STATE OF NEW YORK

6934

2025-2026 Regular Sessions

IN ASSEMBLY

March 18, 2025

Introduced by M. of A. E. BROWN -- read once and referred to the Committee on Veterans' Affairs

AN ACT to amend the veterans' services law, the civil service law, the real property tax law, the education law, and the tax law, in relation to providing state assistance and support to Gold Star families; to amend the state finance law, in relation to establishing the Gold Star family insurance fund and the Gold Star family tuition fund; to amend the private housing finance law, in relation to establishing a Gold Star family program to provide assistance in the form of payments, grants and loans for the Gold Star family program to help prevent homelessness of Gold Star families; and to repeal certain provisions of the real property tax law, relating to veterans' exemptions

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

Section 1. Short title. This act shall be known and may be cited as the "Gold Star Families Support Act" (GSFSA).

§ 2. Legislative findings and intent. Gold Star families have made the ultimate sacrifice by losing a loved one in the line of duty while serving our country. Despite this sacrifice, the benefits currently provided to these families are inadequate. It is the duty of New York state to honor these families and ensure they receive the support they need to live with dignity and stability.

This act seeks to provide meaningful financial, healthcare, educational, and employment assistance to Gold Star families, ensuring they are not left to face unnecessary hardships.

§ 3. The veterans' services law is amended by adding a new section 25-a to read as follows:

§ 25-a. Health insurance for members of a Gold Star family. 1. Any person who is a member of a Gold Star family shall be eligible to receive health insurance through the New York state of health marketplace for the duration of such Gold Star family member's life. The state

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

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shall be responsible for the payment of all premiums in connection with the insurance; neither the Gold Star family member nor such Gold Star family member's employer shall be liable for the premiums. Insurance provided pursuant to this section shall include the highest level of services available through the gold level of the New York state of health marketplace and shall include prescription drug coverage. Such insurance shall be paid for by the state from the Gold Star family insurance fund established under section ninety-nine-ss of the state finance law. The department may consult with the department of financial services to ensure the program established by this section is best effectuated.

2. For the purposes of this section, "member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 4. The state finance law is amended by adding a new section 99-ss to read as follows:

§ 99-ss. Gold Star family insurance fund. 1. There is hereby established in the joint custody of the commissioner of veterans' services and the superintendent of financial services a special fund to be known as the "Gold Star family insurance fund".

2. The fund shall consist of all monies appropriated for its purpose, all monies transferred to such fund pursuant to law, all monies required by this section or any other provision of law to be paid into or credited to the fund and any interest earnings which may accrue from the investment of monies in the fund. Nothing contained in this section shall prevent the department of financial services from receiving grants, gifts or bequests for the purposes of the fund as defined in this section and depositing them into the fund according to law.

3. Monies of the fund, when allocated, shall be available for all costs of supplying members of a Gold Star family with health insurance under section twenty-five-a of the veterans' services law.

§ 5. Section 55-c of the civil service law, as amended by chapter 603 of the laws of 1995, subdivision 1 as separately amended by chapters 521 and 618 of the laws of 2023, and subdivision 3 as added by chapter 486 of the laws of 2019, is amended to read as follows:

§ 55-c. Employment of veterans [~~with disabilities by the state~~] and members of a Gold Star family. 1. The commission [~~may~~] shall determine [~~up to five hundred~~] positions with duties such as can be performed by [~~disabled~~] veterans and [~~veterans with disabilities~~] members of a Gold Star family who are found otherwise qualified to perform satisfactorily the duties of any such position. Positions designated to be filled pursuant to this section may be filled on a full-time or part-time basis. Upon such determination, [~~the said~~] such positions shall be clas-

sified in the noncompetitive class, and may be filled only by veterans [~~of the armed forces of the United States (a) who establish by appropriate documentary evidence that they are disabled veterans, as defined in paragraph (b) of subdivision one of section eighty-five of this chapter, or (b) by those veterans, as defined in paragraph (a) of subdivision one of section eighty-five of this chapter, who shall have been certified by the employee health service of the department as being disabled but capable of performing the duties of said positions. Priority in certification and referral of both such disabled veterans and certified disabled but capable veterans shall be given to those veterans who received a wound in combat, as documented by the awarding of the purple heart, as authorized by the United States department of defense, and that wound is the cause of, or a substantially contributing factor to, the degree of impairment, who otherwise meet the requirements of this section. The number of veterans appointed pursuant to this section shall not exceed five hundred~~] **or members of a Gold Star family**.

