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

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I N S E N A T E

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Introduced by Sens. KLEIN, C. JOHNSON, FOLEY, ADDABBO, AUBERTINE, BONACIC, DIAZ, DILAN, ESPADA, HASSELL-THOMPSON, KRUGER, MONSERRATE, MONTGOMERY, ONORATO, OPPENHEIMER, PARKER, SAVINO, STACHOWSKI, STAVISKY, STEWART-COUSINS, VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to the "Middle Class STAR" rebate program; to amend the education law, in relation to the effect of mandates on school districts; to amend the education law, in relation to the streamlining of planning and reporting requirements for school districts and boards of cooperative educational services; to amend the tax law, in relation to the school district property tax credit and establishing the maximum residential school property tax, personal income tax credit; to amend the state finance law, in relation to local property tax rebates; to amend the general municipal law and the education law, in relation to requiring the state to fund certain programs mandated for municipal corporations and school districts; to amend the education law, in relation to student transportation; to amend the administrative code of the city of New York, in relation to an enhanced personal income tax credit in New York city; to repeal subdivision 32 of section 305 of the education law relating to a study of reporting requirements; to repeal section 805 of the education law relating to special procedures for enforcement of the health education curriculum; to repeal subparagraph 2 of paragraph d of subdivision 4 of section 1950 of the education law relating to prohibited aidable shared services; to repeal subparagraph 2-a of paragraph d of subdivision 4 of section 1950 of the education

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

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law relating to demonstration of cost-effectiveness of instructional and non-instructional technology acquired by component school districts through a board of cooperative educational services; to repeal paragraph d of subdivision 26-a of section 3602 of the education law relating to a plan for use of instructional computer technology equipment; and to repeal subdivision 13 of section 3602-e of the education law relating to annual reports on universal prekindergarten programs

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

Section 1. Legislative intent. State mandated programs, unlike local service decisions, place local taxpayers and local officials in the position of paying for services that they do not control. Increasingly, however, the state has set local priorities and forced municipal taxing decisions by mandating services, programs, and standards. As a result, many local governments and school districts are today in an acutely difficult fiscal situation.

Thus, in order to prevent irresponsible state actions which prevent localities from making their own decisions, and which force unwanted local property tax increases, it is necessary to ensure that state mandates will not be forced on localities and school districts unless they are adequately funded.

S 2. The real property tax law is amended by adding a new section 1306-b to read as follows:

S 1306-B. "MIDDLE CLASS STAR" REBATE PROGRAM. 1. TAX REBATES. (A) IF A PARCEL IS ENTITLED TO THE BASIC OR ENHANCED STAR EXEMPTION AUTHORIZED BY SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER FOR THE TWO THOUSAND SIX--TWO THOUSAND SEVEN SCHOOL YEAR AND EACH YEAR THEREAFTER, A LOCAL PROPERTY TAX REBATE SHALL BE PROVIDED TO THE OWNER OR OWNERS OF SUCH PARCEL AS SHOWN ON THE FINAL ASSESSMENT ROLL FOR SUCH YEAR, IN AN AMOUNT COMPUTED AS PRESCRIBED BY THIS SECTION AND SECTION ONE HUNDRED SEVENTY-EIGHT OF THE TAX LAW.

(B) IT SHALL BE THE RESPONSIBILITY OF THE STATE DEPARTMENT OF TAXATION AND FINANCE TO ISSUE SUCH TAX REBATES TO SUCH OWNERS IN THE MANNER PROVIDED BY SECTION ONE HUNDRED SEVENTY-EIGHT OF THE TAX LAW. NOTHING CONTAINED HEREIN SHALL BE CONSTRUED AS PERMITTING PARTIAL OR INSTALLMENT PAYMENTS OF TAXES IN A JURISDICTION WHICH HAS NOT AUTHORIZED THE SAME PURSUANT TO LAW.

2. PROCEDURE. (A) ON OR BEFORE AUGUST FIFTEENTH, TWO THOUSAND NINE AND EACH YEAR THEREAFTER, THE EXECUTIVE DIRECTOR OF THE OFFICE OF REAL PROPERTY SERVICES, OR HIS OR HER DESIGNEE, OR ON OR BEFORE JULY FIRST, TWO THOUSAND NINE AND EACH YEAR THEREAFTER, IN THE CASE OF A CITY WITH A POPULATION OF ONE MILLION OR MORE, THE COMMISSIONER OF FINANCE, OR HIS OR HER DESIGNEE, SHALL PROVIDE TO THE COMMISSIONER OF TAXATION AND FINANCE A REPORT IN A MUTUALLY AGREEABLE FORMAT CONCERNING THOSE PARCELS WHICH HAVE BEEN GRANTED AN EXEMPTION AUTHORIZED BY SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER ON THE ASSESSMENT ROLLS USED TO GENERATE THE SCHOOL TAX BILLS FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL TAX YEAR AND FOR EACH YEAR THEREAFTER; PROVIDED HOWEVER THE INFORMATION TO BE PROVIDED ON SUCH REPORT SHALL BE OBTAINED FROM THE FINAL ASSESSMENT ROLL DATA FILES USED TO GENERATE THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL TAX BILLS AND EACH YEAR THEREAFTER, FILED WITH THE STATE BOARD PURSUANT TO SECTION FIFTEEN HUNDRED NINETY OF THIS CHAPTER ON OR BEFORE

JULY THIRTY-FIRST OF SUCH YEAR. SUCH REPORT SHALL SET FORTH THE NAMES AND MAILING ADDRESSES OF THE OWNERS OF SUCH PARCELS AS SHOWN ON SUCH ASSESSMENT ROLL DATA FILES, THE IDENTIFICATION NUMBERS OF SUCH PARCELS AS SHOWN ON SUCH ASSESSMENT ROLL DATA FILES, AND SUCH OTHER INFORMATION IN THE POSSESSION OF THE OFFICE OF REAL PROPERTY SERVICES, OR IN THE CASE OF A CITY WITH A POPULATION OF ONE MILLION OR MORE, THE COMMISSIONER OF FINANCE, AS THE COMMISSIONER OF TAXATION AND FINANCE MAY DEEM NECESSARY FOR THE EFFECTIVE ADMINISTRATION OF THIS PROGRAM, INCLUDING INFORMATION REGARDING COOPERATIVE APARTMENT BUILDINGS AND MOBILE HOME PARKS OR SIMILAR PROPERTY. IT SHALL BE THE RESPONSIBILITY OF THE ASSESSOR OR ASSESSORS OF EACH ASSESSING UNIT TO ENSURE THAT THE NAMES AND MAILING ADDRESSES OF SUCH OWNERS ARE ACCURATELY RECORDED ON SUCH ROLLS AND FILES TO THE BEST OF HIS OR HER ABILITY, BASED UPON THE INFORMATION CONTAINED IN HIS OR HER OFFICE. NOTHING CONTAINED IN THIS SUBDIVISION SHALL BE CONSTRUED AS AFFECTING IN ANY WAY THE VALIDITY OR ENFORCEABILITY OF A REAL PROPERTY TAX, OR THE APPLICABILITY OF INTEREST OR PENALTIES WITH RESPECT THERETO, WHEN AN OWNER'S NAME OR MAILING ADDRESS HAS NOT BEEN ACCURATELY RECORDED.

(B) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, WHERE AN ASSESSING UNIT CONTAINS ONE OR MORE PROPERTIES WHICH ARE RECEIVING SUCH EXEMPTION IN RELATION TO A PRIOR YEAR ASSESSMENT ROLL PURSUANT TO PARAGRAPH (D) OF SUBDIVISION SIX OF SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER, OR CONTAINS ONE OR MORE PARCELS WITH RESPECT TO WHICH SUCH EXEMPTION WAS DULY ADDED OR REMOVED AFTER THE FILING OF THE FINAL ASSESSMENT ROLL PURSUANT TO THE PROVISIONS OF TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER, THE OFFICE OF REAL PROPERTY SERVICES MAY REQUIRE THE ASSESSOR TO FILE WITH IT, ON OR BEFORE JULY THIRTY-FIRST, TWO THOUSAND NINE AND EACH YEAR THEREAFTER, OR SUCH LATER DATE AS SUCH OFFICE MAY SPECIFY, A SUPPLEMENTAL REPORT RELATING TO SUCH PROPERTY OR PROPERTIES, SO THAT INFORMATION PERTAINING TO THE OWNERS THEREOF MAY BE INCLUDED IN THE REPORT TO BE MADE TO THE COMMISSIONER OF TAXATION AND FINANCE PURSUANT TO THIS PARAGRAPH. WHEN ANY INFORMATION REQUIRED BY THIS PARAGRAPH IS RECEIVED BY THE OFFICE OF REAL PROPERTY SERVICES AFTER JULY THIRTY-FIRST, TWO THOUSAND NINE AND EACH YEAR THEREAFTER, SUCH INFORMATION SHALL BE TRANSMITTED AS SOON AS REASONABLY PRACTICABLE TO THE COMMISSIONER OF TAXATION AND FINANCE FOR USE IN ISSUING LOCAL PROPERTY TAX REBATES PURSUANT TO SECTION ONE HUNDRED SEVENTY-EIGHT OF THE TAX LAW.

(II) WHERE THE OWNERSHIP OF A PARCEL THAT HAD BEEN ELIGIBLE FOR A REBATE PURSUANT TO THIS SECTION CHANGES OR AN EXEMPTION UNDER SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER HAS BEEN GRANTED OR REMOVED, THE ASSESSOR SHALL NOTIFY THE STATE BOARD OF THE CHANGE NO LATER THAN AUGUST FIRST OF THE FOLLOWING YEAR. THE STATE BOARD SHALL FORWARD SUCH REPORT TO THE DEPARTMENT OF TAXATION AND FINANCE IN A TIMELY MANNER AND IN A MUTUALLY-AGREEABLE FORMAT.

3. (A) THE STATE BOARD SHALL CALCULATE THE REBATE BASE AS PROVIDED HEREIN AND CERTIFY THE SAME TO THE DEPARTMENT OF TAXATION AND FINANCE NO LATER THAN JULY FIRST, TWO THOUSAND NINE.

(B) THREE REBATE BASES FOR THE BASIC STAR EXEMPTION SHALL BE DETERMINED FOR EACH SEGMENT FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN AND SUBSEQUENT SCHOOL YEARS. SUCH REBATE BASES SHALL BE COMPUTED BY DETERMINING THE EXEMPT AMOUNT ESTABLISHED FOR THE SEGMENT FOR PURPOSES OF THE BASIC STAR EXEMPTION FOR THE TWO THOUSAND EIGHT--TWO THOUSAND NINE SCHOOL YEAR, MULTIPLYING THAT AMOUNT BY THE SCHOOL DISTRICT TAX RATE APPLICABLE WITHIN THAT SEGMENT FOR PURPOSES OF THE TWO THOUSAND

EIGHT--TWO THOUSAND NINE SCHOOL YEAR, AS REPORTED BY THE SCHOOL DISTRICT, AND THEN MULTIPLYING THE PRODUCT BY THE FOLLOWING:

(I) FOR PURPOSES OF THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR AND THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR, BY SIXTY PERCENT, FORTY-FIVE PERCENT AND THIRTY PERCENT, RESPECTIVELY. THE RESULTS SHALL BE ASSOCIATED WITH THE FIRST, SECOND AND THIRD INCOME BRACKETS, RESPECTIVELY, THAT ARE APPLICABLE WITHIN THAT SEGMENT.

