of education and designated employees of the state education department, shall be allowed and are directed to share and exchange information regarding the school improvement organizations, local education funds and educational scholarship organizations that applied for approval to be authorized to receive qualified contributions; and the public education entities, school improvement organizations, local education funds, and educational scholarship organizations authorized to issue certificates of receipt, including information contained in or derived from application forms and reports submitted to the commissioner of education.

(1) Cross references. For application of the credit provided for in this section, see the following provisions of this chapter:

1. Article 9-A: section 210-B; subdivision 49;

2. Article 22: section 606; subsections (i) and (ccc).

§ 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) The amount of any deduction allowed pursuant to section one hundred seventy of the internal revenue code for which a credit is claimed pursuant to subdivision forty-nine of section two hundred ten-B of this article.

§ 4. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. Education affordability tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-two of this chapter, against the tax imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for that year to less than the higher of the amounts prescribed in paragraphs (c) or (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for qualified contributions for any taxable year reduces the tax to such amount, any amount of credit not deductible in such taxable year may be carried over to the succeeding five years and may be deducted from the taxpayer's tax for such year or years.

§ 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

<u>(xliii) Education affordability</u>	<u>Amount of credit under</u>
<u>tax credit under subsection (ccc)</u>	<u>subdivision forty-nine of section</u>
	<u>two hundred ten-B</u>

§ 6. Section 606 of the tax law is amended by adding two new subsections (w) and (w-1) to read as follows:

1 (w) Home-based instructional materials credit. (1) For taxable years
2 beginning on or after January first, two thousand eighteen, a taxpayer
3 shall be allowed a credit against the tax imposed by this article for
4 the purchase of instructional materials approved by the education
5 department for use in non-public home-based educational programs;
6 provided, that the amount of credit claimed does not exceed the lesser
7 of two hundred dollars or one hundred percent of the cost of such
8 purchases made by the taxpayer during the taxable year.

9 (2) A husband and wife who file separate returns for a taxable year in
10 which they could have filed a joint return may each claim only one-half
11 of the tax credit that would have been allowed for a joint return.

12 (3) If the amount of the credit allowed under this subsection for any
13 taxable year shall exceed the taxpayer's tax for such year, the excess
14 shall be treated as an overpayment of tax to be credited or refunded in
15 accordance with the provisions of section six hundred eighty-six of this
16 article, provided, however, that no interest shall be paid thereon.

17 (w-1) Instructional materials and supplies credit. (1) For taxable
18 years beginning on and after January first, two thousand eighteen, a
19 taxpayer shall be allowed a credit equal to the lesser of the amount
20 paid by the taxpayer during the taxable year for instructional materials
21 and supplies, or two hundred dollars; provided that the taxpayer is a
22 teacher or instructor in a qualified school, as defined in section
23 forty-three of this chapter, for at least nine hundred hours during a
24 school year. For purposes of this subsection, the term "materials and
25 supplies" means instructional materials or supplies that are used in the
26 classroom in any qualified school.

27 (2) A husband and wife who file separate returns for a taxable year in
28 which they could have filed a joint return may each claim only one-half
29 of the tax credit that would have been allowed for a joint return.

30 (3) If the amount of the credit allowed under this subsection for any
31 taxable year shall exceed the taxpayer's tax for such year, the excess
32 shall be treated as an overpayment of tax to be credited or refunded in
33 accordance with the provisions of section six hundred eighty-six of this
34 article, provided, however, that no interest shall be paid thereon.

35 § 7. Section 606 of the tax law is amended by adding a new subsection
36 (ccc) to read as follows:

37 (ccc) Education affordability tax credit. (1) Allowance of credit. A
38 taxpayer shall be allowed a credit to be computed as provided in section
39 forty-three of this chapter, against the tax imposed by this article.

40 (2) Application of credit. If the amount of the credit allowed under
41 this subsection for any qualified contributions for any taxable year
42 exceeds the taxpayer's tax for such year, the excess may be carried over
43 to the succeeding five years and may be deducted from the taxpayer's tax
44 for such year or years.

45 § 8. Subsection (c) of section 615 of the tax law is amended by adding
46 a new paragraph 9 to read as follows:

47 (9) The amount of any federal deduction for contributions made for
48 which a taxpayer claims a credit under subsection (ccc) of section six
49 hundred six of this article.

50 § 9. Section 606 of the tax law is amended by adding a new subsection
51 (hhh) to read as follows:

52 (hhh) Helping open opportunities to learn tax credit. (1) General. A
53 resident low and middle income taxpayer shall be allowed a credit, to be
54 computed as provided in paragraph three of this subsection, against the
55 tax imposed by this article for the qualified primary or secondary
56 education tuition expenses paid by the taxpayer during the taxable year.

1 (2) Definitions. For purposes of this subsection, the following terms
2 shall have the following meanings:

3 (A) "Resident low and middle income taxpayer" shall mean a taxpayer
4 who is a full-year resident of this state and whose federal taxable
5 income is equal to or less than seven hundred twenty percent of the
6 federal poverty guidelines, as promulgated annually by the United States
7 department of health and human services, for the taxable year for which
8 this credit is claimed.

9 (B) "Qualified primary or secondary education tuition expenses" shall
10 mean the tuition required for the enrollment or attendance of an eligi-
11 ble student at a qualified school, as defined in section forty-three of
12 this chapter. Provided, however, that any tuition payments made for such
13 eligible student pursuant to the receipt of financial aid or one or more
14 scholarships shall be excluded from the definition of the term "quali-
15 fied primary or secondary education tuition expenses" for such eligible
16 student.

17 (C) "Eligible student" shall mean any dependent of the taxpayer with
18 respect to whom the taxpayer is allowed an exemption under section six
19 hundred sixteen of this article for the taxable year who is enrolled in,
20 and for whom qualified primary and secondary education tuition expenses
21 have been paid for, kindergarten or grade one through twelve in a quali-
22 fied school.

23 (3) Amount of credit. The amount of credit that a resident low or
24 middle income taxpayer may claim for the qualified primary or secondary
25 education tuition expenses paid for each eligible student shall equal
26 the lesser of fifteen percent of the qualified primary or secondary
27 education tuition expenses paid by the taxpayer during the taxable year
28 for such eligible student, or six hundred dollars.

29 (4) Application of credit. If the amount of the credit allowed under
30 this subsection for any taxable year shall exceed the taxpayer's tax for
31 such year, the excess shall be treated as an overpayment of tax to be
32 credited or refunded in accordance with the provisions of section six
33 hundred eighty-six of this article, provided, however, that no interest
34 shall be paid thereon.

35 (5) Husband and wife. In the case of a husband and wife who file a
36 joint federal return, but who are required to determine their New York
37 taxes separately, the credit allowed pursuant to this subsection may be
38 applied against the tax imposed of either or divided between them as
39 they may elect.

40 § 10. The education law is amended by adding a new article 25 to read
41 as follows:

42 ARTICLE 25

43 EDUCATION AFFORDABILITY PROGRAM

44 Section 1209. Short title.

45 1210. Definitions.

46 1211. Approval to issue certificates of receipt.

47 1212. Applications for approval to issue certificates of
48 receipt.

49 1213. Application approval.

50 1214. Revocation of approval to issue certificates of receipt.

51 1215. Recordkeeping.

52 1216. Joint annual report.

53 1217. Commissioner; powers.

54 § 1209. Short title. This article shall be known and may be cited as
55 the "education affordability program".

1 § 1210. Definitions. As used in this article, the following terms
2 shall have the following meanings:

3 1. "Authorized contribution" means the contribution amount listed on
4 the contribution authorization certificate issued to a taxpayer.

5 2. "Contribution" means a donation paid by cash, check, electronic
6 funds transfer, debit card or credit card made by the taxpayer during
7 the tax year.

8 3. "Educational program" means an academic program of a public school
9 that enhances the curriculum, or provides or expands a pre-kindergarten
10 program or an after-school program to the public school. For purposes of
11 this definition, the instruction, materials, programs or other activ-
12 ities offered by or through an educational program may include, but are
13 not limited to, the following features: (a) instruction or materials
14 promoting health, physical education, and family and consumer sciences;
15 literary, performing and visual arts; mathematics, social studies, tech-
16 nology and scientific achievement; (b) instruction or programming to
17 meet the education needs of at-risk students or students with disabili-
18 ties, including tutoring or counseling; or (c) use of specialized
19 instructional materials, instructors or instruction not provided by a
20 public school.

21 4. "Educational scholarship organization" means a not-for-profit enti-
22 ty which (a) is exempt from taxation under paragraph three of subsection
23 (c) of section five hundred one of the internal revenue code, (b)
24 commits for the expenditure of at least ninety percent of the revenue
25 from qualified contributions received during the calendar year and any
26 income derived from qualified contributions for scholarships, (c) depos-
27 its and holds qualified contributions and any income derived from quali-
28 fied contributions in an account that is separate from the organiza-
29 tion's operating or other funds until such qualified contributions or
30 income are withdrawn for use, and (d) provides scholarships to eligible
31 pupils for use at no fewer than three qualified schools.

32 5. "Eligible pupil" means a child who (a) is a resident of this state,
33 (b) is school age in accordance with subdivision one of section thirty-
34 two hundred two of this chapter or who is four years of age on or before
35 December first of the year in which they are enrolled in a pre-kinder-
36 garten program, (c) attends or is about to attend a qualified school,
37 and (d) resides in a household that has a federal adjusted gross income
38 of five hundred thousand dollars or less, provided however, for house-
39 holds with three or more dependent children, such income level shall be
40 increased by ten thousand dollars per dependent child in excess of two,
41 not to exceed five hundred fifty thousand dollars.

42 6. "Local education fund" means a not-for-profit entity which (a) is
43 exempt from taxation under paragraph three of subsection (c) of section
44 five hundred one of the internal revenue code, (b) is established for
45 the purpose of supporting an educational program in at least one public
46 school, or public school district, (c) uses at least ninety percent of
47 the qualified contributions received during the calendar year and any
48 income derived from qualified contributions to support the public school
49 or schools or public school district or districts that such fund has
50 been established to support, and (d) deposits and holds qualified
51 contributions and any income derived from qualified contributions in an
52 account that is separate from the fund's operating or other funds until
53 such qualified contributions or income are withdrawn for use.

54 7. "Nonpublic school" means any not-for-profit pre-kindergarten
55 program or elementary, secondary sectarian or nonsectarian school
56 located in this state, other than a public school, that is providing

1 instruction at one or more locations to a student in accordance with
2 subdivision two of section thirty-two hundred four of this chapter.

3 8. "Public education entity" means a public school or a public school
4 district, provided that such public school, or public school district
5 deposits and holds qualified contributions and any income derived from
6 qualified contributions in an account that is separate from the public
7 school or public school district's operating or other funds until such
8 qualified contributions or income are withdrawn for use, and is approved
9 to issue certificates of receipt pursuant to this article.

10 9. "Public school" means any free elementary or secondary school in
11 this state guaranteed by article eleven of the constitution or charter
12 school authorized by article fifty-six of this chapter.

13 10. "Qualified contribution" means the authorized contribution made by
14 a taxpayer to the public education entity, school improvement organiza-
15 tion, local education fund, or educational scholarship organization that
16 is listed on the contribution authorization certificate issued to the
17 taxpayer and for which the taxpayer has received a certificate of
18 receipt from such entity, fund, or organization. A contribution does
19 not qualify if the taxpayer designates the taxpayer's contribution to an
20 entity or organization for the direct benefit of any particular or spec-
21 ified student.

22 11. "Qualified educator" means an individual who is a teacher or
23 instructor in a qualified school for at least nine hundred hours during
24 a school year.

25 12. "Qualified school" means a public school or nonpublic school.

26 13. "Scholarship" means an educational scholarship which provides a
27 tuition grant awarded to an eligible pupil to attend a qualified school
28 in an amount not to exceed the tuition charged to attend such school
29 less any other educational scholarship received by such eligible pupil
30 or his or her parent, parents or guardian for such eligible pupil's
31 tuition; provided, however, in the case of an eligible pupil attending a
32 public school in a public school district of which such pupil is not a
33 resident, the amount of the educational scholarship awarded may not
34 exceed the tuition charged by the public school pursuant to paragraph d
35 of subdivision four of section thirty-two hundred two of this chapter
36 less any other educational scholarship received by such eligible pupil
37 or his or her parent, parents or guardian for such eligible pupil's
38 tuition, but only if the public school district of which such pupil is a
39 resident is not required to pay for such tuition.

40 14. "School improvement organization" means a not-for-profit entity
41 which (i) is exempt from taxation under paragraph three of subsection
42 (c) of section five hundred one of the internal revenue code, (ii) uses
43 at least ninety percent of the qualified contributions received during
44 the calendar year and any income derived from such qualified contrib-
45 utions to assist public schools or public school districts located in
46 this state in their provision of educational programs, either by making
47 contributions to one or more public schools or public school districts
48 located in this state or providing educational programs to, or in
49 conjunction with, one or more public schools or public school districts
50 located in this state, (iii) deposits and holds qualified contributions
51 and any income derived from such qualified contributions in an account
52 that is separate from the organization's operating or other funds until
53 such qualified contributions or income are withdrawn for use, and (iv)
54 is approved to issue certificates of receipt pursuant to this article.
55 Such entity may allow the taxpayer to choose to donate to a program,

1 project or initiative identified by a qualified educator for use in a
2 public school.

