

10914

I N A S S E M B L Y

April 29, 2010

Introduced by M. of A. TEDISCO -- Multi-Sponsored by -- M. of A. BUTLER, CROUCH, FITZPATRICK, HAWLEY, QUINN, THIELE -- 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; to amend the tax law and the general municipal law, in relation to tax credits for investments in empire zone businesses; to amend the tax law, in relation to tax credits for qualified investments in empire zone businesses and a personal income tax credit for certain lease payments and improvements made by an empire zone taxpayer; and to amend the general municipal law, in relation to designation of city empire zones and empire zone capital corporations, and to establish a municipal cooperation program

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

- 1 Section 1. The real property tax law is amended by adding two new
2 sections 425-b and 425-c to read as follows:
3 S 425-B. CITY STATE-SUPPORTED TAX RELIEF (CITYSTAR) EXEMPTION. 1. REAL
4 PROPERTY SITUATE IN A CITY AND OWNED BY AN OWNER OR OWNERS GRANTED THE
5 SCHOOL TAX RELIEF EXEMPTION, PURSUANT TO SECTION FOUR HUNDRED
6 TWENTY-FIVE OF THIS TITLE, SHALL ALSO BE ELIGIBLE FOR A CITY STATE-SUP-
7 PORTED REAL PROPERTY TAX EXEMPTION PURSUANT TO THIS SECTION FOR CITY TAX
8 YEARS COMMENCING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN, IF
9 SUCH CITY MEETS THE FOLLOWING CRITERIA:
10 (A) THE CITY HAS A POPULATION OF LESS THAN ONE MILLION, AS DETERMINED
11 BY THE LATEST FEDERAL DECENNIAL CENSUS;
12 (B) THE LEGISLATIVE BODY OF SUCH CITY APPROVES A RESOLUTION PROVIDING
13 FOR SUCH CITY TAX RELIEF EXEMPTION;
14 (C) (1) INCREASES IN TOTAL CITY EXPENDITURES DURING THE CURRENT YEAR
15 DO NOT EXCEED THE LESSER OF (I) ONE HUNDRED TWENTY PER CENTUM OF THE
16 TOTAL CITY EXPENDITURES FOR THE BASE YEAR MULTIPLIED BY THE CONSUMER
17 PRICE INDEX, OR (II) FOUR PERCENT.
18 (2) FOR THE PURPOSES OF SUBPARAGRAPH ONE OF THIS PARAGRAPH, TOTAL CITY
19 EXPENDITURES SHALL NOT INCLUDE:

