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

11390

I N A S S E M B L Y

June 8, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Farrell) -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the executive law, the real property tax law, and the tax law, in relation to merging the state office of real property services and the state board of real property services into the department of taxation and finance; and to repeal certain provisions of the real property tax law and the tax law relating thereto

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

Section 1. (a) The purpose of this act is to provide for an orderly transfer of responsibilities relating to real property tax administration to the commissioner of taxation and finance and the department of taxation and finance, from the state board of real property services and the state office of real property services.

(b) Wherever the terms "state board of real property services," "state board" or "state office of real property services" appear in the real property tax law, such terms are hereby changed to "commissioner", provided that in sections 204, 206, 208, 614, 816, 818, 1253 and 1263 of the real property tax law, such terms shall be changed to "state board of real property tax services," and provided further that the text of sections 200, 202, 216, 489-o, 489-11, 1210 and 1218 of the real property tax law shall be changed only as provided by the ensuing provisions of this act, and provided further that the provisions of this subdivision shall not apply to the text of sections 200-a, 201 and 203 of the real property tax law as added by sections five and seven of this act.

(c) Wherever the terms "state board of real property services," "state board" or "state office of real property services" appear in the tax law, such terms are hereby changed to "commissioner", provided further that the text of subdivision (e) of section 15, paragraph 5 of subdivision (b) of section 22, subdivision 25th of section 171 and sections 171-o, 697, and 1564 of the tax law shall only be changed to the extent provided by the ensuing provisions of this act.

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

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(d) Wherever the term "state board of real property services" or "state office of real property services" appears in the consolidated or unconsolidated laws of this state other than the real property tax law or the tax law, such term is hereby changed to "commissioner of taxation and finance". Wherever the term "state board of real property services" is followed by the term "state board" in such a statute, such term is hereby changed to "commissioner".

(e) The legislative bill drafting commission is hereby directed to effectuate this provision, and shall be guided by a memorandum of instruction setting forth the specific provisions of law to be amended. Such memorandum shall be transmitted to the legislative bill drafting commission within sixty days of enactment of this provision. Such memorandum shall be issued jointly by the governor, the temporary president of the senate, and the speaker of the assembly, or by the delegate of each.

S 2. Paragraph (c) of subdivision 1 of section 169 of the executive law, as amended by chapter 634 of the laws of 1998, is amended to read as follows:

(c) commissioner of agriculture and markets, commissioner of alcoholism and substance abuse services, adjutant general, commissioner and president of state civil service commission, commissioner of economic development, chair of the energy research and development authority, [executive director of the board of real property services,] president of higher education services corporation, commissioner of motor vehicles, member-chair of board of parole, director of probation and correctional alternatives, chair of public employment relations board, secretary of state, chair of the state racing and wagering board, commissioner of alcoholism and substance abuse services, executive director of the housing finance agency, commissioner of housing and community renewal, executive director of state insurance fund, commissioner-chair of state liquor authority, chair of the workers' compensation board;

S 3. Subdivision 18 of section 102 of the real property tax law, as amended by chapter 385 of the laws of 1994, is amended and two new subdivisions 5-a and 9-b are added to read as follows:

18. "State board" or "board" means the state board of real property TAX services.

5-A. "COMMISSIONER" MEANS THE COMMISSIONER OF TAXATION AND FINANCE.

9-B. "DEPARTMENT" MEANS THE DEPARTMENT OF TAXATION AND FINANCE.

S 4. Sections 201, 210, 212 and 214 of the real property tax law are REPEALED.

S 4-a. Section 200 of the real property tax law, as amended by chapter 403 of the laws of 1997, is amended to read as follows:

S 200. State board. There is hereby created in the [executive] department OF TAXATION AND FINANCE a SEPARATE AND INDEPENDENT state board of real property TAX services, to consist of five members to be appointed by the governor, by and with the advice and consent of the senate. Of those five members appointed by the governor, one such person shall be an individual actively engaged in the commercial production for sale of agricultural crops, livestock and livestock products of an average gross sales value of ten thousand dollars or more. Said individual shall be appointed in the first instance to a term of eight years upon expiration of an existing term. Said initial term shall commence on the first day of January next succeeding the year in which the existing term shall expire. The governor shall designate one of the members as the chairman of the board, who shall serve as chairman at the pleasure of

the governor. The members of the board shall be appointed for terms of eight years, commencing on the first day of January next following the year in which the term of his predecessor expired, except that the terms of the members first appointed shall expire as follows: one on December thirty-first, nineteen hundred sixty-one, one on December thirty-first, nineteen hundred sixty-three, one on December thirty-first, nineteen hundred sixty-five, one on December thirty-first, nineteen hundred sixty-seven, and one on December thirty-first, nineteen hundred eighty-two. Vacancies occurring otherwise than by expiration of term shall be filled for the unexpired term. All members shall receive necessary expenses incurred in the performance of their duties.

S 5. The real property tax law is amended by adding a new section 201 to read as follows:

S 201. ASSUMPTION OF RESPONSIBILITIES BY THE DEPARTMENT OF TAXATION AND FINANCE. 1. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE FUNCTIONS, POWERS AND DUTIES OF THE STATE BOARD OF REAL PROPERTY SERVICES AS FORMERLY ESTABLISHED BY THIS CHAPTER SHALL BE CONSIDERED FUNCTIONS, POWERS AND DUTIES OF THE COMMISSIONER OF TAXATION AND FINANCE, EXCEPT TO THE EXTENT PROVIDED BY SECTION TWO HUNDRED-A OF THIS ARTICLE.

2. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE FUNCTIONS, POWERS AND DUTIES OF THE OFFICE OF REAL PROPERTY SERVICES AS FORMERLY ESTABLISHED BY THIS CHAPTER SHALL BE CONSIDERED FUNCTIONS, POWERS AND DUTIES OF THE COMMISSIONER OF TAXATION AND FINANCE.

3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, RULE, OR REGULATION TO THE CONTRARY, UPON THE TRANSFER OF FUNCTIONS FROM THE OFFICE OF REAL PROPERTY SERVICES TO THE DEPARTMENT OF TAXATION AND FINANCE PURSUANT TO THIS SECTION, ALL EMPLOYEES OF THE OFFICE OF REAL PROPERTY SERVICES SUBSTANTIALLY ENGAGED IN THE PERFORMANCE OF THE TRANSFERRED FUNCTIONS SHALL BE TRANSFERRED TO THE DEPARTMENT OF TAXATION AND FINANCE. EMPLOYEES TRANSFERRED PURSUANT TO THIS SECTION SHALL BE TRANSFERRED WITHOUT FURTHER EXAMINATION OR QUALIFICATION AND SHALL RETAIN THEIR RESPECTIVE CIVIL SERVICE CLASSIFICATIONS, STATUS AND COLLECTIVE BARGAINING UNIT DESIGNATIONS AND COLLECTIVE BARGAINING AGREEMENTS.