3 § 1211. Approval to issue certificates of receipt. 1. Public schools
4 and public school districts. All public schools and public school
5 districts shall be approved to issue certificates of receipt provided,
6 that a public school or public school district shall not be approved if
7 either (a) the public school or public school district fails to deposit
8 and hold qualified contributions and any income derived from qualified
9 contributions in an account that is separate from the school or school
10 district's operating or other funds until such qualified contributions
11 or income are withdrawn for use, or (b) the commissioner has revoked
12 such approval for such public school or public school district pursuant
13 to section twelve hundred fourteen of this article.

14 2. School improvement organizations, educational scholarship organiza-
15 tions and local education funds. No school improvement organization,
16 educational scholarship organization or local education fund shall issue
17 any certificates of receipt without filing an application pursuant to
18 section twelve hundred twelve of this article and receiving approval
19 pursuant to section twelve hundred thirteen of this article.

20 § 1212. Applications for approval to issue certificates of receipt.
21 Each school improvement organization, educational scholarship organiza-
22 tion, and local education fund shall submit an application to the
23 commissioner for approval to issue certificates of receipt in the form
24 and manner prescribed by the commissioner; provided that such applica-
25 tion shall include: (a) submission of documentation that such school
26 improvement organization, local education fund or educational scholar-
27 ship organization has been granted exemption from taxation under para-
28 graph three of subsection (c) of section five hundred one of the inter-
29 nal revenue code; (b) the most recent annual financial audit, which
30 shall be completed by an independent certified public accountant and a
31 list of names and addresses of all members of the governing board of the
32 school improvement organization, local education fund or educational
33 scholarship organization; and (c) an educational scholarship organiza-
34 tion shall provide criteria for the awarding of scholarships to eligible
35 students. Neither the commissioner or the department shall require any
36 other information for such application except as authorized in this
37 article or by section forty-three of the tax law.

38 § 1213. Application approval. The commissioner shall review each
39 application to issue certificates of receipt pursuant to this article.
40 Approval or denial of an application shall be made within sixty days of
41 receipt of such application.

42 § 1214. Revocation of approval to issue certificates of receipt. The
43 commissioner, in consultation with the commissioner of taxation and
44 finance, may revoke the approval of a school improvement organization,
45 educational scholarship organization, local education fund, public
46 school or public school district to issue certificates of receipt upon a
47 finding that such organization, fund, school or school district has
48 violated this article or section forty-three of the tax law. These
49 violations shall include, but not be limited to, any of the following:
50 (a) failure to meet the requirements of this article or section forty-
51 three of the tax law, (b) the failure to maintain full and adequate
52 records with respect to the receipt of qualified contributions, (c) the
53 failure to supply such records to the commissioner or the department of
54 taxation and finance when requested by the department or the department
55 of taxation and finance, or (d) the failure to provide notice to the
56 department of taxation and finance of the issuance or nonissuance of

1 certificates of receipt pursuant to section forty-three of the tax law;
2 provided however, that the commissioner shall not revoke approval pursu-
3 ant to this section based upon a violation of the tax law unless the
4 commissioner of taxation and finance agrees that revocation is
5 warranted; and provided further that the commissioner shall not revoke
6 approval pursuant to this section when the failure to comply is due to
7 clerical error and not negligence or intentional disregard for the law.
8 Within five days of the determination revoking approval, the commission-
9 er shall provide notice of such revocation to the educational scholar-
10 ship organization, school improvement organization, local education
11 fund, public school, or public school district and to the department of
12 taxation and finance.

13 § 1215. Recordkeeping. Each school improvement organization, educa-
14 tional scholarship organization, local education fund, public school and
15 public school district that issued at least one certificate of receipt
16 shall maintain records including (a) notifications received from the
17 department of taxation and finance, (b) notifications made to the
18 department of taxation and finance, (c) copies of qualified contrib-
19 utions received, (d) copies of the deposit of such qualified contrib-
20 utions, (e) copies of issued certificates of receipt, (f) annual finan-
21 cial statements, (g) in the case of school improvement organizations,
22 educational scholarship organizations and local education funds, the
23 application submitted pursuant to section twelve hundred twelve of this
24 article and the approval issued by the commissioner, and (h) any other
25 information as prescribed by regulation promulgated by the commissioner.

26 § 1216. Joint annual report. On or before the last day of June for
27 each calendar year, the commissioner of taxation and finance and the
28 commissioner, jointly, shall submit a written report as provided in
29 subdivision (k) of section forty-three of the tax law.

30 § 1217. Commissioner; powers. The commissioner shall promulgate on an
31 emergency basis regulations necessary for the implementation of this
32 section. The commissioner shall make any application required to be
33 filed pursuant to this article available to applicants within sixty days
34 of the effective date of this article.

35 § 11. The education law is amended by adding a new section 1503-a to
36 read as follows:

37 § 1503-a. Power to accept and solicit gifts and donations. 1. All
38 school districts organized by special laws or pursuant to the provisions
39 of a general law are hereby authorized and empowered to accept gifts,
40 donations, and contributions to the district and to solicit the same.

41 2. Notwithstanding any other provision of this chapter or of any other
42 general or special law to the contrary, the receipt of such gifts,
43 donations, contributions and other funds, and any income derived there-
44 from, shall be disregarded for the purposes of all apportionments,
45 computations, and determinations of state aid.

46 § 12. Severability. If any provision of this section or the applica-
47 tion thereof to any person or circumstances is held invalid, such inva-
48 lidity shall not affect other provisions or applications of the section
49 which can be given effect without the invalid provision or application,
50 and to this end the provisions of this section are declared to be sever-
51 able.

52 § 13. This act shall take effect immediately and shall apply to taxa-
53 ble years beginning after December 31, 2017.

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (ccc) to read as follows:

3 (ccc) Green building credit. (1) Allowance of credit. A taxpayer shall
4 be allowed a credit against the tax imposed by this article provided
5 that such taxpayer constructs or rehabilitates qualifying residential
6 real property in conformity with energy efficiency standards established
7 by the National Association of Home Builders or the Leadership in Energy
8 and Environmental Design rating system developed by the United States
9 green building council and fashions proof thereof in accordance with
10 rules and regulations promulgated by the commissioner of the department
11 of environmental conservation in conjunction with the commissioner.

12 (2) Amount of credit. The amount of the credit shall be equal to fifty
13 percent of the allowable costs paid or incurred by the taxpayer, if the
14 owner, for either the construction or rehabilitation of qualifying resi-
15 dential real property in conformity with energy efficiency standards
16 established by the National Association of Home Builders or the Leader-
17 ship in Energy and Environmental Design rating system developed by the
18 United States green building council; provided, however, that such cred-
19 it shall not exceed seven thousand five hundred dollars and shall not be
20 awarded more than once in a period of ten years.

21 (3) For the purpose of this subsection, "allowable costs" means
22 amounts properly chargeable to an account (other than for land), which
23 are paid or incurred on or after January first, two thousand seventeen,
24 for: construction or rehabilitation; commissioning costs; interest
25 paid; architectural, engineering and other professional fees allocable
26 to construction or rehabilitation; site costs (such as temporary elec-
27 tric wiring, scaffolding, demolition costs, and fencing and security
28 facilities); and lighting systems permanently affixed to the structure,
29 plumbing, electrical wiring necessary to accommodate new energy effi-
30 cient systems, ventilation, insulation, windows and new heating systems;
31 provided that such costs shall not include the cost of telephone systems
32 and computers (other than electrical wiring costs) and shall not include
33 the cost of fuel cells or photovoltaic modules (including installation)
34 or the cost of new air conditioning equipment using an EPA-approved
35 non-ozone depleting refrigerant or other EPA-approved refrigerant
36 approved by the commissioner of environmental conservation (excluding
37 installation).

38 (4) For the purposes of this subsection "qualifying residential real
39 property" shall mean the principal place of residence of an individual
40 taxpayer who claims a credit pursuant to this subsection. In the event
41 that such place of residence is a multiple dwelling, as defined by
42 subdivision seven of section four of the multiple dwelling law, allow-
43 able costs shall only constitute those costs incurred due to
44 construction or rehabilitation undertaken on the portion of the dwelling
45 that constitutes an individual taxpayer's unit.

46 (5) If the amount of the credit allowed under this subsection for any
47 taxable year shall exceed the taxpayer's tax for such year, the excess
48 may be carried over to the following year or years for up to five years
49 and may be deducted from the taxpayer's tax for such year or years.

50 (6) The commissioner of the department of environmental conservation,
51 in conjunction with the commissioner, shall promulgate such rules and
52 regulations as may be necessary for the distribution of the credit
53 established by this subsection.

54 § 2. This act shall take effect immediately and shall apply to taxable
55 years beginning on and after January 1, 2017.

PART AAAAA

Section 1. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(ccc) Forestry stewardship and habitat conservation credit. (1) In the case of a taxpayer who owns land that is subject to an agreement with the department of environmental conservation, by which such land is committed to forestry stewardship, or habitat conservation, or both, there shall be allowed a credit for twenty-five percent of the real property taxes paid on such land. In no event shall the credit allowed under this subsection in combination with any other credit for such real property taxes under this section exceed the total amount of such taxes paid during the taxable year.

(2) For the purposes of this subsection:

(a) "Eligible tract" shall mean a tract of land of at least twenty-five contiguous acres that has been inspected by the department of environmental conservation, a wildlife biologist certified by The Wildlife Society, or a fisheries biologist certified by the American Fisheries Society, and based on such inspection is determined by the department of environmental conservation to be: valuable habitat for wildlife, fish, shellfish or crustacea; or safe and suitable for fish or wildlife-related recreation, including fishing, hunting, trapping and wildlife observation; or both. Land divided only by federal, state, county or town roads, easements or rights-of-way, or energy transmission corridors or similar facilities shall be considered contiguous for purposes of this section.

(b) "Agreement" shall mean a written agreement between the department of environmental conservation and the owner of an eligible tract, executed by both parties, by which the eligible tract is committed to habitat conservation, or forestry stewardship, or both, for a period of not less than five years.

(c) "Approved habitat conservation plan" shall mean a plan, approved by the department of environmental conservation, for the management of an eligible tract which shall contain requirements and standards with which the owner of the eligible tract must comply in order to conserve the value of the land as wildlife, fish, shellfish, or crustacea habitat.

(d) "Forestry stewardship" shall mean participation in a forest certification program (such as Forest Stewardship Council certification, Sustainable Forestry Initiative, American Tree Farm Program, etc.) recognized in the regulations of the department of environmental conservation.

(3) There is hereby created a New York state forestry stewardship and habitat conservation program for the purpose of providing forested lands in the state and conserving the value of land in the state as wildlife, fish, shellfish or crustacea habitat.

(4) A landowner may make application to the department of environmental conservation, on forms prescribed by such department, to have land included in the New York state habitat conservation and forestry stewardship program. If, based on an inspection of the land by the department of environmental conservation, or a wildlife biologist certified by The Wildlife Society, or a fisheries biologist certified by the American Fisheries Society, the department of environmental conservation determines that such land is an eligible tract, it shall notify the landowner that the land is eligible for inclusion in the New York state habitat conservation and forestry stewardship program.

1 (5) The department of environmental conservation may, in its
2 discretion, enter into agreements with owners of eligible tracts for
3 purposes of forestry stewardship, or habitat conservation, or both. Such
4 agreements shall be for a minimum duration of five years, and shall
5 contain a description of the property that is the subject of the agree-
6 ment, and such terms and conditions as the department deems appropriate,
7 including, but not limited to:

8 (a) for forestry stewardship agreements, a description of the partic-
9 ipation in a forest certification program for a period of not less than
10 five years;

11 (b) for habitat conservation agreements, a requirement that the land-
12 owner develop a habitat conservation plan and implement the plan for a
13 period of not less than five years;

14 (c) for habitat conservation and forestry stewardship agreements, a
15 requirement that the landowner develop a habitat conservation plan and
16 implement the plan for a period of not less than five years; and a
17 description of participation in a forest certification program for a
18 period of not less than five years;

19 (d) a requirement that the landowner's obligations concerning the land
20 under the terms of the agreement, as well as any benefits, shall pass to
21 any successor in interest to such land for the duration of the term of
22 the agreement; and

23 (e) a requirement that a copy of the agreement shall be duly recorded
24 and indexed as such in the office of the recording officer for the coun-
25 ty or counties where the land is situate in the manner prescribed by
26 article nine of the real property law; and that any subsequent instru-
27 ment of conveyance relating to the property encumbered by the agreement
28 shall reference, by book and page number, the agreement; and that such
29 instrument shall also specify that the property is subject to the
30 restrictions contained in the agreement; and that an instrument for the
31 purpose of creating, conveying, modifying or terminating the agreement
32 shall not be effective unless recorded.

33 (6) The amount of the credit that may be claimed by a taxpayer pursu-
34 ant to this subsection shall not exceed ten thousand dollars in any
35 given year.

36 (7) If the amount of the credit under this subsection for any taxable
37 year shall exceed the taxpayer's tax for such year, the excess shall be
38 treated as an overpayment of tax to be credited or refunded in accord-
39 ance with the provisions of section six hundred eighty-six of this arti-
40 cle, provided, however, that no interest shall be paid thereon.

