

STATE OF NEW YORK

7685--A

2023-2024 Regular Sessions

IN SENATE

October 4, 2023

Introduced by Sen. ASHBY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to adjusting the school tax relief (STAR) exemption for homes located outside a city with a population greater than one million (Part A); and to amend the tax law, the education law and the general municipal law, in relation to a real property tax freeze (Part B)

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 components of legislation relating
2 to certain real property taxes. Each component is wholly contained with-
3 in a Part identified as Parts A through B. The effective date for each
4 particular provision contained within such Part is set forth in the last
5 section of such Part. Any provision in any section contained within a
6 Part, including the effective date of the Part, which makes reference to
7 a section "of this act", when used in connection with that particular
8 component, shall be deemed to mean and refer to the corresponding
9 section of the Part in which it is found. Section three of this act sets
10 forth the general effective date of this act.

11 PART A

12 Section 1. Subparagraph (vi) of paragraph (b) of subdivision 2 of
13 section 425 of the real property tax law, as added by section 1 of part
14 D-1 of chapter 57 of the laws of 2007, and clause (A) as further amended
15 by subdivision (b) of section 1 of part W of chapter 56 of the laws of
16 2010, is amended and a new subparagraph (vii) is added to read as
17 follows:

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

LBD13365-02-3

(vi) For the two thousand nine--two thousand ten school year [~~and thereafter~~] through the two thousand twenty-three--two thousand twenty-four school year, for homes located outside a city with a population greater than one million:

(A) The base figure for the enhanced STAR exemption shall equal the prior year's base figure multiplied by the percentage increase in the consumer price index for urban wage earners and clerical workers (CPI-W) published by the United States department of labor, bureau of labor statistics, for the third quarter of the calendar year preceding the applicable school year, as compared to the third quarter of the prior calendar year. If a base figure as so determined is not exactly equal to a multiple of one hundred dollars, it shall be rounded to the nearest multiple of one hundred dollars. It shall be the responsibility of the commissioner to annually determine such base figures.

(B) The base figure for the basic STAR exemption shall be thirty thousand dollars.

(vii) For the two thousand twenty-four--two thousand twenty-five school year and thereafter, for homes located outside a city with a population greater than one million, notwithstanding any other provision of this section, the enhanced STAR exemption shall equal fifty percent of the median assessed value of all homes outside a city with a population greater than one million, as calculated by the comptroller and the commissioner.

§ 2. This act shall take effect immediately.

PART B

Section 1. Section 606 of the tax law is amended by adding a new subsection (bbb) to read as follows:

(bbb) Real property tax freeze credit. (1) As used in this subsection:

(A) The term "freeze-compliant budget" means a budget of a taxing jurisdiction that has met the requirements of section two thousand twenty-three-c of the education law or section three-d of the general municipal law, whichever is applicable.

(B) The terms "independent special district" and "dependent school district" have the same meaning as set forth in section three-d of the general municipal law.

(C) The term "STAR exemption" means the school tax relief exemption authorized by section four hundred twenty-five of the real property tax law.

(D) The term "taxing jurisdiction" means a county, city, town, village, school district or an independent special district, except that such term shall not include a city with a population of one million or more, nor shall it include a county wholly located within such a city.

(E) The term "levy credit factor" means the allowable levy growth factor for a taxing jurisdiction, as determined pursuant to section three-c of the general municipal law or section two thousand twenty-three-a of the education law, minus one.

(2) An individual taxpayer who meets the eligibility standards set forth in paragraph three of this subsection and whose primary residence is located in a taxing jurisdiction that has a freeze-compliant budget for the fiscal year starting in two thousand twenty-five, two thousand twenty-six or two thousand twenty-seven, whichever is applicable, shall be allowed a credit against the taxes imposed by this article. Subject to the provisions of paragraph six of this subsection, such credit shall be determined as follows:

1 (A) If a school district other than a dependent school district has a
2 freeze-compliant budget for its fiscal year starting in two thousand
3 twenty-five, a credit shall be allowed for the eligible taxpayer's two
4 thousand twenty-five taxable year in the amount that is the greater of
5 (i) the amount by which the real property taxes imposed upon such resi-
6 dence by or on behalf of that school district for the fiscal year start-
7 ing in two thousand twenty-five exceeds the real property taxes so
8 imposed for the fiscal year starting in two thousand twenty-four, or
9 (ii) the product of the real property taxes imposed upon such residence
10 by or on behalf of that school district for the fiscal year starting in
11 two thousand twenty-four multiplied by the levy credit factor for that
12 school district for the fiscal year starting in two thousand twenty-
13 five.

14 (B) If a taxing jurisdiction, other than a school district or a city
15 with a dependent school district, has a freeze-compliant budget for its
16 fiscal year starting in two thousand twenty-six, a credit shall be
17 allowed for the eligible taxpayer's two thousand twenty-six taxable year
18 in the amount that is the greater of (i) the amount by which the real
19 property taxes imposed upon such residence by or on behalf of that
20 taxing jurisdiction for the fiscal year starting in two thousand twen-
21 ty-six exceeds the real property taxes so imposed for the fiscal year
22 starting in two thousand twenty-five, or (ii) the product of the real
23 property taxes imposed upon such residence by or on behalf of that
24 taxing jurisdiction for the fiscal year starting in two thousand twen-
25 ty-five multiplied by the levy credit factor for that taxing jurisdic-
26 tion for the fiscal year starting in two thousand twenty-six.