4. ALL BOOKS, PAPERS, AND PROPERTY OF THE OFFICE OF REAL PROPERTY SERVICES SHALL BE DELIVERED TO THE COMMISSIONER. ALL BOOKS, PAPERS, AND PROPERTY OF THE OFFICE OF REAL PROPERTY SERVICES SHALL CONTINUE TO BE MAINTAINED BY THE DEPARTMENT.

5. FOR THE PURPOSE OF SUCCESSION OF ALL FUNCTIONS, POWERS, DUTIES AND OBLIGATIONS TRANSFERRED AND ASSIGNED TO, DEVOLVED UPON AND ASSUMED BY IT PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL BE DEEMED AND HELD TO CONSTITUTE THE CONTINUATION OF THE OFFICE OF REAL PROPERTY SERVICES.

6. ANY BUSINESS OR OTHER MATTER UNDERTAKEN OR COMMENCED BY THE STATE BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR THE EXECUTIVE DIRECTOR THEREOF PERTAINING TO OR CONNECTED WITH THE FUNCTIONS, POWERS, OBLIGATIONS AND DUTIES HEREBY TRANSFERRED AND ASSIGNED TO THE COMMISSIONER OR THE DEPARTMENT AND PENDING ON THE EFFECTIVE DATE OF THIS SECTION, MAY BE CONDUCTED AND COMPLETED BY THE COMMISSIONER OR THE DEPARTMENT IN THE SAME MANNER AND UNDER THE SAME TERMS AND CONDITIONS AND WITH THE SAME EFFECT AS IF CONDUCTED AND COMPLETED BY THE STATE BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR ITS EXECUTIVE DIRECTOR.

7. (A) ALL RULES, REGULATIONS, ACTS, ORDERS, DETERMINATIONS, AND DECISIONS OF THE STATE BOARD OF REAL PROPERTY SERVICES OR THE OFFICE OF REAL PROPERTY SERVICES, IN FORCE AT THE TIME OF SUCH TRANSFER AND ASSUMPTION, SHALL CONTINUE IN FULL FORCE AND EFFECT AS RULES, REGULATIONS, ACTS,

ORDERS, DETERMINATIONS AND DECISIONS OF THE DEPARTMENT UNTIL DULY MODIFIED OR ABROGATED BY THE COMMISSIONER OR THE DEPARTMENT.

(B) ALL ACTS, ORDERS, DETERMINATIONS, AND DECISIONS OF THE STATE BOARD OF REAL PROPERTY SERVICES PERTAINING TO THE FUNCTIONS AND POWERS PROVIDED IN SECTION TWO HUNDRED-A OF THIS ARTICLE SHALL CONTINUE IN FULL FORCE AND EFFECT AS ACTS, ORDERS, DETERMINATIONS AND DECISIONS OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES.

8. WHENEVER THE STATE BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR ITS EXECUTIVE DIRECTOR IS REFERRED TO OR DESIGNATED IN ANY LAW, CONTRACT OR DOCUMENT PERTAINING TO THE FUNCTIONS, POWERS, OBLIGATIONS AND DUTIES HEREBY TRANSFERRED TO AND ASSIGNED TO THE COMMISSIONER OR THE DEPARTMENT, SUCH REFERENCE OR DESIGNATION SHALL BE DEEMED TO REFER TO THE COMMISSIONER OR DEPARTMENT, AS APPLICABLE OR INDICATED BY THE CONTEXT.

9. NO EXISTING RIGHT OR REMEDY OF ANY CHARACTER SHALL BE LOST, IMPAIRED OR AFFECTED BY ANY PROVISIONS OF THIS SECTION.

10. NO ACTION OR PROCEEDING PENDING ON THE EFFECTIVE DATE OF THIS SECTION, BROUGHT BY OR AGAINST THE STATE BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR ITS EXECUTIVE DIRECTOR SHALL BE AFFECTED BY ANY PROVISION OF THIS SECTION, BUT THE SAME MAY BE PROSECUTED OR DEFENDED IN THE NAME OF THE COMMISSIONER OR THE DEPARTMENT. IN ALL SUCH ACTIONS AND PROCEEDINGS, THE COMMISSIONER, UPON APPLICATION OF THE COURT, SHALL BE SUBSTITUTED AS A PARTY.

11. ALL APPROPRIATIONS OR REAPPROPRIATIONS MADE TO THE OFFICE OF REAL PROPERTY SERVICES TO THE EXTENT OF REMAINING UNEXPENDED OR UNENCUMBERED BALANCE THEREOF, WHETHER ALLOCATED OR UNALLOCATED AND WHETHER OBLIGATED OR UNOBLIGATED, ARE HEREBY TRANSFERRED TO AND MADE AVAILABLE FOR USE AND EXPENDITURE BY THE DEPARTMENT SUBJECT TO THE APPROVAL OF THE DIRECTOR OF THE BUDGET FOR THE SAME PURPOSES FOR WHICH ORIGINALLY APPROPRIATED OR REAPPROPRIATED AND SHALL BE PAYABLE ON VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER ON AUDIT AND WARRANT OF THE COMPTROLLER.

12. ALL ASSETS AND LIABILITIES OF THE OFFICE OF REAL PROPERTY SERVICES ARE HEREBY TRANSFERRED TO AND ASSUMED BY THE DEPARTMENT.

S 6. Section 202 of the real property tax law, paragraph (c) of subdivision 1 as amended by chapter 615 of the laws of 1972, paragraph (h) of subdivision 1 as amended by chapter 261 of the laws of 1992, paragraph (k) of subdivision 1 as amended, paragraph (m) of subdivision 1 as added and paragraph (n) of subdivision 1 as relettered by chapter 833 of the laws of 1960, paragraph (o) of subdivision 1 as added by chapter 716 of the laws of 1990, paragraph (p) of subdivision 1 as added by chapter 166 of the laws of 1991, paragraph (q) of subdivision 1 as added by chapter 450 of the laws of 2004, subdivision 1-a as added by chapter 739 of the laws of 1978, subdivision 1-b as added by chapter 237 of the laws of 1995, subdivision 2 as added by chapter 522 of the laws of 1981, the opening paragraph of subdivision 2 as amended by chapter 385 of the laws of 1994, and paragraph (a) of subdivision 2 as amended by chapter 776 of the laws of 1988, is amended to read as follows:

S 202. Powers and duties of [state board] THE COMMISSIONER IN RELATION TO REAL PROPERTY TAX ADMINISTRATION. 1. The [board] COMMISSIONER shall:

(a) Assess special franchises;

(b) Establish state equalization rates for each county, city, town and village;

[(c) Hear and determine reviews relating to determinations made by county equalization agencies;