(II) FOR PURPOSES OF THE TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE SCHOOL YEAR, BY SEVENTY PERCENT, FIFTY-TWO AND ONE-HALF PERCENT AND THIRTY-FIVE PERCENT, RESPECTIVELY. THE RESULTS SHALL BE ASSOCIATED WITH THE FIRST, SECOND AND THIRD INCOME BRACKETS, RESPECTIVELY, THAT ARE APPLICABLE WITHIN THAT SEGMENT.

(III) FOR PURPOSES OF THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN AND SUBSEQUENT SCHOOL YEARS, BY EIGHTY PERCENT, SIXTY PERCENT AND FORTY PERCENT, RESPECTIVELY. THE RESULTS SHALL BE ASSOCIATED WITH THE FIRST, SECOND AND THIRD INCOME BRACKETS, RESPECTIVELY, THAT ARE APPLICABLE WITHIN THAT SEGMENT.

(IV) INCOME BRACKETS. (A) IN THE CITY OF NEW YORK, AND THE COUNTIES OF NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER, PUTNAM, ORANGE AND DUTCHESS, THE FIRST INCOME BRACKET SHALL BE UP TO AND INCLUDING ONE HUNDRED TWENTY THOUSAND DOLLARS; THE SECOND INCOME BRACKET SHALL BE OVER ONE HUNDRED TWENTY THOUSAND DOLLARS UP TO AND INCLUDING ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS; AND THE THIRD INCOME BRACKET SHALL BE OVER ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS UP TO AND INCLUDING TWO HUNDRED FIFTY THOUSAND DOLLARS.

(B) IN ALL OTHER COUNTIES IN THE STATE, THE FIRST INCOME BRACKET SHALL BE UP TO AND INCLUDING NINETY THOUSAND DOLLARS; THE SECOND INCOME BRACKET SHALL BE OVER NINETY THOUSAND DOLLARS AND UP TO AND INCLUDING ONE HUNDRED FIFTY THOUSAND DOLLARS; AND THE THIRD INCOME BRACKET SHALL BE OVER ONE HUNDRED FIFTY THOUSAND DOLLARS AND UP TO AND INCLUDING TWO HUNDRED FIFTY THOUSAND DOLLARS.

(C) SUCH BRACKETS ARE SUBJECT TO INDEXING FOR INFLATION PURSUANT TO SUBDIVISION FIFTEEN OF SECTION ONE HUNDRED SEVENTY-EIGHT OF THE TAX LAW.

(C) ONE REBATE BASE FOR THE ENHANCED STAR EXEMPTION SHALL BE DETERMINED FOR EACH SEGMENT FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN AND SUBSEQUENT SCHOOL YEARS. SUCH REBATE BASES SHALL BE COMPUTED BY DETERMINING THE EXEMPT AMOUNT ESTABLISHED FOR THE SEGMENT FOR PURPOSES OF THE ENHANCED STAR EXEMPTION FOR THE TWO THOUSAND EIGHT--TWO THOUSAND NINE SCHOOL YEAR, MULTIPLYING THAT AMOUNT BY THE SCHOOL DISTRICT TAX RATE APPLICABLE WITHIN THAT SEGMENT FOR PURPOSES OF THAT SCHOOL YEAR, AS REPORTED BY THE SCHOOL DISTRICT, AND THEN MULTIPLYING THE PRODUCT BY THE FOLLOWING:

(I) FOR PURPOSES OF THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR, BY TWENTY-FIVE PERCENT.

(II) FOR PURPOSES OF THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN AND SUBSEQUENT SCHOOL YEARS, BY THIRTY-FIVE PERCENT.

(D) FOR PURPOSES OF THIS SECTION, THE TERM "SEGMENT" MEANS THE PART OF A CITY OR TOWN THAT IS WITHIN A SCHOOL DISTRICT.

(E) IN THE CASE OF SCHOOL DISTRICTS WITHIN SPECIAL ASSESSING UNITS AS DEFINED IN SECTION EIGHTEEN HUNDRED ONE OF THIS CHAPTER, THE SCHOOL DISTRICT TAX RATE TO BE USED FOR THIS PURPOSE SHALL BE THE TAX RATE APPLICABLE TO CLASS ONE PROPERTIES AS DEFINED IN ARTICLE EIGHTEEN OF THIS CHAPTER, AS REPORTED BY THE SCHOOL DISTRICT AND THE EXEMPT AMOUNT SHALL BE ESTABLISHED FOR THE SEGMENT. IN THE CASE OF SCHOOL DISTRICTS WITHIN APPROVED ASSESSING UNITS AS DEFINED IN SECTION NINETEEN HUNDRED ONE OF THIS CHAPTER WHICH HAVE ADOPTED THE PROVISIONS OF SECTION NINE-

TEEN HUNDRED THREE OF THIS CHAPTER, THE SCHOOL DISTRICT TAX RATE TO BE USED FOR THIS PURPOSE SHALL BE THE TAX RATE APPLICABLE TO THE HOMESTEAD CLASS, AS DEFINED IN ARTICLE NINETEEN OF THIS CHAPTER, AS REPORTED BY THE SCHOOL DISTRICT.

(F) WHERE THE PROVISIONS OF SUBPARAGRAPH (IV) OF PARAGRAPH (K) OF SUBDIVISION TWO OF SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER ARE APPLICABLE, THE APPLICABLE REBATE AMOUNT SHALL BE ONE-THIRD OF THE OTHERWISE APPLICABLE REBATE AMOUNT SET FORTH IN PARAGRAPH (B) OR (C) OF THIS SUBDIVISION. THE STATE BOARD SHALL CALCULATE AND CERTIFY TO THE DEPARTMENT OF TAXATION AND FINANCE THE REBATE AMOUNTS APPLICABLE IN SUCH CASES, ALONG WITH THE CERTIFICATION REQUIRED BY PARAGRAPH (A) OF THIS SUBDIVISION.

S 3. The education law is amended by adding a new section 101-b to read as follows:

S 101-B. PAPERWORK REDUCTION. 1. IT SHALL BE THE DUTY OF THE COMMISSIONER TO REDUCE THE PAPERWORK BURDEN ON SCHOOL DISTRICTS AND BOARDS OF COOPERATIVE EDUCATIONAL SERVICES BY ELIMINATING AND AVOIDING DUPLICATIVE REPORTING REQUIREMENTS WHEREVER POSSIBLE, AND BY CONSOLIDATING PLANS, REPORTS AND APPLICATIONS, WHERE POSSIBLE, WHILE FOCUSING PLANNING AND REPORTING ON RESULTS RATHER THAN THE PROCESSES TO ACHIEVE THEM. THE COMMISSIONER SHALL CONFORM STATE REPORTING AND PLANNING REQUIREMENTS TO FEDERAL REQUIREMENTS, WHERE POSSIBLE, AND SHALL SEEK FEDERAL WAIVERS WHERE NEEDED TO ALIGN STATE AND FEDERAL REQUIREMENTS.

2. THE COMMISSIONER SHALL REDUCE THE NUMBER OF PLANS, REPORTS AND APPLICATIONS REQUIRED BY LAW, OF SCHOOL DISTRICTS AND BOARDS OF COOPERATIVE EDUCATIONAL SERVICES BY ESTABLISHING STREAMLINED AND UNIFIED ELECTRONIC DATA COLLECTION SYSTEMS WHICH ELIMINATE REDUNDANT REPORTING, CONNECT PLANNING AND REPORTING, AND WHICH FOCUS ON COLLECTING DATA AND REQUIRING PLANNING ONLY WHEN NECESSARY TO ASSURE FISCAL AND PROGRAMMATIC ACCOUNTABILITY, TO FOSTER CONTINUOUS SCHOOL IMPROVEMENT AND CLOSE THE GAP BETWEEN ACTUAL AND DESIRED STUDENT ACHIEVEMENT, AND TO ASSURE SCHOOLS PROVIDE A SAFE AND SECURE ENVIRONMENT AND/OR PROTECT THE HEALTH AND SAFETY OF STUDENTS AND STAFF. SUCH SYSTEMS SHALL MATCH OVERSIGHT WITH THE DEGREE OF RISK BY LINKING PLANNING AND REPORTING TO THE STATE SYSTEM OF ACCOUNTABILITY REQUIRED UNDER FEDERAL LAW, PROVIDING FOR AN AUDIT BASED ASSESSMENT OF RISK OF POOR STUDENT PERFORMANCE, POOR FISCAL PERFORMANCE OR IMPROPER MANAGEMENT OR USE OF PUBLIC FUNDS. THE COMMISSIONER SHALL ESTABLISH PARTNERSHIPS WITH SELECTED SCHOOL DISTRICTS AND BOARDS OF COOPERATIVE EDUCATIONAL SERVICES TO PROMOTE BETTER USE OF REQUIRED PLANNING AND REPORTING AND SHALL ASSURE THAT REPORTING REQUIREMENTS INCLUDE DATA WHICH CAN BE USED TO IDENTIFY BEST PRACTICES. THE COMMISSIONER SHALL PROVIDE FOR THE SHARING OF EFFECTIVE PLANNING PRACTICES WITH SCHOOL DISTRICTS AND, TO THE EXTENT PRACTICABLE, SHALL PROVIDE TECHNICAL ASSISTANCE ON THE USE OF DATA FOR PLANNING, INVOLVE BOARDS OF COOPERATIVE EDUCATIONAL SERVICES AND INSTITUTIONS OF HIGHER EDUCATION IN PROVIDING TRAINING ON THE USE OF DATA FOR STRATEGIC PLANNING TO SUPERINTENDENTS OF SCHOOLS, SCHOOL BUSINESS OFFICIALS AND TEACHERS, PROVIDE FOR TRAINING ON THE USE OF DATA IN PLANNING TO SCHOOL BOARD MEMBERS AND INVOLVE RESEARCHERS IN DATA ANALYSIS AND EVALUATION.

S 4. Section 215-b of the education law, as amended by chapter 301 of the laws of 1996, is amended to read as follows:

S 215-b. Annual report by commissioner to governor and legislature. The commissioner shall prepare and submit to the governor, the president pro tem of the senate and the speaker of the assembly not later than January first, nineteen hundred ninety-six and by the first day of January in each year thereafter, a report detailing the financial and

statistical outcomes of boards of cooperative educational services which shall[, at minimum,] set forth with respect to the preceding school year[: tuition costs for selected programs; standard per pupil cost information for selected services as determined by the commissioner; and aggregate expenditure data for the following categories: administration, instructional services, career education, special education, rent and facilities and other services; and such other information as deemed appropriate] INFORMATION NECESSARY TO ASSURE THE ACCOUNTABILITY OF BOARDS OF COOPERATIVE EDUCATIONAL SERVICES FOR ITS FISCAL AND PROGRAMMATIC RESOURCES, AS SET FORTH IN REGULATIONS TO BE PRESCRIBED by the commissioner. The format for such report shall be developed in consultation with school district officials and the director of the budget. Such report will include changes from the year prior to the report year for each such item for all boards of cooperative educational services. Such report shall be distributed to all school districts and boards of cooperative educational services and shall be made available to all other interested parties upon request.