27 (C) If a school district other than a dependent school district has a
28 freeze-compliant budget for its fiscal year starting in two thousand
29 twenty-six, a credit shall be allowed for the eligible taxpayer's two
30 thousand twenty-six taxable year in the amount by which the real proper-
31 ty taxes imposed upon such residence by or on behalf of such school
32 district for the fiscal year starting in two thousand twenty-six exceeds
33 the real property taxes so imposed for the fiscal year identified as
34 follows:

35 (i) if the school district's budget for the fiscal year starting in
36 two thousand twenty-five was a freeze-compliant budget, a credit shall
37 be allowed for the eligible taxpayer's two thousand twenty-six taxable
38 year in the amount of the credit for school district taxes allowed for
39 the eligible taxpayer's two thousand twenty-five taxable year; together
40 with the amount that is the greater of (I) the amount by which the real
41 property taxes imposed upon such residence by or on behalf of that
42 school district for the fiscal year starting in two thousand twenty-six
43 exceeds the real property taxes so imposed for the fiscal year starting
44 in two thousand twenty-five, or (II) the product of the real property
45 taxes imposed upon such residence by or on behalf of such school
46 district for the fiscal year starting in two thousand twenty-five multi-
47 plied by the levy credit factor for that school district for the fiscal
48 year starting in two thousand twenty-six.

49 (ii) if the school district's budget for the fiscal year starting in
50 two thousand twenty-five was not a freeze-compliant budget, a credit
51 shall be allowed for the eligible taxpayer's two thousand twenty-six
52 taxable year in the amount that is the greater of (I) the amount by
53 which the real property taxes imposed upon such residence by or on
54 behalf of that school district for the fiscal year starting in two thou-
55 sand twenty-six exceeds the real property taxes so imposed for the
56 fiscal year starting in two thousand twenty-five, or (II) the product of

1 the real property taxes imposed upon such residence by or on behalf of
2 such school district for the fiscal year starting in two thousand twen-
3 ty-five multiplied by the levy credit factor for such school district
4 for the fiscal year starting in two thousand twenty-six.

5 (D) If a taxing jurisdiction, other than a school district or a city
6 with a dependent school district, has a freeze-compliant budget for its
7 fiscal year starting in two thousand twenty-seven:

8 (i) if the taxing jurisdiction's budget for the fiscal year starting
9 in two thousand twenty-six was a freeze-compliant budget, a credit shall
10 be allowed for the eligible taxpayer's two thousand twenty-seven taxable
11 year in the amount of the credit for the taxes imposed by or on behalf
12 of such taxing jurisdiction allowed for the eligible taxpayer's two
13 thousand twenty-six taxable year; together with the amount that is the
14 greater of (I) the amount by which the real property taxes imposed upon
15 such residence by or on behalf of such taxing jurisdiction for the
16 fiscal year starting in two thousand twenty-seven exceeds the real prop-
17 erty taxes imposed upon such residence by or on behalf of that taxing
18 jurisdiction for the fiscal year starting in two thousand twenty-six, or
19 (II) the product of the real property taxes imposed upon such residence
20 by or on behalf of such taxing jurisdiction for the fiscal year starting
21 in two thousand twenty-six multiplied by the levy credit factor for such
22 taxing jurisdiction for the fiscal year starting in two thousand twen-
23 ty-seven.

24 (ii) if the taxing jurisdiction's budget for the fiscal year starting
25 in two thousand twenty-six was not a freeze-compliant budget, a credit
26 shall be allowed for the eligible taxpayer's two thousand twenty-seven
27 taxable year in the amount that is the greater of (I) the amount by
28 which the real property taxes imposed upon such residence by or on
29 behalf of such taxing jurisdiction for the fiscal year starting in two
30 thousand twenty-seven exceeds the real property taxes so imposed for the
31 fiscal year starting in two thousand twenty-six, or (II) the product of
32 the real property taxes imposed upon such residence by or on behalf of
33 such taxing jurisdiction for the fiscal year starting in two thousand
34 twenty-six multiplied by the levy credit factor for such taxing juris-
35 isdiction for the fiscal year starting in two thousand twenty-seven.

36 (E) If a city with a dependent school district has a freeze-compliant
37 budget for its fiscal year starting in two thousand twenty-five, a tax
38 credit shall be allowed for the eligible taxpayer's two thousand twen-
39 ty-five taxable year in the amount equivalent to sixty-seven percent of
40 the amount that is the greater of (i) the amount by which the real prop-
41 erty taxes imposed upon such residence by or on behalf of that city for
42 the fiscal year starting in two thousand twenty-five exceeds the real
43 property taxes so imposed for the fiscal year starting in two thousand
44 twenty-four, or (ii) the product of the real property taxes imposed upon
45 such residence by or on behalf of such city for the fiscal year starting
46 in two thousand twenty-four multiplied by the levy credit factor for
47 such city for the fiscal year starting in two thousand twenty-five.