(d)] (C) Approve assessments of state lands subject to taxation;

[(e)] (D) Have general supervision of the function of assessing throughout the state;

[(f)] (E) Investigate, from time to time, the methods of assessment throughout the state, and confer with, advise and assist assessors and other officials whose duties relate to assessments;

[(g)] (F) Furnish assessors with such information and instructions as may be necessary or proper to aid them in making assessments, which instructions shall be followed and compliance with which may be enforced by [the board] HIM OR HER;

[(h)] (G) Prescribe, and in [its] HIS OR HER discretion furnish to assessors at the expense of the state, forms relating to assessments, including applications for exemption from real property taxation, which forms shall be used by the assessors and applicants for an exemption granted pursuant to this or any other chapter, and the use of which shall be enforced by the [board] COMMISSIONER;

[(i)] (H) Obtain from state and local officers, bodies or other agencies such information as may be necessary for the proper discharge of [its] THE duties CONFERRED UPON HIM OR HER IN RELATION TO REAL PROPERTY TAX ADMINISTRATION, which information shall be furnished on HIS OR HER demand [of the state board];

[(j)] (I) Inquire into the provisions of the laws of other states and confer with the appropriate officials thereof regarding the most effectual and equitable methods of assessing and taxing real property;

[(k)] (J) Prepare an annual report to the legislature which shall include therein recommendations concerning amendments to existing law and such other information as [it] HE OR SHE may deem advisable;

[(l)] (K) Adopt and amend such rules, regulations, orders and determinations, not inconsistent with law, as may be necessary for the exercise of [its] HIS OR HER powers and the performance of [its] HIS OR HER duties under this chapter;

[(m)] (L) Establish railroad ceilings for railroad real property;

[(n)] (M) Exercise and perform such other powers and duties as may be conferred or imposed on [it] HIM OR HER by law.

[(o) monitor] (N) MONITOR the quality of local assessment practices by individual assessing units.

[(p) impose,] (O) IMPOSE, collect and receive such charges or fees as may be authorized by statute.

[(q)] (P) Promulgate rules and regulations for the ascertainment and reporting of "assessment record billing owner" information, as defined in section one hundred three of the eminent domain procedure law, for the purposes of the administration of [said] SUCH law.

[1-a] 2. In any instance where an assessing unit has acted pursuant to the rules, regulations, orders, determinations or instructions of the [state board] COMMISSIONER ACTING PURSUANT TO THE AUTHORITY CONFERRED UPON HIM OR HER BY THIS CHAPTER, and such action is the subject of a judicial review, the [state board] COMMISSIONER may upon request of the assessing unit assist such assessing unit by the filing of a brief amicus curiae or through such other means as may be appropriate.

[1-b] 3. The [state board] COMMISSIONER may adopt rules and regulations, as necessary, to implement the computerized statewide school district address match and income verification system set forth in section one hundred seventy-one of the tax law.

[2. The members of the board, or a majority thereof, shall act as a body when determining reviews relating to county equalization rates and adopting and amending rules, regulations and orders in accordance with law. The board may by resolution delegate to any officer or employee of

the office of real property services any other power or duty to be exercised or performed by it under this chapter or any other law subject to the following:

(a) Any resolution which delegates powers and duties relating to the assessment of special franchises, the approval of assessments of state lands subject to taxation, and the establishment of state equalization rates pursuant to article twelve of this chapter shall be adopted annually. Any such resolution shall specify the assessment rolls for which said delegation is made and shall set forth the full value standard which shall be used. However, no such resolution may delegate the power to make a final determination in a matter in which a complaint has been filed pursuant to articles six and twelve of this chapter; provided, however, that the power to adjust a final special franchise assessment which is affected by a special equalization rate established pursuant to section twelve hundred twenty-two of this chapter may be delegated whether or not a complaint has been filed pursuant to article six of this chapter. The executive director shall report to the members of the board all actions taken pursuant to any such resolution within ten days of taking said actions. Within ten days of receipt of the report of the executive director, if any member of the board has an objection, a meeting of the board shall be convened for the purpose of considering the objection. Failure to make a report shall not, however, affect the legality of any such actions.

(b) Any resolution which delegates powers and duties relating to the establishment of special state equalization rates pursuant to sections eight hundred six and thirteen hundred fourteen of this chapter and special equalization ratios pursuant to articles twelve-A and twelve-B of this chapter and certifications of changes in the level of assessment pursuant to this chapter or any other law shall prescribe the policies or criteria to be observed in the exercise of such powers and duties by the officer or employee to whom they are delegated. However, no such resolution may delegate the power to make a final determination in a matter in which a complaint has been filed pursuant to articles twelve-A and twelve-B of this chapter.]

4. ANY RECORDS THAT COME INTO THE COMMISSIONER'S CUSTODY IN THE COURSE OF DISCHARGING THE DUTIES IMPOSED UPON HIM OR HER BY THIS CHAPTER SHALL BE SUBJECT TO PUBLIC ACCESS TO THE FULL EXTENT PROVIDED BY THIS CHAPTER AND THE PUBLIC OFFICERS LAW, AND SHALL NOT BE SUBJECT TO THE SECRECY PROVISIONS OF THE TAX LAW.

S 7. The real property tax law is amended by adding two new sections 200-a and 203 to read as follows:

S 200-A. POWERS OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES. 1. THE POWERS, FUNCTIONS, DUTIES, AND OBLIGATIONS OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES SHALL BE SEPARATE FROM AND INDEPENDENT OF THE AUTHORITY OF THE DEPARTMENT OF TAXATION AND FINANCE. SUCH BOARD SHALL BE EMPOWERED TO ADOPT SUCH GUIDELINES AS MAY BE NECESSARY FOR THE EFFECTIVE MANAGEMENT OF ITS DECISION-MAKING PROCESS.

2. THE STATE BOARD OF REAL PROPERTY TAX SERVICES SHALL HAVE THE FOLLOWING POWERS IN RELATION TO REAL PROPERTY TAX ADMINISTRATION:

(A) THE POWER TO DETERMINE THE FINAL SPECIAL FRANCHISE VALUE, SPECIAL FRANCHISE ASSESSMENT, RAILROAD CEILING, STATE EQUALIZATION RATE OR ANY OTHER EQUALIZATION PRODUCT ESTABLISHED PURSUANT TO THIS CHAPTER FOR WHICH A COMPLAINT HAS BEEN FILED, AS PROVIDED BY SECTIONS FOUR HUNDRED EIGHTY-NINE-O, FOUR HUNDRED EIGHTY-NINE-LL, SIX HUNDRED FOURTEEN, TWELVE HUNDRED TEN, TWELVE HUNDRED FIFTY-THREE, AND TWELVE HUNDRED SIXTY-THREE OF THIS CHAPTER;

(B) THE POWER TO HEAR AND DETERMINE REVIEWS RELATING TO DETERMINATIONS MADE BY COUNTY EQUALIZATION AGENCIES, AS PROVIDED BY SECTIONS EIGHT HUNDRED SIXTEEN AND EIGHT HUNDRED EIGHTEEN OF THIS CHAPTER.

