S T A T E O F N E W Y O R K

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I N A S S E M B L Y

April 2, 2010

Introduced by M. of A. TEDISCO -- Multi-Sponsored by -- M. of A. BACALLES, BURLING, BUTLER, CALHOUN, COOK, HAWLEY, KOLB, J. MILLER, MOLINARO, RAIA -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing a city state-supported tax relief exemption and a county state-supported tax relief exemption

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The real property tax law is amended by adding two new sections 425-b and 425-c to read as follows:

S 425-B. CITY STATE-SUPPORTED TAX RELIEF (CITYSTAR) EXEMPTION. 1. REAL PROPERTY SITUATE IN A CITY AND OWNED BY AN OWNER OR OWNERS GRANTED THE SCHOOL TAX RELIEF EXEMPTION, PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE, SHALL ALSO BE ELIGIBLE FOR A CITY STATE-SUPPORTED REAL PROPERTY TAX EXEMPTION PURSUANT TO THIS SECTION FOR CITY TAX YEARS COMMENCING ON OR AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN, IF SUCH CITY MEETS THE FOLLOWING CRITERIA:

(A) THE CITY HAS A POPULATION OF LESS THAN ONE MILLION, AS DETERMINED BY THE LATEST FEDERAL DECENNIAL CENSUS;

(B) THE LEGISLATIVE BODY OF SUCH CITY APPROVES A RESOLUTION PROVIDING FOR SUCH CITY TAX RELIEF EXEMPTION;

(C) (1) INCREASES IN TOTAL CITY EXPENDITURES DURING THE CURRENT YEAR DO NOT EXCEED THE LESSER OF (I) ONE HUNDRED TWENTY PER CENTUM OF THE TOTAL CITY EXPENDITURES FOR THE BASE YEAR MULTIPLIED BY THE CONSUMER PRICE INDEX, OR (II) FOUR PERCENT.

(2) FOR THE PURPOSES OF SUBPARAGRAPH ONE OF THIS PARAGRAPH, TOTAL CITY EXPENDITURES SHALL NOT INCLUDE:

(I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,

(II) EXPENDITURES RESULTING FROM COURT ORDERS OR JUDGMENTS AGAINST THE CITY,

(III) EMERGENCY EXPENDITURES WHICH ARE CERTIFIED BY THE STATE COMPTROLLER AS NECESSARY AS A RESULT OF DAMAGE TO OR DESTRUCTION OF A CITY BUILDING OR EQUIPMENT,

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

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(IV) CAPITAL EXPENDITURES FOR THE CONSTRUCTION, ACQUISITION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF CITY FACILITIES, INCLUDING DEBT SERVICE AND LEASE COSTS,

(V) EXPENDITURES ATTRIBUTABLE TO PROJECTED INCREASES IN CONSTRUCTION COSTS,

(VI) NONRECURRING EXPENDITURES IN A PRIOR CITY FISCAL YEAR, AND

(VII) EXPENDITURES INCURRED DUE TO MERGERS OR SERVICE CONSOLIDATIONS BETWEEN THE CITY AND ANY OTHER MUNICIPALITY DURING THE FISCAL YEAR IN WHICH SUCH MERGER OR CONSOLIDATION OCCURS;

(D) THE CITY BUDGET ADOPTED BY THE CITY LEGISLATIVE BODY INCLUDES A STATEMENT OF THE PROJECTED PERCENTAGE OF INCREASE OR DECREASE IN TOTAL SPENDING DURING THE FISCAL YEAR, AND STATING THE REASONS FOR EXCLUDING ANY INCREASE IN SPENDING IN FORMULATION OF THE CITY BUDGET; AND

(E) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LEGISLATIVE BODY OF THE CITY SHALL NOT AMEND A FINAL BUDGET IF SUCH AMENDMENT RESULTS IN AN INCREASE IN EXCESS OF THE LIMITATION ESTABLISHED IN PARAGRAPH (C) OF THIS SUBDIVISION; EXCEPT

(1) THE INCREASED SPENDING IS THE RESULT OF AN ACTUAL INCREASE IN CONSTRUCTION COSTS ABOVE THE PROJECT COSTS THEREOF AT THE TIME THE BUDGET WAS ADOPTED; HOWEVER IF ACTUAL CONSTRUCTION COSTS ARE LESS THAN THE PROJECT COSTS, SUCH EXCESS FUNDS SHALL BE USED TO REDUCE TAXES, AND

(2) THE INCREASED SPENDING IS PAID FROM GIFTS OR GRANTS IN AID NOT INCLUDED IN THE BUDGET.

2. THE TAX RELIEF EXEMPTION PROVIDED BY THIS SECTION SHALL BE EQUAL TO THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND FIFTEEN--TWO THOUSAND SIXTEEN SCHOOL YEAR.