48 (F) If a city with a dependent school district has a freeze-compliant
49 budget for its fiscal year starting in two thousand twenty-six:

50 (i) if the city's budget for the fiscal year starting in two thousand
51 twenty-five was a freeze-compliant budget, a credit shall be allowed for
52 the eligible taxpayer's two thousand twenty-six taxable year in an
53 amount equivalent to thirty-three percent of the amount that is the
54 greater of (I) the amount by which the real property taxes imposed upon
55 such residence by that city for the fiscal year starting in two thousand
56 twenty-five exceeds the real property taxes so imposed for the fiscal

1 year starting in two thousand twenty-four, or (II) the product of the
2 real property taxes imposed upon such residence by or on behalf of such
3 city for the fiscal year starting in two thousand twenty-four multiplied
4 by the levy credit factor for such city for the fiscal year starting in
5 two thousand twenty-five; together with the amount of the credit for the
6 taxes imposed by or on behalf of such city allowed for the eligible
7 taxpayer's two thousand twenty-five taxable year; and together with an
8 amount equivalent to sixty-seven percent of the amount that is the
9 greater of (I) the amount by which the real property taxes imposed upon
10 such residence by that city for the fiscal year starting in two thousand
11 twenty-six exceeds the real property taxes so imposed for the fiscal
12 year starting in two thousand twenty-five; or (II) the product of the
13 real property taxes imposed upon such residence by or on behalf of such
14 city for the fiscal year starting in two thousand twenty-five multiplied
15 by the levy credit factor for such city for the fiscal year starting in
16 two thousand twenty-six; and a credit shall be allowed for the eligible
17 taxpayer's two thousand twenty-seven taxable year in an amount equiv-
18 alent to thirty-three percent of the amount that is the greater of (I)
19 the amount by which the real property taxes imposed upon such residence
20 by that city for the fiscal year starting in two thousand twenty-six
21 exceeds the real property taxes so imposed for the fiscal year starting
22 in two thousand twenty-five, or (II) the product of the real property
23 taxes imposed upon such residence by or on behalf of such city for the
24 fiscal year starting in two thousand twenty-five multiplied by the levy
25 credit factor for such city for the fiscal year starting in two thousand
26 twenty-six; together with an amount equivalent to forty-nine and one-
27 quarter percent of the amount of the credit for the taxes imposed by or
28 on behalf of such city allowed for the eligible taxpayer's two thousand
29 twenty-five taxable year.

30 (ii) if the city's budget for the fiscal year starting in two thousand
31 twenty-five was not a freeze-compliant budget, a credit shall be allowed
32 for the eligible taxpayer's two thousand twenty-six taxable year in an
33 amount equivalent to sixty-seven percent of the amount that is the
34 greater of (I) the amount by which the real property taxes imposed upon
35 such residence by that city for the fiscal year starting in two thousand
36 twenty-six exceeds the real property taxes so imposed for the fiscal
37 year starting in two thousand twenty-five or (II) the product of the
38 real property taxes imposed upon such residence by or on behalf of such
39 city for the fiscal year starting in two thousand twenty-five multiplied
40 by the levy credit factor for such city for the fiscal year starting in
41 two thousand twenty-six; and a credit shall be allowed for the eligible
42 taxpayer's two thousand twenty-seven taxable year in an amount equiv-
43 alent to thirty-three percent of the amount that is the greater of (I)
44 the amount by which the real property taxes imposed upon such residence
45 by that city for the fiscal year starting in two thousand twenty-six
46 exceeds the real property taxes so imposed for the fiscal year starting
47 in two thousand twenty-five or (II) the product of the real property
48 taxes imposed upon such residence by or on behalf of such city for the
49 fiscal year starting in two thousand twenty-five multiplied by the levy
50 credit factor for such city for the fiscal year starting in two thousand
51 twenty-six.

52 (G) If a city with a dependent school district has a freeze-compliant
53 budget for its fiscal year starting in two thousand twenty-five but does
54 not have a freeze-compliant budget for its fiscal year starting in two
55 thousand twenty-six, a tax credit shall be allowed for the eligible
56 taxpayer's two thousand twenty-six taxable year an amount representing

1 thirty-three percent of the amount that is the greater of (I) the amount
2 by which the real property taxes imposed upon such residence by that
3 city for the fiscal year starting in two thousand twenty-five exceeds
4 the real property taxes so imposed for the fiscal year starting in two
5 thousand twenty-four or (II) the product of the real property taxes
6 imposed upon such residence by or on behalf of such city for the fiscal
7 year starting in two thousand twenty-four multiplied by the levy credit
8 factor for such city for the fiscal year starting in two thousand twen-
9 ty-five.

10 (3) To be eligible for such credit, the taxpayer (or taxpayers filing
11 joint returns) must meet the following criteria:

12 (A) For the two thousand twenty-five taxable year, the taxpayer's
13 primary residence must have qualified for the STAR exemption for the two
14 thousand twenty-five--two thousand twenty-six school year, or would have
15 so qualified if an application for such exemption had been submitted in
16 a timely manner.

17 (B) For the two thousand twenty-six taxable year, the taxpayer's
18 primary residence must have qualified for the STAR exemption for the two
19 thousand twenty-six--two thousand twenty-seven school year, or would
20 have so qualified if an application for such exemption had been submit-
21 ted in a timely manner.

22 (C) For the two thousand twenty-seven taxable year, the taxpayer's
23 primary residence must have qualified for the STAR exemption for the two
24 thousand twenty-seven--two thousand twenty-eight school year, or would
25 have so qualified if an application for such exemption had been submit-
26 ted in a timely manner.

27 (4) For each year this credit is allowed, the commissioner shall
28 determine the taxpayer's eligibility for this credit utilizing the
29 information available to the commissioner. When the commissioner has
30 determined a taxpayer to be eligible for this credit, the commissioner
31 shall advance a payment of the amount determined in accordance with this
32 subsection. The taxpayer shall not apply for such credit in conjunction
33 with the filing of his or her return. A taxpayer who has failed to
34 receive an advance payment that he or she believes was due to him or
35 her, or who has received an advance payment that he or she believes is
36 less than the amount that was due to him or her, may request payment of
37 the claimed deficiency in a manner prescribed by the commissioner.