3. THE PROVISIONS OF SECTION FIVE HUNDRED TWENTY-FIVE OF THIS CHAPTER SHALL APPLY SO FAR AS PRACTICABLE TO A HEARING CONDUCTED BY THE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO THIS CHAPTER.

S 203. OFFICE OF REAL PROPERTY TAX SERVICES. THERE IS HEREBY CREATED WITHIN THE DEPARTMENT OF TAXATION AND FINANCE AN OFFICE OF REAL PROPERTY TAX SERVICES. THE HEAD OF THE OFFICE SHALL BE A DEPUTY COMMISSIONER FOR REAL PROPERTY TAX SERVICES, WHO SHALL ALSO BE THE EXECUTIVE OFFICER FOR AND SECRETARY OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES. THE DEPUTY COMMISSIONER FOR REAL PROPERTY TAX SERVICES SHALL BE APPOINTED BY THE GOVERNOR. HE OR SHE SHALL EXERCISE SUCH POWERS AND DUTIES IN RELATION TO REAL PROPERTY TAX ADMINISTRATION AS MAY BE DELEGATED TO HIM OR HER BY THE COMMISSIONER, SHALL REPORT DIRECTLY TO THE COMMISSIONER ON THE ACTIVITIES OF THE OFFICE, AND SHALL HOLD OFFICE AT THE PLEASURE OF THE COMMISSIONER. THE COMMISSIONER MAY APPOINT SUCH OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS AND SPECIAL COMMITTEES AS HE OR SHE MAY DEEM NECESSARY TO CARRY OUT THE PROVISIONS OF THIS CHAPTER, AND SHALL PRESCRIBE THEIR DUTIES.

S 8. Section 216 of the real property tax law, as added by chapter 490 of the laws of 1988, subdivision 5 as amended by chapter 529 of the laws of 1990, is amended to read as follows:

S 216. Powers of [board] COMMISSIONER upon neglect or refusal of officials to perform duties. 1. Whenever it appears to the satisfaction of the [state board] COMMISSIONER that any assessor or other public officer, employee or board of assessment review whose duties relate directly to real property tax administration has failed to comply with the provisions of this chapter or any other law relating to such duties, or the rules and regulations of the [board] COMMISSIONER made pursuant thereto, after a hearing on the facts, the [board] COMMISSIONER may issue an order directing such assessor, officer, employee or board of assessment review to comply with such law, rule or regulation.

2. If any assessor or other public officer, employee or board of assessment review whose duties relate directly to real property tax administration shall [wilfully] WILLFULLY and intentionally refuse or neglect to perform any duty or do any act required by or pursuant to this chapter, in addition to any other penalty provided by law, such assessor, public officer, employee or member of a board of assessment review shall forfeit to the municipal corporation of which such assessor, public officer, employee or member is an officer a sum not to exceed fifty dollars for each [wilful] WILLFUL and intentional violation, which may be recovered by the [state board] COMMISSIONER.

3. Where a property owner is, in a proceeding conducted pursuant to this section, found to be directly affected by the violation of state law or rule, the [board] COMMISSIONER in its order shall establish procedures by which an assessor, officer, employee or board of assessment review whose duties relate directly to real property tax administration, whether or not a party to the proceeding, shall remedy the failure to comply with such state law or rules with respect to an assessment roll filed not more than three years prior to the commencement of the proceeding. Such remedy may include reconvening the board of assessment review, identifying the class of persons eligible to complain when the board of assessment review reconvenes, and issuing instructions to such board of assessment review on the law and any documentation required of eligible complainants in relation to the findings of the

[state board] COMMISSIONER. A copy of such order shall be mailed to such assessor, officer, employee or board of assessment review and to each municipal corporation which utilizes such assessment roll. Such order shall, where appropriate, require the assessing unit to mail a copy of the order to each eligible complainant whose name and address is readily ascertainable from the record of the proceeding.

4. (a) Where the [state board] COMMISSIONER has ordered the board of assessment review to reconvene to receive complaints, a copy of the order shall be mailed by the assessing unit to each eligible complainant, which mailing shall be accompanied by the form prescribed by the [state board] COMMISSIONER for complaints on tentative assessments or such other form as may be prescribed [by the state board] for such purpose. Included with such order and form shall be a notice stating the date, time and place at which the board of assessment review will reconvene. This material shall be mailed to the eligible complainant no later than fifteen days prior to the meeting of the board of assessment review. On the date and time specified in such notice, the board of assessment review will reconvene to hear any complaints filed pursuant to such order and shall have the powers and duties set forth in section five hundred twenty-five of this chapter, except that it may receive only complaints with respect to assessments of those parcels to which the [state board's] COMMISSIONER'S order applies. A petition for review of the assessment of such property pursuant to either title one or one-A of article seven of this chapter may be filed no later than thirty days after the determination of the board of assessment review is mailed to the petitioner, notwithstanding the provisions of section seven hundred two or seven hundred thirty of this chapter.

(b) The assessor shall correct the assessment roll upon receipt of the verified statement of changes from the board of assessment review. If the assessor no longer has custody of the assessment roll when such verified statement is received, he or she shall forward a copy of such verified statement and a copy of the [state board's] COMMISSIONER'S order to the person having custody of the assessment roll or tax roll, which person shall thereupon make the appropriate corrections. The assessor shall also forward a copy of the verified statement of changes to the clerk of each tax levying body which levies taxes on such assessment roll.

(c) Where a tax, special assessment or special ad valorem levy has been paid prior to the correction of the tax roll pursuant to this section and the order of the board of assessment review results in a reduction of the tax liability of a parcel, the tax levying body shall refund to the person who paid such tax, special assessment or special ad valorem levy the amount which exceeds the tax, special assessment, or special ad valorem levy due upon the corrected tax roll. Any such refund shall be a charge upon each municipal corporation or special district to the extent that the taxes, special assessments or special ad valorem levies were levied on its behalf or as is otherwise provided by law with respect to Nassau and Suffolk counties; provided, however, that no application need be made by the petitioner for such refund. The verified statement of changes provided to the clerk of the tax district shall constitute an application for refund for the purposes of this section. Where a refund is not made within ninety days of the receipt of the verified statement of changes, interest in the amount of one percent per month shall be added to the amount to be refunded for each month or part thereof in excess of ninety days and paid to the property owner.

(d) Where taxes, special assessments or special ad valorem levies have been levied prior to the correction of the tax roll pursuant to this section and the verified statement of changes of the board of assessment review results in an increase in the tax liability of a parcel or the imposition of a tax liability upon a parcel, the additional tax, special assessment, or special ad valorem levy shall be levied, collected and accounted for as provided in the [state board's] COMMISSIONER'S order.