2. [~~Those employees~~] **Employees** hired under subdivision one of this section, shall be afforded the same opportunity to take promotional examinations as provided to employees in the competitive class.

3. When posting jobs that fall under the provisions of this section, all state agencies shall prominently identify on such posting that such job is "55-c Eligible".

4. For the purposes of this section, "member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 6. The civil service law is amended by adding a new section 13 to read as follows:

§ 13. Gold Star family job training. 1. The department, in consultation with the state veterans' service agency, shall establish job training and career development programs tailored for members of Gold Star families.

2. For the purposes of this section, "member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from

such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 7. Paragraph (c) of subdivision 1 of section 458-a of the real property tax law, as amended by chapter 100 of the laws of 1988, is amended to read as follows:

(c) "Qualified owner or Gold Star family" means a veteran, the spouse of a veteran [~~or~~], the unremarried surviving spouse of a veteran, or the child of a veteran. Where property is owned by more than one qualified owner, the exemption to which each is entitled may be combined. Where a veteran is also the unremarried surviving spouse of a veteran, such person may also receive any exemption to which the deceased spouse was entitled. "Qualified owner or Gold Star family" shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (1) was discharged or released therefrom under honorable conditions, or (2) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (3) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this section.

§ 8. Subdivisions 4, 6, 7, 8 and 10 of section 458-a of the real property tax law are REPEALED.

§ 9. Subdivision 2 of section 458-a of the real property tax law, paragraph (a) as amended by chapter 899 of the laws of 1985, paragraph (b) as amended by chapter 473 of the laws of 2004, paragraph (c) as amended by chapter 100 of the laws of 1988, subparagraph (i) of paragraph (d) as amended by chapter 332 of the laws of 2016 and subparagraph (ii) of paragraph (d) as amended by chapter 381 of the laws of 2015, is amended to read as follows:

2. [~~(a)~~] Qualifying residential real property shall be exempt from taxation to the full extent [~~of fifteen percent~~] of the assessed value of such property[~~; provided, however, that such exemption shall not exceed twelve thousand dollars or the product of twelve thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the latest class ratio, whichever is less~~].

[~~(b) In addition to the exemption provided by paragraph (a) of this subdivision, where the veteran served in a combat theatre or combat zone of operations, as documented by the award of a United States campaign ribbon or service medal, or the armed forces expeditionary medal, navy expeditionary medal, marine corps expeditionary medal, or global war on terrorism expeditionary medal, qualifying residential real property also shall be exempt from taxation to the extent of ten percent of the assessed value of such property; provided, however, that such exemption shall not exceed eight thousand dollars or the product of eight thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the class ratio, whichever is less.~~

~~(c) In addition to the exemptions provided by paragraphs (a) and (b) of this subdivision, where the veteran received a compensation rating from the United States veteran's administration or from the United States department of defense because of a service connected disability, qualifying residential real property shall be exempt from taxation to the extent of the product of the assessed value of such property multiplied by fifty percent of the veteran's disability rating; provided, however, that such exemption shall not exceed forty thousand dollars or the product of forty thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the latest class ratio, whichever is less. For purposes of this paragraph, where a person who served in the active military, naval or air service during a period of war died in service of a service connected disability, such person shall be deemed to have been assigned a compensation rating of one hundred percent.~~

~~(d) Limitations. (i) The exemption from taxation provided by this subdivision shall be applicable to county, city, town, village and school district taxation if the governing body of the school district in which the property is located, or in the case of a city with a population of one million or more, the local legislative body, after public hearings, adopts a resolution, or in the case of a city with a population of one million or more, a local law, providing such exemption, the procedure for such hearing and resolution or local law shall be conducted separately from the procedure for any hearing and local law or resolution conducted pursuant to subparagraph (ii) of this paragraph, paragraph (b) of subdivision four, paragraph (d) of subdivision six and paragraph (b) of subdivision seven of this section.~~