S 5. Subdivision 32 of section 305 of the education law is REPEALED.

S 6. The education law is amended by adding a new section 308-a to read as follows:

S 308-A. SPECIAL PROVISIONS; MANDATES. 1. AS USED IN THIS SECTION, "MANDATE" MEANS (A) ANY STATE LAW, RULE OR REGULATION WHICH CREATES A NEW PROGRAM OR REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING PROGRAM WHICH A SCHOOL DISTRICT, ORGANIZED EITHER BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS OF A GENERAL LAW, IS REQUIRED TO PROVIDE, OR

(B) ANY GENERAL LAW WHICH GRANTS A NEW PROPERTY TAX EXEMPTION OR INCREASES AN EXISTING PROPERTY TAX EXEMPTION WHICH ANY SUCH SCHOOL DISTRICT IS REQUIRED TO PROVIDE.

2. IN THE EVENT THAT A MANDATE WHICH IMPOSES A COST UPON A SCHOOL DISTRICT IS CREATED AFTER THE ADOPTION OF A SCHOOL BUDGET, SUCH MANDATE SHALL NOT BE IMPLEMENTED UNTIL THE FOLLOWING YEAR FOR WHICH SUCH SCHOOL BUDGET WAS ADOPTED.

3. NOTWITHSTANDING SUBDIVISION TWO OF THIS SECTION, SUCH A MANDATE CAN BE IMPOSED IF:

(A) THE MANDATE IS PROVIDED AT THE OPTION OF THE SCHOOL DISTRICT UNDER A LAW, REGULATION, RULE OR ORDER THAT IS PERMISSIVE RATHER THAN MANDATORY;

(B) THE MANDATE IS REQUIRED BY, OR ARISES FROM, AN EXECUTIVE ORDER OF THE GOVERNOR EXERCISING HIS OR HER EMERGENCY POWERS; OR

(C) THE MANDATE IS REQUIRED BY STATUTE OR EXECUTIVE ORDER THAT IMPLEMENTS A FEDERAL LAW OR REGULATION AND RESULTS FROM COSTS MANDATED BY THE FEDERAL GOVERNMENT TO BE BORNE AT THE LOCAL LEVEL, UNLESS THE STATUTE OR EXECUTIVE ORDER IMPOSES COSTS WHICH EXCEED THE COSTS MANDATED BY THE FEDERAL GOVERNMENT.

4. THE OFFICE OF THE STATE COMPTROLLER SHALL MAKE A FISCAL ANALYSIS OF THE AGGREGATE IMPACT OF NEW STATE LEGISLATION AND RULEMAKING ON LOCAL GOVERNMENTS AND SCHOOL DISTRICTS AND SHALL MAKE SUCH INFORMATION AVAILABLE TO THE PUBLIC.

S 7. Subdivisions 1 and 3 of section 416 of the education law, subdivision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3 as amended by chapter 171 of the laws of 1996, are amended to read as follows:

1. A majority of the voters of any school district, present and voting at any annual or special district meeting, duly convened, may authorize such acts and vote such taxes as they shall deem expedient for making additions, alterations, repairs or improvements, to the sites or build-

ings belonging to the district, or for altering and equipping for library use any former schoolhouse belonging to the district, or for the purchase of other sites or buildings, or for a change of sites, or for the purchase of land and buildings for agricultural, athletic, playground or social center purposes, or for the erection of new buildings, or for building a bus garage, or for [buying apparatus, implements, or fixtures, or for paying the wages of teachers, and the necessary expenses of the school, or for the purpose of paying any judgment, or for] the payment or refunding of an outstanding bonded indebtedness[, or for such other purpose relating to the support and welfare of the school as they may, by resolution, approve].

3. No addition to or change of site or purchase of a new site or tax for the purchase of any new site or structure, or for grading or improving a school site, or for the purchase of an addition to the site of any schoolhouse, or for the purchase of lands and buildings for agricultural, athletic, playground or social center purposes, or for building any new schoolhouse or for the erection of an addition to any schoolhouse already built, or for the payment or refunding of an outstanding bonded indebtedness, shall be voted at any such meeting in a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, unless a notice by the board of education stating that such tax will be proposed, and specifying the object thereof and the amount to be expended therefor, shall have been given in the manner provided herein for the notice of an annual meeting. In a common school district the notice of a special meeting to authorize any of the improvements enumerated in this section shall be given as provided in section two thousand six. The board of education of a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, may determine that the vote upon any question to be submitted at a special meeting as provided in this section shall be by ballot, in which case it shall state in the notice of such special meeting the hours during which the polls shall be kept open. Printed ballots may be prepared by the board in advance of the meeting and the proposition or propositions called for in the notice of the meeting may be submitted in substantially the same manner as propositions to be voted upon at a general election.

S 8. Section 805 of the education law is REPEALED.

S 9. Subdivision 2 of section 806 of the education law, as amended by chapter 946 of the laws of 1973, is amended to read as follows:

2. The regents shall determine the subjects to be included in such courses of instruction in highway safety and traffic regulation including bicycle safety, and the period of instruction in each of the grades in such subjects. [They shall adopt rules providing for attendance upon such instruction and for such other matters as are required for carrying into effect the teaching of the courses of instruction prescribed by this section. The commissioner of education shall be responsible for the enforcement of such section and shall cause to be inspected and supervise the instruction to be given in such subjects. The commissioner may, in his discretion, cause all or a portion of the public school money to be apportioned to a district or city to be withheld for failure of the school authorities of such district or city to provide instruc-

tion in such courses and to compel attendance upon such instruction, as herein prescribed, and for a noncompliance with the rules of the regents adopted as herein provided.]

S 10. The education law is amended by adding a new section 1527-a to read as follows:

S 1527-A. FUNDING OF MANDATES IMPOSED ON SCHOOL DISTRICTS. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS UNLESS THE CONTEXT SHALL OTHERWISE REQUIRE:

(A) "MANDATE" MEANS:

(I) ANY STATE LAW, RULE, OR REGULATION WHICH CREATES A NEW PROGRAM OR REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING PROGRAM WHICH A SCHOOL DISTRICT ORGANIZED EITHER BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS OF A GENERAL LAW, IS REQUIRED TO PROVIDE; OR

(II) ANY GENERAL LAW WHICH GRANTS A NEW PROPERTY TAX EXEMPTION OR INCREASES AN EXISTING PROPERTY TAX EXEMPTION WHICH ANY SUCH SCHOOL DISTRICT IS REQUIRED TO PROVIDE.

(B) "UNFUNDED MANDATE" SHALL MEAN:

(I) ANY STATE LAW, RULE, OR REGULATION WHICH CREATES A NEW PROGRAM OR REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING PROGRAM WHICH ANY SUCH SCHOOL DISTRICT IS REQUIRED TO PROVIDE AND WHICH RESULTS IN A NET ADDITIONAL COST TO SUCH SCHOOL DISTRICT;

(II) ANY ALTERATION IN FUNDING PROVIDED TO ANY SUCH SCHOOL DISTRICT FOR THE PURPOSE OF DEFRAYING THE COSTS OF A PROGRAM WHICH IT IS REQUIRED TO PROVIDE, THEREBY RESULTING IN A NET ADDITIONAL COST TO SUCH SCHOOL DISTRICT; OR

(III) ANY GENERAL LAW WHICH GRANTS A NEW PROPERTY TAX EXEMPTION OR INCREASES AN EXISTING PROPERTY TAX EXEMPTION WHICH ANY SUCH SCHOOL DISTRICT IS REQUIRED TO PROVIDE, THEREBY RESULTING IN A NET ADDITIONAL COST TO SUCH SCHOOL DISTRICT.

(C) "NET ADDITIONAL COST" MEANS THE COST OR COSTS INCURRED OR ANTICIPATED TO BE INCURRED WITHIN A ONE YEAR PERIOD BY A SCHOOL DISTRICT IN PERFORMING OR ADMINISTERING A MANDATE AFTER SUBTRACTING THEREFROM ANY REVENUES RECEIVED OR RECEIVABLE BY THE SCHOOL DISTRICT ON ACCOUNT OF THE MANDATED PROGRAM OR SERVICE, INCLUDING BUT NOT LIMITED TO:

(I) FEES CHARGED TO THE RECIPIENTS OF THE MANDATED PROGRAM OR SERVICE;

(II) STATE OR FEDERAL AID PAID SPECIFICALLY OR CATEGORICALLY IN CONNECTION WITH THE PROGRAM OR SERVICE; AND

(III) AN OFFSETTING SAVINGS RESULTING FROM THE DIMINUTION OR ELIMINATION OF ANY OTHER PROGRAM OR SERVICE DIRECTLY ATTRIBUTABLE TO THE PERFORMANCE OR ADMINISTRATION OF THE MANDATED PROGRAM.

2. FUNDING OF SCHOOL DISTRICT MANDATES. (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO UNFUNDED MANDATE SHALL BE ENACTED WHICH CREATES AN ANNUAL NET ADDITIONAL COST TO ANY SCHOOL DISTRICT IN EXCESS OF TEN THOUSAND DOLLARS OR AN AGGREGATE ANNUAL NET ADDITIONAL COST TO ALL SCHOOL DISTRICTS IN EXCESS OF ONE MILLION DOLLARS.

(B) THERE SHALL BE NO NEW LEGISLATIVE OR REGULATORY MANDATES IMPOSED ON SCHOOL DISTRICTS WITHOUT A COMPLETE ACCOUNTING OF THE EXPECTED FISCAL IMPACT ON SUCH SCHOOL DISTRICTS, AND SUCH ACCOUNTING MUST INCLUDE FULL DOCUMENTATION, AN OPPORTUNITY FOR INPUT FROM AFFECTED SCHOOL DISTRICTS AND PROPOSED REVENUE SOURCES WITH WHICH TO FUND THE NEW MANDATE.

3. EXEMPTIONS TO THE FUNDING OF SCHOOL DISTRICT MANDATES REQUIREMENT. (A) THE STATE SHALL NOT BE REQUIRED TO FUND ANY NEW OR EXPANDED PROGRAMS FOR SCHOOL DISTRICTS IF:

(I) THE MANDATE IS REQUIRED BY A COURT ORDER OR JUDGMENT;

(II) THE MANDATE IS PROVIDED AT THE OPTION OF THE SCHOOL DISTRICT UNDER A LAW, REGULATION, RULE, OR ORDER THAT IS PERMISSIVE RATHER THAN MANDATORY;

(III) THE MANDATE RESULTS FROM THE PASSAGE OF A HOME RULE MESSAGE WHEREBY A SCHOOL DISTRICT REQUESTS AUTHORITY TO IMPLEMENT THE PROGRAM OR SERVICE SPECIFIED IN THE STATUTE, AND THE STATUTE IMPOSES COSTS ONLY UPON THAT SCHOOL DISTRICT WHICH REQUESTS THE AUTHORITY TO IMPOSE THE PROGRAM OR SERVICE;

(IV) THE MANDATE IS REQUIRED BY, OR ARISES FROM, AN EXECUTIVE ORDER OF THE GOVERNOR EXERCISING HIS OR HER EMERGENCY POWERS; OR

(V) THE MANDATE IS REQUIRED BY STATUTE OR EXECUTIVE ORDER THAT IMPLEMENTS A FEDERAL LAW OR REGULATION AND RESULTS FROM COSTS MANDATED BY THE FEDERAL GOVERNMENT TO BE BORNE AT THE LOCAL LEVEL, UNLESS THE STATUTE OR EXECUTIVE ORDER RESULTS IN COSTS WHICH EXCEED THE COSTS MANDATED BY THE FEDERAL GOVERNMENT.