(e) The provisions of title three of article five of this chapter shall apply as far as practicable to the correction of an assessment roll or tax roll and, if applicable, to a refund of taxes pursuant to this section; provided however that no application, except as provided herein, need be made for such correction or refund.

5. If an assessor, or other public officer, employee or board of assessment review whose duties relate directly to real property tax administration fails or refuses to comply with the [state board's] COMMISSIONER'S order within ten days after service of such order or within such time as is prescribed by the [state board] COMMISSIONER for compliance with its order, the [state board] COMMISSIONER may commence a special proceeding pursuant to article four of the civil practice law and rules to compel compliance with such order. Such special proceeding shall be commenced by the counsel to the [state board] DEPARTMENT OF TAXATION AND FINANCE, except that the attorney general of the state shall commence such proceeding on behalf of the [state board] DEPARTMENT if he or she deems it necessary.

S 9. Section 324 of the real property tax law is REPEALED.

S 10. Subparagraphs (iv) and (v) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, subparagraph (iv) as amended by section 3 of part E of chapter 83 of the laws of 2002, subparagraph (v) as amended by chapter 631 of the laws of 2006, are amended to read as follows:

(iv) Effective with applications for the enhanced exemption on final assessment rolls to be completed in two thousand three, the application form shall indicate that the owners of the property and any owners' spouses residing on the premises may authorize the assessor to have their income eligibility verified annually thereafter by the state department of taxation and finance, in lieu of furnishing copies of the applicable income tax return or returns with the application. If the owners of the property and any owners' spouses residing on the premises elect to participate in this program, which shall be known as the STAR income verification program, they must furnish their taxpayer identification numbers in order to facilitate matching with records of the department [of taxation and finance]. Thereafter, their income eligibility shall be verified annually by the [state] department [of taxation and finance] and the assessor shall not request income documentation from them, unless such department advises the assessor [through the state board] that they do not satisfy the applicable income eligibility requirements, or that it is unable to determine whether they satisfy those requirements.

(v) (A) Except in the case of a city with a population of one million or more, the assessor shall forward to the [state board] DEPARTMENT, in the time and manner required by the [state board] DEPARTMENT, information identifying the persons who have elected to participate in the STAR income verification program. [The state board shall forward such information to the department of taxation and finance in the manner provided by the agreement executed pursuant to section one hundred seventy-one-o of the tax law, and shall notify the assessor of the response or

responses it receives from such department pursuant to such agreement.] After receiving [such] THE DEPARTMENT'S response or responses, the assessing authority shall cause notices to be mailed to participants as provided by paragraph (b) of subdivision five of this section. Information [obtained by the state board] PROVIDED TO THE DEPARTMENT identifying such persons, and responses obtained from such department shall be confidential and shall not be subject to disclosure under article six of the public officers law.

(B) In the case of a city of one million or more, the assessor shall forward to the department of taxation and finance, in the time and manner required by the department, information identifying the persons who have elected to participate in the STAR income verification program. The department shall advise the assessor of its findings in the manner provided by the agreement executed pursuant to section one hundred seventy-one-o of the tax law. After receiving such response or responses, the assessing authority shall cause notices to be mailed to participants as provided by paragraph (b) of subdivision five of this section. Information [obtained by the state board] PROVIDED TO THE DEPARTMENT identifying such persons, and responses obtained from such department shall be confidential and shall not be subject to disclosure under article six of the public officers law.

S 11. The opening paragraph of paragraph (b) of subdivision 5 of section 425 of the real property tax law, as amended by chapter 742 of the laws of 2005, is amended to read as follows:

Informational notice for participants in the STAR income verification program. In the case of a parcel which is owned by an owner or owners who have elected to participate in the STAR income verification program, the assessing authority shall cause a notice, preferably on a postcard, to be mailed to such owner or owners after the assessor has been notified of their income eligibility by the department [of taxation and finance through the state board]. Each such notice shall be mailed without restrictions upon forwarding or delivery, and shall contain, in language prescribed by the [state board] DEPARTMENT, the substance of one of the following statements, whichever is appropriate:

S 12. Paragraph (a) of subdivision 12 of section 425 of the real property tax law, as amended by section 9 of part E of chapter 83 of the laws of 2002, is amended to read as follows:

(a) Generally. In addition to discontinuing the exemption on the next ensuing tentative assessment roll, if the assessor determines that the property improperly received the exemption on one or more of the three preceding assessment rolls, or is advised by the department [of taxation and finance through the state board] that the applicable income standard was not satisfied with regard to a property which received the enhanced exemption on one or more of those rolls, he or she shall proceed to revoke the improperly granted prior exemption or exemptions. If the assessor is advised [through the state board] that the department [of taxation and finance] was unable to verify the income eligibility of one or more participants in the income verification program, the assessor shall mail that person or those persons a notice in a form prescribed by the [state board] DEPARTMENT requesting that the person or persons document their income in the same manner and to the same extent as if the person or persons were submitting an initial application for the enhanced STAR exemption. If such income documentation is not provided within forty-five days of such request, or if the documentation provided does not establish the eligibility of the person or persons to the assessor's satisfaction, the assessor shall treat the exemption as an

improperly granted exemption and proceed in the manner provided by this subdivision.

S 13. Section 489-o of the real property tax law, as added by chapter 86 of the laws of 1963, subdivision 2 as amended by chapter 735 of the laws of 1983, and subdivision 3 as added by chapter 841 of the laws of 1986, is amended to read as follows:

S 489-o. Final determination of railroad ceiling; certificate. 1. After the hearing provided for in section four hundred eighty-nine-n of this [chapter] TITLE, the state board OF REAL PROPERTY TAX SERVICES shall finally determine the railroad ceiling for the railroad real property of each railroad company situated in each assessing unit. Whenever upon complaint the state board shall revise the local reproduction cost of a railroad company in an assessing unit, it shall revise the railroad ceiling therefor to reflect such revision, but it shall not, on account of such revision, modify any other determination with respect to the railroad ceilings for such railroad company for such year. Notwithstanding the fact that no complaint shall have been filed with respect to a tentative determination of a railroad ceiling, the state board shall give effect to any special equalization rate established, pursuant to subdivision two of section four hundred eighty-nine-l of this [chapter] TITLE prior to the final determination of the railroad ceiling.

2. Not later than ten days before the last date prescribed by law for the levy of taxes, the state board shall file a certificate setting forth each railroad ceiling as finally determined with the assessor of the appropriate assessing unit or the town or county assessor who prepares a copy of the applicable part of the town or county assessment roll for village tax purposes as provided in subdivision three of section fourteen hundred two of this chapter, and at the same time shall transmit to each railroad company for which such ceiling has been determined a duplicate copy of such certificate.

