

5518

2009-2010 Regular Sessions

I N S E N A T E

May 13, 2009

Introduced by Sen. SCHNEIDERMAN -- read twice and ordered printed, and
when printed to be committed to the Committee on Education

AN ACT to amend the education law, the real property tax law and the tax
law, in relation to abolishing certain school taxes, providing for
alternative taxes and state distribution to school districts; and
repealing certain provisions of the real property tax law and the tax
law relating to certain taxes

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

1 Section 1. Title V of the education law is amended by adding a new
2 article 71 to read as follows:

3 ARTICLE 71

4 FINANCING OF SCHOOL DISTRICTS

5 SECTION 3501. LEGISLATIVE INTENT.

6 3502. BASIC QUALITY EDUCATION.

7 3503. MINIMUM APPORTIONMENT.

8 3504. COLLECTION AND DISTRIBUTION.

9 3505. CONSTRUCTION WITH OTHER LAWS.

10 3506. SEVERABILITY.

11 S 3501. LEGISLATIVE INTENT. IT IS THE INTENT OF THE LEGISLATURE TO
12 FULFILL ITS OBLIGATIONS UNDER ARTICLE ELEVEN OF THE STATE CONSTITUTION
13 WITH RESPECT TO THE FINANCING OF PUBLIC SCHOOLS WITHIN THIS STATE AND,
14 AT THE SAME TIME, ELIMINATE THE INEQUITABLE AND REGRESSIVE REAL ESTATE
15 TAX AS THE SUPPORT OF SUCH SCHOOLS. THE LEGISLATURE HEREBY FURTHER
16 INTENDS TO GUARANTEE THE QUALITY AND EQUALITY OF EDUCATION FOR ALL OUR
17 CHILDREN, WHILE LEAVING WITH THE INDIVIDUAL SCHOOL DISTRICTS THE PRESENT
18 LEVEL OF LOCAL CONTROL INCLUDING THE AUTHORITY TO PERMIT OR PROHIBIT THE
19 TRANSFER OF STUDENTS INTO OR OUT OF SUCH DISTRICTS IN ACCORDANCE WITH
20 THE PROVISIONS OF THIS CHAPTER.

21 S 3502. BASIC QUALITY EDUCATION. 1. THE STATE SHALL ASSUME ALL COSTS
22 OF BASIC QUALITY EDUCATION, IN ACCORDANCE WITH SECTION THIRTY-FIVE

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

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1 HUNDRED FOUR OF THIS ARTICLE, INCLUDING ALL GENERAL AND SPECIAL EDUCA-
2 TIONAL SERVICES WHICH THE COMMISSIONER, UNDER GUIDELINES ESTABLISHED BY
3 THE LEGISLATURE, SHALL DEFINE AS NECESSARY. BASIC QUALITY EDUCATION, AS
4 DEFINED BY THE COMMISSIONER, SHALL ALLOW SUFFICIENT LATITUDE SO THAT
5 CHOICES MAY BE MADE BY LOCAL SCHOOL DISTRICTS WITH RESPECT TO THEIR
6 INDIVIDUAL NEEDS. AS USED IN THIS ARTICLE "BASIC" SHALL MEAN EQUAL
7 SERVICES TO ALL PUPILS REGARDLESS OF DIFFERENCES IN COST IN DIFFERENT
8 DISTRICTS FOR SUCH SERVICES.

9 2. SUCH COSTS SHALL BE FUNDED AS PROVIDED FOR BY THE LEGISLATURE, IN
10 CONJUNCTION WITH THE ELIMINATION OF REAL ESTATE TAXES FOR THE SUPPORT OF
11 EDUCATION. WITHIN THE CITIES OF NEW YORK, BUFFALO, ROCHESTER, SYRACUSE
12 AND YONKERS, THE TAX ON REAL PROPERTY SHALL BE REDUCED BY THE DOLLAR
13 AMOUNT OF SUCH CITY'S SHARE OF THE COST OF PUBLIC SCHOOL EDUCATION. SUCH
14 REDUCTION SHALL BE APPORTIONED TO ALL REAL PROPERTY TAXPAYERS ON A PRO-
15 RATA BASIS, AND TENANTS SHALL RECEIVE TAX CREDITS, TAX REBATES, OR
16 REDUCTIONS IN RENT AS PROVIDED IN SECTION FOUR HUNDRED SIXTY-SEVEN-G OF
17 THE REAL PROPERTY TAX LAW.

18 3. EACH SCHOOL DISTRICT SHALL SUBMIT A BASIC BUDGET TO THE DEPARTMENT
19 FOR PURPOSES OF DETERMINING REIMBURSABLE SERVICES.

20 4. THE DEPARTMENT, UNDER DIRECTION OF THE BOARD OF REGENTS, SHALL
21 ESTABLISH A SCHEDULE OF MANDATORY BASIC SERVICES AND AUTHORIZED COSTS
22 THEREFOR RELATED TO DIFFERING COSTS THROUGHOUT THE STATE. SUCH BASIC
23 SCHEDULE SHALL REFLECT GUIDELINES ESTABLISHED FOR THIS PURPOSE BY THE
24 LEGISLATURE.