(B) EACH ACT ESTABLISHING A MANDATE SHALL PROVIDE THAT THE EFFECTIVE DATE OF ANY SUCH MANDATE IMPOSED ON SCHOOL DISTRICTS SHALL BE CONSISTENT WITH THE NEEDS OF THE STATE AND SCHOOL DISTRICTS TO PLAN IMPLEMENTATION THEREOF, AND ALSO CONSISTENT WITH THE AVAILABILITY OF REQUIRED FUNDS.

S 11. Subparagraph 1 of paragraph b of subdivision 4 of section 1950 of the education law, as amended by chapter 474 of the laws of 1996, is amended to read as follows:

(1) Prepare, prior to the annual meeting of members of the boards of education and school trustees, held as provided in paragraph o of this subdivision, a tentative budget of expenditures for the program costs, a tentative budget for capital costs, and a tentative budget for the administration costs of the board of cooperative educational services. Such budgets shall include the proposed budget for the upcoming school year, the previous school year's actual costs and the current school year's projected costs for each object of expenditure. Such program, capital and administrative budgets shall be separately delineated in accordance with the definition of program, capital and administrative costs which shall be promulgated by the commissioner after consultation with school district officials and the director of the budget. Personal service costs for each budget shall include the number of full-time equivalent positions funded and total salary and, except as noted herein, fringe benefit costs for such positions by program. Each program budget shall also include the local and statewide unit costs of such programs and services proposed for the upcoming school year, such actual unit costs for the previous school year, and the current school year's projected unit costs, all established in accordance with paragraph d of this subdivision. The capital budget shall include facility construction and lease expenditures authorized pursuant to paragraphs p, t and u of this subdivision, payments for the repayment of indebtedness related to capital projects, payments for the acquisition or construction of facilities, sites or additions, provided that such budget shall contain a rental, operations and maintenance section that will include base rent costs, total rent costs, operations and maintenance charges, cost per square foot for each facility rented or leased by such board of cooperative educational services, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, maintenance and repairs for such facilities, and that such budget shall include the annual debt service and total debt for all facilities financed by bonds or notes of the component districts, annual rental and lease payments and total rental and lease costs for all facilities rented by such board; such capital budget shall also include expenditures

resulting from court judgments and orders from administrative bodies or officers, and, to the extent a board's administrative budget has been adopted, one-time costs incurred in the first year in which an employee retires. The administrative budget shall include, but need not be limited to, office and central administrative expenses, traveling expenses and salaries and benefits of supervisors and administrative personnel necessary to carry out the central administrative duties of the supervisory district, any and all expenditures associated with the board, the office of district superintendent, general administration, central support services, planning, and all other administrative activities. Such administrative budget shall also specify the amount of supplementary salary and benefits, if any, which the board determines should be paid to the district superintendent of schools and the board shall append to such budget a detailed statement of the total compensation to be paid the district superintendent of schools by the board, including a delineation of the salary, annualized cost of benefits and any in-kind or other form of remuneration to be paid, plus, commencing with the presentation of the budget for the nineteen hundred ninety-seven--ninety-eight school year, [a list of items of expense eligible for reimbursement on expense accounts in the ensuing school year and] a statement of the amount of expenses paid to the district superintendent of schools in the prior year for purposes of carrying out his or her official duties.

S 12. Subparagraph 5 of paragraph b of subdivision 4 of section 1950 of the education law, as amended by chapter 602 of the laws of 1994, is amended to read as follows:

(5) The trustees or board of education of each component school district of the board of cooperative educational services shall adopt a public resolution which shall approve or disapprove such tentative administrative budget at a regular or special meeting to be held within the component district on the date designated pursuant to subdivision two-a of this section as the date for election of members of the board of cooperative educational services, or in the case of the board of education of a central high school district on the regular business day next following such designated date.

If the resolutions adopted by the trustees or boards of education of a majority of the component school districts of the board of cooperative educational services actually voting approve the tentative administrative budget, the board of cooperative educational services may adopt the tentative administrative budget without modification. If a majority of the component school districts actually voting fail to adopt resolutions approving such tentative administrative budget, or if the number of component school districts approving the budget equals the number of school districts disapproving the budget, the board of cooperative educational services shall prepare and adopt a contingency administrative budget which shall not exceed the amount of the administrative budget of the board of cooperative educational services for the previous school year except to accommodate expenditure increases attributable to supplemental retirement allowances payable pursuant to section five hundred thirty-two of this chapter and section seventy-eight of the retirement and social security law. [For purposes of development of a budget for the nineteen hundred ninety-four--ninety-five school year, each board of cooperative educational services shall separate its program, capital and administrative costs for the nineteen hundred ninety-three--ninety-four school year in the manner prescribed by the commissioner, and] THE BOARD OF COOPERATIVE EDUCATIONAL SERVICES shall

NOT BE REQUIRED TO submit [the resulting] ITS separate administrative budget to the commissioner for approval. [Upon approval of the commissioner, such separate administrative budget shall be deemed the administrative budget of the board of cooperative educational services for the nineteen hundred ninety-three--ninety-four school year.]

S 13. Paragraph c of subdivision 4 of section 1950 of the education law, as amended by chapter 301 of the laws of 1996, is amended to read as follows:

c. Make or cause to be made surveys to determine the need for cooperative educational services in the supervisory district and present the findings of their surveys to local school authorities. Each board of cooperative educational services shall prepare long range program plans to meet the projected need for such cooperative educational services in the supervisory district for the next five years as may be specified by the commissioner, and shall [submit] KEEP ON FILE AND AVAILABLE FOR PUBLIC INSPECTION AND REVIEW BY THE COMMISSIONER such plans and thereafter annual revisions of such plans [to the commissioner] on or before the first day of December of each year, [except that special education and career education program plans, in a form specified by the commissioner, shall be submitted every two years, no later than the date specified by the commissioner, and revised annually] PROVIDED THAT SUCH PLANS MAY BE INCORPORATED INTO A BOARD OF COOPERATIVE EDUCATIONAL SERVICES DISTRICT-WIDE COMPREHENSIVE PLAN.

S 14. Subparagraph 2-a of paragraph d of subdivision 4 of section 1950 of the education law is REPEALED.

S 15. Subparagraphs 3 and 4 of paragraph d of subdivision 4 of section 1950 of the education law, as amended by chapter 474 of the laws of 1996, are amended to read as follows:

(3) Requests for shared services; operating plan; required notice. Requests for such shared services shall be filed by component school districts with the board of cooperative educational services not later than the first day of February of each year, provided that such requests shall not be binding upon the component school district. The board of cooperative educational services shall submit its proposed annual operating plan for the ensuing school year to the department for approval not later than the fifteenth day of February of each year. Such board shall, through its executive officer, notify each component school district on or before the tenth day of March concerning the services [which] THAT have been approved by the commissioner to be made available for the ensuing school year. Such notice shall set forth the local uniform cost of each such service, based on (i) anticipated participation in the ensuing school year, or (ii) participation in the current year, or (iii) a two or three year average including participation in the current year, which unit cost shall be the same for all participating component districts and shall be based upon a uniform methodology approved annually by at least three-quarters of the participating component school districts after consultation by local school officials with their respective boards[; provided, however, such unit cost shall be subject to final adjustment for programs for students with disabilities based on actual participation in accordance with regulations of the commissioner. Notwithstanding the determination of the local uniform unit cost methodology selected in accordance with this paragraph, each board of cooperative education services shall annually report to the commissioner the budgeted unit cost and, when available, the actual unit cost of such programs and services, in accordance with both the local uniform unit cost methodology and a statewide uniform unit cost method-

ology prescribed by the commissioner by regulation, where the budgeted statewide unit cost shall be based on the anticipated participation in the ensuing year and the actual statewide unit cost shall be based on actual participation through the end of each year].

(4) Contracts for shared services; allocation of costs. Each component school district shall on or before the first day of May following such notification notify the board of cooperative educational services of its intention to participate or not to participate in such shared services and the specific services which such district elects to utilize. Each participating component school district shall be required to pay the board of cooperative educational services for the cost of the services set forth in such notification, except for adjustments caused by subsequent unanticipated changes in the district's enrollment. The board of cooperative educational services shall enter into contracts with its component school districts for such requested services. A copy of each executed contract for such purpose shall be [filed with the commissioner by] ON FILE WITH the board of cooperative educational services AND AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST on or prior to the first day of August of each year. Notwithstanding the provisions of paragraph b of this subdivision, any component school district which does not elect to participate in any such specific cooperative services authorized under this paragraph shall not be required to pay any share of the moneys provided in the budget as salaries of teachers or other personnel employed in providing such service, for equipment and supplies for such service or for transportation of pupils to and from the place where such service is maintained. Provided, further, that a board of cooperative educational services may allocate the cost of such services to component school districts in accordance with terms agreed upon between such board and three-quarters of the boards of education and trustees of local school districts participating in the service.

S 16. Paragraph aa of subdivision 4 of section 1950 of the education law, as added by chapter 595 of the laws of 1978, is amended to read as follows:

aa. Notwithstanding any other provision of law, a board of cooperative educational services may[, with the prior written approval of the commissioner,] contract to accept from a leasing company which has qualified as lowest bidder pursuant to the provisions of the general municipal law a sum sufficient to purchase data processing equipment from the manufacturer thereof, pay such sum to the manufacturer of said equipment, receive the equipment and title thereto and convey the same to the leasing company with a simultaneous lease of the equipment from such leasing company to the board of cooperative educational services for a specified period of years. Before any such agreement shall be executed, the board of cooperative educational services shall adopt a resolution determining that such agreement is in the best financial interest of the board. Such lease may be renewed for a further specified period of years [with the prior approval of the commissioner of education].

S 17. Paragraph kk of subdivision 4 of section 1950 of the education law, as added by section 13 of part A of chapter 436 of the laws of 1997, is amended to read as follows:

kk. For the nineteen hundred ninety-seven--ninety-eight school year and thereafter, the board of cooperative educational services (BOCES) shall prepare a BOCES report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed administrative budget made publicly available as required by

law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the board of cooperative educational services, on a school by school or program by program basis, and measures of the fiscal performance of the supervisory district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all boards of cooperative educational services. Such report card shall include[, at a minimum, any information of the board of cooperative educational services regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and] any other information required by the commissioner.