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

LBD15860-01-0

- 1 (I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,
2 (II) EXPENDITURES RESULTING FROM COURT ORDERS OR JUDGMENTS AGAINST THE
3 CITY,
4 (III) EMERGENCY EXPENDITURES WHICH ARE CERTIFIED BY THE STATE COMP-
5 TROLLER AS NECESSARY AS A RESULT OF DAMAGE TO OR DESTRUCTION OF A CITY
6 BUILDING OR EQUIPMENT,
7 (IV) CAPITAL EXPENDITURES FOR THE CONSTRUCTION, ACQUISITION, RECON-
8 STRUCTION, REHABILITATION OR IMPROVEMENT OF CITY FACILITIES, INCLUDING
9 DEBT SERVICE AND LEASE COSTS,
10 (V) EXPENDITURES ATTRIBUTABLE TO PROJECTED INCREASES IN CONSTRUCTION
11 COSTS,
12 (VI) NONRECURRING EXPENDITURES IN A PRIOR CITY FISCAL YEAR, AND
13 (VII) EXPENDITURES INCURRED DUE TO MERGERS OR SERVICE CONSOLIDATIONS
14 BETWEEN THE CITY AND ANY OTHER MUNICIPALITY DURING THE FISCAL YEAR IN
15 WHICH SUCH MERGER OR CONSOLIDATION OCCURS;
16 (D) THE CITY BUDGET ADOPTED BY THE CITY LEGISLATIVE BODY INCLUDES A
17 STATEMENT OF THE PROJECTED PERCENTAGE OF INCREASE OR DECREASE IN TOTAL
18 SPENDING DURING THE FISCAL YEAR, AND STATING THE REASONS FOR EXCLUDING
19 ANY INCREASE IN SPENDING IN FORMULATION OF THE CITY BUDGET; AND
20 (E) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LEGISLA-
21 TIVE BODY OF THE CITY SHALL NOT AMEND A FINAL BUDGET IF SUCH AMENDMENT
22 RESULTS IN AN INCREASE IN EXCESS OF THE LIMITATION ESTABLISHED IN PARA-
23 GRAPH (C) OF THIS SUBDIVISION; EXCEPT
24 (1) THE INCREASED SPENDING IS THE RESULT OF AN ACTUAL INCREASE IN
25 CONSTRUCTION COSTS ABOVE THE PROJECT COSTS THEREOF AT THE TIME THE BUDG-
26 ET WAS ADOPTED; HOWEVER IF ACTUAL CONSTRUCTION COSTS ARE LESS THAN THE
27 PROJECT COSTS, SUCH EXCESS FUNDS SHALL BE USED TO REDUCE TAXES, AND
28 (2) THE INCREASED SPENDING IS PAID FROM GIFTS OR GRANTS IN AID NOT
29 INCLUDED IN THE BUDGET.
- 30 2. THE TAX RELIEF EXEMPTION PROVIDED BY THIS SECTION SHALL BE EQUAL TO
31 THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO SECTION FOUR
32 HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND FOURTEEN--TWO
33 THOUSAND FIFTEEN SCHOOL YEAR.
- 34 3. NOT LATER THAN SEVEN DAYS AFTER THE ADOPTION OF A BUDGET, EACH CITY
35 SHALL TRANSMIT A STATEMENT TO THE STATE COMPTROLLER, DESCRIBING THE TAX
36 REVENUE LOST DURING THAT FISCAL YEAR DUE TO THE IMPLEMENTATION OF THE
37 PROVISIONS OF THIS SECTION. THE STATE COMPTROLLER SHALL CERTIFY THE
38 VALIDITY OF SUCH LOSSES WITHIN THIRTY DAYS OF RECEIPT OF SUCH STATEMENT.
39 UPON SUCH VALIDATION THE STATE COMPTROLLER SHALL PROVIDE FUNDS TO THE
40 CITY WITHIN THIRTY DAYS.
- 41 4. THE STATE SHALL APPROPRIATE AN AMOUNT EQUAL TO FORTY-FIVE AND ONE-
42 HALF PERCENT OF THE FUND APPROPRIATED BY THE STATE FOR THE IMPLEMENTA-
43 TION OF THE PROVISIONS OF THIS SECTION, WHICH SHALL BE PAID TO CITIES
44 HAVING A POPULATION OF ONE MILLION OR MORE ACCORDING TO THE LATEST
45 DECENNIAL FEDERAL CENSUS, AND SUCH AMOUNT SHALL BE USED TO REDUCE INCOME
46 OR REAL PROPERTY TAXES IN SUCH CITIES AT THE CITIES' DISCRETION.
- 47 5. FOR THE PURPOSES OF THIS SECTION:
48 (A) "BASE YEAR" SHALL MEAN THE CITY FISCAL YEAR IMMEDIATELY PRECEDING
49 THE COUNTY FISCAL YEAR FOR WHICH THE CITY BUDGET IS PREPARED.
50 (B) "CONSUMER PRICE INDEX" SHALL MEAN THE PERCENTAGE THAT REPRESENTS
51 THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE
52 UNITED STATES DEPARTMENT OF LABOR, FOR THE TWELVE MONTH PERIOD PRECEDING
53 JANUARY FIRST OF THE CURRENT YEAR.
54 (C) "CURRENT YEAR" SHALL MEAN THE CALENDAR YEAR IN WHICH THE CITY
55 BUDGET IS SUBMITTED FOR A VOTE BY THE CITY'S LEGISLATIVE BODY.

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

5 7. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS SECTION, THE
6 PROVISIONS OF PARAGRAPH (C) OF SUBDIVISION ONE OF THIS SECTION SHALL NOT
7 APPLY TO ANY CITY WHICH DOES NOT INCREASE ITS PROPERTY TAX RATE, SALES
8 TAX RATE, OR THE RATE OF ANY OTHER TAX, DURING ITS CURRENT BUDGET YEAR.

9 S 425-C. COUNTY STATE-SUPPORTED TAX RELIEF (COUNTYSTAR) EXEMPTION. 1.
10 REAL PROPERTY SITUATE IN A COUNTY AND OWNED BY AN OWNER OR OWNERS GRANT-
11 ED THE SCHOOL TAX RELIEF EXEMPTION, PURSUANT TO SECTION FOUR HUNDRED
12 TWENTY-FIVE OF THIS TITLE, AND NOT RECEIVING THE TAX EXEMPTION ESTAB-
13 LISHED BY SECTION FOUR HUNDRED TWENTY-FIVE-B OF THIS TITLE SHALL ALSO BE
14 ELIGIBLE FOR A COUNTY REAL PROPERTY TAX EXEMPTION PURSUANT TO THIS
15 SECTION FOR COUNTY TAX YEARS COMMENCING ON OR AFTER JANUARY FIRST, TWO
16 THOUSAND THIRTEEN, IF SUCH COUNTY MEETS THE FOLLOWING CRITERIA:

17 (A) THE LEGISLATIVE BODY OF SUCH COUNTY APPROVES A RESOLUTION PROVID-
18 ING FOR SUCH TAX RELIEF EXEMPTION;

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

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

25 (I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,

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

28 (III) EMERGENCY EXPENDITURES WHICH ARE CERTIFIED BY THE STATE COMP-
29 TROLLER AS NECESSARY AS A RESULT OF DAMAGE TO OR DESTRUCTION OF A COUNTY
30 BUILDING OR EQUIPMENT,