~~(ii) Each county, city, town, village or school district may adopt a local law to reduce the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to nine thousand dollars, six thousand dollars and thirty thousand dollars, respectively, or six thousand dollars, four thousand dollars and twenty thousand dollars, respectively. Each county, city, town, village or school district is also authorized to adopt a local law to increase the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to fifteen thousand dollars, ten thousand dollars and fifty thousand dollars, respectively; eighteen thousand dollars, twelve thousand dollars and sixty thousand dollars, respectively; twenty-one thousand dollars, fourteen thousand dollars, and seventy thousand dollars, respectively; twenty-four thousand dollars, sixteen thousand dollars, and eighty thousand dollars, respectively; twenty-seven thousand dollars, eighteen thousand dollars, and ninety thousand dollars, respectively; thirty thousand dollars, twenty thousand dollars, and one hundred thousand dollars, respectively; thirty-three thousand dollars, twenty-two thousand dollars, and one hundred ten thousand dollars, respectively; thirty-six thousand dollars, twenty-four thousand dollars, and one hundred twenty thousand dollars, respectively; thirty-nine thousand dollars, twenty-six thousand dollars, and one hundred thirty thousand dollars, respectively; forty-two thousand dollars, twenty-eight thousand dollars, and one hundred forty thousand dollars, respectively; and forty-five thousand dollars, thirty thousand dollars and one hundred fifty thousand dollars, respectively. In addition, a county, city, town, village or school district which is a "high appreciation municipality" as defined in this subparagraph is authorized to adopt a local law to increase the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to thirty-nine thousand dollars, twenty-six thousand dollars, and one hundred thirty**

~~thousand dollars, respectively; forty-two thousand dollars, twenty-eight thousand dollars, and one hundred forty thousand dollars, respectively; forty-five thousand dollars, thirty thousand dollars and one hundred fifty thousand dollars, respectively; forty-eight thousand dollars, thirty-two thousand dollars and one hundred sixty thousand dollars, respectively; fifty-one thousand dollars, thirty-four thousand dollars and one hundred seventy thousand dollars, respectively; fifty-four thousand dollars, thirty-six thousand dollars and one hundred eighty thousand dollars, respectively; fifty-seven thousand dollars, thirty-eight thousand dollars and one hundred ninety thousand dollars, respectively; sixty thousand dollars, forty thousand dollars and two hundred thousand dollars, respectively; sixty-three thousand dollars, forty-two thousand dollars and two hundred ten thousand dollars, respectively; sixty-six thousand dollars, forty-four thousand dollars and two hundred twenty thousand dollars, respectively; sixty-nine thousand dollars, forty-six thousand dollars and two hundred thirty thousand dollars, respectively; seventy-two thousand dollars, forty-eight thousand dollars and two hundred forty thousand dollars, respectively; seventy-five thousand dollars, fifty thousand dollars and two hundred fifty thousand dollars, respectively. For purposes of this subparagraph, a "high-appreciation municipality" means: (A) a special assessing unit that is a city, (B) a county for which the commissioner has established a sales price differential factor for purposes of the STAR exemption authorized by section four hundred twenty-five of this title in three consecutive years, and (C) a city, town, village or school district which is wholly or partly located within such a county.~~]

§ 10. Subdivision 3 of section 458-a of the real property tax law, as amended by chapter 646 of the laws of 2004 and as further amended by section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

3. Application for exemption must be made by the **qualified** owner, or all of the **qualified** owners, of the property on a form prescribed by the commissioner. The **qualified** owner or **qualified** owners shall file the completed form in the assessor's office on or before the appropriate taxable status date. The exemption shall continue in full force and effect for all appropriate subsequent tax years and the **qualified** owner or **qualified** owners of the property shall not be required to refile each year. [~~Applicants shall be required to refile on or before the appropriate taxable status date if the percentage of disability percentage increases or decreases or may refile if other changes have occurred which affect qualification for an increased or decreased amount of exemption.~~] Any applicant convicted of making any willful false statement in the application for such exemption shall be subject to the penalties prescribed in the penal law.