38 (5) If the amount of the credit allowed under this subsection, if any,
39 shall exceed the taxpayer's tax for the taxable year, the excess shall
40 be treated as an overpayment of tax to be credited or refunded in
41 accordance with the provisions of section six hundred eighty-six of this
42 article, provided, however, that no interest shall be paid thereon.

43 (6) The following provisions shall apply to the calculation of the
44 credit pursuant to paragraph two of this subsection:

45 (A) If the tax bill pertaining to the eligible taxpayer's primary
46 residence includes taxes levied by or on behalf of multiple taxing
47 jurisdictions, the credit shall be based upon the change in the aggre-
48 gate tax liability of such residence, provided that any tax appearing on
49 the tax bill that is not attributable to a freeze-compliant budget shall
50 be disregarded when determining the aggregate tax liability of such
51 residence.

52 (B) If the tax bill pertaining to the eligible taxpayer's primary
53 residence includes relieved taxes or other taxes that were previously
54 billed but not paid, those taxes shall be disregarded when determining
55 the aggregate tax liability of such residence.

1 (C) If the tax bill pertaining to the eligible taxpayer's primary
2 residence includes usage charges, unit charges or other charges that are
3 based upon the consumption of a service, those charges shall be disre-
4 garded when determining the aggregate tax liability of such residence.

5 (D) Notwithstanding the foregoing provisions of this subsection, no
6 credit shall be allowed to the extent that the tax liability of the
7 eligible taxpayer's primary residence increased due to one or more of
8 the following events:

9 (i) A physical improvement to the eligible taxpayer's primary resi-
10 dence.

11 (ii) A removal or reduction of an exemption on the eligible taxpayer's
12 primary residence, including a reduction of the STAR exempt amount
13 calculated pursuant to subdivision two of section four hundred twenty-
14 five of the real property tax law.

15 (iii) A revaluation that caused the assessment of the eligible taxpay-
16 er's primary residence to increase by a percentage that is greater than
17 the applicable change in level of assessment. As used herein, the terms
18 "revaluation" and "change in level of assessment" shall have the same
19 meanings as set forth in sections one hundred two and twelve hundred
20 twenty of the real property tax law, respectively.

21 (E) In the case of property consisting of a cooperative apartment
22 corporation that is described by paragraph (k) of subdivision two of
23 section four hundred twenty-five of the real property tax law, an eligi-
24 ble owner shall be allowed a credit in the amount equal to sixty percent
25 of the average tax credit in that taxing jurisdiction for that fiscal
26 year, as determined by the commissioner, or in the case of a cooperative
27 apartment corporation that is described by subparagraph (iv) of para-
28 graph (k) of subdivision two of section four hundred twenty-five of the
29 real property tax law, a credit of twenty percent of such average tax
30 credit.

31 (F) In the case of property consisting of a mobile home that is
32 described by paragraph (l) of subdivision two of section four hundred
33 twenty-five of the real property tax law, an eligible owner shall be
34 allowed a credit in the amount equal to twenty-five percent of the aver-
35 age tax credit in that taxing jurisdiction for that fiscal year, as
36 determined by the commissioner.

37 (G) In the case of a city with a dependent school district, it shall
38 be presumed that sixty-seven percent of the city tax bill is for school
39 district purposes and that thirty-three percent is for general city
40 purposes.

41 (H) The amount of the credit shall be rounded to the nearest dollar,
42 except where such amount is greater than zero and less than one dollar
43 and fifty cents, in which case the amount of the credit shall be rounded
44 up to two dollars.

45 (7) No credit shall be allowed under this subsection in relation to
46 property located within a city with a population of one million or more.

47 § 2. The education law is amended by adding a new section 2023-c to
48 read as follows:

49 § 2023-c. Certification of compliance with property tax freeze
50 requirements. A school district that is subject to the provisions of
51 section two thousand twenty-three-a of this part must comply with the
52 requirements of subdivision two of this section in order to render its
53 taxpayers eligible for the real property tax freeze credit authorized by
54 subsection (bbb) of section six hundred six of the tax law for a fiscal
55 year starting in two thousand twenty-five. The property tax cuts will
56 be extended for a second year in jurisdictions which comply with the tax

1 cap and have a state approved government efficiency plan which demon-
2 strate three year savings and efficiencies of at least one percent per
3 year from shared services, cooperation agreements and/or mergers or
4 efficiencies. The director of the budget shall consider past efficien-
5 cies, shared services and reforms in their approval process. While
6 localities may offer a variety of approaches it is anticipated that the
7 county government or board of cooperative educational services will
8 convene and facilitate a process and submit a county wide or board of
9 cooperative educational services region wide plan for approval. A
10 school district that is subject to the provisions of section two thou-
11 sand twenty-three-a of this part must comply with the requirements of
12 subdivision two and either subdivision three or subdivision four of this
13 section in order to render its taxpayers eligible for the real property
14 tax freeze credit authorized by subsection (bbb) of section six hundred
15 six of the tax law for a fiscal year starting in two thousand twenty-
16 six.

17 1. Definitions. As used in this section:

18 a. "Mergers" means: reorganizations of eligible school districts
19 pursuant to sections fifteen hundred five, fifteen hundred eleven
20 through fifteen hundred thirteen, fifteen hundred twenty-four, fifteen
21 hundred twenty-six, seventeen hundred five, eighteen hundred one through
22 eighteen hundred three, or twenty-two hundred eighteen of this title; or
23 reorganizations, consolidations, or dissolutions of eligible school
24 districts in which one or more eligible school districts are terminated
25 and another eligible school district assumes jurisdiction over the
26 terminated school district or districts pursuant to any other provision
27 of law.