25 S 3503. MINIMUM APPORTIONMENT. IN ANY SCHOOL YEAR A DISTRICT MAY ELECT
26 TO RECEIVE AS ITS BASIC BUDGET THE HIGHEST OF:

27 1. THE DISTRICT BUDGET OF THE SCHOOL YEAR DURING WHICH THIS ARTICLE
28 SHALL TAKE EFFECT, EXCEPT THAT THIS APPORTIONMENT OPTION SHALL EXIST
29 ONLY FOR THE PERIOD NOT EXCEEDING THE FIVE SCHOOL YEARS IMMEDIATELY
30 AFTER THIS ARTICLE SHALL TAKE EFFECT.

31 2. THE PRODUCT OF (A) THE DISTRICT BUDGET OF THE SCHOOL YEAR DURING
32 WHICH THIS ARTICLE SHALL TAKE EFFECT DIVIDED BY THE ENROLLMENT AT THE
33 START OF SUCH YEAR AND (B) THE ENROLLMENT AT THE START OF THE SCHOOL
34 YEAR FOR WHICH THE BUDGET IS BEING DETERMINED. THIS APPORTIONMENT OPTION
35 SHALL EXIST ONLY FOR THE PERIOD NOT EXCEEDING THE FIVE SCHOOL YEARS
36 IMMEDIATELY AFTER THE EFFECTIVE DATE OF THIS ARTICLE.

37 3. THE BASIC BUDGET SUBMITTED IN ACCORDANCE WITH SUBDIVISION THREE OF
38 SECTION THIRTY-FIVE HUNDRED TWO OF THIS ARTICLE, EXCEPT THAT IN NO CASE
39 SHALL THE PER PUPIL APPORTIONMENT EXCEED THE PER PUPIL APPORTIONMENT OF
40 THE PREVIOUS YEAR BY MORE THAN THE AVERAGE STATEWIDE INCREASE OF PER
41 PUPIL BUDGETS PLUS TEN PER CENTUM OF THE PER PUPIL APPORTIONMENT OF THE
42 PREVIOUS YEAR.

43 S 3504. COLLECTION AND DISTRIBUTION. NOTWITHSTANDING THE PROVISIONS OF
44 ANY OTHER LAW, CODE, RULE OR REGULATION, THE STATE SHALL, WITHIN FIVE
45 YEARS FROM THE EFFECTIVE DATE OF THIS ARTICLE, COLLECT AND DISTRIBUTE TO
46 SCHOOL DISTRICTS ALL MONEYS RELATING TO THE FINANCING OF PUBLIC EDUCA-
47 TION, EXCLUSIVE OF HIGHER EDUCATION, WITHIN THIS STATE, AS PROVIDED BY
48 THE LEGISLATURE. THIS ASSUMPTION BY THE STATE OF ALL COSTS OF BASIC
49 QUALITY EDUCATION SHALL BE ACCOMPLISHED IN APPROXIMATELY EQUAL INCRE-
50 MENTS OVER A FIVE YEAR PERIOD FROM THE EFFECTIVE DATE OF THIS ARTICLE.
51 DURING THIS PERIOD, THE AMOUNT OF MONEY DERIVED BY EACH SCHOOL DISTRICT
52 FROM REAL PROPERTY TAXES SHALL BE REDUCED ACCORDINGLY. AFTER FIVE YEARS
53 FROM THE EFFECTIVE DATE OF THIS ARTICLE, MONEYS DISTRIBUTED TO ANY
54 SCHOOL DISTRICT SHALL BE REDUCED BY THE AMOUNT OF ANY REVENUES RECEIVED
55 BY SUCH SCHOOL DISTRICT FROM TAXES IMPOSED ON REAL PROPERTY BY OR ON
56 BEHALF OF SUCH SCHOOL DISTRICT.

1 S 3505. CONSTRUCTION WITH OTHER LAWS. THE PROVISIONS OF THIS ARTICLE
2 SHALL BE CONTROLLING, NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW,
3 CODE, RULE OR REGULATION TO THE CONTRARY. HOWEVER, NO EXISTING RIGHT OR
4 REMEDY OF ANY CHARACTER SHALL BE LOST, IMPAIRED OR AFFECTED BY REASON OF
5 THIS ARTICLE, NOR SHALL THE VALIDITY OF ANY ACTION TAKEN BY ANY PUBLIC
6 OFFICIAL UNDER THE LAW IN FORCE IMMEDIATELY PRIOR TO THE TIME THIS ARTI-
7 CLE SHALL TAKE EFFECT BE AFFECTED BY THE ENACTMENT OF THIS ARTICLE.
8 COLLECTION OF ALL OUTSTANDING TAX LIENS SHALL BE PURSUANT TO THE
9 PROVISIONS OF THE REAL PROPERTY TAX LAW.