S 18. Subdivision 2 of section 2201 of the education law, as amended by chapter 295 of the laws of 1993, is amended to read as follows:

2. Whenever a vacancy hereafter occurs in the office of district superintendent of schools in any supervisory district or whenever the commissioner receives a letter of resignation from a district superintendent, the commissioner [shall] MAY survey the field in the county where the vacancy occurred, and if it shall find that the continuance of the number of supervisory districts then existing is no longer necessary to serve adequately the educational interests of the county he or she shall be authorized to conduct a study to examine the possible reorganization of such supervisory district if no such study has been conducted within five years.

S 19. Subdivision 5 of section 2802 of the education law, as added by chapter 181 of the laws of 2000, is amended to read as follows:

5. By [January] APRIL first of each year, the commissioner shall report to the governor, the legislature and the regents concerning the prevalence of violence and disruptive incidents in the public schools[, and the effectiveness of school programs undertaken to reduce violence and assure the safety and security of students and school personnel]. The report shall summarize the information available from the incident reporting system, and [identify specifically the schools and school districts with the least and greatest incidence of violent and disruptive incidents, and the least and most improvement since the previous year or years] COMPARE THE INCIDENCE OF VIOLENT AND DISRUPTIVE INCIDENTS OF SCHOOLS AND SCHOOL DISTRICTS AND BOARDS WITH OTHER SCHOOLS AND SCHOOL DISTRICTS AND BOARDS BASED ON SIMILARITY IN SIZE AND GRADE LEVELS AND OTHER CHARACTERISTICS, INCLUDING STUDENT NEED AND RESOURCES, AS DETERMINED BY THE COMMISSIONER. [The report shall also, to the extent possible, relate the results available from the incident reporting system, together with such other analysis and information as the commissioner determines is appropriate, to the effectiveness of school violence measures undertaken by participating schools and school districts, including the school codes and school safety plans required by sections twenty-eight hundred one and twenty-eight hundred one-a of this article.]

S 20. Paragraph b of subdivision 8 of section 3602 of the education law, as amended by section 16 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

b. District plans of service. Any school district receiving an additional apportionment pursuant to subdivision ten of this section for pupils in career education programs or a payment in lieu of such apportionment or having a public excess cost aid setaside pursuant to subdivision four of this section shall keep on file and make available for

public inspection and review by the commissioner an acceptable plan of service describing the student outcomes expected from implementation of the proposed plan, provided that such plan may be incorporated into a school district's district-wide comprehensive plan. The plan of service [submitted by] OF a school district receiving an additional apportionment pursuant to this section for pupils with disabilities shall also describe how such district intends to ensure that all instructional materials to be used in the schools of such district will be made available in a usable alternative format for each student with a disability and for each student who is a qualified individual with a disability, at the same time as such instructional materials are available to non-disabled students, provided that such plan may incorporate by reference the alternative format plans developed pursuant to subdivision twenty-nine-a of section sixteen hundred four, subdivision four-a of section seventeen hundred nine, subdivision seven-a of section twenty-five hundred three or subdivision seven-a of section twenty-five hundred fifty-four of this chapter. Such plans shall be in a form prescribed by the commissioner, and except as heretofore provided, shall have the content prescribed by the commissioner. The commissioner may, from time to time, require amendments of such plans as deemed to be necessary and appropriate to further the educational welfare of the pupils involved.

S 21. Paragraph f of subdivision 11 of section 3602 of the education law, as added by chapter 82 of the laws of 1995 and such subdivision as renumbered by section 15 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

f. Approved plan of service and program evaluation. All school districts and BOCES desiring to operate an aidable program pursuant to this subdivision shall complete [a comprehensive plan of service] AN application, including a budget by program component[, together with an evaluation of the effectiveness of program components offered during the most recent July first through March thirtieth, if any]. Such [evaluation and plan] APPLICATION shall be in a form prescribed by the commissioner and shall be submitted not later than [forty-five days after the provisions of this paragraph shall have become law, and not later than] May fifteenth in [subsequent] EACH school [years] YEAR. Within forty-five days of such deadline, and upon evaluation of such applications, the commissioner shall notify school districts and BOCES of those portions of such [plan of service] APPLICATION that will be aidable in the school year ahead after making a determination that approval of such [programs] APPLICATION will assure maximum effectiveness, geographic availability and lack of duplication of such programs, support for educational initiatives, and compliance with required program and fiscal reporting requirements. No aid shall be payable pursuant to this subdivision unless the [program] APPLICATION is approved by the commissioner.

S 22. Paragraph d of subdivision 26-a of section 3602 of the education law is REPEALED.

S 23. Subdivision 13 of section 3602-e of the education law is REPEALED.

S 24. Section 3635 of the education law is amended by adding a new subdivision 8 to read as follows:

8. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, RULE OR REGULATION, IN SCHOOL DISTRICTS HAVING AN AREA OF FORTY SQUARE MILES OR LESS, IF THE BOARD OF EDUCATION DETERMINES, BASED UPON HISTORY AND EXPERIENCE, THAT THERE IS A CONSISTENT PATTERN OF ELIGIBLE PUPILS NOT USING THE TRANSPORTATION PROVIDED BY THE DISTRICT, THE BOARD, IN ITS DISCRETION, MAY ENACT A POLICY TO PROVIDE STUDENT TRANSPORTATION BASED UPON PATTERNS OF ACTUAL

RIDERSHIP WITHOUT REGARD TO: A. THE NUMBER OF STUDENTS ELIGIBLE FOR TRANSPORTATION; AND B. THE NUMBER OF SEATS THAT WOULD OTHERWISE BE REQUIRED FOR THEM UNDER PARAGRAPH A OF SUBDIVISION ONE OF THIS SECTION.

S 25. The tax law is amended by adding a new section 178 to read as follows:

S 178. "MIDDLE CLASS STAR" REBATE PROGRAM. 1. THE COMMISSIONER SHALL ISSUE THE LOCAL PROPERTY TAX REBATES AUTHORIZED BY SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW. FOR PURPOSES OF THIS SECTION THE REBATE SHALL BE CALCULATED USING THE COMPUTATION FORMULA SET FORTH IN SUBDIVISION THREE OF SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW.

2. ON OR BEFORE AUGUST FIFTEENTH, TWO THOUSAND NINE AND EACH YEAR THEREAFTER, THE EXECUTIVE DIRECTOR OF THE OFFICE OF REAL PROPERTY SERVICES, OR HIS OR HER DESIGNEE, OR ON OR BEFORE JULY FIRST, TWO THOUSAND NINE AND EACH YEAR THEREAFTER IN THE CASE OF A CITY WITH A POPULATION OF ONE MILLION OR MORE, THE COMMISSIONER OF FINANCE, SHALL PROVIDE TO THE COMMISSIONER A REPORT IN A MUTUALLY AGREEABLE FORMAT CONCERNING THOSE PARCELS WHICH SATISFY THE CRITERIA SET FORTH IN SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW.

3. THE COMMISSIONER IN CONSULTATION WITH THE OFFICE OF REAL PROPERTY SERVICES AND IN THE CASE OF A CITY WITH A POPULATION OF ONE MILLION OR MORE, THE COMMISSIONER OF FINANCE, IS AUTHORIZED TO DEVELOP PROCEDURES NECESSARY TO PROVIDE FOR THE ISSUANCE OF LOCAL PROPERTY TAX REBATES TO QUALIFYING PROPERTY OWNERS, AND THOSE QUALIFYING PROPERTY OWNERS THAT DID NOT RECEIVE THEM INITIALLY. IF THE COMMISSIONER IS NOT SATISFIED THAT THE PROPERTY OWNER IS QUALIFIED FOR THE LOCAL PROPERTY TAX REBATE, THE COMMISSIONER SHALL NOT ISSUE SUCH REBATE.

4. WHEN THE PROPER PAYMENT OF A TAX REBATE UNDER THIS SECTION DEPENDS UPON CONSTRUCTION OF THE MEANING OF THE PROVISIONS OF SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW (AND ANY RELATED PROVISIONS OF SUCH LAW) OR INTERPRETATION OF THE TERMS CONTAINED THEREIN, IT SHALL BE THE RESPONSIBILITY OF THE STATE BOARD OF REAL PROPERTY SERVICES TO PROVIDE TO THE DEPARTMENT THE CONSTRUCTION OR INTERPRETATION OF ANY SUCH PROVISIONS OR TERMS.

5. BY DEPOSITING A REBATE ISSUED PURSUANT TO THIS SECTION AND AUTHORIZED BY SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW, THE PAYEE IS CERTIFYING THAT HE OR SHE IS THE PROPERTY OWNER, AND THAT THE PRIMARY RESIDENCE OF SUCH PROPERTY OWNER IS NOT SUBJECT TO ANY DELINQUENT SCHOOL TAXES.

6. VERIFICATION OF "AFFILIATED INCOME" FOR "MIDDLE CLASS STAR" REBATE PROGRAM. (A) GENERALLY. THE DETERMINATION OF THE "AFFILIATED INCOME" OF PARCELS FOR PURPOSES OF THE "MIDDLE CLASS STAR" REBATE PROGRAM AS AUTHORIZED BY SUBDIVISION THREE OF SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW SHALL BE MADE AS PROVIDED BY THIS SECTION.

(B) FOR PURPOSES OF THIS SUBDIVISION, THE TERM "INCOME" SHALL HAVE THE SAME MEANING AS SET FORTH IN SUBPARAGRAPH (II) OF PARAGRAPH (B) OF SUBDIVISION FOUR OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW. THE TERM "AFFILIATED INCOME" SHALL MEAN THE COMBINED INCOME OF ALL OF THE OWNERS OF THE PARCEL WHO RESIDED PRIMARILY THEREON ON THE TAXABLE STATUS DATE FOR THE ASSESSMENT ROLL USED TO GENERATE THE APPLICABLE SCHOOL TAX BILLS, AND OF ANY OWNERS' SPOUSES FILING JOINTLY OR SPOUSES' RESIDING PRIMARILY THEREON IN THE CASES OF SPOUSES' FILING SEPARATE RETURNS ON SUCH TAXABLE STATUS DATE AND SHALL BE DETERMINED AS FOLLOWS:

(I) FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR, AFFILIATED INCOME SHALL BE DETERMINED BASED UPON THE PARTIES' INCOMES FOR THE

INCOME TAX YEAR ENDING IN TWO THOUSAND SEVEN. IN EACH SUBSEQUENT YEAR, THE APPLICABLE INCOME TAX YEAR SHALL BE ADVANCED BY ONE YEAR.

(II) THE DEPARTMENT SHALL DETERMINE THE AFFILIATED INCOME FOR EACH PARCEL AND SHALL ASSIGN A REBATE AMOUNT FOR EACH PARCEL BASED UPON SUCH DETERMINATION. IN ANY CASE WHERE AFFILIATED INCOME CANNOT BE DETERMINED, A REBATE SHALL NOT BE ISSUED.