31 (IV) CAPITAL EXPENDITURES FOR THE CONSTRUCTION, ACQUISITION, RECON-
32 STRUCTION, REHABILITATION OR IMPROVEMENT OF COUNTY FACILITIES, INCLUDING
33 DEBT SERVICE AND LEASE COSTS,

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

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

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

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

44 (D) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LEGISLA-
45 TIVE BODY OF THE COUNTY SHALL NOT AMEND A FINAL BUDGET IF SUCH AMENDMENT
46 RESULTS IN AN INCREASE IN EXCESS OF THE LIMITATION ESTABLISHED IN PARA-
47 GRAPH (B) OF THIS SUBDIVISION; EXCEPT

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

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

54 2. THE TAX RELIEF EXEMPTION PROVIDED BY THIS SECTION SHALL BE EQUAL TO
55 TWO-THIRDS OF THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO
56 SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND

1 FOURTEEN--TWO THOUSAND FIFTEEN SCHOOL YEAR BUT IN NO CASE SHALL THE
2 VALUE OF THE EXEMPTION BE LESS THAN ONE-HALF OF ONE PERCENT OF THE TWO-
3 THIRDS OF THE EXEMPTION GRANTED TO THE OWNER OR OWNERS PURSUANT TO
4 SECTION FOUR HUNDRED TWENTY-FIVE OF THIS TITLE FOR THE TWO THOUSAND
5 THIRTEEN--TWO THOUSAND FOURTEEN SCHOOL YEAR.

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

13 4. FOR THE PURPOSES OF THIS SECTION:

14 (A) "BASE YEAR" SHALL MEAN THE COUNTY FISCAL YEAR IMMEDIATELY PRECED-
15 ING THE COUNTY FISCAL YEAR FOR WHICH THE COUNTY BUDGET IS PREPARED.

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

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

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

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

31 S 2. Paragraph (a) of subdivision 20 of section 210 of the tax law, as
32 amended by chapter 161 of the laws of 2005, is amended to read as
33 follows:

34 (a) A taxpayer shall be allowed a credit against the tax imposed by
35 this article. The amount of the credit shall be equal to twenty-five
36 percent of the sum of the following investments and contributions made
37 during the taxable year and certified by the commissioner of economic
38 development: (1) for taxable years beginning before January first, two
39 thousand five, qualified investments made in, or contributions in the
40 form of donations made to, one or more empire zone capital corporations
41 established pursuant to section nine hundred sixty-four of the general
42 municipal law prior to January first, two-thousand five, (2) qualified
43 investments in certified zone businesses which during the twelve month
44 period immediately preceding the month in which such investment is made
45 employed full-time within the state an average number of individuals,
46 excluding general executive officers, of two hundred fifty or fewer,
47 computed pursuant to the provisions of subparagraph three of paragraph
48 (b) of subdivision nineteen of this section, [except for investments
49 made by or on behalf of an owner of the business, including, but not
50 limited to, a stockholder, partner or sole proprietor, or any related
51 person, as defined in subparagraph (C) of paragraph three of subsection
52 (b) of section four hundred sixty-five of the internal revenue code,]
53 and (3) contributions IN THE FORM of money OR PROPERTY to community
54 development projects as defined in regulations promulgated by the
55 commissioner of economic development. "Qualified investments" means the
56 contribution of property to a corporation in exchange for original issue

1 capital stock or other ownership interest, the contribution of property
2 to a partnership in exchange for an interest in the partnership, and
3 similar contributions in the case of a business entity not in corporate
4 or partnership form in exchange for an ownership interest in such enti-
5 ty. The total amount of credit allowable to a taxpayer under this
6 provision for all years, taken in the aggregate, shall not exceed three
7 hundred thousand dollars[, and shall not exceed one hundred thousand
8 dollars with respect to the investments and contributions described in
9 each of subparagraphs one, two and three of this paragraph].

10 S 3. Paragraph 3 of subsection (j) of section 606 of the tax law, as
11 amended by chapter 637 of the laws of 2008, is amended to read as
12 follows:

13 (3) A taxpayer shall not be allowed a credit under this subsection
14 with respect to any tangible personal property and other tangible prop-
15 erty, including buildings and structural components of buildings, which
16 it leases to any other person or corporation except where a taxpayer
17 leases property to an affiliated regulated broker, dealer, or registered
18 investment adviser that uses such property in accordance with clause
19 (iv) or (v) of subparagraph (E) of paragraph two of this subsection.
20 PROVIDED, HOWEVER, A TAXPAYER CERTIFIED PURSUANT TO ARTICLE EIGHTEEN-B
21 OF THE GENERAL MUNICIPAL LAW, WHO ENTERS INTO A LEASE FOR NOT LESS THAN
22 TEN YEARS, SHALL BE ELIGIBLE FOR A TAX CREDIT PURSUANT TO THIS
23 SUBSECTION FOR LEASE PAYMENTS ON AND IMPROVEMENTS TO THE EMPIRE ZONE
24 BUSINESS. For purposes of [the preceding sentence] THIS PARAGRAPH, any
25 contract or agreement to lease or rent or for a license to use such
26 property shall be considered a lease. Provided, however, in determining
27 whether a taxpayer shall be allowed a credit under this subsection with
28 respect to such property, any election made with respect to such proper-
29 ty pursuant to the provisions of paragraph eight of subsection (f) of
30 section one hundred sixty-eight of the internal revenue code, as such
31 paragraph was in effect for agreements entered into prior to January
32 first, nineteen hundred eighty-four, shall be disregarded.