3. Any final determination of a railroad ceiling by the state board pursuant to subdivision one of this section shall be subject to judicial review in a proceeding under article seventy-eight of the civil practice law and rules.

S 14. Subdivision 1 of section 489-ll of the real property tax law, as added by chapter 920 of the laws of 1977, is amended to read as follows:

1. After the hearing provided for in section four hundred eighty-nine-kk of this [chapter] TITLE, the state board OF REAL PROPERTY TAX SERVICES shall finally determine the railroad ceiling for the railroad real property of each railroad company situated in each assessing unit. Whenever upon complaint the state board shall revise the local reproduction cost of a railroad company in an assessing unit, it shall revise the appropriate railroad ceiling to reflect such revision, but it shall not, on account of such revision, modify any other determination with respect to the railroad ceilings for such railroad company for such year. Notwithstanding the fact that no complaint shall have been filed with respect to a tentative determination of a railroad ceiling, the state board shall give effect to any special equalization rate established pursuant to subdivision two of section four hundred eighty-nine-jj of this [chapter] TITLE prior to the final determination of the railroad ceiling.

S 15. Section 614 of the real property tax law is amended to read as follows:

S 614. Determination of final assessment of special franchises. After [the hearing of complaints, if any, as provided in] RECEIVING THE COMMISSIONER'S REPORT REGARDING ANY COMPLAINT FILED PURSUANT TO section

six hundred twelve of this [chapter] ARTICLE, the state board OF REAL PROPERTY TAX SERVICES shall determine the final assessment of each special franchise.

S 16. Subdivision 2 of section 740 of the real property tax law, as added by chapter 732 of the laws of 1983, is amended to read as follows:

2. A petition and notice shall be served by delivering two copies to [a member of the state board] THE COMMISSIONER or to an officer or employee authorized by [the board] HIM OR HER to accept service, not more than sixty days after the written notice of the final assessment prescribed by section six hundred eighteen of this chapter has been served. Where a proceeding is commenced by an assessing unit in which a special franchise is situated, an additional copy shall be filed by the petitioner with the owner of that special franchise. Where a proceeding is commenced by a special franchise owner, the petitioner, within ten days after service, shall file an additional copy with the clerk of the city, town or village and with the clerk of the school district in which that special franchise is situated except a school district governed by the provisions of article fifty-two of the education law.

S 17. Section 1210 of the real property tax law, as amended by chapter 355 of the laws of 1990, is amended to read as follows:

S 1210. Establishment of final state equalization rates, class ratios and class equalization rates. After [hearing the complaints, if any, as provided in] RECEIVING THE COMMISSIONER'S REPORT REGARDING ANY COMPLAINT FILED PURSUANT TO section twelve hundred eight of this [chapter] TITLE, the state board OF REAL PROPERTY TAX SERVICES shall establish the final state equalization rate, class ratios, and class equalization rates, if required, for each city, town, village, special assessing unit, or approved assessing unit or eligible non-assessing unit village which has adopted the provisions of section nineteen hundred three of this chapter.

S 18. Section 1218 of the real property tax law, as amended by chapter 685 of the laws of 2004, is amended to read as follows:

S 1218. Review of final determinations of state board OF REAL PROPERTY TAX SERVICES relating to state equalization rates. A final determination of the state board OF REAL PROPERTY TAX SERVICES relating to state equalization rates may be reviewed by commencing an action in the appellate division of the supreme court in the manner provided by article seventy-eight of the civil practice law and rules upon application of the county, city, town or village for which the rate or rates were established. The standard of review in such a proceeding shall be as specified in subdivision four of section seventy-eight hundred three of the civil practice law and rules. Whenever a final order is issued in such a proceeding directing a revised state equalization rate, any county, village or school district that used the former rate in the apportionment of taxes must, upon receipt of such final order, recalculate the levy that used such former rate and credit or debit as appropriate its constituent municipalities in its next levy. Any special franchise assessments that were established using the former rate must, upon receipt of such final order, be revised by the state board in accordance with the new rate, and, if taxes have already been levied upon such assessments, the affected special franchise owners shall either automatically receive a refund if there is a decrease or be taxed on an increase in the next levy in the manner provided for omitted parcels in title three of article five of this chapter.

S 19. Subdivision (e) of section 15 of the tax law, as amended by chapter 161 of the laws of 2005, is amended to read as follows:

(e) Eligible real property taxes. The term "eligible real property taxes" means taxes imposed on real property which is owned by the QEZE and located in an empire zone with respect to which the QEZE is certified pursuant to article eighteen-B of the general municipal law, provided such taxes are paid by the QEZE which is the owner of the real property or are paid by a tenant which either (i) does not meet the eligibility requirements under section fourteen of this article to be a QEZE or (ii) cannot treat such payment as eligible real property taxes pursuant to this paragraph and such taxes become a lien on the real property during a taxable year in which the owner of the real property is both certified pursuant to article eighteen-B of the general municipal law and a qualified empire zone enterprise. In addition, "eligible real property taxes" shall include taxes paid by a QEZE which is a lessee of real property if the following conditions are satisfied: (1) the taxes must be paid by the lessee pursuant to explicit requirements in a written lease executed or amended on or after June first, two thousand five, (2) such taxes become a lien on the real property during a taxable year in which the lessee of the real property is both certified pursuant to article eighteen-B of the general municipal law and a qualified empire zone enterprise, and (3) the lessee has made direct payment of such taxes to the taxing authority and has received a receipt for such payment of taxes from the taxing authority. In addition, the term "eligible real property taxes" includes payments in lieu of taxes made by the QEZE to the state, a municipal corporation or a public benefit corporation pursuant to a written agreement entered into between the QEZE and the state, municipal corporation, or public benefit corporation. Provided, however, a payment in lieu of taxes made by the QEZE pursuant to a written agreement executed or amended on or after January first, two thousand one, shall not constitute eligible real property taxes in any taxable year to the extent that such payment exceeds the product of (A) the greater of (i) the basis for federal income tax purposes, calculated without regard to depreciation, determined as of the effective date of the QEZE's certification pursuant to article eighteen-B of the general municipal law of real property, including buildings and structural components of buildings, owned by the QEZE and located in empire zones with respect to which the QEZE is certified pursuant to such article eighteen-B of the general municipal law, and provided that if such basis is further adjusted or reduced pursuant to any provision of the internal revenue code, the QEZE may petition the department[,] AND the department of economic development [and the office of real property services] to disregard such reduction or adjustment for the purpose of this subdivision or (ii) the basis for federal income tax purposes of such real property described in clause (i) of this subparagraph, calculated without regard to depreciation, on the last day of the taxable year, and provided that if such basis is further adjusted or reduced pursuant to any provision of the internal revenue code, the QEZE may petition the department, the department of economic development and the office of real property services to disregard such reduction or adjustment for the purpose of this subdivision; and (B) the estimated effective full value tax rate within the county in which such property is located, as most recently [reported to] CALCULATED BY the commissioner [by the secretary of the state board of real property services, or his or her designee]. The [state board] COMMISSIONER shall annually calculate estimated effective full value tax rates within each county for this purpose based upon the most current information available to

[it] HIM OR HER in relation to county, city, town, village and school district taxes.