10 S 3506. SEVERABILITY. IF ANY CLAUSE, SENTENCE, PARAGRAPH, SECTION OR
11 PART OF THIS ARTICLE SHALL BE ADJUDGED BY ANY COURT OF COMPETENT JURIS-
12 DICTION TO BE INVALID, SUCH JUDGMENT SHALL NOT AFFECT, IMPAIR OR INVALI-
13 DATE THE REMAINDER THEREOF, BUT SHALL BE CONFINED IN ITS OPERATION TO
14 THE CLAUSE, SENTENCE, PARAGRAPH, SECTION OR PART THEREOF DIRECTLY
15 INVOLVED IN THE CONTROVERSY IN WHICH SUCH JUDGMENT SHALL HAVE BEEN
16 RENDERED.

17 S 2. Article 13 of the real property tax law is REPEALED.

18 S 3. The real property tax law is amended by adding a new section
19 467-g to read as follows:

20 S 467-G. PROVISIONS FOR TENANTS. IN EVERY CASE WHERE TAXES ON REAL
21 PROPERTY ARE REDUCED DUE TO THE REDUCTION OF SCHOOL TAXES ON SUCH PROP-
22 erty, THE AMOUNT OF SUCH REDUCTION SHALL BE PRO-RATED AMONG THE TENANTS,
23 IF ANY, OF SUCH REAL PROPERTY, AND THE TOTAL RENTS REDUCED IN AN AMOUNT
24 EQUAL TO SUCH REAL PROPERTY TAX REDUCTION. WHERE SUCH RENT REDUCTION IS
25 PRECLUDED BY A LEASE OR OTHER AGREEMENT, SUCH REAL PROPERTY TAX
26 REDUCTION SHALL ENTITLE SUCH TENANTS TO A TAX CREDIT IN THAT AMOUNT
27 AGAINST INCOME TAXES DUE, OR TO A REBATE FOR ANY AMOUNT IN EXCESS OF
28 INCOME TAXES DUE, UNTIL THE EXPIRATION OF SUCH LEASE OR AGREEMENT, AT
29 WHICH TIME THE RENT SHALL BE REDUCED ACCORDINGLY.

30 S 4. Subdivision 1 and paragraphs (b) and (c) of subdivision 3 of
31 section 972 of the real property tax law, subdivision 1 and paragraph
32 (c) of subdivision 3 as amended and paragraph (b) of subdivision 3 as
33 added by section 12 of part B of chapter 389 of the laws of 1997, are
34 amended to read as follows:

35 1. Adoption. Notwithstanding any provisions of this chapter, or any
36 other general, special or local law to the contrary, the legislative
37 body of a county may, by local law, provide that thereafter and until
38 such local law is repealed, the county shall become the tax collection
39 agency for the purpose of collecting taxes in installments as prescribed
40 by this title [and by sections thirteen hundred thirty-six through thir-
41 teen hundred forty-two of this chapter]. The term "taxes" as used in
42 this title shall include special assessments which are levied by the
43 county legislative body at the time and in the manner provided by law
44 for the levy of county and town taxes.

45 (b) If an installment is not paid on or before the date it is due,
46 additional interest shall be added as provided by section nine hundred
47 seventy-five [or section thirteen hundred forty] of this [chapter]
48 TITLE.

49 (c) The amount of any interest which shall be added to any installment
50 pursuant to this section and section nine hundred seventy-five [or
51 section thirteen hundred forty] of this [chapter] TITLE shall belong to
52 the county.

53 S 5. Subdivision 6 of section 975 of the real property tax law, as
54 added by chapter 953 of the laws of 1962, is amended to read as follows:

55 6. The county treasurer of a county which has enacted a local law
56 pursuant to section nine hundred seventy-two of this [chapter] TITLE may

1 promulgate and amend suitable rules and regulations prescribing the
2 necessary forms for carrying into effect the provisions of this title
3 [and of article thirteen of this chapter] relating to the installment
4 payment of taxes.

5 S 6. Subdivision 5 of section 1618 of the real property tax law, as
6 added by chapter 512 of the laws of 1993, is amended to read as follows:

7 5. When the state board has established a final equalization rate for
8 a consolidated assessing unit as a whole, school district and county
9 taxes within the consolidated assessing unit shall be apportioned with-
10 out the use of equalization rates, notwithstanding the provisions of
11 [articles] ARTICLE eight [and thirteen] of this chapter.

12 S 7. The tax law is amended by adding a new section 601-A to read as
13 follows:

14 S 601-A. ADDITIONAL TAXES FOR EDUCATION. (A) IN ADDITION TO THE TAXES
15 ON INCOME IMPOSED BY THIS CHAPTER FOR TAXABLE YEARS OR PERIODS ENDING ON
16 OR AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND NINE, THERE SHALL BE
17 IMPOSED A TAX EQUAL TO A PERCENT OF THE TAXES IMPOSED BY SUCH SECTIONS
18 AND ARTICLES AS IS NECESSARY TO FULFILL THE REQUIREMENTS OF SECTION
19 THIRTY-FIVE HUNDRED TWO OF THE EDUCATION LAW. SUCH A TAX MAY BE LEVIED
20 EITHER AS A SURTAX, OR BY READJUSTMENT OF THE APPROPRIATE TAX SCHEDULES.