28 b. "Cooperation agreements" means agreements entered into between
29 eligible school districts to implement the sharing or consolidation of
30 functions or services, including but not limited to: procurement, real
31 estate and facility management, fleet management, business and financial
32 services, administrative services, payroll administration, time and
33 attendance, benefits administration and other transactional human
34 resources functions, contract management, grants management, transporta-
35 tion services, facilities and function, human services facilities and
36 functions, customer service facilities and functions and information
37 technology infrastructure, process, services and functions.

38 c. "Eligible school district" means a school district that is subject
39 to section two thousand twenty-three-a of this part, but shall not mean
40 a school district that is subject to article fifty-two of this title.

41 d. "Government efficiency plan" means a plan that identifies cooper-
42 ation agreements, shared services and/or mergers or efficiencies to be
43 fully implemented by one or more eligible school districts that are
44 signatories to the plan.

45 e. "Lead district" means the eligible school district that is partic-
46 ipating in a government efficiency plan with more than one signatory
47 that has elected to submit the government efficiency plan to the direc-
48 tor of the budget on behalf of all signatories to the plan.

49 f. "Shared services" means functional consolidations by which one
50 eligible school district completely provides a service or function for
51 another eligible school district, which no longer engages in that func-
52 tion or service; shared or cooperative services between and among eligi-
53 ble school districts; and regionalized delivery of services between and
54 among eligible school districts. These shared services may be for
55 services or functions including but not limited to: procurement, real
56 estate and facility management, fleet management, business and financial

1 services, administrative services, payroll administration, time and
2 attendance, benefits administration and other transactional human
3 resources functions, contract management, grants management, transporta-
4 tion services, facilities and functions, human services facilities and
5 functions, customer service facilities and functions and information
6 technology infrastructure, processes, services and functions.

7 2. Certification of compliance with tax levy limit. a. Upon the
8 adoption of the budget of an eligible school district, the chief execu-
9 tive officer of such school district shall certify to the state comp-
10 troller, the commissioner of taxation and finance and the commissioner
11 that the budget so adopted does not exceed the tax levy limit prescribed
12 by section two thousand twenty-three-a of this part. Such certification
13 shall be made in a form and manner prescribed by the state comptroller
14 in consultation with the commissioner of taxation and finance and the
15 commissioner.

16 b. In order for such certification to give rise to a real property tax
17 freeze credit under subsection (bbb) of section six hundred six of the
18 tax law, such certification shall be made no later than the twenty-first
19 day of the fiscal year to which it applies.

20 c. If such a certification has been made and the actual tax levy of
21 the school district exceeds the applicable tax levy limit, the excess
22 amount shall be placed in reserve and used in the manner prescribed by
23 subdivision five of section two thousand twenty-three-a of this part,
24 even if a tax levy in excess of the tax levy limit had been duly author-
25 ized for the applicable fiscal year by the school district voters.

26 d. Notwithstanding any provision of law to the contrary, every school
27 district that is subject to the provisions of section two thousand twen-
28 ty-three-a of this part shall report both its proposed budget and its
29 adopted budget to the office of the state comptroller and the commis-
30 sioner at the time and in the manner as they may prescribe, whether or
31 not such budget has been or will be certified as provided by this subdivi-
32 sion.

33 3. School district government efficiency plans submitted by lead
34 district. a. The superintendent of each lead district shall submit to
35 the director of the budget by June first, two thousand twenty-six, a
36 government efficiency plan that demonstrates three year savings and
37 efficiencies of at least one percent per year from shared services,
38 cooperation agreements and/or mergers or efficiencies over the aggregate
39 two thousand twenty-five--two thousand twenty-six school year tax levies
40 for all eligible school districts that are signatories to such plan.

41 (i) The superintendent of each eligible school district that is a
42 signatory to a government efficiency plan shall submit to the super-
43 intendent of the lead district by May fifteenth, two thousand twenty-
44 six, a written certification that the eligible school district agrees to
45 undertake its best efforts to fully implement by the end of the two
46 thousand twenty-seven--two thousand twenty-eight school year the cooper-
47 ation agreements, mergers, efficiencies and/or shared services specified
48 for the eligible school district in such plan.

49 (ii) The chief financial officer of a school district that is a signa-
50 tory to a government efficiency plan shall submit to the superintendent
51 of the lead district by May fifteenth, two thousand twenty-six, a writ-
52 ten certification that in his or her professional opinion, full imple-
53 mentation by the end of the two thousand twenty-seven--two thousand
54 twenty-eight school year of the cooperation agreements, mergers, effi-
55 ciencies and/or shared services that are to be taken by such school

1 district itself as specified in such plan will result in the savings set
2 forth in such plan attributable to such school district.

3 (iii) The chief financial officer of each eligible school district
4 that is a signatory to a government efficiency plan shall submit to the
5 lead district by May fifteenth, two thousand twenty-six, a written
6 certification that in his or her professional opinion, full implementa-
7 tion of the cooperation agreements, mergers, efficiencies and/or shared
8 services as specified for all of the eligible school districts that are
9 signatories to such plan will result in savings over the aggregate two
10 thousand twenty-five--two thousand twenty-six school year tax levies for
11 all eligible school districts that are signatories to such plan of at
12 least one percent in each of the two thousand twenty-seven--two thousand
13 twenty-eight, the two thousand twenty-eight--two thousand twenty-nine
14 and the two thousand twenty-nine--two thousand thirty school years.