33 S 4. Paragraph 1 of subsection (l) of section 606 of the tax law, as
34 amended by chapter 161 of the laws of 2005, is amended to read as
35 follows:

36 (1) A taxpayer shall be allowed a credit against the tax imposed by
37 this article. The amount of the credit shall be equal to twenty-five
38 percent of the sum of the following investments and contributions made
39 during the taxable year and certified by the commissioner of economic
40 development: (A) for taxable years beginning before January first, two
41 thousand five, qualified investments made in, or contributions in the
42 form of donations made to, one or more empire zone capital corporations
43 established pursuant to section nine hundred sixty-four of the general
44 municipal law prior to January first, two thousand five, (B) qualified
45 investments in certified zone businesses which during the twelve month
46 period immediately preceding the month in which such investment is made
47 employed full-time within the state an average number of individuals of
48 two hundred fifty or fewer, computed pursuant to the provisions of
49 subparagraph (C) of paragraph two of subsection (k) of this section,
50 [except for investments made by or on behalf of an owner of the business
51 including, but not limited to, a stockholder, partner or sole proprie-
52 tor, or any related person, as defined in subparagraph (C) of paragraph
53 three of subsection (b) of section four hundred sixty-five of the inter-
54 nal revenue code,] and (C) contributions of money to community develop-
55 ment projects as defined in regulations promulgated by the commissioner
56 of economic development. "Qualified investments" means the contribution

1 of property to a corporation in exchange for original issue capital
2 stock or other ownership interest, the contribution of property to a
3 partnership in exchange for an interest in the partnership, and similar
4 contributions in the case of a business entity not in corporate or part-
5 nership form in exchange for an ownership interest in such entity. The
6 total amount of credit allowable to a taxpayer under this provision for
7 all years, taken in the aggregate, shall not exceed three hundred thou-
8 sand dollars[, and shall not exceed one hundred thousand dollars with
9 respect to the investments and contributions described in each of
10 subparagraphs (A), (B) and (C) of this paragraph].

11 S 5. Subparagraphs (B) and (C) of paragraph 2 of subsection (1) of
12 section 606 of the tax law, as amended by chapter 708 of the laws of
13 1993, are amended to read as follows:

14 (B) In the case of a husband or wife who is required to file a sepa-
15 rate return, the limitation provided for in paragraph one of this
16 subsection shall be fifty [thousand dollars in lieu of one hundred thou-
17 sand dollars and one hundred fifty thousand dollars in lieu of three
18 hundred thousand dollars] PERCENT OF THE INVESTMENTS OR CONTRIBUTIONS
19 DESCRIBED IN EACH OF THE SUBPARAGRAPHS (A), (B) AND (C) OF PARAGRAPH ONE
20 OF THIS SUBSECTION, unless the spouse of the taxpayer has no credit
21 allowable under this subsection for the taxable year of such spouse
22 which ends within or with the taxpayer's taxable year.

23 (C) In the case of an estate or trust, the limitation provided for in
24 paragraph one of this subsection shall be reduced to an amount which
25 bears the same ratio [to one hundred thousand dollars] OF THE INVESTMENT
26 OR CONTRIBUTION and an amount which bears the same ratio to three
27 hundred thousand dollars as the portion of the income of the estate or
28 trust which is not allocated to beneficiaries bears to the total income
29 of the estate or trust.

30 S 6. Subdivisions (a) and (d) of section 964 of the general municipal
31 law, as amended by chapter 708 of the laws of 1993, and subdivision (a)
32 as amended by section 9 of part s-1 of chapter 57 of the laws of 2009,
33 are amended to read as follows:

34 (a) No more than three empire zone capital corporations may be [estab-
35 lished] DESIGNATED in each zone for the purpose of raising funds through
36 private and public grants, donations or investments, to be used in
37 making investments in, and loans to, business firms certified pursuant
38 to subdivision (a) of section nine hundred fifty-nine of this article
39 for the purpose of encouraging the establishment or expansion of busi-
40 nesses and the provision of additional job opportunities within such
41 area. PRIOR TO DESIGNATION AS A ZONE CAPITAL CORPORATION, A SEPARATE
42 AND DISTINCT ZONE CAPITAL CORPORATION FUND SHALL BE ESTABLISHED SOLELY
43 FOR THE RECEIPT AND DISBURSEMENT OF FUNDS PURSUANT TO THIS SUBDIVISION.
44 A zone capital corporation may serve one or more zones within an econom-
45 ic development region or zones within two or more regions. Prior to the
46 [establishment] DESIGNATION of a zone capital corporation, the zone
47 board and the commissioner of the department of economic development
48 shall approve the [formation] DESIGNATION of the proposed zone capital
49 corporation, its board of directors and management, and its procedures
50 for making, servicing and monitoring investments. In no event, however,
51 shall an empire zone capital corporation acquire an ownership interest
52 in any certified business firm which amounts to more than twenty-five
53 percent of the ownership interest of such certified business firm. No
54 loan to or investment in any business firm shall be made by an empire
55 zone capital corporation located in a zone within a town with a popu-
56 lation of more than twenty-five thousand, until such corporation has