21 (B) EACH SCHOOL DISTRICT MAY ALSO INCREASE THE ADDITIONAL TAXES FOR
22 EDUCATION, IMPOSED PURSUANT TO SUBSECTION (A) OF THIS SECTION, BY RESOL-
23 UTION ADOPTED BY A TWO-THIRDS VOTE PRIOR TO THE LEVY OF TAXES IN ANY
24 YEAR. SUCH RESOLUTION SHALL PROVIDE FOR THE INCREASE TO BE IMPOSED
25 EITHER IN THE FORM OF A HIGHER SURTAX RATE OR A STANDARD LUMP SUM
26 AMOUNT; PROVIDED, THAT ALL SUCH PROCEEDS FROM THE INCREASE ON THE ADDI-
27 TIONAL TAX FOR EDUCATION BE COLLECTED AND ACCRUED TO THE SCHOOL DISTRICT
28 IN WHICH SUCH TAX WAS COLLECTED.

29 (C) THE COMMISSIONER SHALL ESTABLISH A SEPARATE ACCOUNT OR ACCOUNTS TO
30 RECEIVE THE ADDITIONAL TAX IMPOSED BY SUBSECTIONS (A) AND (B) OF THIS
31 SECTION AND SHALL PAY INTO SUCH ACCOUNT OR ACCOUNTS THE TOTAL OF ALL
32 SUCH TAXES WHEN RECEIVED AND RETAIN THE SAME SUBJECT TO DISBURSEMENT IN
33 ACCORDANCE WITH THE PROVISIONS OF THE EDUCATION LAW.

34 S 7-a. The real property tax law is amended by adding a new section
35 307-b to read as follows:

36 S 307-B. ADDITIONAL TAX ON NON-RESIDENTIAL PROPERTY. 1. THE COMMIS-
37 SIONER OF TAXATION AND FINANCE SHALL ESTABLISH AN ADDITIONAL TAX ON
38 NON-RESIDENTIAL PROPERTY TO BE IMPOSED IN ADDITION TO OTHER LOCALLY
39 LEVIED PROPERTY TAXES. SUCH TAX SHALL BE LEVIED BY THE STATE THROUGH THE
40 COUNTY, CITY, TOWN OR VILLAGE GOVERNING BODY AND SHALL BE A LOW-RATE,
41 UNIFORM TAX. FOR THE PURPOSES OF THIS SUBDIVISION, "NON-RESIDENTIAL
42 PROPERTY" SHALL MEAN ANY (A) NON-RESIDENTIAL COMMERCIAL PROPERTY, (B)
43 INDUSTRIAL PROPERTY, (C) AGRICULTURAL PROPERTY AND (D) VACANT LAND WHICH
44 IS EITHER COMMERCIAL PROPERTY OR INDUSTRIAL PROPERTY.

45 2. THE COMMISSIONER OF TAXATION AND FINANCE SHALL SET THE RATE FOR THE
46 ADDITIONAL TAX ON NON-RESIDENTIAL PROPERTY, AS REQUIRED BY SUBDIVISION
47 ONE OF THIS SECTION, AT AN ADEQUATE RATE TO PROVIDE FUNDING FOR MEETING
48 THE REQUIREMENTS OF SECTIONS THIRTY-FIVE HUNDRED ONE AND THIRTY-FIVE
49 HUNDRED TWO OF THE EDUCATION LAW. THE COMMISSIONER OF TAXATION AND
50 FINANCE SHALL ESTABLISH A SEPARATE ACCOUNT TO RECEIVE THE ADDITIONAL TAX
51 IMPOSED BY SUBDIVISION ONE OF THIS SECTION AND SHALL PAY INTO SUCH
52 ACCOUNT THE TOTAL OF ALL SUCH TAXES WHEN RECEIVED AND RETAIN THE SAME
53 SUBJECT TO DISBURSEMENT IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE
54 SEVENTY-ONE OF THE EDUCATION LAW.

55 S 8. Sections 1204, 1211 and 1212 of the tax law are REPEALED.

1 S 9. The tax law is amended by adding a new section 1200 to read as
2 follows:

3 S 1200. CERTAIN TAXES REDUCED. NOTWITHSTANDING THE PROVISIONS OF ANY
4 OTHER SECTION OF THIS ARTICLE, ON AND AFTER THE EFFECTIVE DATE OF THIS
5 SECTION, THE PROVISIONS OF THIS ARTICLE RELATING TO TAXES FOR THE BENE-
6 FIT OF SCHOOL DISTRICTS OR SCHOOL PURPOSES SHALL BE DEEMED REDUCED IN
7 ACCORDANCE WITH SECTION THIRTY-FIVE HUNDRED FOUR OF THE EDUCATION LAW.