15 b. The chief financial officer of each lead district shall submit the
16 following documents to the director of the budget on or before June
17 first, two thousand twenty-six: (i) the government efficiency plan;
18 (ii) a list of all eligible school districts that are signatories to
19 such plan; (iii) all of the certifications required by paragraph a of
20 this subdivision; and (iv) an analysis of the aggregate amount of
21 savings set forth in such plan attributable to all eligible school
22 districts that are signatories to such plan that will be achieved if the
23 cooperation agreements, mergers, efficiencies and/or shared services
24 identified in such plan are fully implemented by the end of the two
25 thousand twenty-seven--two thousand twenty-eight school year. The
26 director of the budget shall review such documents and shall consider
27 past efficiencies, shared services and reforms in their approval process
28 to determine whether the requirements of this subdivision have been met
29 with respect to each eligible school district that is a signatory to the
30 government efficiency plan and shall notify the commissioner of taxation
31 and finance of such determinations no later than July thirty-first, two
32 thousand twenty-six.

33 4. School district government efficiency plans submitted by a single
34 eligible school district. a. While localities may offer a variety of
35 approaches it is anticipated that the county government or board of
36 cooperative educational services will convene and facilitate a process
37 and submit a county wide or board of cooperative educational services
38 region wide plan for approval. As such, eligible school districts are
39 strongly encouraged to develop a single government efficiency plan for
40 all of the eligible school districts in their board of cooperation
41 educational services district. However, the superintendent of each
42 eligible school district that is not participating in a government effi-
43 ciency plan with more than one signatory may submit to the director of
44 the budget by June first, two thousand twenty-six, a government effi-
45 ciency plan that demonstrates three year savings and efficiencies of at
46 least one percent per year from shared services, cooperation agreements
47 and/or mergers or efficiencies over such eligible school district's two
48 thousand twenty-five--two thousand twenty-six school year tax levy.

49 (i) In the event an eligible school district chooses to submit such a
50 government efficiency plan, the superintendent of such eligible school
51 district shall submit to the director of the budget by June first, two
52 thousand twenty-six, a written certification that such eligible school
53 district agrees to undertake its best efforts to fully implement by the
54 end of the two thousand twenty-seven--two thousand twenty-eight school
55 year the cooperation agreements, mergers, efficiencies and/or shared
56 services specified in such plan.

1 (ii) In the event a school district chooses to submit such a govern-
2 ment efficiency plan, the chief financial officer of such eligible
3 school district shall submit to the director of the budget by June
4 first, two thousand twenty-six, an analysis of the savings set forth in
5 such plan that will be achieved if the cooperation agreements, shared
6 services and/or mergers or efficiencies identified in such plan are
7 fully implemented by the end of the two thousand twenty-seven--two thou-
8 sand twenty-eight school year, as well as a written certification that
9 in his or her professional opinion, full implementation of the cooper-
10 ation agreements, mergers, efficiencies and/or shared services as speci-
11 fied in such plan will result in savings over its two thousand twenty-
12 five--two thousand twenty-six school year tax levy of at least one
13 percent in each of the two thousand twenty-seven--two thousand twenty-
14 eight, the two thousand twenty-eight--two thousand twenty-nine and the
15 two thousand twenty-nine--two thousand thirty school years.

16 b. The director of the budget shall review the documents referred to
17 in paragraph a of this subdivision and shall consider past efficiencies,
18 shared services and reforms in their approval process to determine
19 whether the requirements of this subdivision have been met with respect
20 to an eligible school district that has submitted a government efficien-
21 cy plan and shall notify the commissioner of taxation and finance of
22 such determination no later than July thirty-first, two thousand twen-
23 ty-six.

24 § 3. The general municipal law is amended by adding a new section 3-d
25 to read as follows:

26 § 3-d. Certification of compliance with property tax freeze require-
27 ments. A municipal corporation or an independent special district that
28 is subject to the provisions of section three-c of this article must
29 comply with the requirements of subdivision two of this section in order
30 to render its taxpayers eligible for the real property tax freeze credit
31 authorized by subsection (bbb) of section six hundred six of the tax law
32 for a fiscal year starting in two thousand twenty-six. The property tax
33 cuts will be extended for a second year in jurisdictions which comply
34 with the tax cap and have a state approved government efficiency plan
35 which demonstrate three year savings and efficiencies of at least one
36 percent per year from shared services, cooperation agreements and/or
37 mergers or efficiencies. The director of the budget shall consider past
38 efficiencies, shared services and reforms in their approval process.
39 While localities may offer a variety of approaches it is anticipated
40 that the county government or board of cooperative educational services
41 will convene and facilitate a process and submit a county wide or board
42 of cooperative educational services region wide plan for approval. A
43 municipal corporation or an independent special district that is subject
44 to the provisions of section three-c of this article must comply with
45 the requirements of subdivision two and either subdivision three or
46 subdivision four of this section in order to render its taxpayers eligi-
47 ble for the real property tax freeze credit authorized by subsection
48 (bbb) of section six hundred six of the tax law for a fiscal year start-
49 ing in two thousand twenty-seven. Provided however, that a city with a
50 dependent school district must comply with the requirements of subdivi-
51 sion two of this section in order to render its taxpayers eligible for
52 the real property tax freeze credit authorized by subsection (bbb) of
53 section six hundred six of the tax law for a fiscal year starting in two
54 thousand twenty-five and comply with the requirements of subdivision two
55 of this section, and both the city and its dependent school district
56 must jointly comply with the requirements of subdivision three or subdivi-

1 vision four of this section, in order to render its taxpayers eligible
2 for the real property tax freeze credit authorized by subsection (bbb)
3 of section six hundred six of the tax law for a fiscal year starting in
4 two thousand twenty-six or two thousand twenty-seven.