41 § 2. Paragraph 4 of subsection (n) of section 606 of the tax law, as
42 amended by section 2 of part F of chapter 62 of the laws of 2006, is
43 amended to read as follows:

44 (4) Qualified agricultural property. For purposes of this subsection,
45 the term "qualified agricultural property" means land located in this
46 state which is used in agricultural production, and land improvements,
47 structures and buildings (excluding buildings used for the taxpayer's
48 residential purpose) located on such land which are used or occupied to
49 carry out such production. Qualified agricultural property also includes
50 land set aside or retired under a federal supply management or soil
51 conservation program or land that at the time it becomes subject to a
52 conservation easement, as defined under subsection (kk) of this section,
53 met the requirements under this paragraph, and land that at the time it
54 becomes subject to an agreement as defined in subsection (ccc) of this
55 section met the requirements under this paragraph.

§ 3. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. Forestry stewardship and habitat conservation credit. (1) In the case of a taxpayer who owns land that is subject to an agreement with the department of environmental conservation, by which such land is committed to forestry stewardship, or habitat conservation, or both, there shall be allowed a credit for twenty-five percent of the real property taxes paid on such land. In no event shall the credit allowed under this subdivision in combination with any other credit for such real property taxes under this section exceed the total amount of such taxes paid during the taxable year.

(2) For the purposes of this subdivision:

(a) "Eligible tract" shall mean a tract of land of at least twenty-five contiguous acres that has been inspected by the department of environmental conservation, a wildlife biologist certified by The Wildlife Society, or a fisheries biologist certified by the American Fisheries Society, and based on such inspection is determined by the department of environmental conservation to be: valuable habitat for wildlife, fish, shellfish or crustacea; or safe and suitable for fish or wildlife-related recreation, including fishing, hunting, trapping and wildlife observation; or both. Land divided only by federal, state, county or town roads, easements or rights-of-way, or energy transmission corridors or similar facilities shall be considered contiguous for purposes of this section.

(b) "Agreement" shall mean a written agreement between the department of environmental conservation and the owner of an eligible tract, executed by both parties, by which the eligible tract is committed to habitat conservation, or forestry stewardship, or both, for a period of not less than five years.

(c) "Approved habitat conservation plan" shall mean a plan, approved by the department of environmental conservation, for the management of an eligible tract which shall contain requirements and standards with which the owner of the eligible tract must comply in order to conserve the value of the land as wildlife, fish, shellfish, or crustacea habitat.

(d) "Forestry stewardship" shall mean participation in a forest certification program (such as Forest Stewardship Council certification, Sustainable Forestry Initiative, American Tree Farm Program, etc.) recognized in the regulations of the department of environmental conservation.

(3) There is hereby created a New York state forestry stewardship and habitat conservation program for the purpose of providing forested lands in the state and conserving the value of land in the state as wildlife, fish, shellfish or crustacea habitat.

(4) A landowner may make application to the department of environmental conservation, on forms prescribed by such department, to have land included in the New York state habitat conservation and forestry stewardship program. If, based on an inspection of the land by the department of environmental conservation, or a wildlife biologist certified by The Wildlife Society, or a fisheries biologist certified by the American Fisheries Society, the department of environmental conservation determines that such land is an eligible tract, it shall notify the landowner that the land is eligible for inclusion in the New York state habitat conservation and forestry stewardship program.

(5) The department of environmental conservation may, in its discretion, enter into agreements with owners of eligible tracts for

1 purposes of habitat conservation, or forestry stewardship, or both. Such
2 agreements shall be for a minimum duration of five years, and shall
3 contain a description of the property that is the subject of the agree-
4 ment, and such terms and conditions as the department deems appropriate,
5 including, but not limited to:

6 (a) for forestry stewardship agreements, a description of the partic-
7 ipation in a forest certification program for a period of not less than
8 five years;

9 (b) for habitat conservation agreements, a requirement that the land-
10 owner develop a habitat conservation plan and implement the plan for a
11 period of not less than five years;

12 (c) for habitat conservation and forestry stewardship agreements, a
13 requirement that the landowner develop a habitat conservation plan and
14 implement the plan for a period of not less than five years; and a
15 description of participation in a forest certification program for a
16 period of not less than five years;

17 (d) a requirement that the landowner's obligations concerning the land
18 under the terms of the agreement, as well as any benefits, shall pass to
19 any successor in interest to such land for the duration of the term of
20 the agreement; and

21 (e) a requirement that a copy of the agreement shall be duly recorded
22 and indexed as such in the office of the recording officer for the coun-
23 ty or counties where the land is situate in the manner prescribed by
24 article nine of the real property law; and that any subsequent instru-
25 ment of conveyance relating to the property encumbered by the agreement
26 shall reference, by book and page number, the agreement; and that such
27 instrument shall also specify that the property is subject to the
28 restrictions contained in the agreement; and that an instrument for the
29 purpose of creating, conveying, modifying or terminating the agreement
30 shall not be effective unless recorded.

31 (6) The amount of the credit that may be claimed by a taxpayer pursu-
32 ant to this subdivision shall not exceed ten thousand dollars in any
33 given year.

34 (7) If the amount of the credit under this subdivision for any taxable
35 year shall exceed the taxpayer's tax for such year, the excess shall be
36 treated as an overpayment of tax to be credited or refunded in accord-
37 ance with the provisions of section one thousand eighty-six of this
38 chapter, provided, however, that no interest shall be paid thereon.

39 § 4. Paragraph (d) of subdivision 11 of section 210-B of the tax law,
40 as added by section 17 of part A of chapter 59 of the laws of 2014, is
41 amended to read as follows:

42 (d) Qualified agricultural property. For purposes of this subdivision,
43 the term "qualified agricultural property" means land located in this
44 state which is used in agricultural production, and land improvements,
45 structures and buildings (excluding buildings used for the taxpayer's
46 residential purpose) located on such land which are used or occupied to
47 carry out such production. Qualified agricultural property also includes
48 land set aside or retired under a federal supply management or soil
49 conservation program ~~[or]~~, land that at the time it becomes subject to a
50 conservation easement met the requirements under this paragraph and land
51 that at the time it becomes subject to an agreement as defined under
52 subdivision forty-nine of this section, met the requirements under this
53 paragraph.

54 § 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
55 of the tax law is amended by adding a new clause (xlili) to read as
56 follows:

1 (xliii) Forest stewardship and Amount of credit under
 2 habitat conservation subdivision forty-nine of
 3 credit under subsection (ccc) section two hundred ten-B
 4 § 6. This act shall take effect immediately.

PART BBBB

6 Section 1. Section 13 of part A of chapter 97 of the laws of 2011,
 7 amending the general municipal law and the education law relating to
 8 establishing limits upon school district and local government tax
 9 levies, as amended by section 18 of part A of chapter 20 of the laws of
 10 2015, is amended to read as follows:

11 § 13. This act shall take effect immediately; provided, however, that
 12 sections two through eleven of this act shall take effect July 1, 2011
 13 and shall first apply to school district budgets and the budget adoption
 14 process for the 2012-13 school year; and shall continue to apply to
 15 school district budgets and the budget adoption process for any school
 16 year beginning in any calendar year during which this act is in effect;
 17 provided further, that if section 26 of part A of chapter 58 of the laws
 18 of 2011 shall not have taken effect on or before such date then section
 19 ten of this act shall take effect on the same date and in the same
 20 manner as such chapter of the laws of 2011, takes effect; provided
 21 further, that section one of this act shall first apply to the levy of
 22 taxes by local governments for the fiscal year that begins in 2012 and
 23 shall continue to apply to the levy of taxes by local governments for
 24 any fiscal year beginning in any calendar year during which this act is
 25 in effect[~~, provided, further, that this act shall remain in full force~~
 26 ~~and effect at a minimum until and including June 15, 2020 and shall~~
 27 ~~remain in effect thereafter only so long as the public emergency requir-~~
 28 ~~ing the regulation and control of residential rents and evictions and~~
 29 ~~all such laws providing for such regulation and control continue as~~
 30 ~~provided in subdivision 3 of section 1 of the local emergency rent~~
 31 ~~control act, sections 26-501, 26-502 and 26-520 of the administrative~~
 32 ~~code of the city of New York, section 17 of chapter 576 of the laws of~~
 33 ~~1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946~~
 34 ~~constituting the emergency housing rent control law, and section 10 of~~
 35 ~~chapter 555 of the laws of 1982, amending the general business law and~~
 36 ~~the administrative code of the city of New York relating to conversions~~
 37 ~~of residential property to cooperative or condominium ownership in the~~
 38 ~~city of New York as such laws are continued by chapter 93 of the laws of~~
 39 ~~2011 and as such sections are amended from time to time].~~

40 § 2. This act shall take effect immediately.

PART CCCC

42 Section 1. Subdivision 3 of section 16-v of section 1 of chapter 174
 43 of the laws of 1968, constituting the New York state urban development
 44 corporation act, is amended by adding a new paragraph (e) to read as
 45 follows:

46 (e) Notwithstanding any other provision of law to the contrary, a
 47 qualified entity that has previously been designated as a New York state
 48 incubator and has not fully disbursed any grants awarded pursuant to
 49 this section, shall continue being designated as such by the corporation
 50 for an additional three years.

51 § 2. This act shall take effect immediately.

1

PART DDDD

2 Section 1. Subclauses (i) and (ii) of clause (E) of subparagraph 5 of
3 paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel
4 wagering and breeding law, as amended by chapter 18 of the laws of 2008,
5 are amended to read as follows:

6 (i) Such licensed regional harness track shall receive in lieu of any
7 other payments on wagers placed at off-track betting facilities outside
8 the special betting district on races conducted by an in-state thorough-
9 bred racing corporation, two and eight-tenths percent on regular and
10 multiple bets made prior to January first, two thousand eighteen, and
11 one and four-tenths percent on such bets made on and after January
12 first, two thousand eighteen during a regional meeting and one and nine-
13 tenths percent of such bets made prior to January first, two thousand
14 eighteen, and four-tenths percent on such bets made on and after January
15 first, two thousand eighteen if there is no regional meeting and four
16 and eight-tenths percent on exotic bets made prior to January first, two
17 thousand eighteen, and two and four-tenths percent on such bets made on
18 and after January first, two thousand eighteen on days on which there is
19 a regional meeting and three and four-tenths percent of such bets made
20 prior to January first, two thousand eighteen, and one and seven-tenths
21 percent on such bets made on and after January first, two thousand eigh-
22 teen if there is no regional meeting.

23 (ii) [~~Such~~] A licensed regional harness track shall receive one and
24 one-half per centum on total regional handle on races conducted at out-
25 of-state or out-of-country thoroughbred tracks prior to January first,
26 two thousand eighteen, and three-quarters of one per centum on such
27 handle realized on and after January first, two thousand eighteen.

28 § 2. Clause (G) of subparagraph 6 of paragraph b of subdivision 1 of
29 section 1016 of the racing, pari-mutuel wagering and breeding law, as
30 amended by chapter 18 of the laws of 2008, is amended to read as
31 follows:

32 (G) Of the sums retained by a licensed harness facility, prior to
33 January first, two thousand eighteen, fifty percent shall be used exclu-
34 sively for purses awarded in races conducted by such licensed facility
35 and the remaining fifty percent shall be retained by such licensed
36 facility for its general purposes, and on and after January first, two
37 thousand eighteen one hundred percent shall be used exclusively for
38 purses awarded in races conducted by such licensed facility provided,
39 however, that in a harness special betting district the portion of the
40 sums retained by a licensed harness facility to be used for purses or
41 the methodology for calculating the amount to be used for purses may be
42 specified in a written contract between a harness racing association or
43 corporation and its representative horsemen's association.

44 § 3. Paragraph a of subdivision 2 of section 1017 of the racing, pari-
45 mutuel wagering and breeding law, as amended by chapter 174 of the laws
46 of 2013, is amended to read as follows:

47 a. Maintenance of effort. Any off-track betting corporation which
48 engages in accepting wagers on the simulcasts of thoroughbred races from
49 out-of-state or out-of-country as permitted under subdivision one of
50 this section shall submit to the commission, for its approval, a sched-
51 ule of payments to be made in any year or portion thereof, that such
52 off-track corporation engages in nighttime thoroughbred simulcasting. In
53 order to be approved by the commission, prior to January first, two
54 thousand eighteen, the payment schedule shall be identical to the actual
55 payments and distributions of such payments to tracks and purses made by

1 such off-track corporation pursuant to the provisions of section one
2 thousand fifteen of this article during the year two thousand two, as
3 derived from out-of-state harness races displayed after 6:00 P.M. On and
4 after January first, two thousand eighteen no such payments and distrib-
5 utions of payments shall be made to tracks. If approved by the commis-
6 sion, such scheduled payments shall be made from revenues derived from
7 any simulcasting conducted pursuant to this section and section one
8 thousand fifteen of this article.