§ 11. Subdivision 5 of section 458-a of the real property tax law, as added by chapter 377 of the laws of 1995, is renumbered to be subdivision 4 and is amended to read as follows:

4. Notwithstanding any other provision of law to the contrary, the provisions of this section shall apply to any real property held in trust solely for the benefit of a person or persons who would otherwise be eligible for a real property tax exemption, pursuant to this section, were such person or persons the **qualified** owner or **qualified** owners of such real property.

§ 11-a. Subdivision 9 of section 458-a of the real property tax law, as amended by section 83 of part PP of chapter 56 of the laws of 2022, is renumbered subdivision 5 and amended to read as follows:

9. The commissioner shall develop in consultation with the commissioner of the New York state department of veterans' services a listing of documents to be used to establish eligibility under this section, including but not limited to a certificate of release or discharge from active duty also known as a DD-214 form or an Honorable Service Certificate/Report of Casualty from the department of defense. [~~Such information shall be made available to each county, city, town or village assessor's office, or congressional chartered veterans service officers who request such information.~~] The listing of acceptable military records shall be made available on the internet websites of the department of veterans' services and the office of real property tax services.

§ 12. Section 2 of the education law is amended by adding a new subdivision 25 to read as follows:

25. "Member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 13. The education law is amended by adding a new section 115 to read as follows:

§ 115. Public and private school tuition; member of a Gold Star family. Notwithstanding any law, rule or regulation, the commissioner shall develop and implement a free tuition program for members of a Gold Star family for pre-K through graduate and post-graduate school for attendance at all public and private institutions, subject to amounts made available by appropriation. Such free tuition shall also include, but may not be limited to, housing, books and other related educational fees and costs.

§ 14. Paragraph h of subdivision 2 of section 355 of the education law is amended by adding a new subparagraph 1-a to read as follows:

(1-a) (i) Notwithstanding any other provision of law, rule or regulation to the contrary, the trustees shall implement a program to permit any student who is a member of a Gold Star family and who has been admitted to a state-operated institution of the state university of New York to attend without the payment of tuition, housing, books and other related educational fees and costs if such student fulfills the requirements of such program pursuant to the provisions of this subparagraph.

(ii) The trustees shall provide an application process and administer the program which shall be available to any member of a Gold Star family who is enrolled in credit-bearing academic coursework and is on track to graduate.

(iii) Notwithstanding any other provision of law, rule or regulation to the contrary subject to amounts made available by appropriation, commencing in the academic year next succeeding the effective date of

this subdivision, and every academic year thereafter, the state university shall be entitled to annually receive one hundred percent reimbursement for the annual cost of tuition, housing, books and other related educational fees and costs for each member of a Gold Star family who is a matriculated undergraduate student at a state university senior college and community college who is enrolled in credit-bearing academic coursework and is on track to graduate from the fund established pursuant to section ninety-seven-aaaa of the state finance law.

§ 15. Section 667 of the education law is amended by adding a new subdivision 1-a to read as follows:

1-a. Notwithstanding any other provision of law, rule or regulation to the contrary, commencing in the academic year next succeeding the effective date of this subdivision, and every academic year thereafter, all funding appropriated for tuition assistance program awards pursuant to this section shall be deposited into the Gold Star family tuition fund specified in section ninety-seven-aaaa of the state finance law.

§ 16. Subdivision 1 of section 6304 of the education law is amended by adding a new paragraph e to read as follows:

e. (i) Notwithstanding any other provision of law, rule or regulation to the contrary, the trustees, sponsors, or other governing body of a community college, in consultation with the commissioner, shall implement a program to permit any member of a Gold Star family who is a student who has been admitted to a state-operated institution of the state university to attend without the payment of tuition, housing, books and other related educational fees and costs if such student fulfills the requirements of such program pursuant to the provisions of this paragraph.