5 1. Definitions. As used in this section:

6 (a) "Mergers" means: consolidations or dissolutions of local govern-
7 ment units in accordance with article seventeen-A of this chapter or
8 reorganizations, consolidations, or dissolutions of local government
9 units in which one or more local government units are terminated and
10 another local government unit assumes jurisdiction over the terminated
11 local government unit or units pursuant to any other provision of law.

12 (b) "Cooperation agreements" means agreements entered into between
13 local government units to implement the sharing or consolidation of
14 functions or services, including but not limited to: procurement, real
15 estate and facility management, fleet management, business and financial
16 services, administrative services, payroll administration, time and
17 attendance, benefits administration and other transactional human
18 resources functions, contract management, grants management, transporta-
19 tion services, facilities and function, human services facilities and
20 functions, customer service facilities and functions and information
21 technology infrastructure, process, services and functions.

22 (c) "Dependent school district" means a school district that is
23 subject to article fifty-two of the education law and that has a popu-
24 lation of less than one million.

25 (d) "Government efficiency plan" means a plan that identifies cooper-
26 ation agreements, shared services and/or mergers or efficiencies to be
27 fully implemented by one or more local government units that are signa-
28 tories to the plan.

29 (e) "Independent special district" means a special district as defined
30 by section one hundred two of the real property tax law that either (i)
31 has a separate independent elected board, and either has the authority
32 to levy a tax, or can require a municipal corporation to levy a tax on
33 its behalf, or (ii) has a separate independent board appointed by the
34 governing body of another municipal corporation and either has the
35 authority to levy a tax or can require a municipal corporation to levy a
36 tax on its behalf.

37 (f) "Lead local government unit" means the local government unit that
38 is participating in a government efficiency plan with more than one
39 signatory that has elected to submit the government efficiency plan to
40 the director of the budget on behalf of all signatories to the plan.

41 (g) "Local government unit" means a municipal corporation or an inde-
42 pendent special district that is subject to the provisions of section
43 three-c of this article.

44 (h) "Shared services" means functional consolidations by which one
45 local government unit completely provides a service or function for
46 another local government unit, which no longer engages in that function
47 or service; shared or cooperative services between and among local
48 government units; and regionalized delivery of services between and
49 among local government units. These shared services may be for services
50 or functions including but not limited to: procurement, real estate and
51 facility management, fleet management, business and financial services,
52 administrative services, payroll administration, time and attendance,
53 benefits administration and other transactional human resources func-
54 tions, contract management, grants management, transportation services,
55 facilities and functions, human services facilities and functions.

1 customer service facilities and functions and information technology
2 infrastructure, processes, services and functions.

3 2. Certification of compliance with tax levy limit. (a) Upon the
4 adoption of the budget of a local government unit, the chief executive
5 officer or budget officer of such local government unit shall certify to
6 the state comptroller and the commissioner of taxation and finance that
7 the budget so adopted does not exceed the tax levy limit prescribed in
8 section three-c of this article and, if the governing body of the local
9 government unit did enact a local law or approve a resolution to over-
10 ride the tax levy limit, that such local law or resolution was subse-
11 quently repealed. Such certification shall be made in a form and manner
12 prescribed by the state comptroller in consultation with the commis-
13 sioner of taxation and finance.

14 (b) In order for such certification to give rise to a real property
15 tax freeze credit under subsection (bbb) of section six hundred six of
16 the tax law, such certification shall be made no later than the twenty-
17 first day of the fiscal year to which it applies.

18 (c) Notwithstanding any other law to the contrary, if such a certif-
19 ication has been made and the actual tax levy of the local government
20 unit exceeds the applicable tax levy limit, the excess amount shall be
21 placed in reserve and used in the manner prescribed by subdivision six
22 of section three-c of this article, even if a tax levy in excess of the
23 tax levy limit had been authorized for the applicable fiscal year by a
24 duly adopted local law or resolution.

25 (d) Notwithstanding any provision of law to the contrary, every local
26 government unit shall report both its proposed budget and its adopted
27 budget to the office of the state comptroller at the time and in the
28 manner as he or she may prescribe, whether or not such budget has been
29 or will be certified as provided by this subdivision.

30 3. Local government government efficiency plans submitted by lead
31 local government unit. (a) The chief executive officer or budget officer
32 of each lead local government unit shall submit to the director of the
33 budget by June first, two thousand twenty-six, a government efficiency
34 plan that demonstrates three year savings and efficiencies of at least
35 one percent per year from shared services, cooperation agreements and/or
36 mergers or efficiencies over the aggregate tax levies for fiscal years
37 beginning in two thousand twenty-five for all local government units and
38 dependent school districts that are signatories to such plan.

39 (i) The chief executive officer or budget officer of each local
40 government unit and dependent school district that is a signatory to a
41 government efficiency plan shall submit to the chief executive officer
42 or budget officer of the lead local government unit by May fifteenth,
43 two thousand twenty-six, a written certification that the local govern-
44 ment unit or dependent school district agrees to undertake its best
45 efforts to fully implement by the end of the local fiscal year beginning
46 in two thousand twenty-eight the cooperation agreements, mergers, effi-
47 ciencies and/or shared services specified for the local government unit
48 or dependent school district in such plan.