S 20. Paragraph 5 of subdivision (b) of section 22 of the tax law, as amended by section 4 of part H of chapter 577 of the laws of 2004, is amended to read as follows:

(5) Eligible real property taxes. The term "eligible real property taxes" means taxes imposed on real property which consists of a qualified site owned by the developer, provided such taxes become a lien on the real property in a period during which the real property is a qualified site. In addition, the term "eligible real property taxes" includes payments in lieu of taxes by the developer, with respect to a qualified site, to the state, a municipal corporation or a public benefit corporation pursuant to a written agreement entered into between the developer and the state, a municipal corporation or a public benefit corporation. Provided, however, such a payment in lieu of taxes shall not constitute eligible real property taxes in any taxable year to the extent that such payment exceeds the product of (A) the greater of (i) the basis for federal income tax purposes, determined on the date the taxpayer becomes a developer as defined under this section, of real property, including buildings and structural components of buildings, owned by the developer and located on a qualified site with respect to which the taxpayer is a developer, or (ii) the basis for federal income tax purposes of such real property described in clause (i) of this subparagraph on the last day of the taxable year, and (B) the estimated effective full value tax rate within the county in which such property is located, as most recently [reported to] CALCULATED BY the commissioner [by the secretary of the state board of real property services, or his or her designee]. The [state board] COMMISSIONER shall annually calculate estimated and effective full value tax rates within each county for this purpose based upon the most current information available to [it] HIM OR HER in relation to county, city, town, village and school district taxes. Provided further, where the amount of the credit determined under paragraph two of this subdivision is the total product of the factors and tax specified therein, the term "eligible real property taxes" under this paragraph shall apply only to taxes imposed on real property which is attributed to a qualified site located in an environmental zone. Where the developer is a partner in a partnership or a shareholder in a New York S corporation, such real property shall be owned by the partnership or the New York S corporation, respectively.

S 20-a. Subdivision 2 of section 170 of the tax law, as amended by chapter 282 of the laws of 1986, is amended and a new subdivision 7-a is added to read as follows:

2. Existing divisions or bureaus in the department of taxation and finance or transferred to the department shall continue until consolidated or abolished pursuant to this section. There shall be in the department of taxation and finance a division of taxation, a division of the treasury, a division of the lottery, AN OFFICE OF REAL PROPERTY TAX SERVICES, and a division of tax appeals.

7-A. THE HEAD OF THE OFFICE OF REAL PROPERTY TAX SERVICES SHALL BE AN OFFICER TO BE APPOINTED AND HOLD OFFICE AS PROVIDED BY SECTION TWO HUNDRED THREE OF THE REAL PROPERTY TAX LAW.

S 21. Subdivision twenty-fifth of section 171 of the tax law, as amended by chapter 170 of the laws of 1994, paragraph a as amended by section 93 of part A of chapter 436 of the laws of 1997, paragraph b as amended and paragraph c as added by chapter 474 of the laws of 1996, is amended to read as follows:

Twenty-fifth. a. With respect to the income to be used in the computation of school aid payable in the school year nineteen hundred ninety-four--ninety-five and thereafter, be required to design, develop and implement a permanent computerized statewide school district address match and income verification system in regard to each school district's valuation of total New York adjusted gross income as determined by the department, for use in determining state aid to education. The department shall promulgate rules and regulations to effect the provisions of this paragraph within ninety days of the enactment of the chapter of the laws of nineteen hundred ninety-four amending this paragraph. Commencing September first, nineteen hundred ninety-seven, the commissioner[,] AND the commissioner of education[, and the executive director of the office of real property services], subject to the approval of the director of the budget shall be required to enter into a cooperative agreement by September first of each year, which will govern the validation and correction and completion of the total New York adjusted gross income of school districts until September first of the following year. Such agreement shall include, but not be limited to: (i) procedures to improve the accuracy of school district income data, in a manner which gives appropriate recognition to computerized processing capabilities, administrative feasibility of manual processes and confidentiality implications; (ii) procedures to verify the school district codes reported by taxpayers; (iii) procedures to correct identified inaccuracies; (iv) procedures to assign school district codes based on the permanent residence addresses of taxpayers who failed to complete the school district code; (v) the schedule for the transmittal of electronic data between the agencies, as necessary, to implement such system; and (vi) beginning in the nineteen hundred ninety-six state fiscal year, procedures for the review process provided for in paragraph c of this subdivision. All state departments and agencies, and school districts and other local governments and agencies, shall cooperate with the parties to such agreement in its implementation.

b. 1. [With respect to income used in the computation of school aid payable in the school years nineteen hundred ninety-four--ninety-five through nineteen hundred ninety-seven--ninety-eight, be required to design, develop and implement a process whereby school districts may request a review of the assignment of taxpayer addresses to their school district. In addition to the cooperative agreement developed pursuant to paragraph a of this subdivision between the commissioner, the commissioner of education and the director of the office of real property services, the parties shall enter into a second cooperative agreement to establish procedures for such a review process. Such procedures shall include but not be limited to: (i) general criteria to be used for the purpose of evaluating suspected inaccuracies in the assignment of tax returns to school districts; (ii) a process for rating the requests for review, giving appropriate recognition to the relative incidence of suspected inaccuracies, the relative effect of suspected inaccuracies on the aggregate income, income per return and relative income per pupil of the school district, and the relative effect of suspected inaccuracies on state aid payable to the school district pursuant to the education law; (iii) a process for identifying the school districts for participation in the review process from the rated list of applicants; (iv) processes by which addresses assigned to identified school districts will be reviewed and by which corrections to inaccuracies will be identified; (v) a process by which corrections to inaccurate assignments will be made to appropriate files; and (vi) deadlines by which school

districts must submit requests for review to the commissioner of education and timelines for each of the procedures included in the agreement.

2. School districts requesting a review in accordance with the provisions of this paragraph shall be required, in consultation with the district superintendent of schools for the supervisory district in which the school district is located, appointed pursuant to section nineteen hundred fifty of the education law, to submit to the commissioner of education evidence in support of a contention that the assignment of tax returns to their district is inaccurate. Identified school districts may be required to review ordered listings, prepared by the department or the office of real property services or an authorized vendor contracted by the department, of the permanent resident address of selected taxpayers who filed personal income tax returns with the department reporting a school district code or address which indicates that the taxpayer was a resident of such identified school district at the close of the taxable year for which the return was filed. In no case shall ordered address listings for school district review include those addresses which the school district had the opportunity to review pursuant to paragraph a of this subdivision. District superintendents of schools appointed pursuant to section nineteen hundred fifty of the education law, having an identified school district within their supervisory district, shall be required to verify any suspected inaccuracies indicated by an identified district as a result of the district's review of ordered address listings pursuant to this paragraph.