7. NOTIFICATION REQUIREMENT. THE DEPARTMENT SHALL MAIL INFORMATION CONCERNING THE "MIDDLE CLASS STAR" REBATE PROGRAM TO OWNERS OF PARCELS RECEIVING A BASIC STAR EXEMPTION ON THE ASSESSMENT ROLL USED TO GENERATE THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL TAX BILL. SUCH NOTIFICATION SHALL EXPLAIN THAT PROPERTY OWNERS MUST FILE APPLICATIONS WITH THE DEPARTMENT IN ORDER TO OBTAIN THE REBATE AVAILABLE UNDER THE "MIDDLE CLASS STAR" REBATE PROGRAM. SUCH NOTICE SHALL FURTHER EXPLAIN HOW TO OBTAIN THE APPLICATION.

8. APPLICATIONS. (A) IN ORDER TO OBTAIN THE BENEFITS OF THE "MIDDLE CLASS STAR" REBATE PROGRAM, THE PROPERTY OWNER MUST SUBMIT AN APPLICATION TO THE DEPARTMENT NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND NINE. THE APPLICANT SHALL PROVIDE THE DEPARTMENT WITH SUCH INFORMATION AS MAY BE NECESSARY TO DETERMINE THE PARCEL'S AFFILIATED INCOME. THE PERSONS OTHER THAN THE APPLICANT WHOSE INCOMES ARE NECESSARY TO THE DETERMINATION OF THE PARCEL'S AFFILIATED INCOME SHALL BE REFERRED TO IN THIS SECTION AS "AFFILIATED PERSONS." RECIPIENTS OF THE ENHANCED STAR EXEMPTION SHALL NOT FILE AN APPLICATION TO RECEIVE A REBATE. THE DEPARTMENT SHALL MAIL ENHANCED STAR REBATE RECIPIENTS THEIR REBATES IN A TIMELY MANNER.

(B) IF THE APPLICANT OR ANY AFFILIATED PERSONS WERE NOT REQUIRED TO FILE NEW YORK STATE INCOME TAX RETURNS FOR THE TWO THOUSAND SEVEN INCOME TAX YEAR BECAUSE THEIR INCOMES WERE BELOW THE THRESHOLD THAT NECESSITATED SUCH FILING, THE APPLICATION SHALL SO INDICATE.

(C) IF THE APPLICANT OR ANY AFFILIATED PERSONS WERE NOT REQUIRED TO FILE NEW YORK STATE INCOME TAX RETURNS FOR THE TWO THOUSAND SEVEN INCOME TAX YEAR BECAUSE THEY DID NOT RESIDE IN NEW YORK STATE IN SUCH TAXABLE YEAR, THE APPLICATION SHALL SO INDICATE. SUCH PERSONS SHALL PROVIDE WITH THE APPLICATION ANY INFORMATION THAT THE DEPARTMENT DETERMINES IS NECESSARY TO CALCULATE THE PARCEL'S AFFILIATED INCOME UNDER THE "MIDDLE CLASS STAR" REBATE PROGRAM.

(D) AFTER TWO THOUSAND NINE, APPLICATIONS SHALL BE REQUIRED ONLY WHEN A NEW APPLICATION FOR A BASIC STAR EXEMPTION FOR REAL PROPERTY TAXATION IS FILED PURSUANT TO SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW, OR WHEN THERE IS A CHANGE OF OWNERSHIP WHICH DOES NOT NECESSITATE THE FILING OF A NEW APPLICATION FOR A BASIC STAR EXEMPTION. IN EITHER INSTANCE, AN APPLICATION SHALL BE SUBMITTED TO THE DEPARTMENT ON A TIMELY BASIS.

(E) IF AN APPLICATION FOR A "MIDDLE CLASS STAR" REBATE IS RECEIVED AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND NINE, AN OTHERWISE ELIGIBLE PROPERTY OWNER SHALL NOT RECEIVE A REBATE FOR SUCH YEAR. HOWEVER, SUCH APPLICATION SHALL BE CONSIDERED TIMELY FILED FOR A REBATE IN SUBSEQUENT YEARS PROVIDED THE OWNERSHIP OF THE PARCEL REMAINS UNCHANGED.

9. PROCESSING OF APPLICATIONS. (A) AFTER RECEIVING A TIMELY APPLICATION, THE DEPARTMENT SHALL ATTEMPT TO DETERMINE THE AFFILIATED INCOME OF THE PARCEL AND THE REBATE AMOUNT TO WHICH THE PARCEL IS ENTITLED, IF ANY.

(B) IN THE CASE OF AN APPLICATION WHICH INDICATES THAT THE APPLICANT AND ANY AFFILIATED PERSONS WERE NOT REQUIRED TO FILE NEW YORK STATE INCOME TAX RETURNS FOR THE TWO THOUSAND SEVEN INCOME TAX YEAR BECAUSE THEIR INCOMES WERE BELOW THE THRESHOLD WHICH NECESSITATED THE FILING OF

A STATE INCOME TAX RETURN, THE DEPARTMENT MAY, SUBJECT TO AUDIT, ISSUE A REBATE EQUAL TO THE HIGHEST AMOUNT AVAILABLE FOR THAT SCHOOL DISTRICT SEGMENT.

(C) IN THE CASE OF AN APPLICATION WHICH INDICATES THAT THE APPLICANT AND ANY AFFILIATED PERSONS WERE NOT REQUIRED TO FILE NEW YORK STATE INCOME TAX RETURNS FOR THE TWO THOUSAND SEVEN INCOME TAX YEAR BECAUSE THEY DID NOT RESIDE IN NEW YORK STATE IN SUCH TAXABLE YEAR, THE APPLICANT SHALL PROVIDE SUCH INFORMATION REGARDING INCOME AS IS REQUESTED BY THE DEPARTMENT. THE DEPARTMENT SHALL ISSUE A REBATE BASED UPON THE INFORMATION PROVIDED BY THE APPLICANT AND ANY OTHER INFORMATION TO WHICH THE DEPARTMENT MAY HAVE ACCESS CONCERNING THE INCOME OF SUCH PERSON OR PERSONS.

10. RECONSIDERATION OF REBATE AMOUNT. IN THE EVENT THE DEPARTMENT IS UNABLE TO DETERMINE THE AFFILIATED INCOME FOR A PARCEL OR THE DEPARTMENT DETERMINES THAT A REBATE SHALL NOT BE ISSUED FOR A PARCEL, THE DEPARTMENT SHALL NOTIFY THE APPLICANT OF THAT FACT. A PROPERTY OWNER MAY SEEK RECONSIDERATION OF THE REBATE AMOUNT DETERMINATION FOR HIS OR HER PARCEL ON THE GROUNDS THAT THE PARCEL'S AFFILIATED INCOME WAS DETERMINED ERRONEOUSLY. A PROPERTY OWNER MAY ALSO SEEK RECONSIDERATION IF NO REBATE WAS ISSUED BECAUSE THE PARCEL'S AFFILIATED INCOME WAS UNDETERMINED. AN APPLICATION FOR RECONSIDERATION OF REBATE AMOUNT SHALL BE MADE IN A MANNER PRESCRIBED BY THE DEPARTMENT, AND SHALL BE ACCOMPANIED BY SUCH DOCUMENTATION AS THE DEPARTMENT MAY REQUIRE. SUCH APPLICATION SHALL BE FILED NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND TEN. IF THE DEPARTMENT FINDS AFTER REVIEWING SUCH AN APPLICATION THAT THE REBATE AMOUNT DETERMINATION FOR A PARCEL SHOULD BE CORRECTED, IT SHALL ISSUE AN AMENDED OR INITIAL REBATE CHECK. IF THE DEPARTMENT FINDS AFTER REVIEWING SUCH AN APPLICATION THAT THE REBATE AMOUNT DETERMINATION FOR THE PARCEL WAS CORRECTLY DETERMINED, IT SHALL SO NOTIFY THE APPLICANT. SUCH NOTIFICATION SHALL INCLUDE AN EXPLANATION OF THE DEPARTMENT'S FINDINGS, INDICATE THAT THE APPLICANT HAS THE RIGHT TO A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES, AND INDICATE THE STATUTE OF LIMITATIONS ASSOCIATED WITH SUCH PROCEEDINGS. SUCH FINDING SHALL BE SUBJECT TO REVIEW PURSUANT ONLY TO A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES.

11. SPECIAL PROVISIONS RELATING TO CO-OPERATIVE APARTMENT UNITS AND MOBILE HOMES. THE DEPARTMENT'S DETERMINATION OF AFFILIATED INCOME SHALL BE MADE WITH RESPECT TO THE TENANT-SHAREHOLDERS OR OWNERS OF THE UNIT IN QUESTION RATHER THAN OF THE PARCEL.

12. SUBSEQUENT YEARS. IN EACH YEAR SUBSEQUENT TO TWO THOUSAND NINE, AFFILIATED INCOMES SHALL CONTINUE TO BE DETERMINED AS PROVIDED BY THIS SECTION FOR PURPOSES OF THE "MIDDLE CLASS STAR" REBATE PROGRAM, EXCEPT THAT:

(A) THE NOTIFICATION REQUIREMENT OF SUBDIVISION SEVEN OF THIS SECTION SHALL NOT BE APPLICABLE;

(B) APPLICATIONS SHALL BE REQUIRED ONLY AS PROVIDED IN SUBDIVISION EIGHT OF THIS SECTION; AND

(C) IN EACH SUBSEQUENT YEAR, THE APPLICABLE INCOME TAX YEAR FOR DETERMINATIONS UNDER THIS SECTION SHALL BE ADVANCED ONE YEAR. ALL OTHER APPLICABLE DATES AND DEADLINES WHICH REFERENCE A DATE IN TWO THOUSAND NINE SHALL BE ADVANCED AND SHALL BE DEEMED TO REFERENCE DATES IN THAT SUBSEQUENT YEAR, EXCEPT THAT APPLICATIONS FOR RECONSIDERATION OF REBATE AMOUNT DETERMINATIONS SHALL BE SUBMITTED NO LATER THAN MARCH THIRTY-FIRST OF THE ENSUING YEAR.

13. CONFIDENTIAL INFORMATION; DISCLOSURE PROHIBITION. INFORMATION REGARDING REBATES ISSUED TO INDIVIDUALS SHALL NOT BE SUBJECT TO DISCLO-

SURE; INCLUDING NAMES, ADDRESSES, AND DOLLAR AMOUNTS OF REBATES. IN ADDITION, ALL APPLICATIONS SUBMITTED FOR REBATES SHALL NOT BE SUBJECT TO DISCLOSURE.

14. DEADLINE. IF ANY APPLICABLE DEADLINE SHALL FALL ON A SATURDAY, SUNDAY OR LEGAL HOLIDAY, SUCH DEADLINE SHALL BE ADVANCED TO THE NEXT BUSINESS DAY.