8 S 10. Section 1213 of the tax law, as amended by chapter 651 of the
9 laws of 1999, is amended to read as follows:

10 S 1213. Deliveries outside the jurisdiction where sale is made. Where
11 a sale of tangible personal property or services, including prepaid
12 telephone calling services, but not including other services described
13 in subdivision (b) of section eleven hundred five OF THIS CHAPTER,
14 including an agreement therefor, is made in any city[,] OR county [or
15 school district], but the property sold, the property upon which the
16 services were performed or prepaid telephone calling or other service is
17 or will be delivered to the purchaser elsewhere, such sale shall not be
18 subject to tax by such city[,] OR county [or school district]. However,
19 if delivery occurs or will occur in a city[,] OR county [or school
20 district] imposing a tax on the sale or use of such property, prepaid
21 telephone calling or other services, the vendor shall be required to
22 collect from the purchaser, as provided in section twelve hundred
23 fifty-four OF THIS ARTICLE, the aggregate sales or compensating use
24 taxes imposed by the city, if any, AND county [and school district] in
25 which delivery occurs or will occur, for distribution by the commission-
26 er to such taxing jurisdiction or jurisdictions. For the purposes of
27 this section delivery shall be deemed to include transfer of possession
28 to the purchaser and the receiving of the property or of the service,
29 including prepaid telephone calling service, by the purchaser.

30 S 11. Section 1220 of the tax law, as amended by section 39 of part Y
31 of chapter 63 of the laws of 2000, is amended to read as follows:

32 S 1220. Territorial limitations. Any tax imposed under the authority
33 of this article shall apply only within the territorial limits of the
34 city[,] OR county [or school district] imposing the tax, except that
35 where the taxes described in subdivision (b) of section eleven hundred
36 five and clauses (E), (G) and (H) of subdivision (a) of section eleven
37 hundred ten OF THIS CHAPTER or the tax described in subdivision (e) of
38 section eleven hundred five OF THIS CHAPTER is imposed by a city, as
39 provided in section twelve hundred ten [or twelve hundred eleven] of
40 this [chapter] ARTICLE, any establishment located partially within such
41 city and partially within a town or towns and receiving or using any
42 services or utilities provided by the city shall be deemed to be wholly
43 within such city for the purposes of such taxes.

44 S 12. Section 1222 of the tax law, as added by chapter 93 of the laws
45 of 1965, is amended to read as follows:

46 S 1222. Taxes to be in addition to others. Except as expressly other-
47 wise provided in this article, any tax imposed under the authority of
48 this article shall be in addition to any and all other taxes authorized
49 or imposed under any other provision of law. This article shall not be
50 construed as limiting the power of any city[,] OR county [or school
51 district] to impose any other tax which it is authorized to impose under
52 any other provision of law.

53 S 13. Section 1256 of the tax law, as amended by chapter 575 of the
54 laws of 1965, is amended to read as follows:

55 S 1256. Cooperation by localities. Every city[,] AND county [and
56 school district] shall cooperate with the [state tax commission] COMMIS-

1 SIONER to enable [it] HIM OR HER to carry out [its] HIS OR HER duties
2 under [articles] THIS ARTICLE AND ARTICLE twenty-eight [and twenty-nine]
3 of this chapter. Every such locality shall furnish to such [commission]
4 COMMISSIONER those returns, reports and other information which the [tax
5 commission] COMMISSIONER deems necessary to carry out such duties,
6 except that cities having a population of one million or more, may, in
7 their discretion, furnish instead copies of such returns, reports and
8 other information. Such copies shall be furnished at the [tax commis-
9 sion's] COMMISSIONER'S expense, such expenses to be charged to the cost
10 of administration. Notwithstanding any other law to the contrary, the
11 duty to furnish returns, reports and other information or copies thereof
12 shall apply to [those returns and reports filed under taxes authorized
13 under chapter eight hundred seventy-three of the laws of nineteen
14 hundred thirty-four, as amended, chapter three hundred forty-one of the
15 laws of nineteen hundred forty-six, as amended, article two-B of the
16 general city law and chapter two hundred seventy-eight of the laws of
17 nineteen hundred forty-seven, as amended, and to such other] information
18 which is relevant to the duties of the [tax commission] COMMISSIONER
19 under THIS ARTICLE AND such [articles] ARTICLE twenty-eight [and twen-
20 ty-nine] OR OTHER RELEVANT PROVISIONS OF THIS CHAPTER.

21 S 14. Paragraph 1 of subdivision (g) of section 1132 of the tax law,
22 as amended by chapter 402 of the laws of 1986, is amended to read as
23 follows:

24 (1) The clerk of each county when performing the function of registra-
25 tion of a motor vehicle, snowmobile, vessel or all terrain vehicle or
26 accepting an application for a certificate of title of a motor vehicle
27 or vessel, pursuant to the authority of the vehicle and traffic law, or
28 the commissioner of motor vehicles, when such commissioner performs such
29 functions, prior to performing such functions, shall act as the agent of
30 the [state tax commission] COMMISSIONER to collect any retail sales tax
31 due under this article and under a sales tax imposed pursuant to section
32 twelve hundred ten [or twelve hundred eleven] OF THIS CHAPTER upon sales
33 of such motor vehicles, snowmobiles, vessels or all terrain vehicles by
34 persons other than dealers registered under sections four hundred
35 fifteen, twenty-two hundred twenty-two, twenty-two hundred fifty-seven
36 and twenty-two hundred eighty-two of the vehicle and traffic law. Such
37 county clerks and such commissioner shall also act as such agents to
38 collect any compensating use tax due under section eleven hundred ten OF
39 THIS ARTICLE and under a compensating use tax imposed pursuant to
40 section twelve hundred ten [or twelve hundred eleven] OF THIS CHAPTER
41 for the use of a motor vehicle, snowmobile, vessel or all terrain vehi-
42 cle within this state. The commissioner of motor vehicles shall act as
43 such agent without fee. Each such county clerk shall, after deducting
44 his OR HER fee as provided in paragraph two of this subdivision, and
45 such commissioner shall remit to the tax commission all funds collected
46 pursuant to this subdivision and shall follow such procedures and keep
47 such records as shall be prescribed by the [tax commission]
48 COMMISSIONER.

49 S 15. Subparagraph (iii) of paragraph 1 of subdivision (a) of section
50 1214 of the tax law, as amended by chapter 481 of the laws of 2000, is
51 amended to read as follows:

52 (iii) is not engaged in carrying on in such jurisdiction any employ-
53 ment, trade, business or profession in which the motor vehicle or vessel
54 will be used in such jurisdiction, and such other proof as the commis-
55 sioner may require to ensure proper administration of the taxes imposed

1 under the authority of [sections] SECTION twelve hundred ten [and twelve
2 hundred eleven] of this article.

3 S 16. Section 1217 of the tax law, as added by chapter 962 of the laws
4 of 1966, subdivision (a) as amended by chapter 169 of the laws of 1970,
5 is amended to read as follows:

6 S 1217. General transitional provisions. (a) For the purposes of any
7 local law, ordinance or resolution imposing a local tax pursuant to the
8 authority of section twelve hundred ten[, twelve hundred eleven, twelve
9 hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE or increasing
10 the rate of such tax, all references in section eleven hundred six OF
11 THIS CHAPTER to August first, nineteen hundred sixty-five shall be read
12 as referring to the effective date of such local law, ordinance or
13 resolution, all references in said section to April first, nineteen
14 hundred sixty-five shall be read as referring to a date four months
15 prior to the effective date of such local law, ordinance or resolution
16 and the reference in subdivision (b) of section eleven hundred six OF
17 THIS CHAPTER to July thirty-first, nineteen hundred sixty-five shall be
18 read as referring to the day immediately before the effective date of
19 such local law, ordinance or resolution.

20 (b) In applying the provisions of section eleven hundred nineteen OF
21 THIS CHAPTER with respect to pre-existing lump sum or unit price
22 construction contracts to a tax on retail sales of tangible personal
23 property or a compensating use tax imposed pursuant to the authority of
24 section twelve hundred ten [or twelve hundred eleven] OF THIS ARTICLE,
25 all references in said section to the date of the enactment of article
26 twenty-eight OF THIS CHAPTER or the enactment of a law increasing the
27 rate of tax imposed under said article shall be read as referring to the
28 date of the enactment of the local law, ordinance or resolution imposing
29 such local tax or increasing the rate thereof.

30 S 17. Section 1223 of the tax law, as separately amended by chapters
31 4, 8 and 9 of the laws of 2003 and subdivision (a) as separately amended
32 by section 8 of part SS-1 of chapter 57 and chapter 65 of the laws of
33 2008, is amended to read as follows:

34 S 1223. Limitations on rates. (a) No transaction taxable under
35 sections twelve hundred two [through] AND twelve hundred [four] THREE of
36 this article shall be taxed pursuant to this article by any county or by
37 any city located therein, or by both, at an aggregate rate in excess of
38 the highest rate set forth in the applicable subdivision of section
39 twelve hundred one of this article or, in the case of any taxes imposed
40 pursuant to the authority of section twelve hundred ten [or twelve
41 hundred eleven] of this article (other than taxes imposed by the county
42 of Nassau, Erie, Steuben, Cattaraugus, Suffolk, Oneida, Genesee, Greene,
43 Franklin, Herkimer, Tioga, Orleans, Allegany, Ulster, Albany, Rensse-
44 laer, Tompkins, Wyoming, Columbia, Schuyler, Rockland, Chenango, Monroe,
45 Chemung, Seneca, Sullivan, Wayne, Livingston, Schenectady, Montgomery,
46 Delaware, Clinton, Niagara, Yates, Lewis, Essex, Dutchess, Schoharie,
47 Putnam, Chautauqua, Orange, Oswego, Ontario, Jefferson or Onondaga and
48 by the county of Cortland and the city of Cortland and by the county of
49 Broome and the city of Binghamton and by the county of Cayuga and the
50 city of Auburn and by the county of Otsego and the city of Oneonta and
51 by the county of Madison and the city of Oneida and by the county of
52 Fulton and the city of Gloversville or the city of Johnstown as provided
53 in section twelve hundred ten of this article) at a rate in excess of
54 three percent, except that, in the city of Yonkers, in the city of Mount
55 Vernon, in the city of New Rochelle, in the city of Fulton and in the
56 city of Oswego, the rate may not be in excess of four percent and in the

1 city of White Plains, the rate may not be in excess of three and three-
2 quarters percent and except that in the city of Poughkeepsie in the
3 county of Dutchess, if such county withdraws from the metropolitan
4 commuter transportation district pursuant to section twelve hundred
5 seventy-nine-b of the public authorities law and if the revenues from a
6 three-eighths percent rate of such tax imposed by such county, pursuant
7 to the authority of section twelve hundred ten of this article, are
8 required by local laws, ordinances or resolutions to be set aside for
9 mass transportation purposes, the rate may not be in excess of three and
10 three-eighths percent.