3.] Any correction, pursuant to this paragraph, of verified inaccuracies of income data shall only result in the removal of such returns from the identified school district.

[4.] 2. All state departments and agencies, and school districts and other local governments and agencies, shall cooperate with the parties to such agreement in the implementation of the review process provided pursuant to this paragraph.

c. 1. With respect to income used in the computation of school aid payable in the school years nineteen hundred ninety-eight--ninety-nine and thereafter, be required to design, develop and implement a process whereby school districts may request a review of the assignment of taxpayer addresses to their school district. Procedures for such a review process shall be included in the cooperative agreement entered into pursuant to paragraph a of this subdivision.

2. School districts requesting a review in accordance with the provisions of this paragraph shall be required, in consultation with the district superintendent of schools for the supervisory district in which the school district is located, appointed pursuant to section nineteen hundred fifty of the education law, to submit to the commissioner of education evidence in support of a contention that the assignment of tax returns to their district is inaccurate. Identified school districts may be required to review ordered listings, prepared by the department [or the office of real property services] or an authorized vendor contracted by the department, of the permanent resident address of selected taxpayers who filed personal income tax returns with the department reporting a school district code or address which indicates that the taxpayer was a resident of such identified school district at the close of the taxable year for which the return was filed. In no case shall ordered address listings for school district review include those addresses which the school district had the opportunity to review pursuant to paragraph a of this subdivision. District superintendents of schools appointed pursuant to section nineteen hundred fifty of the education

law, having an identified school district within their supervisory district, shall be required to verify any suspected inaccuracies indicated by an identified district as a result of the district's review of ordered address listings pursuant to this paragraph.

3. Any correction, pursuant to this paragraph, of verified inaccuracies of income data shall only result in the removal of such returns from the identified school district.

4. All state departments and agencies, and school districts and other local governments and agencies, shall cooperate with the parties to such agreement in the implementation of the review process provided pursuant to this paragraph.

S 22. Section 171-o of the tax law, as amended by chapter 631 of the laws of 2006, is amended to read as follows:

S 171-o. Income verification for [the state board of real property services and] a city with a population of one million or more. (1) The department shall enter into an agreement with [the state board of real property services to verify, to the extent practicable, whether persons described in paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law meet the income eligibility requirements prescribed therein for the applicable income tax year, beginning with the income tax year ending in two thousand two. The department shall also enter into an agreement with] a city with a population of one million or more to verify, to the extent practicable, whether persons described in paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law meet the income eligibility requirements prescribed therein for the applicable income tax year, beginning with the income tax year ending in two thousand five. The department shall advise the [state board of real property services, or] city[, as the case may be,] of its findings, stating in each case either that such person or persons do or do not satisfy such requirements, or that the eligibility of such person or persons cannot be verified, whichever is appropriate. The department shall not provide any other information about the income of such persons to the [state board of real property services or] city.

(2) The provisions of article six of the public officers law shall not apply to any information that the department obtains from or provides to the [state board of real property services or] city pursuant to this section.

(3) Any information furnished by the department pursuant to this section shall be deemed confidential and the assessor, any municipal officer or municipal employees are prohibited from disclosing any such information, except for any disclosure necessary in the performance of their official duties in connection with the school tax relief (STAR) exemption pursuant to section four hundred twenty-five of the real property tax law. Any unauthorized disclosure of such information shall be deemed a violation of section eight hundred five-a of the general municipal law.

S 23. Paragraph 12 of subsection (e) of section 606 of the tax law is REPEALED.

S 24. Paragraphs 3, 4 and 5 of subsection (k) of section 697 of the tax law, as amended by chapter 237 of the laws of 1995, are amended to read as follows:

[(3) Notwithstanding the provisions of subsection (e) of this section, the department or authorized vendor contracted by the department shall furnish annually, as required pursuant to subdivision twenty-fifth of section one hundred seventy-one of this chapter, to the executive direc-

tor of the office of real property services, electronic file transfers of the permanent residence address of each taxpayer who has filed a personal income tax return with the department. Such transfers shall be in accordance with the schedule established pursuant to the agreement developed in accordance with paragraph d of subdivision twenty-fifth of section one hundred seventy-one of this chapter. Similarly, the office of real property services shall, subject to the availability of funds appropriated for this purpose, verify or correct or determine the school district for each such residence address provided by the department and shall return such updated data to the department in accordance with the provisions of such agreement.]

(4) Notwithstanding the provisions of subsection (e) of this section, the department [or the office of real property services] or an authorized vendor contracted by the department shall furnish, as required pursuant to subdivision twenty-fifth of section one hundred seventy-one of this chapter, to the superintendents of schools of identified school districts and district superintendents of schools appointed pursuant to section nineteen hundred fifty of the education law, having an identified school district within their supervisory district, an ordered listing, for such identified school districts electing to participate in the appeals process for a limited school district address review validation and correction process.

(5) The information provided pursuant to this section and subdivision twenty-fifth of section one hundred seventy-one of this chapter shall be used solely for the purpose of verifying the legal residence and school district of a taxpayer in determining the distribution of state aid for education and such information may only be disclosed by such commissioner, [director,] superintendents and authorized vendor contracted by the department for such purposes to employees of the state education department, [employees of the state office of real property services] and to employees under the control of such superintendents. In addition, notwithstanding the provisions of subsection (e) of this section, the department may furnish to an authorized vendor contracted by the department the permanent resident address and school code data necessary for the implementation of the temporary school district address review validation and correction process, the pilot computerized address match and income verification project, or the permanent computerized statewide school district address match and income verification system pursuant to subdivision twenty-fifth of section one hundred seventy-one of this chapter. Any violation of the provisions of this section shall be punishable in the manner provided for in subsection (e) of this section. Any information obtained by any agency or person pursuant to the provisions of this section shall not be deemed a "record", as defined in subdivision four of section eighty-six of the public officers law.

S 25. Subdivision 3 of section 1564 of the tax law, as amended by chapter 17 of the laws of 2008, is amended to read as follows:

3. An exemption from the tax which is equal to the median sales price of residential real property within the applicable town or city, as determined by the [office of real property services pursuant to procedures adopted for this purpose by the state board of real property services established pursuant to article two of the real property tax law] COMMISSIONER, shall be allowed on the consideration of the conveyance of improved or unimproved real property or an interest therein.

S 26. This act shall take effect immediately.