1 accumulated at least two hundred thousand dollars in capital stock. No
2 loan or investment in any business firm shall be made by an empire zone
3 capital corporation located in a zone within a town with a population of
4 less than twenty-five thousand until such corporation has accumulated at
5 least one hundred thousand dollars in capital stock. A zone capital
6 corporation shall submit to the zone board an annual report on its
7 activities.

8 (d) The total amount of tax credits available to each zone pursuant to
9 subdivision twenty of section two hundred ten, subsection (l) of section
10 six hundred six, subsection (d) of section fourteen hundred fifty-six
11 and subdivision (h) of section fifteen hundred eleven of the tax law,
12 shall be two million five hundred thousand dollars, (provided, however,
13 that in no event shall the credits available in any zone exceed five
14 hundred thousand dollars in the case of qualified investments in certi-
15 fied zone businesses as described in such subdivisions and subsections).
16 Apportionment of credits within a zone between capital investments in
17 and contributions to zone capital corporations, direct investments in
18 certified zone businesses or contributions to community development
19 projects will be determined and accounted for by the local zone adminis-
20 trative board in consultation with the zone administrative entity,
21 subject to regulations promulgated by the commissioner of the department
22 of economic development. Credits not used by a zone within four years of
23 their apportionment may, after a public hearing, be reallocated pursuant
24 to regulations promulgated by the commissioner. Certifications under
25 subdivision twenty of section two hundred ten, subsection (l) of section
26 six hundred six, subsection (d) of section fourteen HUNDRED fifty-six
27 and subdivision (h) of section fifteen hundred eleven of the tax law
28 shall be consistent with the provisions of this subdivision.

29 S 7. Section 964 of the general municipal law is amended by adding a
30 new subdivision (g) to read as follows:

31 (G) AN EMPIRE ZONE CAPITAL CORPORATION MAY BE CREATED AS A LIMITED
32 LIABILITY COMPANY, AS DEFINED IN SECTION ONE HUNDRED TWO OF THE LIMITED
33 LIABILITY COMPANY LAW.

34 S 8. The general municipal law is amended by adding a new section
35 958-a to read as follows:

36 S 958-A. CITY EMPIRE ZONE DESIGNATION. NOTWITHSTANDING ANY OTHER
37 PROVISION OF THIS ARTICLE, THE ENTIRE AREA OF EVERY CITY WITH A POPU-
38 LATION OF LESS THAN ONE MILLION SHALL BE DESIGNATED AS AN EMPIRE ZONE,
39 WITH ALL OF THE BENEFITS WHICH ACCRUE TO SUCH ZONES, EXCLUDING ANY PART
40 OF SUCH CITY WHICH IS PART OF AN EXISTING EMPIRE ZONE. THE ENTIRE AREA
41 OF AN EMPIRE ZONE ESTABLISHED PURSUANT TO SECTION NINE HUNDRED
42 FIFTY-EIGHT OF THIS ARTICLE WHICH IS LOCATED EITHER IN WHOLE OR IN PART
43 WITHIN SUCH CITIES SHALL BE DESIGNATED AS AN ENHANCED EMPIRE ZONE. THE
44 TAX BENEFITS PROVIDED TO BUSINESSES WITHIN AN ENHANCED EMPIRE ZONE SHALL
45 BE EQUAL TO ONE HUNDRED FIFTY PERCENT OF BENEFITS PROVIDED TO BUSINESSES
46 IN EMPIRE ZONES UNDER THE TAX LAW.

47 S 9. The general municipal law is amended by adding a new article 2-A
48 to read as follows:

49 ARTICLE 2-A

50 MUNICIPAL COOPERATION PROGRAM

51 SECTION 25. MUNICIPAL COOPERATION PROGRAM.

52 S 25. MUNICIPAL COOPERATION PROGRAM. 1. THERE ARE HEREBY ESTABLISHED A
53 STATE CONFERENCE ON MUNICIPAL COOPERATION AND EIGHT REGIONAL COMMISSIONS
54 ON MUNICIPAL COOPERATION. THE REGIONAL COMMISSIONS SHALL BE AS FOLLOWS
55 AND SHALL CONSIST OF THE FOLLOWING COUNTIES:

- 1 (A) LONG ISLAND - NEW YORK: BRONX, KINGS, NASSAU, NEW YORK, QUEENS,
2 RICHMOND AND SUFFOLK.
- 3 (B) HUDSON VALLEY: DUTCHESS, ORANGE, PUTNAM, ROCKLAND, SULLIVAN,
4 ULSTER AND WESTCHESTER.
- 5 (C) CAPITAL: COLUMBIA, GREENE, ALBANY, SCHOHARIE, RENSSELAER, SCHENEC-
6 TADY, MONTGOMERY, FULTON, SARATOGA AND WASHINGTON.
- 7 (D) NORTH COUNTRY: WARREN, ESSEX, CLINTON, FRANKLIN, HAMILTON, SAINT
8 LAWRENCE, LEWIS, OSWEGO AND JEFFERSON.
- 9 (E) CENTRAL - MOHAWK VALLEY: OTSEGO, HERKIMER, ONEIDA, MADISON, CORT-
10 LAND, ONONDAGA AND CAYUGA.
- 11 (F) SOUTHERN TIER: DELAWARE, BROOME, CHENANGO, TIOGA, TOMPKINS,
12 SCHUYLER, CHEMUNG, ALLEGANY AND STEUBEN.
- 13 (G) FINGER LAKES: WAYNE, SENECA, YATES, ONTARIO, LIVINGSTON AND
14 MONROE.
- 15 (H) WESTERN: CATTARAUGUS, CHAUTAUQUA, ERIE, WYOMING, GENESEE, ORLEANS
16 AND NIAGARA.
- 17 2. (A) THE STATE CONFERENCE ON MUNICIPAL COOPERATION SHALL CONSIST OF
18 NINE MEMBERS. THE SECRETARY OF STATE SHALL BE A MEMBER OF THE CONFER-
19 ENCE AND SHALL SERVE AS ITS CHAIR. THE VICE CHAIR OF EACH REGIONAL
20 COMMISSION SHALL SERVE AS A MEMBER OF THE STATE CONFERENCE ON MUNICIPAL
21 COOPERATION.
- 22 (B) THE STATE CONFERENCE SHALL ALLOCATE FUNDS PURSUANT TO THIS SECTION
23 TO EACH REGIONAL COMMISSION. THE STATE CONFERENCE SHALL PROMULGATE ANY
24 RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS
25 SECTION; HOWEVER SUCH RULES AND REGULATIONS, AND ANY CHANGES THERETO
26 SHALL NOT TAKE EFFECT UNTIL APPROVED BY A MAJORITY VOTE OF THE GOVERNOR,
27 TEMPORARY PRESIDENT OF THE SENATE, SPEAKER OF THE ASSEMBLY, MINORITY
28 LEADER OF THE SENATE AND MINORITY LEADER OF THE ASSEMBLY.
- 29 3. (A) EACH REGIONAL COMMISSION SHALL CONSIST OF NINE MEMBERS,
30 APPOINTED AS FOLLOWS:
- 31 (I) TWO MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, ONE OF WHOM SHALL
32 BE THE CHAIR OF THE REGIONAL COMMISSION AND THE OTHER SHALL SERVE AS
33 VICE CHAIR,
- 34 (II) TWO MEMBERS SHALL BE APPOINTED BY THE TEMPORARY PRESIDENT OF THE
35 SENATE,
- 36 (III) TWO MEMBERS SHALL BE APPOINTED BY THE SPEAKER OF THE ASSEMBLY,
- 37 (IV) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER OF THE
38 SENATE,
- 39 (V) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER OF THE ASSEM-
40 BLY, AND
- 41 (VI) ONE MEMBER SHALL BE APPOINTED BY THE STATE COMPTROLLER.
- 42 (B) EACH REGIONAL COMMISSION MAY CONDUCT BUSINESS WITH A QUORUM OF
43 MEMBERS IN OFFICE AT THE TIME.
- 44 (C) EACH MEMBER OF A REGIONAL COMMISSION SHALL SERVE AT THE PLEASURE
45 OF HIS OR HER APPOINTING AUTHORITY.
- 46 (D) MEMBERS OF REGIONAL COMMISSIONS SHALL RECEIVE NO COMPENSATION FOR
47 THEIR SERVICE BUT SHALL BE ALLOWED THEIR ACTUAL AND NECESSARY EXPENSES
48 INCURRED IN THE PERFORMANCE OF THEIR DUTIES.
- 49 (E) EVERY MEMBER OF A REGIONAL COMMISSION SHALL RESIDE WITHIN THE
50 REGION REGULATED BY THE REGIONAL COMMISSION UPON WHICH HE OR SHE SERVES.
- 51 (F) EVERY MEMBER OF A REGIONAL COMMISSION WHO IS AN ELECTED OFFICIAL
52 SHALL RECUSE HIMSELF OR HERSELF FROM ANY MEETING OF THE COMMISSION DEAL-
53 ING DIRECTLY WITH AN ISSUE IMPACTING UPON THE MUNICIPALITY WHICH ELECTED
54 SUCH MEMBER.
- 55 (G) A TWO-THIRDS MAJORITY OF EACH REGIONAL COMMISSION SHALL APPOINT AN
56 EXECUTIVE DIRECTOR, WHO SHALL CONDUCT THE BUSINESS OF SUCH REGIONAL