11 (b) If a transaction is taxed by both a county and a city, the rate of
12 tax on such transaction imposed by the county or city, not having prior
13 right thereto pursuant to section twelve hundred twenty-four OF THIS
14 SUBPART, shall be deemed to be reduced (or the entire tax eliminated, if
15 necessary) to the extent necessary to comply with the foregoing require-
16 ment. A tax imposed by a county upon any transaction, to the extent that
17 it would require a reduction in any tax rate imposed thereon by a city,
18 shall not become effective in respect to any transaction taxed by such
19 city (or in respect of other similar transactions outside of the city
20 which, if occurring in such city, would be subject to such city tax)
21 before the commencement of the city's next succeeding fiscal year and
22 then only if the county shall have given notice to such city of its
23 imposition of a tax on such transaction at least six months prior to the
24 commencement of such fiscal year, provided however that the local legis-
25 lative body of such city may waive the requirement of such notice and
26 the postponement of the effective date of such tax. A city tax upon any
27 transaction, to the extent that it would require a reduction in any tax
28 rate imposed by a county thereon, shall not become effective in respect
29 of any transaction taxed by such county before the commencement of the
30 county's next succeeding fiscal year and then only if the city shall
31 have given notice to such county of its imposition of a tax on such
32 transaction at least six months prior to the commencement of such fiscal
33 year, provided, however, that the local legislative body of such county
34 may waive the requirement of such notice and postponement of the effec-
35 tive date of such tax. However, whether or not the six months' notice
36 requirement provided in this section has been waived, a tax imposed
37 pursuant to the authority of section twelve hundred ten [or twelve
38 hundred eleven] OF THIS ARTICLE shall still be subject to the require-
39 ments provided for in the first three sentences of subdivision (d) of
40 such [sections] SECTION and in subdivision (e) of such [sections]
41 SECTION.

42 S 18. Paragraph 2 of subdivision (b) of section 1224 of the tax law,
43 as amended by chapter 506 of the laws of 1976, is amended to read as
44 follows:

45 (2) all of the taxes described in article twenty-eight as authorized
46 by subdivision (a) of section twelve hundred ten[, or by section twelve
47 hundred eleven,] OF THIS ARTICLE to the extent of one-half the maximum
48 aggregate rates authorized under such subdivision (a) [and such section
49 twelve hundred eleven], except as otherwise provided in this section.

50 S 19. Subdivision (k) of section 1224 of the tax law, as amended by
51 chapter 426 of the laws of 1968 and separately relettered by chapters
52 531, 574, 617, 718 and 719 of the laws of 1992, is amended to read as
53 follows:

54 (k) For purposes of this section, the term "prior right" shall mean
55 the preferential right to impose any tax described in sections twelve
56 hundred two [and], twelve hundred three[,] AND twelve hundred ten [and]

twelve hundred eleven] OF THIS ARTICLE and thereby to pre-empt such tax and to preclude another municipal corporation from imposing or continuing the imposition of such tax to the extent that such right is exercised. However, the right of pre-emption shall only apply within the territorial limits of the taxing jurisdiction having the right of pre-emption.

S 20. Subdivision (a) of section 1235 of the tax law, as amended by chapter 459 of the laws of 1968, is amended to read as follows:

(a) With respect to taxes imposed pursuant to subdivision (a) of section twelve hundred ten [and pursuant to section twelve hundred eleven] OF THIS ARTICLE, the use of tangible personal property purchased at retail and of any of the services subject to the sales tax shall be exempt from the compensating use tax authorized under subdivision (a) of such section twelve hundred ten [and under section twelve hundred eleven,] to the extent that a retail sales tax or a compensating use tax was legally due and paid thereon, without any right to a refund or credit thereof, to (1) any municipal corporation in this state or (2) any other state or jurisdiction within any other state, but only when it is shown that such other state or jurisdiction allows a corresponding exemption with respect to the sale or use of tangible personal property or of any of the services upon which such a sale or compensating use tax was paid to this state and any of its municipal corporations, except as provided in subdivision (b) of this section.