(ii) The trustees shall provide an application process and administer the program which shall be available to any member of a Gold Star family who is a student eligible for resident tuition rates, who is enrolled in credit-bearing academic coursework and is on track to graduate.

§ 17. Subdivision A of section 6221 of the education law is amended by adding a new paragraph 4-b to read as follows:

4-b. Notwithstanding any other provision of law, rule or regulation to the contrary, subject to amounts made available by appropriation, commencing in the two thousand twenty-seven--two thousand twenty-eight academic year, the city university shall be entitled to annually receive one hundred percent reimbursement for the annual cost of tuition, housing, books and other related educational fees and costs for each member of a Gold Star family who is a matriculated undergraduate student at a city university senior college and community college who is enrolled in credit-bearing academic coursework and is on track to graduate. The state comptroller shall establish a separate fund for such monies to be distributed to the city university of New York. The city university shall receive an amount equal to the full cost of in-state undergraduate tuition and student fees for each qualifying member of a Gold Star family who is a matriculated student who successfully completes credit-bearing academic coursework and is on track to graduate. The full cost of tuition shall not include any additional funds the student may receive from any other New York state or federal grant, award, or scholarship program. The state comptroller shall deposit such monies with the city university no later than thirty days after the start of the semester.

§ 18. The state finance law is amended by adding a new section 97-aaaa to read as follows:

§ 97-aaaa. Gold Star family tuition fund. 1. There is hereby established in the joint custody of the state comptroller and the commission-

er of taxation and finance a fund to be known as the Gold Star family tuition fund.

2. The fund shall consist of moneys received by the state pursuant to subparagraph one-a of paragraph h of subdivision two of section three hundred fifty-five of the education law, moneys donated or given to the state, and all other moneys appropriated, credited or transferred thereto from any other fund or source.

3. Moneys of the fund shall be made available to the commissioner of education to be distributed to any public or private educational institution from grades pre-K through graduate and post-graduate school shall be deposited with any school providing free tuition to a member of a Gold Star family no later than thirty days after the start of the semester. Each public or private educational institution shall receive an amount equal to the full cost of tuition, housing, books, and other related educational costs and student fees for each member of a Gold Star family.

4. The full cost of tuition shall not include any additional funds the student may receive from any other New York state or federal grant, award, or scholarship program.

§ 19. Section 4 of the veterans' services law is amended by adding two new subdivisions 40 and 41 to read as follows:

40. To develop, implement and provide information regarding resources that are available to assist veterans and members of Gold Star families in obtaining financial support by maintaining a veterans' financial support portal on the department's internet website. Such portal shall provide virtual links to appropriate governmental programs on the federal and state levels and information on tax relief and student financial aid available to veterans and members of Gold Star families. The department may consult with the department of taxation and finance, the state housing finance agency, the civil service commission and the department of education. Such information required under this subdivision shall be maintained and updated annually. The information may also be made available in printed form.

41. To develop and implement a Gold Star families assistance program to provide financial counseling, career transition support, and mental health services.

§ 20. The private housing finance law is amended by adding a new article 33 to read as follows:

ARTICLE 33

GOLD STAR FAMILY PROGRAM

Section 1300. Definitions.

1301. Gold Star family program.

1302. Creation of the "Gold Star family ownership loan fund".

1303. Purpose and terms of loan.

1304. Loan repayment.

1305. Issuance of bonds.

1306. Adoption of regulations.

§ 1300. Definitions. As used in this article:

1. "Agency" means the New York state housing finance agency created by section forty-three of this chapter.

2. "Member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated

March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 1301. Gold Star family program. 1. Within amounts appropriated, the agency and the veterans' services agency shall develop and administer a program which shall provide assistance in the form of payments, grants and loans for the Gold Star family program to help prevent homelessness of Gold Star families.

§ 1302. Creation of the "Gold Star family ownership loan fund". There is hereby established a "veteran's home and land ownership loan fund". Such fund shall be used to make loans authorized by this article and for expenses incurred by the agency in the implementation of the program established by this article.