3. NOT LATER THAN SEVEN DAYS AFTER THE ADOPTION OF A BUDGET, EACH CITY SHALL TRANSMIT A STATEMENT TO THE STATE COMPTROLLER, DESCRIBING THE TAX REVENUE LOST DURING THAT FISCAL YEAR DUE TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS SECTION. THE STATE COMPTROLLER SHALL CERTIFY THE VALIDITY OF SUCH LOSSES WITHIN THIRTY DAYS OF RECEIPT OF SUCH STATEMENT. UPON SUCH VALIDATION THE STATE COMPTROLLER SHALL PROVIDE FUNDS TO THE CITY WITHIN THIRTY DAYS.

4. THE STATE SHALL APPROPRIATE AN AMOUNT EQUAL TO FORTY-FIVE AND ONE-HALF PERCENT OF THE FUND APPROPRIATED BY THE STATE FOR THE IMPLEMENTATION OF THE PROVISIONS OF THIS SECTION, WHICH SHALL BE PAID TO CITIES HAVING A POPULATION OF ONE MILLION OR MORE ACCORDING TO THE LATEST DECENNIAL FEDERAL CENSUS, AND SUCH AMOUNT SHALL BE USED TO REDUCE INCOME OR REAL PROPERTY TAXES IN SUCH CITIES AT THE CITIES' DISCRETION.

5. FOR THE PURPOSES OF THIS SECTION:

(A) "BASE YEAR" SHALL MEAN THE CITY FISCAL YEAR IMMEDIATELY PRECEDING THE COUNTY FISCAL YEAR FOR WHICH THE CITY BUDGET IS PREPARED.

(B) "CONSUMER PRICE INDEX" SHALL MEAN THE PERCENTAGE THAT REPRESENTS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR, FOR THE TWELVE MONTH PERIOD PRECEDING JANUARY FIRST OF THE CURRENT YEAR.

(C) "CURRENT YEAR" SHALL MEAN THE CALENDAR YEAR IN WHICH THE CITY BUDGET IS SUBMITTED FOR A VOTE BY THE CITY'S LEGISLATIVE BODY.

6. THE STATE SHALL APPROPRIATE ALL FUNDS NECESSARY TO MUNICIPALITIES TO ADMINISTER THE PROVISIONS OF THIS SECTION AND TO IMPLEMENT ANY LAW, REGULATION, OR RULE ADOPTED AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN WHICH WOULD REQUIRE A MUNICIPALITY TO EXPEND ANY OF ITS AVAILABLE FUNDS.

NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS SECTION, THE PROVISIONS OF PARAGRAPH (C) OF SUBDIVISION ONE OF THIS SECTION SHALL NOT

APPLY TO ANY COUNTY WHICH DOES NOT INCREASE ITS PROPERTY TAX RATE, SALES TAX RATE, OR THE RATE OF ANY OTHER TAX, DURING ITS CURRENT BUDGET YEAR.

S 425-C. COUNTY STATE-SUPPORTED TAX RELIEF (COUNTYSTAR) EXEMPTION. 1. REAL PROPERTY SITUATE IN A COUNTY AND OWNED BY AN OWNER OR OWNERS GRANTED THE SCHOOL TAX RELIEF EXEMPTION, PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE, AND NOT RECEIVING THE TAX EXEMPTION ESTABLISHED BY SECTION FOUR HUNDRED TWENTY-FIVE-B OF THIS TITLE SHALL ALSO BE ELIGIBLE FOR A COUNTY REAL PROPERTY TAX EXEMPTION PURSUANT TO THIS SECTION FOR COUNTY TAX YEARS COMMENCING ON OR AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN, IF SUCH COUNTY MEETS THE FOLLOWING CRITERIA:

(A) THE LEGISLATIVE BODY OF SUCH COUNTY APPROVES A RESOLUTION PROVIDING FOR SUCH TAX RELIEF EXEMPTION;

(B) (1) INCREASES IN TOTAL COUNTY EXPENDITURES DURING THE CURRENT YEAR DO NOT EXCEED THE LESSER OF (I) ONE HUNDRED TWENTY PER CENTUM OF THE TOTAL COUNTY EXPENDITURES FOR THE BASE YEAR MULTIPLIED BY THE CONSUMER PRICE INDEX, OR (II) FOUR PERCENT.