9 § 4. Clause (D) of subparagraph (ii) of paragraph 1 of subdivision b
10 of section 1612 of the tax law, as amended by chapter 174 of the laws of
11 2013, is amended to read as follows:

12 (D) notwithstanding clauses (A), (B) and (C) of this subparagraph,
13 when the vendor track is located within [~~fifteen~~] forty miles of a
14 Native American class III gaming facility at a rate of forty-one percent
15 of the total revenue wagered at the vendor track after payout for prizes
16 pursuant to this chapter;

17 § 5. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612
18 of the tax law is amended by adding a new clause (G-3) to read as
19 follows:

20 (G-3) Notwithstanding any provision to the contrary, when a vendor
21 track is located within region four of development zone two as defined
22 by section thirteen hundred ten of the racing, pari-mutuel wagering and
23 breeding law and is located within Oneida county, such vendor track
24 shall receive an additional commission at a rate equal to the percentage
25 of revenue wagered at the vendor track after payout for prizes pursuant
26 to this chapter, which percentage shall be one hundred, less the sum of
27 the percentages of net revenue wagered at the vendor track retained by
28 the commission for operation, administration, and procurement purposes;
29 and the vendor's fee, marketing allowance and capital award paid to the
30 vendor track pursuant to this chapter; and the effective tax rate paid
31 on all gross gaming revenue paid by a gaming facility within Seneca or
32 Wayne counties pursuant to section thirteen hundred fifty-one of the
33 racing, pari-mutuel wagering and breeding law, provided, however, such
34 additional commission shall be applied to revenue wagered at the vendor
35 track after payout for prizes only while a gaming facility in Seneca or
36 Wayne counties is open and operational pursuant to an operation certif-
37 icate issued pursuant to section thirteen hundred thirty-one of the
38 racing, pari-mutuel wagering and breeding law. The additional commission
39 set forth in this clause shall be paid to the vendor track within sixty
40 days after the conclusion of the state fiscal year based on the calcu-
41 lated percentage during the previous fiscal year.

42 § 6. Clause (B) of subparagraph (ii) of paragraph 1 of subdivision b
43 of section 1612 of the tax law, as amended by chapter 174 of the laws of
44 2013, is amended to read as follows:

45 (B) having one thousand one hundred or more video gaming machines, at
46 a rate of thirty-one percent of the total revenue wagered at the vendor
47 track after payout for prizes pursuant to this chapter, except for such
48 facility located in the county of Westchester, in which case the rate
49 shall be [~~thirty percent until March thirty-first, two thousand twelve~~]
50 thirty-one percent.

51 Notwithstanding the foregoing, not later than April first, two thou-
52 sand [~~twelve~~] seventeen, the vendor fee shall become [~~thirty-one~~] thir-
53 ty-two percent and remain at that level thereafter; and except for Aque-
54 duct racetrack, in which case the vendor fee shall be thirty-eight
55 percent of the total revenue wagered at the vendor track after payout
56 for prizes pursuant to this chapter;

§ 7. Subdivision f-1 of section 1612 of the tax law, as amended by chapter 175 of the laws of 2013, is amended to read as follows:

f-1. As consideration for operation of video lottery gaming facility located in the county of Nassau or Suffolk and operated by a corporation established pursuant to section five hundred two of the racing, pari-mutuel wagering and breeding law, the division shall cause the investment in the racing industry of the following percentages of the vendor fee to be deposited or paid as follows:

1. Two and three tenths percent of the total wagered after payout of prizes for the purpose of enhancing purses at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course~~[, provided, however, that any amount that is in excess of the amount necessary to maintain purse support from video lottery gaming at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission].~~

2. five tenths percent of the total wagered after payout of prizes for the appropriate breeding fund for the manner of racing at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course~~[, provided, however, that any amount that is in excess of the amount necessary to maintain payments from video lottery gaming at Aqueduct racetrack at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission].~~

3. one and three tenths percent of the total revenue wagered after payout of prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for capital expenditures in maintaining and upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race course~~[, provided, however, that any amount that is in excess of the amount necessary to maintain payments for capital expenditures from video lottery gaming at Aqueduct racetrack at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission].~~

4. Nine tenths percent of the total revenue wagered after payout for prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for general thoroughbred racing operations at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course~~[, provided, however, that any amount that is in excess of the amount necessary to maintain payments for general thoroughbred racing operations from video lottery gaming at Aqueduct racetrack at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission].~~

§ 8. This act shall take effect immediately; provided, however, that the amendments to subdivision f-1 of section 1612 of the tax law made by section seven of this act shall expire and be deemed repealed on and after March 31, 2018.

1

PART EEEE

2 Section 1. Subdivision 6 of section 221 of the racing, pari-mutuel
3 wagering and breeding law, as amended by chapter 325 of the laws of 2004
4 and such section as renumbered by chapter 18 of the laws of 2008, is
5 amended to read as follows:

6 6. (a) The fund shall secure workers' compensation insurance coverage
7 on a blanket basis for the benefit of all jockeys, apprentice jockeys
8 and exercise persons licensed pursuant to this article or article four
9 of this chapter who are employees under section two of the workers'
10 compensation law, and may elect, with the approval of the gaming commis-
11 sion, to secure workers' compensation insurance for employees of
12 licensed trainers or owners. In the event the fund elects, with the
13 approval of the gaming commission, to secure workers' compensation
14 insurance for employees of licensed trainers or owners, the fund may
15 discontinue to secure workers' compensation insurance for employees of
16 licensed trainers or owners only upon prior approval of the gaming
17 commission.

18 (b) The fund may elect, with the approval of the gaming commission, to
19 secure workers' compensation insurance coverage through a form of self-
20 insurance, provided that the fund has met the requirements of the New
21 York state department of financial services and workers' compensation
22 board, including, without limitation, subdivision three of section fifty
23 of the workers' compensation law.

24 § 2. Subdivision 7 of section 221 of the racing, pari-mutuel wagering
25 and breeding law, as amended by chapter 18 of the laws of 2008 and the
26 opening paragraph as amended by section 1 of part PP of chapter 60 of
27 the laws of 2016, is amended to read as follows:

28 7. In order to pay the costs of the insurance required by this section
29 and by the workers' compensation law and to carry out its other powers
30 and duties and to pay for any of its liabilities under section four-
31 teen-a of the workers' compensation law, the New York Jockey Injury
32 Compensation Fund, Inc. shall ascertain the total funding necessary and
33 establish the sums that are to be paid by all owners and trainers
34 licensed or required to be licensed under section two hundred twenty of
35 this article, to obtain the total funding amount required annually. In
36 order to provide that any sum required to be paid by an owner or trainer
37 is equitable, the fund shall establish payment schedules which reflect
38 such factors as are appropriate, including where applicable, the
39 geographic location of the racing corporation at which the owner or
40 trainer participates, the duration of such participation, the amount of
41 any purse earnings, the number of horses involved, or such other factors
42 as the fund shall determine to be fair, equitable and in the best inter-
43 ests of racing. In no event shall the amount deducted from an owner's
44 share of purses exceed two per centum; provided, however, for two thou-
45 sand [~~sixteen~~ seventeen the New York Jockey Injury Compensation Fund,
46 Inc. may use up to two million dollars from the account established
47 pursuant to subdivision nine of section two hundred eight of this arti-
48 cle to pay the annual costs required by this section and the funds from
49 such account shall not count against the two per centum of purses
50 deducted from an owner's share of purses. The amount deducted from an
51 owner's share of purses shall not exceed one per centum after April
52 first, two thousand [~~seventeen~~ twenty. In the cases of multiple owner-
53 ships and limited racing appearances, the fund shall equitably adjust
54 the sum required.

1 The [~~state racing and wagering board~~] gaming commission shall, as a
2 condition of racing, require any racing corporation or any quarterhorse
3 racing association or corporation authorized under this chapter to
4 conduct pari-mutuel betting at a race meeting or races run thereat, to
5 require that each trainer utilizing the facilities of such association
6 or corporation and each owner racing a horse shall place or have placed
7 on deposit with the horsemen's bookkeeper of such racing association or
8 corporation, an amount to be established and paid in a manner to be
9 determined by the fund.

10 Should the fund determine that the amount which has been collected in
11 the manner prescribed is inadequate to pay the annual costs required by
12 this section, it shall notify the [~~state racing and wagering board~~]
13 gaming commission of the deficiency and the amount of the additional sum
14 or sums necessary to be paid by each owner and/or trainer in order to
15 cover such deficiency. The [~~state racing and wagering board~~] gaming
16 commission shall, as an additional condition of racing, direct any
17 racing corporation or any quarterhorse racing association or corporation
18 authorized under this chapter to conduct pari-mutuel betting at a race
19 meeting or races run thereat, to require each trainer and owner to place
20 such additional sum or sums on deposit with the respective horsemen's
21 bookkeeper.

22 All amounts collected by a horsemen's bookkeeper pursuant to this
23 section shall be transferred to the fund created under this section and
24 shall be used by the fund to purchase workers' compensation insurance
25 for jockeys, apprentice jockeys and exercise persons licensed pursuant
26 to this article or article four of this chapter who are employees under
27 section two of the workers' compensation law, and at the election of the
28 fund, with the approval of the gaming commission, to secure workers'
29 compensation insurance for employees of licensed trainers or owners to
30 pay for any of its liabilities under section fourteen-a of the workers'
31 compensation law and to administer the workers' compensation program for
32 such jockeys, apprentice jockeys and exercise persons and, if approved
33 by the gaming commission, employees of licensed trainers or owners
34 required by this section and the workers' compensation law.

35 In the event the fund elects, with the approval of the gaming commis-
36 sion, to secure workers' compensation insurance for employees of
37 licensed trainers or owners, the fund may elect to have the sum required
38 to be paid by an owner or trainer pursuant to this section be subject to
39 an examination of workers' compensation claims attributable under the
40 fund to each such owner or trainer, including the frequency and severity
41 of accidents and injuries.

42 § 3. Subdivision 12 of section 221 of the racing, pari-mutuel wagering
43 and breeding law, as amended by chapter 325 of the laws of 2004 and such
44 section as renumbered by chapter 18 of the laws of 2008, is amended and
45 two new subdivisions 13 and 14 are added to read as follows:

46 12. [~~The fund and the state racing and wagering board shall have such~~
47 ~~power as is necessary to implement the provisions of this section.~~] For
48 purposes of this section, the term "employees of licensed trainers or
49 owners" shall have the same meaning as subdivision twenty-four of
50 section two of the workers' compensation law.

51 13. a. There is created a racing safety committee to review the risk
52 management report submitted to the commission by the fund on or about
53 September thirtieth, two thousand sixteen and to make non-binding recom-
54 mendations for the implementation of the safety proposals and initi-
55 atives set forth in such report. Such committee shall consist of seven

1 members, each to serve a term of three years, with one member each
2 appointed by:

3 (i) the fund;

4 (ii) the gaming commission;

5 (iii) the franchised corporation;

6 (iv) the racing association or corporation licensed pursuant to this
7 article or article four of this chapter to operate the racing and train-
8 ing facilities at Finger Lakes racetrack;

9 (v) the horsemen's organization representing at least fifty-one
10 percent of the owners and trainers using the facilities of the fran-
11 chised corporation;

12 (vi) the horsemen's organization representing at least fifty-one
13 percent of the owners and trainers using the facilities of the Finger
14 Lakes racetrack; and

15 (vii) the Jockeys' Guild.

16 The member of the racing safety committee appointed by the fund shall
17 serve as chairperson and the member of the racing safety committee
18 appointed by the commission shall serve as vice-chairperson. Members of
19 the racing safety committee shall have equal voting rights.

20 b. The racing safety committee shall meet within ninety days following
21 the effective date of this subdivision to review and discuss the imple-
22 mentation of the recommendations contained in the risk management report
23 submitted to the gaming commission by the fund on or about September
24 thirtieth, two thousand sixteen. The racing safety committee shall meet
25 on or after July first, two thousand seventeen, and at least annually
26 thereafter, to review the workers' compensation loss information and the
27 status of safety-related findings and recommendations and to develop an
28 annual strategic plan to address identified safety issues.

29 c. The members appointed pursuant to subparagraph (iii) and (iv) of
30 paragraph a of this subdivision, in consultation with the other members
31 of the racing safety committee, shall:

32 (i) Within one hundred eighty days following the effective date of
33 this subdivision, for each track, develop safety rules for training
34 activities to be documented and communicated, in both English and Span-
35 ish, to jockeys, apprentice jockeys, and exercise persons licensed
36 pursuant to this article or article four of this chapter who are employ-
37 ees under section two of the workers' compensation law, and at the
38 election of the fund, with the approval of the gaming commission,
39 employees of licensed trainers or owners. Such safety rules shall
40 include, but not be limited to, proper usage of personal protective
41 equipment, required response to loose horses, prohibition of cell phone
42 use while mounted on a horse, general requirements for jogging, gallop-
43 ing, breezing, ponying a horse, and starting gate safety protocols.
44 Refresher training related to such safety rules shall be required at the
45 start of each meet.

46 (ii) Prior to the start of each meet, following the effective date of
47 this subdivision, meet with trainers or their representatives to discuss
48 and address identified safety issues.

49 (iii) Within one hundred eighty days following the effective date of
50 this subdivision, for each track, develop a written, documented emergen-
51 cy response plan to address response protocols to on-track accidents and
52 incidents, which, at a minimum, shall include detailed information
53 regarding roles and responsibilities for individuals who are responsible
54 for track-related accidents and incidents, including, but not limited
55 to, outriders, emergency medical technicians/paramedics, ambulance driv-
56 ers, security, and veterinary staff and clockers.

1 (iv) Within two hundred ten days following the effective date of this
2 subdivision, communicate the emergency response plan to all on-track
3 personnel as part of new hire orientation and job assignment.

4 (v) Within two hundred ten days following the effective date of this
5 subdivision, and at least once annually thereafter, for each track,
6 conduct a mock emergency response drill for on-track accidents prior to
7 the opening of each race meet. Such emergency response drill shall be
8 filmed and used for education and training purposes for personnel,
9 including in new hire orientation, and to assess the performance of
10 individuals involved in the emergency response.