49 (ii) The chief financial officer of a local government unit and the
50 chief fiscal officer of the dependent school district, that is a signa-
51 tory to a government efficiency plan shall submit to the chief executive
52 officer of the lead local government unit by May fifteenth, two thousand
53 twenty-six, a written certification that in his or her professional
54 opinion, full implementation by the end of the local fiscal year begin-
55 ning in two thousand twenty-eight, of the cooperation agreements, merg-
56 ers, efficiencies and/or shared services that are to be taken by such

1 local government unit itself as specified in such plan will result in
2 the savings set forth in the government efficiency plan attributable to
3 such local government unit or dependent school district.

4 (iii) The chief financial officer of each local government unit and
5 dependent school district that is a signatory to a government efficiency
6 plan shall submit to the lead local government unit by May fifteenth,
7 two thousand twenty-six, a written certification that in his or her
8 professional opinion, full implementation of the cooperation agreements,
9 mergers, efficiencies and/or shared services as specified for all of the
10 local government units and dependent school districts that are signato-
11 ries to such plan will result in savings over the aggregate tax levies
12 for fiscal years beginning in two thousand twenty-five for all local
13 government units that are signatories to such plan of at least one
14 percent in each of the fiscal years beginning in two thousand twenty-
15 eight, beginning in two thousand twenty-nine and beginning in two thou-
16 sand thirty.

17 (b) The chief financial officer of each lead local government unit
18 shall submit the following documents to the director of the budget on or
19 before June first, two thousand twenty-six: (i) the government effi-
20 ciency plan; (ii) a list of all local government units and dependent
21 school districts that are signatories to such plan; (iii) all of the
22 certifications required by paragraph (a) of this subdivision; and (iv)
23 an analysis of the aggregate amount of savings set forth in such plan
24 attributable to all local government units and dependent school
25 districts that are signatories to such plan that will be achieved if the
26 cooperation agreements, shared services and/or mergers or efficiencies
27 identified in such plan are fully implemented by the end of the local
28 fiscal year beginning in two thousand twenty-eight. The director of the
29 budget shall review such documents and shall consider past efficiencies,
30 shared services and reforms in their approval process to determine
31 whether the requirements of this subdivision have been met with respect
32 to each local government unit and dependent school district that is a
33 signatory to the government efficiency plan and shall notify the commis-
34 sioner of taxation and finance of such determinations no later than July
35 thirty-first, two thousand twenty-six.

36 4. Local government government efficiency plans submitted by a single
37 local government unit. (a) While localities may offer a variety of
38 approaches it is anticipated that the county government or board of
39 cooperative educational services will convene and facilitate a process
40 and submit a county wide or board of cooperative educational services
41 region wide plan for approval. As such, local government units are
42 strongly encouraged to develop a single government efficiency plan for
43 all of the local government units in their county. However, the chief
44 executive officer or budget officer of each local government unit that
45 is not participating in a government efficiency plan with more than one
46 signatory may submit to the director of the budget by June first, two
47 thousand twenty-six, a government efficiency plan that demonstrates
48 three year savings and efficiencies of at least one percent per year
49 from shared services, cooperation agreements and/or mergers or efficien-
50 cies over such local government unit's tax levy for the fiscal year
51 beginning in two thousand twenty-five.

52 (i) In the event a local government unit chooses to submit such a
53 government efficiency plan, the chief executive officer or budget offi-
54 cer of such local government unit shall submit to the director of the
55 budget by June first, two thousand twenty-six, a written certification
56 that such local government unit agrees to undertake its best efforts to

1 fully implement by the end of the local fiscal year beginning in two
2 thousand twenty-eight the cooperation agreements, mergers, efficiencies
3 and/or shared services specified in such plan.

4 (ii) In the event a local government unit chooses to submit such a
5 government efficiency plan, the chief financial officer of such local
6 government unit shall submit to the director of the budget by June
7 first, two thousand twenty-six, an analysis of the savings set forth in
8 such plan that will be achieved if the cooperation agreements, shared
9 services and/or mergers or efficiencies identified in such plan are
10 fully implemented by the end of the local fiscal year beginning in two
11 thousand twenty-eight, as well as a written certification that in his or
12 her professional opinion, full implementation of the cooperation agree-
13 ments, mergers, efficiencies and/or shared services as specified in such
14 plan will result in savings over its tax levy for the fiscal year begin-
15 ning in two thousand twenty-five of at least one percent in each of the
16 fiscal years beginning in two thousand twenty-eight, beginning in two
17 thousand twenty-nine and beginning in two thousand thirty.

18 (b) The director of the budget shall review the documents referred to
19 in paragraph (a) of this subdivision and shall consider past efficien-
20 cies, shared services and reforms in their approval process to determine
21 whether the requirements of this subdivision have been met with respect
22 to a local government unit that has submitted a government efficiency
23 plan and shall notify the commissioner of taxation and finance of such
24 determination no later than July thirty-first, two thousand twenty-six.

25 § 4. This act shall take effect immediately.

26 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
27 sion, section or part of this act shall be adjudged by any court of
28 competent jurisdiction to be invalid, such judgment shall not affect,
29 impair, or invalidate the remainder thereof, but shall be confined in
30 its operation to the clause, sentence, paragraph, subdivision, section
31 or part thereof directly involved in the controversy in which such judg-
32 ment shall have been rendered. It is hereby declared to be the intent of
33 the legislature that this act would have been enacted even if such
34 invalid provisions had not been included herein.

35 § 3. This act shall take effect immediately provided, however, that
36 the applicable effective date of Parts A through B of this act shall be
37 as specifically set forth in the last section of such Parts.