(2) FOR THE PURPOSES OF SUBPARAGRAPH ONE OF THIS PARAGRAPH, TOTAL COUNTY EXPENDITURES SHALL NOT INCLUDE:

(I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,

(II) EXPENDITURES RESULTING FROM COURT ORDERS OR JUDGMENTS AGAINST THE COUNTY,

(III) EMERGENCY EXPENDITURES WHICH ARE CERTIFIED BY THE STATE COMPTROLLER AS NECESSARY AS A RESULT OF DAMAGE TO OR DESTRUCTION OF A COUNTY BUILDING OR EQUIPMENT,

(IV) CAPITAL EXPENDITURES FOR THE CONSTRUCTION, ACQUISITION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF COUNTY FACILITIES, INCLUDING DEBT SERVICE AND LEASE COSTS,

(V) EXPENDITURES ATTRIBUTABLE TO PROJECTED INCREASES IN CONSTRUCTION COSTS,

(VI) NONRECURRING EXPENDITURES IN A PRIOR COUNTY FISCAL YEAR, AND

(VII) EXPENDITURES INCURRED DUE TO MERGERS OR SERVICE CONSOLIDATIONS BETWEEN THE COUNTY AND ANY OTHER MUNICIPALITY DURING THE FISCAL YEAR IN WHICH SUCH MERGER OR CONSOLIDATION OCCURS;

(C) THE COUNTY BUDGET ADOPTED BY THE COUNTY LEGISLATIVE BODY INCLUDES A STATEMENT OF THE PROJECTED PERCENTAGE OF INCREASE OR DECREASE IN TOTAL SPENDING DURING THE FISCAL YEAR, AND STATING THE REASONS FOR EXCLUDING ANY INCREASE IN SPENDING IN FORMULATION OF THE COUNTY BUDGET; AND

(D) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LEGISLATIVE BODY OF THE COUNTY SHALL NOT AMEND A FINAL BUDGET IF SUCH AMENDMENT RESULTS IN AN INCREASE IN EXCESS OF THE LIMITATION ESTABLISHED IN PARAGRAPH (B) OF THIS SUBDIVISION; EXCEPT

(1) THE INCREASED SPENDING IS THE RESULT OF AN ACTUAL INCREASE IN CONSTRUCTION COSTS ABOVE THE PROJECT COSTS THEREOF AT THE TIME THE BUDGET WAS ADOPTED; HOWEVER IF ACTUAL CONSTRUCTION COSTS ARE LESS THAN THE PROJECT COSTS, SUCH EXCESS FUNDS SHALL BE USED TO REDUCE TAXES, AND

(2) THE INCREASED SPENDING IS PAID FROM GIFTS OR GRANTS IN AID NOT INCLUDED IN THE BUDGET.

2. THE TAX RELIEF EXEMPTION PROVIDED BY THIS SECTION SHALL BE EQUAL TO TWO-THIRDS OF THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND FIFTEEN--TWO THOUSAND SIXTEEN SCHOOL YEAR BUT IN NO CASE SHALL THE VALUE OF THE EXEMPTION BE LESS THAN ONE-HALF OF ONE PERCENT OF THE TWO-THIRDS OF THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND FIFTEEN--TWO THOUSAND SIXTEEN SCHOOL YEAR.

3. NOT LATER THAN SEVEN DAYS AFTER THE ADOPTION OF A BUDGET, EACH COUNTY SHALL TRANSMIT A STATEMENT TO THE STATE COMPTROLLER DESCRIBING THE TAX REVENUE LOST DURING THAT FISCAL YEAR DUE TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS SECTION. THE STATE COMPTROLLER SHALL CERTIFY THE VALIDITY OF SUCH LOSSES WITHIN THIRTY DAYS OF RECEIPT OF SUCH STATEMENT. UPON SUCH VALIDATION THE STATE COMPTROLLER SHALL PROVIDE FUNDS TO THE COUNTY WITHIN THIRTY DAYS.

4. FOR THE PURPOSES OF THIS SECTION:

(A) "BASE YEAR" SHALL MEAN THE COUNTY FISCAL YEAR IMMEDIATELY PRECEDING THE COUNTY FISCAL YEAR FOR WHICH THE COUNTY BUDGET IS PREPARED;

(B) "CONSUMER PRICE INDEX" SHALL MEAN THE PERCENTAGE THAT REPRESENTS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR, FOR THE TWELVE MONTH PERIOD PRECEDING JANUARY FIRST OF THE CURRENT YEAR; AND

(C) "CURRENT YEAR" SHALL MEAN THE CALENDAR YEAR IN WHICH THE COUNTY BUDGET IS SUBMITTED FOR A VOTE BY THE COUNTY'S LEGISLATIVE BODY.

5. THE STATE SHALL APPROPRIATE ALL FUNDS NECESSARY TO MUNICIPALITIES TO ADMINISTER THE PROVISIONS OF THIS SECTION AND TO IMPLEMENT ANY LAW, REGULATION, OR RULE ADOPTED AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN WHICH WOULD REQUIRE A MUNICIPALITY TO EXPEND ANY OF ITS AVAILABLE FUNDS.

NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS SECTION, THE PROVISIONS OF PARAGRAPH (C) OF SUBDIVISION ONE OF SECTION FOUR HUNDRED TWENTY-FIVE-B OF THIS TITLE SHALL NOT APPLY TO ANY COUNTY WHICH DOES NOT INCREASE ITS PROPERTY TAX RATE, SALES TAX RATE, OR THE RATE OF ANY OTHER TAX, DURING ITS CURRENT BUDGET YEAR.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.