11 (vi) Within one hundred eighty days following the effective date of
12 this subdivision, upgrade the current level of emergency medical respon-
13 ders from emergency medical technicians to paramedics.

14 14. The fund and the gaming commission shall have such power as is
15 necessary to implement the provisions of this section.

16 § 4. Section 2 of the workers' compensation law is amended by adding a
17 new subdivision 24 to read as follows:

18 24. "Employees of licensed trainers or owners" means assistant train-
19 ers, foremen, watchmen and stable employees, including grooms and hot-
20 walkers, employed by a trainer or owner licensed pursuant to article two
21 or four of the racing, pari-mutuel wagering and breeding law.

22 § 5. The second undesignated paragraph of subdivision 3 of section 2
23 of the workers' compensation law, as amended by chapter 392 of the laws
24 of 2008, is amended to read as follows:

25 Notwithstanding any other provision of this chapter and for purposes
26 of this chapter only, "employer" shall mean, with respect to a jockey,
27 apprentice jockey or exercise person licensed under article two or four
28 of the racing, pari-mutuel wagering and breeding law, and at the
29 election of the New York Jockey Injury Compensation Fund, Inc., with the
30 approval of the New York state gaming commission, employees of licensed
31 trainers or owners, performing services for an owner or trainer in
32 connection with the training or racing of a horse at a facility of a
33 racing association or corporation subject to article two or four of the
34 racing, pari-mutuel wagering and breeding law and subject to the juris-
35 diction of the New York state [~~racing and wagering board~~] gaming commis-
36 sion, The New York Jockey Injury Compensation Fund, Inc. and all owners
37 and trainers who are licensed or required to be licensed under article
38 two or four of the racing, pari-mutuel wagering and breeding law at the
39 time of any occurrence for which benefits are payable pursuant to this
40 chapter in respect to the injury or death of such jockey, apprentice
41 jockey [~~or~~], exercise person or, if approved by the New York state
42 gaming commission, employee of a licensed trainer or owner.

43 § 6. The fifth undesignated paragraph of subdivision 4 of section 2 of
44 the workers' compensation law, as amended by chapter 169 of the laws of
45 2007, is amended to read as follows:

46 Notwithstanding any other provision of this chapter, and for purposes
47 of this chapter only, a jockey, apprentice jockey or exercise person
48 licensed under article two or four of the racing, pari-mutuel wagering
49 and breeding law, and at the election of the New York Jockey Injury
50 Compensation Fund, Inc., with the approval of the New York state gaming
51 commission, employees of licensed trainers or owners, performing
52 services for an owner or trainer in connection with the training or
53 racing of a horse at a facility of a racing association or corporation
54 subject to article two or four of the racing, pari-mutuel wagering and
55 breeding law and subject to the jurisdiction of the New York state
56 [~~racing and wagering board~~] gaming commission shall be regarded as the

1 "employee" not solely of such owner or trainer, but shall instead be
2 conclusively presumed to be the "employee" of The New York Jockey Injury
3 Compensation Fund, Inc. and also of all owners and trainers who are
4 licensed or required to be licensed under article two or four of the
5 racing, pari-mutuel wagering and breeding law at the time of any occur-
6 rence for which benefits are payable pursuant to this chapter in respect
7 of the injury or death of such jockey, apprentice jockey [~~ex~~], exercise
8 person or, if approved by the New York state gaming commission, employee
9 of a licensed trainer or owner.

10 § 7. The third undesignated paragraph of subdivision 5 of section 2 of
11 the workers' compensation law, as amended by chapter 392 of the laws of
12 2008, is amended to read as follows:

13 Notwithstanding any other provision of this chapter, and for purposes
14 of this chapter only, a jockey, apprentice jockey or exercise person
15 licensed under article two or four of the racing, pari-mutuel wagering
16 and breeding law, and at the election of the New York Jockey Injury
17 Compensation Fund, Inc., with the approval of the New York state gaming
18 commission, employees of licensed trainers or owners, performing
19 services for an owner or trainer in connection with the training or
20 racing of a horse at a facility of a racing association or corporation
21 subject to article two or four of the racing, pari-mutuel wagering and
22 breeding law and subject to the jurisdiction of the New York state
23 [~~racing and wagering board~~] gaming commission shall be regarded as in
24 the "employment" not solely of such owner and trainer, but shall instead
25 be conclusively presumed to be in the "employment" of The New York Jock-
26 ey Injury Compensation Fund, Inc. and of all owners and trainers who are
27 licensed or required to be licensed under article two or four of the
28 racing, pari-mutuel wagering and breeding law, at the time of any occur-
29 rence for which benefits are payable pursuant to this chapter in respect
30 of the injury or death of such jockey, apprentice jockey [~~ex~~], exercise
31 person or, if approved by the New York state gaming commission, employee
32 of a licensed trainer or owner. For the purpose of this chapter only,
33 whether a livery driver's performance of covered services, as those
34 terms are defined in article six-G of the executive law, constitutes
35 "employment" shall be determined in accordance with section eighteen-c
36 of this chapter.

37 § 8. The opening paragraph of section 11 of the workers' compensation
38 law, as amended by chapter 169 of the laws of 2007, is amended to read
39 as follows:

40 The liability of an employer prescribed by the last preceding section
41 shall be exclusive and in place of any other liability whatsoever, to
42 such employee, his or her personal representatives, spouse, parents,
43 dependents, distributees, or any person otherwise entitled to recover
44 damages, contribution or indemnity, at common law or otherwise, on
45 account of such injury or death or liability arising therefrom, except
46 that if an employer fails to secure the payment of compensation for his
47 or her injured employees and their dependents as provided in section
48 fifty of this chapter, an injured employee, or his or her legal repre-
49 sentative in case of death results from the injury, may, at his or her
50 option, elect to claim compensation under this chapter, or to maintain
51 an action in the courts for damages on account of such injury; and in
52 such an action it shall not be necessary to plead or prove freedom from
53 contributory negligence nor may the defendant plead as a defense that
54 the injury was caused by the negligence of a fellow servant nor that the
55 employee assumed the risk of his or her employment, nor that the injury
56 was due to the contributory negligence of the employee. The liability

1 under this chapter of The New York Jockey Injury Compensation Fund, Inc.
2 created under section two hundred [~~thirteen-a~~] twenty-one of the racing,
3 pari-mutuel wagering and breeding law shall be limited to the provision
4 of workers' compensation coverage to jockeys, apprentice jockeys [~~and~~],
5 exercise persons, and at the election of the New York Jockey Injury
6 Compensation Fund, Inc., with the approval of the New York state gaming
7 commission, employees of licensed trainers or owners licensed under
8 article two or four of the racing, pari-mutuel wagering and breeding law
9 and any statutory penalties resulting from the failure to provide such
10 coverage.

11 § 9. Subdivision 4 of section 14-a of the workers' compensation law,
12 as amended by chapter 169 of the laws of 2007, is amended to read as
13 follows:

14 4. With respect to a jockey, apprentice jockey or exercise person
15 licensed under article two or four of the racing, pari-mutuel wagering
16 and breeding law, and at the election of the New York Jockey Injury
17 Compensation Fund, Inc., with the approval of the New York state gaming
18 commission, an employee of a licensed trainer or owner, who, pursuant to
19 section two of this chapter, is an employee of all owners and trainers
20 licensed or required to be licensed under article two or four of the
21 racing, pari-mutuel wagering and breeding law and The New York Jockey
22 Injury Compensation Fund, Inc., the owner or trainer for whom such jock-
23 ey, apprentice jockey [~~or~~], exercise person or, if approved by the New
24 York state gaming commission, employee of a licensed trainer or owner
25 was performing services at the time of the accident shall be solely
26 responsible for the double payments described in subdivision one of this
27 section, to the extent that such payments exceed any amounts otherwise
28 payable with respect to such jockey, apprentice jockey [~~or~~], exercise
29 person or, if approved by the New York state gaming commission, employee
30 of a licensed trainer or owner under any other section of this chapter,
31 and the New York Jockey Injury Compensation Fund, Inc. shall have no
32 responsibility for such excess payments, unless there shall be a failure
33 of the responsible owner or trainer to pay such award within the time
34 provided under this chapter. In the event of such failure to pay and the
35 board requires the fund to pay the award on behalf of such owner or
36 trainer who has been found to have violated this section, the fund shall
37 be entitled to an award against such owner or trainer for the amount so
38 paid which shall be collected in the same manner as an award of compen-
39 sation.

40 § 10. Section 18-a of the workers' compensation law, as amended by
41 chapter 169 of the laws of 2007, is amended to read as follows:

42 § 18-a. Notice: The New York Jockey Injury Compensation Fund, Inc.
43 Wherever in this chapter it shall be required that notice be given to an
44 employer, except for claims involving section fourteen-a of the workers'
45 compensation law such notice requirement shall be deemed satisfied by
46 giving notice to the New York Jockey Injury Compensation Fund, Inc., in
47 connection with an injury to a jockey, apprentice jockey or exercise
48 person licensed under article two or four of the racing, pari-mutuel
49 wagering and breeding law, and at the election of the New York Jockey
50 Injury Compensation Fund, Inc., with the approval of the New York state
51 gaming commission, an employee of a licensed trainer or owner, who,
52 pursuant to section two of this chapter, is an employee of all owners
53 and trainers licensed or required to be licensed under article two or
54 four of the racing, pari-mutuel wagering and breeding law and of the
55 fund. In a claim involving section fourteen-a of the workers' compen-

1 sation law such required notice shall be given to the employing owner
2 and/or trainer of the fund.

3 § 11. Subdivision 8 of section 50 of the workers' compensation law, as
4 amended by chapter 169 of the laws of 2007, is amended to read as
5 follows:

6 8. The requirements of section ten of this chapter regarding the
7 provision of workers' compensation insurance as to owners and trainers
8 governed by the racing, pari-mutuel wagering and breeding law who are
9 employers under section two of this chapter are satisfied in full by
10 compliance with the requirements imposed upon owners and trainers by
11 section two hundred [~~thirteen-a~~] twenty-one of the racing, pari-mutuel
12 wagering and breeding law, provided that in the event double compen-
13 sation, death benefits, or awards are payable with respect to an injured
14 employee under section fourteen-a of this chapter, the owner or trainer
15 for whom the injured jockey, apprentice jockey or exercise person
16 licensed under article two or four of the racing, pari-mutuel wagering
17 and breeding law, and at the election of the New York Jockey Injury
18 Compensation Fund, Inc., with the approval of the New York state gaming
19 commission, employee of a licensed trainer or owner, is performing
20 services as a jockey, apprentice jockey or exercise person so licensed
21 at the time of the accident or, if approved by the New York state gaming
22 commission, an employee of a licensed trainer or owner shall bear the
23 sole responsibility for the amount payable pursuant to such section
24 fourteen-a in excess of the amount otherwise payable under this chapter,
25 unless there shall be a failure of the responsible owner or trainer to
26 pay such award within the time provided under this chapter. In the event
27 of such failure to pay and the board requires the fund to pay the award
28 on behalf of such owner or trainer who has been found to have violated
29 section fourteen-a of this chapter, the fund shall be entitled to an
30 award against such owner or trainer for the amount so paid which shall
31 be collected in the same manner as an award of compensation. Coverage
32 directly procured by any owner or trainer for the purpose of satisfying
33 the requirements of this chapter with respect to employees of the owner
34 or trainer shall not include coverage on any jockey, apprentice jockey
35 or exercise person licensed under article two or four of the racing,
36 pari-mutuel wagering and breeding law, and at the election of the New
37 York Jockey Injury Compensation Fund, Inc., with the approval of the New
38 York state gaming commission, any employee of a licensed trainer or
39 owner, to the extent that such jockey, apprentice jockey [~~or~~], exercise
40 person or, if approved by the New York state gaming commission, employee
41 of a licensed trainer or owner is also covered under coverage procured
42 by The New York Jockey Injury Compensation Fund, Inc. pursuant to the
43 requirements of section two hundred [~~thirteen-a~~] twenty-one of the
44 racing, pari-mutuel wagering and breeding law, and to that extent,
45 coverage procured by the fund pursuant to the requirements of the
46 racing, pari-mutuel wagering and breeding law shall be considered prima-
47 ry.

48 § 12. This act shall take effect immediately.

49 PART FFFF

50 Section 1. The racing, pari-mutuel wagering and breeding law is
51 amended by adding a new article 15 to read as follows:

52 ARTICLE 15

53 INTERACTIVE GAMING

54 Section 1500. Legislative findings and purpose.

1 1501. Definitions.

2 1502. Authorization.

3 1503. Required safeguards/minimum standards.

4 1504. Scope of licensing review.

5 1505. State tax.

6 1506. Disposition of taxes.

7 § 1500. Legislative findings and purpose. The legislature hereby finds
8 and declares that: 1. Under the New York penal law a person engages in
9 gambling when he or she stakes or risks something of value upon the
10 outcome of a contest of chance or a future contingent event not under
11 his or her control or influence, upon an agreement or understanding that
12 he or she will receive something of value in the event of a certain
13 outcome.