15. AFFILIATED INCOME BRACKETS; INDEXING. THE DEPARTMENT SHALL ESTABLISH THE AFFILIATED INCOME BRACKETS TO BE ASSOCIATED WITH THE REBATE AMOUNTS FOR THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER BY APPLYING THE INFLATION FACTOR SET FORTH IN THIS SUBDIVISION TO THE FIGURES THAT DEFINED THE INCOME BRACKETS THAT WERE APPLICABLE TO THE TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE SCHOOL YEAR, AND ROUNDING EACH RESULT TO THE NEAREST MULTIPLE OF ONE HUNDRED DOLLARS. FOR PURPOSES OF THIS SUBDIVISION, THE "INFLATION FACTOR" FOR EACH INCOME BRACKET SHALL BE DETERMINED BY THE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS (CPI-W) PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, FOR THE THIRD QUARTER OF THE CALENDAR YEAR PRECEDING THE APPLICABLE SCHOOL YEAR, AS COMPARED TO THE THIRD QUARTER OF THE PRIOR CALENDAR YEAR. IF A BASE FIGURE AS SO DETERMINED IS NOT EXACTLY EQUAL TO A MULTIPLE OF ONE HUNDRED DOLLARS, IT SHALL BE ROUNDED TO THE NEAREST MULTIPLE OF ONE HUNDRED DOLLARS. IN EACH SUBSEQUENT SCHOOL YEAR, THE PRIOR YEAR'S INCOME BRACKETS SHALL BE INDEXED USING THE ABOVE FORMULA WITH EACH YEAR ADVANCED BY ONE YEAR.

16. BEGINNING IN FISCAL YEAR TWO THOUSAND TEN--TWO THOUSAND ELEVEN, THE DEPARTMENT SHALL DETERMINE WHICH PROGRAM PROVIDES A LARGER BENEFIT TO A TAXPAYER, THE "MIDDLE CLASS STAR" REBATE PROGRAM IMPLEMENTED BY SECTION THIRTEEN HUNDRED SIX-B OF THE REAL PROPERTY TAX LAW OR THE MAXIMUM RESIDENTIAL SCHOOL TAX CREDIT AUTHORIZED PURSUANT TO SUBSECTION (QQ) OF SECTION SIX HUNDRED SIX OF THIS CHAPTER, AND SHALL ENSURE THAT THE TAXPAYER RECEIVES THAT AMOUNT OF BENEFIT IN ANY GIVEN TAXABLE YEAR.

S 26. Subparagraph (E) of paragraph 1 of subsection (e) of section 606 of the tax law, as amended by chapter 105 of the laws of 2006, is amended to read as follows:

(E) "Qualifying real property taxes" means all real property taxes, special ad valorem levies and special assessments, exclusive of penalties and interest, levied on the residence of a qualified taxpayer and paid during the taxable year [less the credit claimed under subsection (n-1) of this section]. In addition, for taxable years beginning after December thirty-first, nineteen hundred eighty-four, a qualified taxpayer may elect to include any additional amount that would have been levied in the absence of an exemption from real property taxation pursuant to section four hundred sixty-seven of the real property tax law. If tenant-stockholders in a cooperative housing corporation have met the requirements of section two hundred sixteen of the internal revenue code by which they are allowed a deduction for real estate taxes, the amount of taxes so allowable, or which would be allowable if the taxpayer had filed returns on a cash basis, shall be qualifying real property taxes. If a residence is owned by two or more individuals as joint tenants or tenants in common, and one or more than one individual is not a member of the household, qualifying real property taxes is that part of such taxes on the residence which reflects the ownership percentage of the qualified taxpayer and members of his household. If a residence is an integral part of a larger unit, qualifying real property taxes shall be limited to that amount of such taxes paid as may be reasonably apportioned to such residence. If a household owns and occupies two or more

residences during different periods in the same taxable year, qualifying real property taxes shall be the sum of the prorated qualifying real property taxes attributable to the household during the periods such household occupies each of such residences. If the household owns and occupies a residence for part of the taxable year and rents a residence for part of the same taxable year, it may include both the proration of qualifying real property taxes on the residence owned and the real property tax equivalent with respect to the months the residence is rented. Provided, however, for purposes of the credit allowed under this subsection, qualifying real property taxes may be included by a qualified taxpayer only to the extent that such taxpayer or the spouse of such taxpayer occupying such residence for six months or more of the taxable year owns or has owned the residence and paid such taxes.

S 27. Section 606 of the tax law is amended by adding a new subsection (qq) to read as follows:

(QQ) MAXIMUM RESIDENTIAL SCHOOL TAX CREDIT. (1) DEFINITIONS. FOR THE PURPOSES OF THIS SUBSECTION:

(A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL OF THE STATE WHO OWNS THE RESIDENTIAL REAL PROPERTY IN WHICH HE OR SHE RESIDES.

(B) "HOUSEHOLD" MEANS THE TAXPAYER OR TAXPAYERS AND ALL OTHER PERSONS, NOT NECESSARILY RELATED, WHO ALL RESIDE IN THE RESIDENTIAL REAL PROPERTY OWNED BY THE TAXPAYER OR TAXPAYERS, AND SHARE ITS FURNISHINGS, FACILITIES AND ACCOMMODATIONS; PROVIDED THAT NO PERSON MAY BE A MEMBER OF MORE THAN ONE HOUSEHOLD AT ONE TIME.

(C) "HOUSEHOLD GROSS INCOME" MEANS THE AGGREGATE ADJUSTED GROSS INCOME OF ALL MEMBERS OF THE HOUSEHOLD FOR THE TAXABLE YEAR AS REPORTED FOR FEDERAL INCOME TAX PURPOSES, OR WHICH WOULD BE REPORTED AS ADJUSTED GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED, WITH THE MODIFICATIONS IN SUBSECTION (B) OF SECTION SIX HUNDRED TWELVE OF THIS ARTICLE BUT WITHOUT THE MODIFICATIONS IN SUBSECTION (C) OF SUCH SECTION, PLUS ANY PORTION OF THE GAIN FROM THE SALE OR EXCHANGE OF PROPERTY OTHERWISE EXCLUDED FROM SUCH AMOUNT; EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES EXCLUDABLE FROM FEDERAL GROSS INCOME BY SECTION NINE HUNDRED ELEVEN OF THE INTERNAL REVENUE CODE; SUPPORT MONEY NOT INCLUDED IN ADJUSTED GROSS INCOME; NONTAXABLE STRIKE BENEFITS; SUPPLEMENTAL SECURITY INCOME PAYMENTS; THE GROSS AMOUNT OF ANY PENSION OR ANNUITY BENEFITS TO THE EXTENT NOT INCLUDED IN SUCH ADJUSTED GROSS INCOME (INCLUDING, BUT NOT LIMITED TO, RAILROAD RETIREMENT BENEFITS AND ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT AND VETERANS' DISABILITY PENSIONS); NONTAXABLE INTEREST RECEIVED FROM THE STATE OF NEW YORK, ITS AGENCIES, INSTRUMENTALITIES, PUBLIC CORPORATIONS, OR POLITICAL SUBDIVISIONS (INCLUDING A PUBLIC CORPORATION CREATED PURSUANT TO AGREEMENT OR COMPACT WITH ANOTHER STATE OR CANADA); WORKERS' COMPENSATION; THE GROSS AMOUNT OF "LOSS-OF-TIME" INSURANCE; AND THE AMOUNT OF CASH PUBLIC ASSISTANCE AND RELIEF, OTHER THAN MEDICAL ASSISTANCE FOR THE NEEDY, PAID TO OR FOR THE BENEFIT OF THE QUALIFIED TAXPAYER OR MEMBERS OF HIS OR HER HOUSEHOLD. HOUSEHOLD GROSS INCOME SHALL NOT INCLUDE SURPLUS FOODS OR OTHER RELIEF IN KIND OR PAYMENTS MADE TO INDIVIDUALS BECAUSE OF THEIR STATUS AS VICTIMS OF NAZI PERSECUTION AS DEFINED IN PUBLIC LAW 103-286. PROVIDED, FURTHER, HOUSEHOLD GROSS INCOME SHALL ONLY INCLUDE ALL SUCH INCOME RECEIVED BY ALL MEMBERS OF THE HOUSEHOLD WHILE MEMBERS OF SUCH HOUSEHOLD. FOR FARM FAMILIES EARNING AT LEAST FIFTY PERCENT OF THEIR INCOME FROM FARMING, "ADJUSTED GROSS INCOME" SHALL BE REPLACED WITH "MODIFIED ADJUSTED GROSS INCOME" FOR FEDERAL TAX PURPOSES AS REPORTED ON THE APPLICANT'S FEDERAL AND STATE INCOME TAX RETURNS FOR THE APPLICABLE INCOME TAX YEAR.

(D) "NET SCHOOL TAX" MEANS THE SCHOOL TAXES ASSESSED ON THE RESIDENTIAL REAL PROPERTY OWNED AND OCCUPIED BY THE TAXPAYER OR TAXPAYERS AFTER ANY EXEMPTION OR ABATEMENT RECEIVED PURSUANT TO THE REAL PROPERTY TAX LAW. SUCH NET SCHOOL TAX SHALL INCLUDE ANY SCHOOL TAXES ASSESSED ON FARM DWELLINGS NOT OWNED BY THE RESIDENT IF THE LEGAL TITLE TO SUCH DWELLING IS HELD BY A PARTNERSHIP AND THE DWELLING SERVES AS THE PRIMARY RESIDENCE OF ONE OR MORE OF THE PARTNERS, OR IF LEGAL TITLE TO SUCH DWELLING IS HELD BY AN S-CORPORATION OR BY A C-CORPORATION AND THE DWELLING SERVES AS THE PRIMARY RESIDENCE OF A SHAREHOLDER OF SUCH CORPORATION.

(2) CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAXES IMPOSED BY THIS ARTICLE, EQUAL TO SEVENTY PERCENT OF THE AMOUNT WHICH THE TAXPAYER'S NET SCHOOL TAX EXCEEDS THE TAXPAYER'S MAXIMUM SCHOOL TAX, AS DETERMINED BY PARAGRAPH THREE OF THIS SUBSECTION. IF SUCH CREDIT EXCEEDS THE TAX FOR SUCH TAXABLE YEAR, AS REDUCED BY THE OTHER CREDITS PERMITTED BY THIS ARTICLE, THE QUALIFIED TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT, WITHOUT INTEREST, ANY EXCESS BETWEEN SUCH TAX AS SO REDUCED AND THE AMOUNT OF THE CREDIT. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A QUALIFIED TAXPAYER MAY NEVERTHELESS RECEIVE AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT THE FULL AMOUNT OF THE CREDIT, WITHOUT INTEREST.

(3) MAXIMUM SCHOOL TAX. (A) A QUALIFIED TAXPAYER'S MAXIMUM SCHOOL TAX SHALL BE DETERMINED AS FOLLOWS:

(I) IN THE CITY OF NEW YORK, AND THE COUNTIES OF NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER, PUTNAM, ORANGE AND DUTCHESS:

HOUSEHOLD GROSS INCOME	MAXIMUM SCHOOL TAX
ONE HUNDRED TWENTY THOUSAND DOLLARS OR LESS	SIX PERCENT OF THE HOUSEHOLD GROSS INCOME
MORE THAN ONE HUNDRED TWENTY THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS	SEVEN PERCENT OF THE HOUSEHOLD GROSS INCOME
MORE THAN ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO TWO HUNDRED FIFTY THOUSAND DOLLARS	EIGHT PERCENT OF THE HOUSEHOLD GROSS INCOME
MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS	NO LIMITATION.