§ 1303. Purpose and terms of loan. 1. The agency, acting on behalf of the state may in its discretion, enter into a contract with a member of a Gold Star family to provide a loan to assist in the purchase of a dwelling or the purchase and rehabilitation of a dwelling containing up to four residential units, provided such member of a Gold Star family shall reside in at least one of such units. Such loan may also be made for the purchase of unimproved real property when such property shall be used for the construction of a new dwelling.

§ 1304. Loan repayment. 1. Any loan contracted for pursuant to this article shall be secured by a second mortgage on the dwelling or unimproved real property purchased by the recipient of such loan if the recipient of such loan assigns, transfers or otherwise conveys the recipient's interest in such dwelling or ceases to occupy such dwelling, the unpaid principal balance of such second mortgage, together with interest thereon, shall become due and payable. If the recipient of any loan is unable to repay the loan, the agency, at its discretion, may adjust the interest rate, terms and conditions of the loan to facilitate repayment.

2. Repayment of any loan provided in accordance with this article shall be subject to an interest rate to be determined in accordance with terms and conditions as the agency may establish. In no case shall the term exceed the term of the first mortgage obtained for the purpose of purchasing such dwelling except, in the case of a graduated payment mortgage loan, the term of the loan made pursuant to this article may exceed the expected term of such mortgage loan provided. The term of the loan made pursuant to this article does not exceed the lesser of:

(a) The term indicated by the limited amortization schedule of the graduated payment mortgage loan; or

(b) Thirty years. Payments by homeowners shall be paid to the agency and deposited in the Gold Star family ownership loan fund.

§ 1305. Issuance of bonds. 1. The agency shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts as, in the discretion of the agency, shall be necessary to carry out the purposes of this article, but not in excess of an aggregate amount of twenty million dollars.

2. Except as may otherwise be expressly provided by the agency, all bonds and notes issued shall be payable out of any moneys, assets or revenues of the state, subject only to any agreement with bondholders or noteholders pledging any particular moneys, assets or revenues.

3. Bonds and notes shall be authorized by a resolution or resolutions of the agency adopted in the manner provided by law.

4. Such bonds or notes shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, shall be of such denominations, shall be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places within or without the state, be subject to such terms of redemption prior to maturity as may be provided by such resolution or resolutions or such certificate with respect to such bonds or notes, as the case may be; provided, however, that the maximum maturity of bonds shall not exceed thirty years from the date thereof and the maximum maturity of notes or any renewals thereof shall not exceed seven years from the date of the original issue of such notes.

5. Any such bonds or notes may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. No bonds or notes may be sold at private sale, however, unless such sale and the term thereof have been approved in writing by:

(a) the comptroller, if such sale is not to the comptroller; or

(b) the state director of the budget, if such sale is to the comptroller.

6. The agency is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any such bonds or notes then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The proceeds of any such bonds or notes issued for the purpose of so refunding outstanding bonds or notes shall be forthwith applied to the purchase or retirement of such outstanding bonds or notes or the redemption of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes and may, pending such application, be placed in escrow to be applied to such purchase or retirement or redemption on such date. Any such escrowed proceeds, pending such use, may be invested and reinvested only in obligations of or guaranteed by the state or the United States of America and either:

(a) The yield from which does not exceed the average net interest cost per annum, expressed as a percentage, on such refunding bonds by more than one-half of one percent; or

(b) The income from which is exempt from federal taxation, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded by purchase, retirement or redemption, as the case may be.

The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded by purchase, retirement or redemption, as the case may be. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, if any,

earned or realized on the investments thereof may be returned to the agency for use by it in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of law in the same manner and to the same extent as any other bonds or notes issued pursuant to law.

7. Whether or not the bonds and notes are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds and notes for registration.