14 2. A contest of chance is defined as any contest, game, gaming scheme
15 or gaming device in which the outcome depends in a material degree upon
16 an element of chance, notwithstanding that skill of the contestants may
17 also be a factor therein. (Subdivision 1 of section 225.00 of the penal
18 law). Thus, games of chance may involve some skill, but in those games
19 the level of skill does not determine the outcome regardless of the
20 degree of skill employed. See People v. Turner, 165 Misc. 2d 222, 224,
21 629 N.Y.S.2d 661, 662 (Crim. Ct. 1995). On the other hand, where a
22 contest pits the skill levels of the players against each other, New
23 York courts have found a game to be one of skill rather than chance. See
24 People v. Hunt, 162 Misc. 2d 70, 72, 616 N.Y.S.2d 168, 170 (Crim. Ct.
25 1994) ("Played fairly, skill rather than chance is the material compo-
26 nent of three-card monte.");

27 3. Poker in many instances has been defined as a game of skill and a
28 New York federal court in U.S. v. DiCristina, 886 F. Supp. 2d 164, 224,
29 assessed that under federal law poker was predominantly a game of skill;

30 4. New York courts have interpreted New York law to apply a more
31 rigorous test in identifying a "contest of chance" than is applied by
32 most states in this nation and the courts have found that where a
33 contest pits the skill levels of the players against each other, those
34 games are games of skill and not games of chance. Furthermore, the
35 courts have not limited the legislature's ability to determine that
36 certain forms of poker should fall outside the general definition of
37 gambling since those games are games of skill;

38 5. Texas Hold'em poker involves two cards dealt face down to each
39 player and then five community cards placed face-up by the dealer, a
40 series of three, then two additional single cards, with players deter-
41 mining whether to check, bet, raise or fold after each deal. Omaha
42 Hold'em poker is a similar game, in which each player is dealt four
43 cards and makes his or her best hand using exactly two of them, plus
44 exactly three of the five community cards. These games are considered to
45 be complex forms of poker which involve player strategy and decision-
46 making and which pit the skill levels of the players against each other.
47 As games of skill, these forms of poker do not fall under the definition
48 of gambling as prohibited by the penal law; and

49 6. The legislature further finds that as the internet has become an
50 integral part of society, and internet poker a major form of enter-
51 tainment for many consumers, any interactive gaming enforcement and
52 regulatory structure must begin from the bedrock premise that partic-
53 ipation in a lawful and licensed gaming industry is a privilege and not
54 a right, and that regulatory oversight is intended to safeguard the
55 integrity of the games and participants and to ensure accountability and
56 the public trust.

1 § 1501. Definitions. As used in this article, the following terms
2 shall have the following meanings:

3 1. "Authorized game" means Omaha Hold'em and Texas Hold'em poker, as
4 well as any other poker game that the commission determines is the mate-
5 rial equivalent of either of those, whether in a cash game or tourna-
6 ment.

7 2. "Authorized participants" means persons who are either physically
8 present in this state when placing a wager or who otherwise are permit-
9 ted by applicable law, as determined by the commission, to place a
10 wager. The intermediate routing of electronic data in connection with
11 interactive gaming shall not determine the location or locations in
12 which a wager is initiated, received or otherwise made.

13 3. "Core function" means any of the following: (a) the management,
14 administration or control of wagers on interactive gaming; (b) the
15 management, administration or control of the games with which those
16 wagers are associated; or (c) the development, maintenance, provision or
17 operation of an interactive gaming platform.

18 4. "Commission" means the New York state gaming commission.

19 5. "Division" means the division of gaming, established under para-
20 graph (c) of subdivision two of section one hundred three of this chap-
21 ter.

22 6. "Interactive gaming" means the conduct of games through the use of
23 the internet or other communications technology that allows a person,
24 utilizing money, checks, electronic checks, electronic transfers of
25 money, credit cards, debit cards or any other instrumentality, to trans-
26 mit to a computer information to assist in the placing of a wager and
27 corresponding information related to the display of the game, game
28 outcomes or other similar information. The term does not include the
29 conduct of (a) non-gambling games that do not otherwise require a
30 license under state or federal law; or (b) games that occur entirely
31 among participants who are located on a licensed casino premises. For
32 purposes of this provision, "communications technology" means any method
33 used and the components employed by an establishment to facilitate the
34 transmission of information, including, without limitation, transmission
35 and reception by systems based on wire, cable, radio, microwave, light,
36 optics or computer data networks, including, without limitation, the
37 internet and intranets.

38 7. "Interactive gaming gross revenue" means the total of all sums paid
39 to a licensee from interactive gaming involving authorized participants,
40 less only the total of all sums paid out as winnings to patrons and
41 promotional gaming credits; provided, however, that the cash equivalent
42 value of any merchandise or other non-cash thing of value included in a
43 contest or tournament shall not be included in the total of all sums
44 paid out as winnings to players for purposes of determining interactive
45 gaming gross revenue.

46 (a) Neither amounts deposited with a licensee for purposes of interac-
47 tive gaming nor amounts taken in fraudulent acts perpetrated against a
48 licensee for which the licensee is not reimbursed shall be considered to
49 have been "paid" to the licensee for purposes of calculating interactive
50 gaming gross revenue.

51 (b) "Promotional gaming credit" includes bonuses, promotions and any
52 amount received by a licensee from a patron for which the licensee can
53 demonstrate that it or its affiliate has not received cash.

54 8. "Interactive gaming platform" means the combination of hardware,
55 software and data networks used to manage, administer or control wagers

1 on interactive gaming or the games with which those wagers are associ-
2 ated.

3 9. "Internet" means a computer network of interoperable packet-
4 switched data networks.

5 10. "Licensee" means a person who is licensed by the commission to
6 offer interactive gaming, using an interactive gaming platform to
7 authorized participants. A licensee may utilize multiple interactive
8 gaming platforms provided that each platform is approved by the commis-
9 sion.

10 11. "Omaha Hold'em poker" means the poker game marketed as Omaha
11 Hold'em poker or Omaha poker in which each player is dealt four cards
12 and must make his or her best hand using exactly two of them, plus
13 exactly three of the five community cards.

14 12. "Significant vendor" means any person who offers or who proposes
15 to offer any of the following services with respect to interactive
16 gaming: (a) a core function; (b) sale, licensing or other receipt of
17 compensation for selling or licensing a database or customer list of
18 individuals residing in the United States selected in whole or in part
19 because they placed wagers or participated in gambling games with or
20 through an internet website or operator (or any derivative of such a
21 database or customer list); (c) provision of any trademark, tradename,
22 service mark or similar intellectual property under which a licensee or
23 significant vendor identifies interactive games to customers; or (d)
24 provision of any product, service or asset to a licensee or significant
25 vendor in return for a percentage of interactive gaming revenue (not
26 including fees to financial institutions and payment providers for
27 facilitating a deposit or withdrawal by an authorized participant). The
28 term "significant vendor" shall not include a provider of goods or
29 services to a licensee that are not specifically designed for use and
30 not principally used in connection with interactive gaming.

31 13. "Texas Hold'em poker" means the type of poker marketed as Texas
32 Hold'em poker that involves two cards being dealt face down to each
33 player and then five community cards being placed face-up by the dealer,
34 a series of three then two additional single cards, with players having
35 the option to check, bet, raise or fold after each deal.

36 § 1502. Authorization. 1. The commission shall, within one hundred
37 eighty days of the date this article becomes law, promulgate regulations
38 to implement interactive gaming in this state and shall authorize up to
39 eleven licenses to operate interactive gaming involving authorized
40 participants, subject to the provisions of this article and other appli-
41 cable provisions of law.

42 2. Applicants eligible to apply for a license pursuant to this article
43 shall be those entities:

44 (a) licensed by the state pursuant to section sixteen hundred seven-
45 teen-a of the tax law to operate video lottery gaming and has experience
46 in the operation of interactive gaming by being licensed in a state with
47 comparable licensing requirements or guarantees acquisition of adequate
48 business competence and experience in the operation of interactive
49 gaming; or

50 (b) licensed by the state to operate a class III gaming facility
51 pursuant to article thirteen of this chapter and has experience in the
52 operation of interactive gaming by being licensed in a state with compa-
53 rable licensing requirements or guarantees acquisition of adequate busi-
54 ness competence and experience in the operation of interactive gaming.

55 3. The commission shall, to the extent practicable, issue licenses to
56 multiple applicants no sooner than one hundred eighty days after the

1 promulgation of regulations in order to ensure a robust and competitive
2 market for consumers and to prevent early licensees from gaining an
3 unfair competitive advantage.

4 4. No person may operate, manage or make available an interactive
5 gaming platform or act as a significant vendor with respect to interac-
6 tive gaming that is offered to persons located in this state unless
7 licensed by the commission pursuant to this article and only those games
8 authorized by the commission shall be permitted.

9 5. License applicants may form a partnership, joint venture or other
10 contractual arrangement in order to facilitate the purposes of this
11 article.

12 6. Any person found suitable by the commission may be issued a license
13 as an operator or significant vendor pursuant to this article. In deter-
14 mining suitability, the commission shall consider those factors it deems
15 relevant in its discretion, including but not limited to:

16 (a) Whether the applicant is a person of good character, honesty and
17 integrity;

18 (b) Whether the applicant is person whose prior activities, criminal
19 record, if any, reputation, habits and associations do not:

20 (i) pose a threat to the public interest or to the effective regu-
21 lation and control of interactive gaming; or

22 (ii) create or enhance the dangers of unsuitable, unfair or illegal
23 practices, methods and activities in the conduct of interactive gaming
24 or in the carrying on of the business and financial arrangements inci-
25 dental to such gaming;

26 (c) Whether the applicant is capable of and likely to conduct the
27 activities for which the applicant is licensed in accordance with the
28 provisions of this article, any regulations prescribed under this arti-
29 cle and all other applicable laws;

30 (d) Whether the applicant has or guarantees acquisition of adequate
31 business competence and experience in the operation of licensed gaming
32 or of interactive gaming in this state or in a state with comparable
33 licensing requirements; and

34 (e) Whether the applicant has or will obtain sufficient financing for
35 the nature of the proposed operation and from a suitable source.

36 7. The commission further shall develop standards by which to evaluate
37 and approve interactive gaming platforms for use with interactive
38 gaming. Interactive gaming platforms must be approved by the commission
39 before being used by a licensee or significant vendor to conduct inter-
40 active gaming in this state.

41 8. The commission shall require all licensees to pay a one-time fee of
42 ten million dollars. Such fee paid by each licensee shall be applied to
43 satisfy, in whole or in part, as applicable, that licensee's tax obli-
44 gation pursuant to section fifteen hundred five of this article in sixty
45 equal monthly installments, allocated to each of the first sixty months
46 of tax owed after the licensee has begun operating interactive gaming
47 pursuant to this article. No amounts not required to be used to satisfy
48 such tax obligation during that period shall be allocated to payment of
49 such tax obligation after that period.

50 9. Licenses issued by the commission shall remain in effect for ten
51 years.

52 10. The commission, by regulation, may authorize and promulgate any
53 rules necessary to implement agreements with other states, or authorized
54 agencies thereof (a) to enable patrons in those states to participate in
55 interactive gaming offered by licensees under this article or (b) to
56 enable patrons in this state to participate in interactive gaming

1 offered by licensees under the laws of those other states, provided that
2 such other state or authorized agency applies suitability standards and
3 review materially consistent with the provisions of this article.

4 11. Any regulations adopted pursuant to subdivision ten of this
5 section must set forth provisions that address:

6 (a) Any arrangements to share revenue between New York and any other
7 state or agency within another state; and

8 (b) Arrangements to ensure the integrity of interactive gaming offered
9 pursuant to any such agreement and the protection of patrons located in
10 this state.

11 12. The commission may delegate its responsibilities to administer the
12 provisions of this article to the division, as it sees fit, except for
13 its responsibilities to approve licenses.

14 § 1503. Required safeguards/minimum standards. The commission shall
15 require licensees to implement measures to meet the standards set out in
16 this section, along with such other standards that the commission in its
17 discretion may choose to require.

18 (a) Appropriate safeguards to ensure, to a reasonable degree of
19 certainty, that participants in interactive gaming are not younger than
20 twenty-one years of age.

21 (b) Appropriate safeguards to ensure, to a reasonable degree of
22 certainty, that participants in interactive gaming are physically
23 located within the state or such other jurisdiction that the commission
24 has determined to be permissible.

25 (c) Appropriate safeguards to protect, to a reasonable degree of
26 certainty, the privacy and online security of participants in interac-
27 tive gaming.

28 (d) Appropriate safeguards to ensure, to a reasonable degree of
29 certainty, that the interactive gaming is fair and honest and that
30 appropriate measures are in place to deter, detect and, to the extent
31 reasonably possible, to prevent cheating, including collusion, and use
32 of cheating devices, including use of software programs (sometimes
33 referred to as "bots") that make bets or wagers according to algorithms.

34 (e) Appropriate safeguards to minimize compulsive gaming and to
35 provide notice to participants of resources to help problem gamblers.

36 (f) Appropriate safeguards to ensure participants' funds are held in
37 accounts segregated from the funds of licensees and otherwise are
38 protected from corporate insolvency, financial risk or criminal or civil
39 actions against the licensee.

40 § 1504. Scope of licensing review. 1. In connection with any license
41 issued pursuant to this article, the licensee, significant vendor or
42 applicant shall identify and the commission shall review the suitability
43 of such licensee's, significant vendor's or applicant's owner, chief
44 executive officer, chief financial officer and any other officer or
45 employee who the commission deems is significantly involved in the
46 management or control of the licensee, significant vendor or applicant
47 or of the interactive gaming platform. "Owner" for purposes of this
48 provision means any person who directly or indirectly holds any benefi-
49 cial or ownership interest in the applicant of five percent or greater
50 or any amount of ownership that the commission determines to be signif-
51 icant ownership of the licensee, significant vendor, or applicant.