(II) IN ALL OTHER COUNTIES IN THE STATE:

HOUSEHOLD GROSS INCOME	MAXIMUM SCHOOL TAX
NINETY THOUSAND DOLLARS OR LESS	SIX PERCENT OF THE HOUSEHOLD GROSS INCOME

MORE THAN NINETY THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO ONE HUNDRED FIFTY THOUSAND DOLLARS	SEVEN PERCENT OF THE HOUSEHOLD GROSS INCOME
MORE THAN ONE HUNDRED FIFTY THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO TWO HUNDRED FIFTY THOUSAND DOLLARS	EIGHT PERCENT OF THE HOUSEHOLD GROSS INCOME
MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS	NO LIMITATION.

(B) THE THRESHOLDS OF HOUSEHOLD GROSS INCOME FOR ELIGIBILITY FOR THE MAXIMUM SCHOOL TAX CREDIT, ESTABLISHED BY SUBPARAGRAPH (A) OF THIS PARAGRAPH, SHALL BE INDEXED FOR INFLATION.

(4) EXCLUSIONS FROM ELIGIBILITY. NO CREDIT SHALL BE GRANTED UNDER THIS SUBSECTION IF THE QUALIFIED TAXPAYER CLAIMS THE REAL PROPERTY TAX CIRCUIT BREAKER CREDIT, PURSUANT TO SUBSECTION (E) OF THIS SECTION, DURING THE TAXABLE YEAR.

(5) FOR PURPOSES OF THIS SUBSECTION, IN THE CITIES OF BUFFALO, ROCHESTER, YONKERS, AND SYRACUSE, A TAXPAYER'S NET SCHOOL TAX SHALL BE DETERMINED BY MULTIPLYING SUCH TAXPAYER'S TOTAL REAL PROPERTY TAX BILL BY SIXTY-SEVEN PERCENT. IN THE CITY OF NEW YORK, A TAXPAYER'S NET SCHOOL TAX SHALL BE DETERMINED BY MULTIPLYING SUCH TAXPAYER'S TOTAL REAL PROPERTY TAX BILL BY FIFTY PERCENT.

S 28. Subdivision 3 of section 97-rrr of the state finance law, as amended by section 8 of part F of chapter 109 of the laws of 2006, is amended to read as follows:

3. The monies in such fund shall be appropriated for school property tax exemptions [and local property tax rebates] granted pursuant to the real property tax law and [the tax law and payable pursuant to section thirty-six hundred nine of the education law,] for payments to the city of New York pursuant to section fifty-four-f of this chapter[, and pursuant to section one hundred seventy-eight of the tax law].

S 29. The general municipal law is amended by adding a new section 25 to read as follows:

S 25. FUNDING OF MANDATES. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS UNLESS THE CONTEXT SHALL OTHERWISE REQUIRE:

(A) "MANDATE" MEANS:

(I) ANY STATE LAW, RULE, OR REGULATION WHICH CREATES A NEW PROGRAM OR REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING PROGRAM WHICH A MUNICIPAL CORPORATION IS REQUIRED TO PROVIDE; OR

(II) ANY GENERAL LAW WHICH GRANTS A NEW PROPERTY TAX EXEMPTION OR INCREASES AN EXISTING PROPERTY TAX EXEMPTION WHICH THE MUNICIPAL CORPORATION IS REQUIRED TO PROVIDE.

(B) "UNFUNDED MANDATE" SHALL MEAN:

(I) ANY STATE LAW, RULE, OR REGULATION WHICH CREATES A NEW PROGRAM OR REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING PROGRAM WHICH A MUNICIPAL CORPORATION IS REQUIRED TO PROVIDE AND WHICH RESULTS IN A NET ADDITIONAL COST TO THE MUNICIPAL CORPORATION;

(II) ANY ALTERATION IN FUNDING PROVIDED TO A MUNICIPAL CORPORATION FOR THE PURPOSE OF DEFRAYING THE COSTS OF A PROGRAM WHICH IT IS REQUIRED TO

PROVIDE, THEREBY RESULTING IN A NET ADDITIONAL COST TO THE MUNICIPAL CORPORATION; OR

(III) ANY GENERAL LAW WHICH GRANTS A NEW PROPERTY TAX EXEMPTION OR INCREASES AN EXISTING PROPERTY TAX EXEMPTION WHICH THE MUNICIPAL CORPORATION IS REQUIRED TO PROVIDE, THEREBY RESULTING IN A NET ADDITIONAL COST TO THE MUNICIPAL CORPORATION.

(C) "NET ADDITIONAL COST" MEANS THE COST OR COSTS INCURRED OR ANTICIPATED TO BE INCURRED WITHIN A ONE YEAR PERIOD BY A LOCAL GOVERNMENT IN PERFORMING OR ADMINISTERING A MANDATE AFTER SUBTRACTING THEREFROM ANY REVENUES RECEIVED OR RECEIVABLE BY THE LOCAL GOVERNMENT ON ACCOUNT OF THE MANDATED PROGRAM OR SERVICE, INCLUDING BUT NOT LIMITED TO:

(I) FEES CHARGED TO THE RECIPIENTS OF THE MANDATED PROGRAM OR SERVICE;

(II) STATE OR FEDERAL AID PAID SPECIFICALLY OR CATEGORICALLY IN CONNECTION WITH THE PROGRAM OR SERVICE; AND

(III) AN OFFSETTING SAVINGS RESULTING FROM THE DIMINUTION OR ELIMINATION OF ANY OTHER PROGRAM OR SERVICE DIRECTLY ATTRIBUTABLE TO THE PERFORMANCE OR ADMINISTRATION OF THE MANDATED PROGRAM.

2. FUNDING OF MUNICIPAL CORPORATION MANDATES. (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO UNFUNDED MANDATE SHALL BE ENACTED WHICH CREATES AN ANNUAL NET ADDITIONAL COST TO ANY MUNICIPAL CORPORATION IN EXCESS OF TEN THOUSAND DOLLARS OR AN AGGREGATE ANNUAL NET ADDITIONAL COST TO ALL MUNICIPAL CORPORATIONS IN EXCESS OF ONE MILLION DOLLARS.

(B) THERE SHALL BE NO NEW LEGISLATIVE OR REGULATORY MANDATES IMPOSED ON LOCAL GOVERNMENTS WITHOUT A COMPLETE ACCOUNTING OF THE EXPECTED FISCAL IMPACT ON SUCH LOCAL GOVERNMENTS, AND SUCH ACCOUNTING MUST INCLUDE FULL DOCUMENTATION, INPUT FROM AFFECTED MUNICIPALITIES AND PROPOSED REVENUE SOURCES WITH WHICH TO FUND THE NEW MANDATE.

3. EXEMPTIONS TO THE FUNDING OF MUNICIPAL CORPORATION MANDATES REQUIREMENT. (A) THE STATE SHALL NOT BE REQUIRED TO FUND ANY NEW OR EXPANDED PROGRAMS IF:

(I) THE MANDATE IS REQUIRED BY A COURT ORDER OR JUDGMENT;

(II) THE MANDATE IS PROVIDED AT THE OPTION OF THE LOCAL GOVERNMENT UNDER A LAW, REGULATION, RULE, OR ORDER THAT IS PERMISSIVE RATHER THAN MANDATORY;

(III) THE MANDATE RESULTS FROM THE PASSAGE OF A HOME RULE MESSAGE WHEREBY A LOCAL GOVERNMENT REQUESTS AUTHORITY TO IMPLEMENT THE PROGRAM OR SERVICE SPECIFIED IN THE STATUTE, AND THE STATUTE IMPOSES COSTS ONLY UPON THAT LOCAL GOVERNMENT WHICH REQUESTS THE AUTHORITY TO IMPOSE THE PROGRAM OR SERVICE;

(IV) THE MANDATE IS REQUIRED BY, OR ARISES FROM, AN EXECUTIVE ORDER OF THE GOVERNOR EXERCISING HIS OR HER EMERGENCY POWERS; OR

(V) THE MANDATE IS REQUIRED BY STATUTE OR EXECUTIVE ORDER THAT IMPLEMENTS A FEDERAL LAW OR REGULATION AND RESULTS FROM COSTS MANDATED BY THE FEDERAL GOVERNMENT TO BE BORNE AT THE LOCAL LEVEL, UNLESS THE STATUTE OR EXECUTIVE ORDER RESULTS IN COSTS WHICH EXCEED THE COSTS MANDATED BY THE FEDERAL GOVERNMENT.

(B) EACH ACT ESTABLISHING A MANDATE SHALL PROVIDE THAT THE EFFECTIVE DATE OF ANY SUCH MANDATE IMPOSED ON MUNICIPAL CORPORATIONS SHALL BE CONSISTENT WITH THE NEEDS OF THE STATE AND MUNICIPAL CORPORATIONS TO PLAN IMPLEMENTATION THEREOF AND CONSISTENT WITH THE AVAILABILITY OF REQUIRED FUNDS.

S 30. Subparagraph 2 of paragraph d of subdivision 4 of section 1950 of the education law is REPEALED.

S 31. Subdivision 4 of section 1950 of the education law is amended by adding a new paragraph oo to read as follows:

OO. (1) FORM HEALTH INSURANCE TRUSTS WITH COMPONENT SCHOOL DISTRICTS OR DISTRICTS OF CHILDREN WHO RESIDE WITHIN THE BOARD OF COOPERATIVE EDUCATIONAL SERVICES TO PURCHASE AND ADMINISTER EMPLOYEES' HEALTH INSURANCE AND WORKERS' COMPENSATION INSURANCE.

(2) ENTER INTO CONTRACTS WITH THE SCHOOL DISTRICTS OF THE CITIES OF ROCHESTER, BUFFALO, SYRACUSE, AND YONKERS TO PROVIDE ITS SERVICES. THE BOARD SHALL, IN ITS SOLE DISCRETION, DETERMINE THE FAIR MARKET VALUE OF THE SERVICES THAT IT PROVIDES TO EACH SCHOOL DISTRICT.

S 32. Subparagraphs (A) and (B) of paragraph 2 of subsection (e) of section 1310 of the tax law, as amended by section 4 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]	[$125] $310
AFTER 2009	$335

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]	[$62.50] $155
AFTER 2009	$167.50

S 33. Subparagraphs (A) and (B) of paragraph 2 of subdivision (c) of section 11-1706 of the administrative code of the city of New York, as amended by section 5 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]	[$125} $310
AFTER 2009	$335

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]	[$65.50] $155
AFTER 2009	$167.50

S 34. This act shall take effect immediately, provided that:

a. the provisions of sections one, ten and twenty-nine of this act shall be deemed to have been in full force and effect on and after April 1, 2009 and shall apply to any general or special law imposing mandates on municipal corporations or school districts enacted on or after such effective date;

b. the commissioner of education shall adopt any regulations needed to implement the provisions of this act on or before July 1, 2010;

c. the provisions of sections twenty-six, twenty-seven, and twenty-eight of this act shall take effect on the first of January next succeeding the date on which it shall have become a law, and shall apply to taxable years commencing on or after such date; and

d. the provisions of section seven of this act shall take effect February 1, 2010 and shall first apply to the levy of taxes by school districts for the 2010-2011 school year and to school district meetings and elections held on and after such effective date; and

e. sections six, twelve, thirteen, and fourteen of this act shall take effect July 1, 2010.