1 COMMISSION UNDER THE SUPERVISION OF THE REGIONAL COMMISSION. THE EXECU-
2 TIVE DIRECTOR SHALL ALSO BE AUTHORIZED TO HIRE SUCH ADDITIONAL STAFF AS
3 NECESSARY TO EXECUTE THE WORK OF THE REGIONAL COMMISSION. THE EXECUTIVE
4 DIRECTOR MAY BE REMOVED ONLY BY A THREE-QUARTERS VOTE OF THE MEMBERS OF
5 THE REGIONAL COMMISSION.

6 (H) THE PURPOSE OF THE REGIONAL COMMISSIONS SHALL BE TO:

7 (I) INCREASE COMMUNICATION BETWEEN LOCAL GOVERNMENTS TO DISCUSS SHARED
8 SERVICES, CONSOLIDATION, AND THE MERGER OF LOCAL GOVERNMENTS,

9 (II) PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE AND TRAINING TO LOCAL
10 GOVERNMENTS, AND

11 (III) IDENTIFY STATE AND LOCAL LAWS WHICH MUST BE CHANGED TO ACHIEVE
12 BUDGETARY AND PROPERTY TAX SAVINGS THROUGH SHARING ARRANGEMENTS.

13 (I) THE REGIONAL COMMISSIONS MAY AWARD GRANTS TO LOCAL GOVERNMENTS
14 WHICH SEEK TO WORK TOGETHER TO ACHIEVE SAVINGS. EACH REGIONAL COMMISSION
15 SHALL PROVIDE GRANTS IN THE FOLLOWING MANNER: TWENTY PERCENT OF ALL
16 FUNDS AVAILABLE FOR THE PROVISION OF GRANTS SHALL BE USED FOR RESEARCH
17 GRANTS, TEN PERCENT FOR IMPLEMENTATION GRANTS, AND SEVENTY PERCENT FOR
18 COOPERATION REWARD GRANTS. A REGIONAL COMMISSION MAY ALTER THIS ALLO-
19 CATION WITH THE APPROVAL OF AT LEAST TWO-THIRDS OF ITS MEMBERS.

20 4. RESEARCH GRANTS. EACH REGIONAL COMMISSION SHALL SEEK TO PROVIDE THE
21 ASSISTANCE NECESSARY TO RESEARCH THE EFFICACY OF COOPERATIVE EFFORTS
22 BETWEEN LOCALITIES. IF SUCH RESEARCH IS BEYOND THE SCOPE OF THE COMMIS-
23 SION, THEN THE LOCALITIES MAY SEEK A FIFTY PERCENT MATCHING GRANT FROM
24 THE REGIONAL COMMISSION TO HIRE A PUBLIC, PRIVATE OR ACADEMIC ENTITY TO
25 CONDUCT SUCH RESEARCH. THE PROVISION OF ANY RESEARCH GRANT, AND THE
26 ENTITY WHICH SHALL CONDUCT THE RESEARCH, SHALL BE SUBJECT TO APPROVAL BY
27 THE REGIONAL COMMISSION.

28 5. IMPLEMENTATION GRANTS. MUNICIPALITIES WHICH HAVE CHOSEN TO EXECUTE
29 THE COOPERATIVE EFFORT, SHALL IDENTIFY COSTS OF IMPLEMENTING THE EFFORT
30 AND REQUEST A GRANT FROM THE REGIONAL COMMISSION. COSTS ELIGIBLE FOR
31 GRANTS MAY INCLUDE, BUT SHALL NOT BE LIMITED TO: EARLY RETIREMENT OR
32 RESIGNATION INCENTIVES; PURCHASES OF BUILDINGS OR EQUIPMENT; OR HIRING
33 OF TEMPORARY EMPLOYEES TO ASSIST IN CONSOLIDATION. SUCH GRANTS SHALL BE
34 SUBJECT TO APPROVAL BY THE REGIONAL COMMISSION. IMPLEMENTATION GRANTS
35 SHALL BE AWARDED IN THE FOLLOWING MANNER:

36 (A) GRANTS TO FUND THE CONSOLIDATION OF SERVICES BETWEEN MUNICI-
37 PALITIES OR THE PROVISION OF SERVICES FROM ONE MUNICIPALITY TO ANOTHER.
38 SUCH GRANTS SHALL EQUAL FIFTY PERCENT OF THE COSTS ASSOCIATED WITH SUCH
39 MERGER OR CONSOLIDATION; AND

40 (B) GRANTS TO FUND MERGERS BETWEEN MUNICIPALITIES. SUCH GRANTS SHALL
41 NOT EXCEED ONE HUNDRED PERCENT OF THE COSTS ASSOCIATED WITH SUCH MERGER.