52 2. Institutional investors are subject to the provisions set out in
53 this section.

54 (a) An institutional investor holding under twenty-five percent of the
55 equity securities of a licensee's or significant vendor's (or appli-
56 cant's) holding or intermediary companies, shall be granted a waiver of

1 any investigation of suitability or other requirement if such securities
2 are those of a corporation, whether publicly traded or privately held,
3 and its holdings of such securities were purchased for investment
4 purposes only and it files a certified statement to the effect that it
5 has no intention of influencing or affecting the affairs of the issuer,
6 the licensee (or significant vendor or applicant, as applicable) or its
7 holding or intermediary companies; provided, however, that it shall be
8 permitted to vote on matters put to the vote of the outstanding security
9 holders. The commission may grant such a waiver to an institutional
10 investor holding a higher percentage of such securities upon a showing
11 of good cause and if the conditions specified above are met. Any insti-
12 tutional investor granted a waiver under this paragraph which subse-
13 quently determines to influence or affect the affairs of the issuer
14 shall provide not less than thirty days' notice of such intent and shall
15 file with the commission a request for determination of suitability
16 before taking any action that may influence or affect the affairs of the
17 issuer; provided, however, that it shall be permitted to vote on matters
18 put to the vote of the outstanding security holders. If an institutional
19 investor changes its investment intent, or if the commission finds
20 reasonable cause to believe that the institutional investor may be found
21 unsuitable, no action other than divestiture shall be taken by such
22 investor with respect to its security holdings until there has been
23 compliance with any requirements established by the commission, which
24 may include the execution of a trust agreement. The licensee (or signif-
25 icant vendor or applicant, as applicable) and its relevant holding,
26 intermediary or subsidiary company shall notify the commission imme-
27 diately of any information about, or actions of, an institutional inves-
28 tor holding its equity securities where such information or action may
29 impact upon the eligibility of such institutional investor for a waiver
30 pursuant to this paragraph.

31 (b) If at any time the commission finds that an institutional investor
32 holding any security of a holding or intermediary company of a licensee
33 or significant vendor or applicant, or, where relevant, of another
34 subsidiary company of a holding or intermediary company of a licensee or
35 significant vendor or applicant which is related in any way to the
36 financing of the licensee or significant vendor or applicant, fails to
37 comply with the terms of paragraph (a) of this section, or if at any
38 time the commission finds that, by reason of the extent or nature of its
39 holdings, an institutional investor is in a position to exercise such a
40 substantial impact upon the controlling interests of a licensee or
41 significant vendor or applicant that investigation and determination of
42 suitability of the institutional investor is necessary to protect the
43 public interest, the commission may take any necessary action otherwise
44 authorized under this article to protect the public interest.

45 (c) For purposes of this section, an "institutional investor" shall
46 mean any retirement fund administered by a public agency for the exclu-
47 sive benefit of federal, state, or local public employees; investment
48 company registered under the Investment Company Act of 1940 (15 U.S.C. §
49 80a-1 et seq.); collective investment trust organized by banks under
50 Part Nine of the Rules of the Comptroller of the Currency; closed end
51 investment trust; chartered or licensed life insurance company or prop-
52 erty and casualty insurance company; banking and other chartered or
53 licensed lending institution; investment advisor registered under The
54 Investment Advisors Act of 1940 (15 U.S.C. § 80b-1 et seq.); and such
55 other persons as the commission may determine for reasons consistent
56 with the public interest.

1 § 1505. State tax. Licensees engaged in the business of conducting
2 interactive gaming pursuant to this article shall pay a privilege tax
3 based on the licensee's interactive gaming gross revenue at a fifteen
4 percent rate.

5 § 1506. Disposition of taxes. The state shall use the revenue gener-
6 ated from all taxes imposed by this article; any interest and penalties
7 imposed by the commission relating to those taxes; all penalties levied
8 and collected by the commission; and the appropriate funds, case or
9 prizes forfeited from interactive gaming, to pay for state assistance to
10 eligible cities and eligible municipalities in which a video lottery
11 gaming facility is located pursuant to section fifty-four-1 of the state
12 finance law. The commission shall pay into the state lottery fund any
13 remaining funds generated by taxes imposed by this article; any interest
14 and penalties imposed by the commission relating to those taxes; all
15 penalties levied and collected by the commission; and the appropriate
16 funds, cash or prizes forfeited from interactive gaming.

17 § 2. Subdivision 1 of section 225.00 of the penal law is amended to
18 read as follows:

19 1. "Contest of chance" means any contest, game, gaming scheme or
20 gaming device in which the outcome depends [~~in a material degree~~]
21 predominantly upon an element of chance, notwithstanding that skill of
22 the contestants may also be a factor therein.

23 § 3. The penal law is amended by adding a new section 225.36 to read
24 as follows:

25 § 225.36 Interactive gaming offenses and exceptions.

26 1. The knowing and willful offering of unlicensed interactive gaming
27 to persons in this state, or the knowing and willful provision of
28 services with respect thereto, shall constitute a gambling offense under
29 this article.

30 2. Licensed interactive gaming activities under section fifteen
31 hundred two of the racing, pari-mutuel wagering and breeding law shall
32 not be a gambling offense under this article.

33 3. A person offering unlicensed interactive gaming to persons in this
34 state shall be liable for all taxes set forth in section fifteen hundred
35 five of the racing, pari-mutuel wagering and breeding law in the same
36 manner and amounts as if such person were a licensee. Timely payment of
37 such taxes shall not constitute a defense to any prosecution or other
38 proceeding in connection with the interactive gaming except for a prose-
39 cution or proceeding alleging failure to make such payment.

40 § 4. Severability clause. If any provision of this act or application
41 thereof shall for any reason be adjudged by any court of competent
42 jurisdiction to be invalid, such judgment shall not affect, impair, or
43 invalidate the remainder of the act, but shall be confined in its opera-
44 tion to the provision thereof directly involved in the controversy in
45 which the judgment shall have been rendered.

46 § 5. This act shall take effect on the one hundred eightieth day after
47 it shall have become a law.

48 PART GGGG

49 Section 1. The racing, pari-mutuel wagering and breeding law is
50 amended by adding a new section 103-a to read as follows:

51 § 103-a. Racing fan advisory council. There is hereby established a
52 racing fan advisory council within the commission which will operate as
53 follows:

1 1. The council shall be composed of five members. None of the members
2 of the council shall be employees or officers of the commission or be
3 paid employees, lobbyists, or officers of any licensed or franchised
4 racetrack or off-track betting corporation or any nonprofit corporation
5 which represents breeders or horsemen. Members shall be selected based
6 on their long-term involvement and interest in, knowledge of, and
7 devotion to the sport of horse racing as fans of the sport. Five persons
8 shall be appointed by the executive director of the commission. One
9 person shall be appointed upon the recommendation of the chairperson of
10 the senate committee on racing, gaming and wagering, and one person
11 shall be appointed upon the recommendation of the chairperson of the
12 assembly committee on racing and wagering.

13 2. The chairperson of the council shall be selected by the executive
14 director of the commission. The deputy chairperson shall be selected by
15 a majority vote of the council from among the persons appointed at the
16 recommendation of the chairpersons of the designated legislative commit-
17 tees.

18 3. The members of the council shall serve for a period of five years
19 with all terms beginning September first, two thousand sixteen. In the
20 event of a vacancy occurring during a term of appointment by reason of
21 death, resignation, disqualification or otherwise, such vacancy shall be
22 filled for the unexpired term in the same manner as the original
23 appointment.

24 4. The racing fan advisory council shall request and shall receive the
25 assistance and cooperation of the commission in regard to receipt of
26 information relating to horse racing and wagering in this state.

27 5. The racing fan advisory council shall:

28 (a) have as its mission the growth of the fan base related to the
29 sport of horse racing;

30 (b) recommend procedures to ensure that the opinion of the fan is a
31 central part of the regulation of horse racing;

32 (c) prepare an annual report, and any other reports it deems neces-
33 sary, to the commission regarding the operation of the state's thorough-
34 bred and harness racetracks and the state's off-track betting corpo-
35 rations;

36 (d) advise the commission on appropriate actions to encourage fan
37 attendance and wagering at the state's thoroughbred and harness race-
38 tracks and the state's off-track betting corporations;

39 (e) be authorized by the commission to enter upon the racetracks and
40 their facilities regulated or controlled by the board during race times,
41 and during periods of horse workouts, and during hours when members of
42 the media are permitted to be present at the facilities;

43 (f) recommend changes to the rules of the commission and to the laws
44 affecting horse racing;

45 (g) perform such other duties as may be increased by order of the
46 commission;

47 (h) engage New York state's racing fan population on how to make the
48 sport more appealing;

49 (i) recommend to the commission further procedures to make steward and
50 presiding judge actions that impact the betting public more transparent;
51 and

52 (j) work with relevant component industries to better educate the
53 casual fan as to significant industry topics.

54 § 2. This act shall take effect immediately; provided, however, that
55 the members of the racing fan advisory council as created by resolution
56 of the New York State Gaming Commission dated September 1, 2016, shall

1 be the initial members of the racing fan advisory council as established
2 by section one of this act.

3 PART HHHH

4 Section 1. Subparagraph (iii) of paragraph 1 of subdivision b of
5 section 1612 of the tax law, as separately amended by chapters 174 and
6 175 of the laws of 2013, is amended to read as follows:

7 (iii) less an additional vendor's marketing allowance at a rate of
8 [~~ten~~] twelve percent for the first one hundred million dollars annually
9 and [~~eight~~] ten percent thereafter of the total revenue wagered at the
10 vendor track after payout for prizes to be used by the vendor track for
11 the marketing and promotion and associated costs of its video lottery
12 gaming operations and pari-mutuel horse racing operations, as long as
13 any such costs associated with pari-mutuel horse racing operations
14 simultaneously encourage increased attendance at such vendor's video
15 lottery gaming facilities, consistent with the customary manner of
16 marketing comparable operations in the industry and subject to the over-
17 all supervision of the division; provided, however, that the additional
18 vendor's marketing allowance shall not exceed [~~eight~~] ten percent in any
19 year for any operator of a racetrack located in the county of Westches-
20 ter or Queens; provided, however, a vendor track that receives a vendor
21 fee pursuant to clause (G) of subparagraph (ii) of this paragraph shall
22 not receive the additional vendor's marketing allowance; provided,
23 however, except for a vendor track located west of State Route 14 from
24 Sodus Point to the Pennsylvania border within New York shall continue to
25 receive a marketing allowance of [~~ten~~] twelve percent on total revenue
26 wagered at the vendor track after payout for prizes in excess of one
27 hundred million dollars annually provided, however, a vendor that
28 receives a vendor fee pursuant to clause (G-1) of subparagraph (ii) of
29 this paragraph shall receive an additional marketing allowance at a rate
30 of [~~ten~~] twelve percent of the total revenue wagered at the video
31 lottery gaming facility after payout for prizes. In establishing the
32 vendor fee,

33 § 2. This act shall take effect immediately.

34 PART IIII

35 Section 1. Subparagraph (A) of paragraph 2 of subsection (t) of
36 section 606 of the tax law, as amended by section 1 of part N of chapter
37 85 of the laws of 2002, is amended to read as follows:

38 (A) The term "allowable college tuition expenses" shall mean the
39 amount of qualified college tuition expenses of eligible students paid
40 by the taxpayer during the taxable year, limited to ten thousand dollars
41 for each such student for taxable years beginning before two thousand
42 seventeen. The amount of allowable college tuition expenses shall
43 increase by an additional four thousand dollars from the previous taxa-
44 ble year, for each student, for each taxable year beginning on or after
45 two thousand seventeen until taxable years beginning on and after two
46 thousand twenty-seven when the amount of allowable college tuition
47 expenses shall equal the amount from the previous taxable year;

48 § 2. Paragraph 4 of subsection (t) of section 606 of the tax law, as
49 added by section 1 of part DD of chapter 63 of the laws of 2000, is
50 amended to read as follows:

51 (4) Amount of credit. [~~if~~] For taxable years beginning before two
52 thousand seventeen, if allowable college tuition expenses are less than

1 five thousand dollars, the amount of the credit provided under this
2 subsection shall be equal to the applicable percentage of the lesser of
3 allowable college tuition expenses or two hundred dollars. ~~[If]~~ For
4 taxable years beginning before two thousand seventeen, if allowable
5 college tuition expenses are five thousand dollars or more, the amount
6 of the credit provided under this subsection shall be equal to the
7 applicable percentage of the allowable college tuition expenses multi-
8 plied by four percent. For taxable years beginning on or after two
9 thousand seventeen, the amount of the credit provided under this
10 subsection shall be equal to the applicable percentage of the allowable
11 college tuition expenses multiplied by five percent. Such applicable
12 percentage shall be twenty-five percent for taxable years beginning in
13 two thousand one, fifty percent for taxable years beginning in two thou-
14 sand two, seventy-five percent for taxable years beginning in two thou-
15 sand three and one hundred percent for taxable years beginning after two
16 thousand three.

17 § 3. This act shall take effect immediately.