8. Any resolution or resolutions authorizing any bonds or notes pursuant to the provisions of this article may contain provisions which may be a part of the contract with the holders of such bonds or notes, as to:

(a) pledging or creating a lien, to the extent provided by such resolution or resolutions, on all or any part of any moneys held in trust or otherwise by others for the payment of such bonds or notes;

(b) the setting aside of reserves or sinking funds and the regulation or disposition thereof;

(c) limitations on the purpose to which the proceeds of sale of any issue of such bonds or notes then or thereafter to be issued may be applied;

(d) limitations on the issuance of additional bonds or notes, the terms upon which additional bonds or notes may be issued and secured, and upon the refunding of outstanding or other bonds or notes;

(e) the procedure, if any, by which the terms of any contract with the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto and the manner in which such consent may be given;

(f) providing for the rights and remedies of the holders of bonds or notes in the event of default, provided, however, that such rights and remedies shall not be inconsistent with the general laws of this state; and

(g) any other matters of like or different character, which in any way affect the security and protection of the bonds or notes and the rights of the holders thereof.

§ 1306. Adoption of regulations. The agency shall adopt regulations providing for qualifications of a member of a Gold Star family, requirements and limitations as to adjustments of terms and conditions of repayment, funding priorities and any additional requirements as it deems necessary to carry out the purposes of this article.

§ 21. Subsection (i) of section 601 of the tax law is relettered subsection (j) and a new subsection (i) is added to read as follows:

(i) Member of a Gold Star family. Notwithstanding the provisions of subsections (a), (b), (c) and (d) of this section and any other provision of this article, for taxable years beginning on and after January first, two thousand twenty-five, the gross income of a resident individual who is a member of a Gold Star family shall be exempt from tax under this article regardless of whether such income is subject to federal income taxation. For the purposes of this subsection "member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nine-

teen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subsection.

§ 22. Subparagraph (c) of paragraph 1 of subsection (e) of section 606 of the tax law, as amended by chapter 713 of the laws of 1996, is relettered subparagraph (C) and amended to read as follows:

(C) "Household gross income" means the aggregate adjusted gross income of all members of the household for the taxable year as reported for federal income tax purposes, or which would be reported as adjusted gross income if a federal income tax return were required to be filed, with the modifications in subsection (b) of section six hundred twelve of this article but without the modifications in subsection (c) of such section, plus any portion of the gain from the sale or exchange of property otherwise excluded from such amount; earned income from sources without the United States excludable from federal gross income by section nine hundred eleven of the internal revenue code; support money not included in adjusted gross income; nontaxable strike benefits; supplemental security income payments; the gross amount of any pension or annuity benefits to the extent not included in such adjusted gross income (including, but not limited to, railroad retirement benefits and all payments received under the federal social security act and veterans' disability pensions; provided, however, that household gross income for a member of a Gold Star family shall not include payments received under federal veterans' disability pensions); nontaxable interest received from the state of New York, its agencies, instrumentalities, public corporations, or political subdivisions (including a public corporation created pursuant to agreement or compact with another state or Canada); workers' compensation; the gross amount of "loss-of-time" insurance; and the amount of cash public assistance and relief, other than medical assistance for the needy, paid to or for the benefit of the qualified taxpayer or members of [~~his~~] such qualified taxpayer's household. Household gross income shall not include surplus foods or other relief in kind or payments made to individuals because of [~~their~~] such individuals' status as victims of Nazi persecution as defined in P.L. 103-286. Provided, further, household gross income for members of a Gold Star family shall not include scholarships or other financial assistance awarded pursuant to the education law. Provided, further, household gross income shall only include all such income received by all members of the household while members of such household. For the purposes of this subparagraph, "member of a Gold Star family" means a veteran, the spouse of a veteran, the unremarried surviving spouse of a veteran, or the child of a veteran. Such term shall also include those military personnel who served in the Reserve component of the United States Armed Forces that were deemed on active duty under Executive Order 11519 signed March twenty-third, nineteen hundred seventy, 35 Federal Register 5003, dated March twenty-fourth, nineteen hundred seventy and later designated by the United States Department of Defense as Operation Graphic Hand, if such member (a) was discharged or released

therefrom under honorable conditions, or (b) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (c) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, provided that such veteran meets all other qualifications of this subdivision.

§ 23. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 24. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.