42 6. COOPERATION REWARD GRANTS. (A) THE REGIONAL COMMISSION MAY AWARD
43 GRANTS TO MUNICIPALITIES WHICH HAVE ELECTED TO EXECUTE A COOPERATIVE
44 EFFORT. MUNICIPALITIES WHICH HAVE ELECTED TO EXECUTE A COOPERATIVE
45 EFFORT SHALL IDENTIFY ONE OF THE PARTICIPATING MUNICIPALITIES, WHICH
46 SHALL ACT AS A LEAD AGENT, WHICH SHALL IDENTIFY THE SAVINGS WHICH ARE
47 EXPECTED TO ACCRUE TO THE MUNICIPALITIES AND REQUEST A GRANT IN THE
48 AMOUNT DETERMINED PURSUANT TO THIS SUBDIVISION, AND SUBMIT A REPORT TO
49 THEIR REGIONAL COMMISSION, WHICH SHALL BE REVIEWED AND ADJUSTED ACCORD-
50 INGLY BY THE REGIONAL COMMISSION. AT THAT TIME, THE REGIONAL COMMISSION
51 MAY APPROVE OR REJECT THE GRANT APPLICATION ACCORDING TO APPLICABLE
52 PROVISIONS OF THIS SECTION AND ANY APPLICABLE RULES OR REGULATIONS WHICH
53 MAY BE PROMULGATED BY THE STATE CONFERENCE AND APPROVED BY MAJORITY VOTE
54 OF THE GOVERNOR AND LEGISLATIVE LEADERS.

55 (B) IF APPROVED, AFTER THE END OF THE FIRST YEAR OF THE CONSOLIDATION,
56 THE LEAD AGENT SHALL PRODUCE A REPORT WHICH SHALL STATE THE SAVINGS

1 WHICH THE MUNICIPALITIES HAVE EXPERIENCED DURING THE YEAR. THAT REPORT
2 SHALL BE SUBMITTED TO THEIR REGIONAL COMMISSION, WHICH SHALL VALIDATE
3 THE SAVINGS WHICH HAVE ACCRUED TO THE LOCALITIES. SUCH SAVINGS WILL BE
4 CALCULATED BY COMPARING THE TOTAL AMOUNT SPENT FOR SERVICES WHICH HAVE
5 BEEN CONSOLIDATED WITH THE PROJECTED COST OF THE SERVICES WHICH HAVE
6 BEEN CONSOLIDATED IF THE CONSOLIDATION HAD NOT OCCURRED, IN THE CASE OF
7 FUNCTIONAL CONSOLIDATIONS; OR THE COMBINED BUDGETS OF THE MERGED MUNICI-
8 PALITY, WITH THE COMBINED BUDGETS OF THE MUNICIPALITIES WHICH HAVE BEEN
9 MERGED IF THE MERGER HAD NOT OCCURRED, IN THE CASE OF MERGERS.

10 (C) THE REGIONAL COMMISSION SHALL CERTIFY THE VALIDITY OF THE SAVINGS
11 IDENTIFIED BY THE LEAD AGENT. REGIONAL COMMISSIONS MAY REQUEST THE
12 ASSISTANCE OF THE STATE COMPTROLLER TO VALIDATE THE SAVINGS. AFTER SUCH
13 SAVINGS ARE VALIDATED, THE GRANT MAY BE REWARDED TO THE MUNICIPALITIES
14 IN AN AMOUNT DETERMINED PURSUANT TO THIS SUBDIVISION.

15 (D) SUCH PROCESS SHALL BE REPEATED EACH YEAR, FOR A PERIOD OF FIVE
16 YEARS IN THE CASE OF FUNCTIONAL CONSOLIDATIONS AND SEVEN YEARS IN THE
17 CASE OF MERGERS.

18 (E) COOPERATION REWARD GRANTS SHALL BE DETERMINED ON THE FOLLOWING
19 BASIS:

20 (I) GRANTS TO REWARD FUNCTIONAL CONSOLIDATION, I.E., CONSOLIDATION OF
21 SERVICES BETWEEN MUNICIPALITIES. SUCH GRANTS SHALL EQUAL FIFTY PERCENT
22 OF THE IDENTIFIED AND VALIDATED SAVINGS ASSOCIATED WITH SUCH CONSOL-
23 IDATION, AND

24 (II) GRANTS TO REWARD MERGERS BETWEEN MUNICIPALITIES. SUCH GRANTS
25 SHALL NOT EXCEED ONE HUNDRED PERCENT OF THE IDENTIFIED AND VALIDATED
26 SAVINGS ASSOCIATED WITH SUCH MERGER.

27 7. COOPERATION EFFORTS. NO PROVISION OF THIS ARTICLE SHALL PRECLUDE A
28 SCHOOL DISTRICT OR SPECIAL TAX DISTRICT FROM PARTICIPATING IN CONSOL-
29 IDATION OR MERGER EFFORTS OR ACTIVITIES.

30 S 10. This act shall take effect on the first of January next succeed-
31 ing the date on which it shall have become a law.