18 PART JJJJ

19 Section 1. The education law is amended by adding a new section 682 to
20 read as follows:

21 § 682. College debt freedom account program. 1. There is hereby estab-
22 lished the college debt freedom account program. Such program shall
23 permit employees to deposit a portion of their pre-tax income pursuant
24 to paragraph forty-two of subsection (c) of section six hundred twelve
25 of the tax law, into an account solely intended for undergraduate
26 student loan repayments. Employers may elect to participate in the
27 program and receive a tax credit by contributing matching funds to an
28 employee's student loan repayment account established pursuant to this
29 section. Such contribution shall be minimally fifty percent of the
30 employee's deposit and a maximum one hundred percent of the employee's
31 deposit, up to twenty-five hundred dollars annually, per employee
32 account.

33 2. For the purposes of this section, "student loan" shall mean the
34 cumulative total of the annual student loans covering the cost of
35 attendance at an undergraduate college or university, and any interest
36 thereon.

37 3. Employee student loan repayment accounts shall be established by an
38 employee for deposit of funds to be used solely for repayment of student
39 loans. Such accounts shall be managed by the higher education services
40 corporation. All enrollees and participating employers shall provide the
41 corporation with all necessary information in order to implement the
42 provisions of this section.

43 4. Moneys in a student loan repayment account shall be available only
44 for repayments of student loans as defined in this section. Any with-
45 drawal or distribution from a student loan repayment account which
46 violated the provisions of this subdivision shall be subject to a penal-
47 ty of ten percent on any such withdrawal or distribution.

48 5. The commissioner and the commissioner of taxation and finance shall
49 jointly promulgate rules and regulations necessary to implement the
50 provisions of this section.

51 § 2. Subsection (c) of section 612 of the tax law is amended by adding
52 a new paragraph 42 to read as follows:

53 (42) Payment not in excess of twenty-five hundred dollars actually
54 paid by an eligible borrower for student loan repayment, to the extent

1 not deductible in determining federal adjusted gross income and not
 2 reimbursed. For the purposes of this paragraph, the following terms
 3 shall have the following meanings:

4 (A) "Student loans" shall mean any indebtedness incurred by the
 5 taxpayer for an undergraduate education loan in accordance with section
 6 221 of the internal revenue code.

7 (B) "Eligible borrower" shall mean a taxpayer who has incurred indebt-
 8 edness on student loans as defined in subparagraph (A) of this para-
 9 graph.

10 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
 11 sion 49 to read as follows:

12 49. College debt freedom account program tax credit. (a) General. An
 13 employer who contributes matching funds towards an employee's undergrad-
 14 uate student loan repayments, shall be allowed a credit, to be computed
 15 as provided in this subdivision, against the tax imposed by this arti-
 16 cle, for contributions the employer deposits annually, up to twenty-five
 17 hundred dollars per employee per year.

18 (b) Amount of credit. The credit authorized by this section shall be
 19 equal to the amount of the employer's contribution; provided that such
 20 contribution shall be a minimum of fifty percent and a maximum of one
 21 hundred percent of the employee's deposit to a student loan repayment
 22 account subject to the limits set forth in this subdivision.

23 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 24 of the tax law is amended by adding a new clause (xliii) to read as
 25 follows:

26 <u>(xliii) College debt</u>	<u>Amount of credit</u>
27 <u>freedom account</u>	<u>under subdivision forty-nine</u>
28 <u>program tax credit under</u>	<u>of section two hundred ten-B</u>
29 <u>subsection (ccc)</u>	

30 § 5. Section 606 of the tax law is amended by adding a new subsection
 31 (ccc) to read as follows:

32 (ccc) College debt freedom account program tax credit. (a) General. An
 33 employer who contributes matching funds towards an employee's undergrad-
 34 uate student loan repayments, shall be allowed a credit, to be computed
 35 as provided in this subsection, against the tax imposed by this article,
 36 for contributions the employer deposits annually, up to twenty-five
 37 hundred dollars per employee per year.

38 (b) Amount of credit. The credit authorized by this section shall be
 39 equal to the amount of the employer contribution; provided that such
 40 contribution shall be a minimum of fifty percent and a maximum of one
 41 hundred percent of the employee's deposit to a student loan repayment
 42 account subject to the limits set forth in this subsection.

43 § 6. Section 1511 of the tax law is amended by adding a new subdivi-
 44 sion (dd) to read as follows:

45 (dd) College debt freedom account program tax credit. (1) General. An
 46 employer who contributes matching funds towards an employee's undergrad-
 47 uate student loan repayments, shall be allowed a credit, to be computed
 48 as provided in this subdivision, against the tax imposed by this arti-
 49 cle, for contributions the employer deposits annually, up to twenty-five
 50 hundred dollars per employee per year.

51 (2) Amount of credit. The credit authorized by this section shall be
 52 equal to the amount of the employer's contribution; provided that such
 53 contribution shall be a minimum of fifty percent and a maximum of one
 54 hundred percent of the employee's deposit to a student loan repayment
 55 account subject to the limits set forth in this subdivision.

§ 7. This act shall take effect on the sixtieth day after it shall have become a law.

PART KKKK

Section 1. The state finance law is amended by adding a new article 17 to read as follows:

ARTICLE 17ANNUAL SPENDING GROWTH CAP ACTSection 244. Definitions.245. Establishment of annual spending growth cap.246. Provisions regarding declaration of emergency.

§ 244. Definitions. As used in this article, the following terms shall have the following meanings, unless otherwise specified:

1. "Annual spending growth cap" shall mean a percentage determined by adding the inflation rates from each of the three calendar years immediately prior to the commencement of a given fiscal year and then dividing that sum by three.

2. "State operating funds spending" shall mean annual disbursements of all governmental fund types included in the cash-basis financial plan of the state, excluding disbursements from federal funds and capital project funds.

3. "Inflation rate" shall mean the percentage change in the twelve-month average of the consumer price index for all urban consumers as published by the United States department of labor, bureau of labor statistics or any successor agency for a given calendar year compared to the prior calendar year.

4. "Executive budget" shall mean the budget submitted annually by the governor pursuant to section one of article VII of the state constitution.

5. "State budget as enacted" shall mean the budget acted upon by the legislature in a given fiscal year, as subject to section four of article VII of the state constitution and section seven of article IV of the state constitution.

6. "Emergency" shall mean an extraordinary, unforeseen, or unexpected occurrence, or combination of circumstances, including but not limited to a natural disaster, invasion, terrorist attack, or economic calamity.

§ 245. Establishment of annual spending growth cap. 1. There is hereby established an annual spending growth cap.

2. The governor shall not submit, and the legislature shall not act upon, a budget that contains a percentage increase over the prior fiscal year in state operating funds spending which exceeds the annual spending growth cap.

3. The governor shall certify in writing that state operating funds spending in the executive budget does not exceed the annual spending growth cap. If final inflation rate data for the prior calendar year is not yet available at the time the governor submits his or her executive budget, he or she shall furnish a reasonable estimate of such prior calendar year inflation rate.

4. The comptroller shall provide, within five days of action by the legislature upon the budget, a determination as to whether the state operating funds spending as set forth in the state budget as enacted exceeds the annual spending growth cap.

5. If the comptroller finds that state operating funds spending as set forth in the state budget as enacted exceeds the annual spending growth

1 cap, the governor shall take corrective action to ensure that funding is
2 limited to the amount of the annual spending cap.

3 § 246. Provisions regarding declaration of emergency. 1. Upon a find-
4 ing of an emergency by the governor, he or she may declare an emergency
5 by an executive order which shall set forth the reasons for such decla-
6 ration.

7 2. Based upon such declaration, the governor may submit, and the
8 legislature may authorize, by a two-thirds supermajority, a budget
9 containing a percentage increase over the prior fiscal year in state
10 operating funds spending that exceeds the annual spending growth cap.

11 § 2. Subdivision 2 of section 92-cc of the state finance law, as
12 amended by section 12-a of part I of chapter 60 of the laws of 2015, is
13 amended to read as follows:

14 2. Such fund shall have a maximum balance not to exceed [~~five~~] ten per
15 centum of the aggregate amount projected to be disbursed from the gener-
16 al fund during the fiscal year immediately following the then-current
17 fiscal year. At the request of the director of the budget, the state
18 comptroller shall transfer monies to the rainy day reserve fund up to
19 and including an amount equivalent to seventy-five one-hundredths of one
20 per centum of the aggregate amount projected to be disbursed from the
21 general fund during the then-current fiscal year, unless such transfer
22 would increase the rainy day reserve fund to an amount in excess of five
23 per centum of the aggregate amount projected to be disbursed from the
24 general fund during the fiscal year immediately following the then-cur-
25 rent fiscal year, in which event such transfer shall be limited to such
26 amount as will increase the rainy day reserve fund to such five per
27 centum limitation.

28 § 3. This act shall take effect on the thirtieth day after it shall
29 have become a law.

30 PART LLLL

31 Section 1. Section 1325 of the racing, pari-mutuel wagering and breed-
32 ing law, as added by chapter 174 of the laws of 2013, is amended to read
33 as follows:

34 § 1325. Approval, denial and renewal of employee licenses and regis-
35 trations. 1. Upon the filing of an application for a casino key employee
36 license or gaming employee registration required by this article and
37 after submission of such supplemental information as the commission may
38 require, the commission shall request the division of state police to
39 conduct [~~or cause to be conducted such~~] an investigation into the quali-
40 fication of the applicant, and the commission shall conduct such hear-
41 ings concerning the qualification of the applicant, in accordance with
42 its regulations, as may be necessary to determine qualification for such
43 license.

44 1-a. The cost of any such investigation shall be borne by the gaming
45 facility that initially employs or extends employment to a licensee
46 pursuant to this title after the approval or renewal of a license pursu-
47 ant to this title and shall be paid in a time and manner determined by
48 the commission.

49 2. After such investigation, the commission may either deny the appli-
50 cation or grant a license to an applicant whom it determines to be qual-
51 ified to hold such license.

52 3. The commission shall have the authority to deny any application
53 pursuant to the provisions of this article following notice and opportu-
54 nity for hearing.

1 4. When the commission grants an application, the commission may limit
2 or place such restrictions thereupon as it may deem necessary in the
3 public interest.

4 5. After an application for a casino key employee license is submit-
5 ted, final action of the commission shall be taken within ninety days
6 after completion of all hearings and investigations and the receipt of
7 all information required by the commission.

8 6. Licenses and registrations of casino key employees and gaming
9 employees issued pursuant to this article shall remain valid for five
10 years unless suspended, revoked or voided pursuant to law. Such licenses
11 and registrations may be renewed by the holder thereof upon application,
12 on a form prescribed by the commission, and payment of the applicable
13 fee. Notwithstanding the forgoing, if a gaming employee registrant has
14 not been employed in any position within a gaming facility for a period
15 of three years, the registration of that gaming employee shall lapse.

16 [8] 7. The commission shall establish by regulation appropriate fees
17 to be paid upon the filing of the required applications. Such fees shall
18 be deposited into the commercial gaming revenue fund.

19 § 2. This act shall take effect immediately.

20 PART MMMM

21 Section 1. Section 1604 of the tax law is amended by adding four new
22 subdivisions d, e, f and g to read as follows:

23 d. The division may contract with one or more persons to allow the
24 placement of advertising or promotional material on available media
25 related to any online lottery game or to sponsor individual draws in any
26 online lottery game. If the division enters into a contract under this
27 subdivision, the division shall allow at least one minute between draws
28 of online lottery games during which one or more advertisements may be
29 exhibited.

30 e. A contract entered into under subdivision d of this section shall
31 provide that any advertisements exhibited between draws of online
32 lottery games shall comply with content regulations for televised broad-
33 cast adopted by the Federal Communications Commission, with the excep-
34 tion that the advertising under subdivision d of this section may
35 include advertisements for alcoholic beverages with restrictions imposed
36 only by the division.

37 f. The division shall solicit bids from responsible persons for adver-
38 tising or promotional contracts under subdivision d of this section. The
39 division shall select from among the bids received so as to produce the
40 maximum amount of net revenue for the state consistent with the general
41 welfare of the citizens of the state. In deciding whether to enter into
42 a contract under subdivision d of this section, the division shall
43 consider whether the terms of the contract are comparable to the terms
44 of similar advertising or promotional contracts relating to lottery or
45 other gaming in other states.

46 g. The division, subject to applicable laws relating to public
47 contracts, may enter into contracts with one or more persons to allow
48 the placement of advertising or promotional material, including but not
49 limited to, the placement of discount coupons for retail goods, on
50 lottery tickets, shares, and other available media under the control of
51 the division. However, except for advertising that promotes responsible
52 consumption of alcoholic beverages, the division shall not allow the
53 placement of advertising for the promotion of the consumption of alco-

1 holic beverages or tobacco products on lottery tickets under the control
2 of the division.

3 § 2. This act shall take effect immediately.

4 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
5 sion, section or part of this act shall be adjudged by any court of
6 competent jurisdiction to be invalid, such judgment shall not affect,
7 impair, or invalidate the remainder thereof, but shall be confined in
8 its operation to the clause, sentence, paragraph, subdivision, section
9 or part thereof directly involved in the controversy in which such judg-
10 ment shall have been rendered. It is hereby declared to be the intent of
11 the legislature that this act would have been enacted even if such
12 invalid provisions had not been included herein.

13 § 3. This act shall take effect immediately provided, however, that
14 the applicable effective date of Parts A through MMMM of this act shall
15 be as specifically set forth in the last section of such Parts.