S 21. Section 1240 of the tax law, as added by chapter 93 of the laws of 1965, is amended to read as follows:

S 1240. Administration and collection. The taxes authorized under sections twelve hundred one through twelve hundred [four] THREE OF THIS ARTICLE which are now imposed shall continue to be administered and collected by the fiscal or other officers of the city, county or school district in the same manner as such taxes have been administered and collected by such officers immediately prior to the enactment of this article, in accordance with the applicable provisions of the charter, administrative code, local law, ordinance or resolution then in force, with such amendments in respect to administration and collection as may be enacted. Taxes authorized under sections twelve hundred one through twelve hundred [four] THREE OF THIS ARTICLE which may hereafter be imposed by a city, county or school district shall be administered and collected in such manner as may be provided in its charter, administrative code, local laws, ordinances or resolutions, with such amendments in respect to administration and collection as may be enacted.

S 22. Subdivision (b) of section 1242 of the tax law, as added by chapter 93 of the laws of 1965, is amended to read as follows:

(b) Cities under one million, counties and school districts. Except in the case of a wilfully false or fraudulent return with intent to evade the tax, no assessment of additional tax shall be made with respect to taxes imposed under the authority of sections twelve hundred two [through] AND twelve hundred [four] THREE OF THIS ARTICLE, after the expiration of more than three years from the date of the filing of a return, provided, however, that where no return has been filed as provided by local law, ordinance or resolution, the tax may be assessed at any time.

S 23. Subdivision (a) of section 1243 of the tax law, as amended by chapter 808 of the laws of 1992, is amended to read as follows:

(a) Any final determination of the amount of any tax payable under sections twelve hundred one through twelve hundred [four] THREE OF THIS ARTICLE shall be reviewable for error, illegality or unconstitutionality

1 or any other reason whatsoever by a proceeding under article seventy-
2 eight of the civil practice law and rules if application therefor is
3 made to the supreme court within four months after the giving of the
4 notice of such final determination, provided, however, that any such
5 proceeding under article seventy-eight of the civil practice law and
6 rules shall not be instituted by a taxpayer unless (1) the amount of any
7 tax sought to be reviewed, with such interest and penalties thereon as
8 may be provided for by local law, ordinance, resolution or regulation,
9 shall be first deposited and there is filed an undertaking, issued by a
10 surety company authorized to transact business in this state and
11 approved by the superintendent of insurance of this state as to solvency
12 and responsibility, in such amount as a justice of the supreme court
13 shall approve to the effect that if such proceeding be dismissed or the
14 tax confirmed the taxpayer will pay all costs and charges which may
15 accrue in the prosecution of such proceeding or (2) at the option of the
16 taxpayer, such undertaking may be in a sum sufficient to cover the
17 taxes, interest and penalties stated in such determination, plus the
18 costs and charges which may accrue against such taxpayer in the prose-
19 cution of the proceeding, in which event the taxpayer shall not be
20 required to pay such taxes, interest or penalties as a condition prece-
21 dent to the application.

22 S 24. Section 1250 of the tax law, as amended by chapter 169 of the
23 laws of 1970, is amended to read as follows:

24 S 1250. Administration and collection. The taxes imposed under the
25 authority of sections twelve hundred ten[, twelve hundred eleven, twelve
26 hundred twelve] and twelve hundred twelve-A OF THIS ARTICLE shall be
27 administered and collected by the [state tax commission] COMMISSIONER in
28 the same manner as the taxes imposed under article twenty-eight of this
29 chapter are administered and collected by such commission. All of the
30 provisions of such article relating to or applicable to the adminis-
31 tration and collection of the taxes imposed by that article shall apply
32 to the taxes imposed under the authority of section twelve hundred ten[,
33 twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A
34 OF THIS ARTICLE, including sections eleven hundred one and eleven
35 hundred eleven and sections eleven hundred thirty-one through eleven
36 hundred forty-seven OF THIS CHAPTER, with the same force and effect as
37 if those provisions had been incorporated in full into this article and
38 had expressly referred to the taxes imposed under sections twelve
39 hundred ten [through] AND twelve hundred twelve-A OF THIS ARTICLE,
40 except to the extent that any provisions of such article twenty-eight
41 are either inconsistent with a provision of this article or are not
42 relevant to this article. For purposes of this article, the term "tax"
43 in part IV of such article twenty-eight shall include any tax imposed
44 under the authority of section twelve hundred ten[, twelve hundred elev-
45 en, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE.
46 Wherever there is joint collection of state and local taxes, it shall be
47 deemed that such collections shall represent proportionally the applica-
48 ble state and local taxes in determining the amount to be remitted to
49 local taxing jurisdictions.

50 S 25. Subdivision (a) of section 1251 of the tax law, as amended by
51 chapter 155 of the laws of 1982, is amended to read as follows:

52 (a) Every person required to collect any of the taxes imposed under
53 the authority of section twelve hundred ten[, twelve hundred eleven,
54 twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE shall
55 file a return as required by subdivision (a) of section eleven hundred
56 thirty-six OF THIS CHAPTER with the [tax commission] COMMISSIONER,

1 except that return for the quarterly period ending August thirty-first,
2 nineteen hundred sixty-five shall only cover the month of August, nine-
3 teen hundred sixty-five. The return of a vendor of tangible personal
4 property or services shall show his OR HER receipts from sales and also
5 the aggregate value of tangible personal property and services sold by
6 him, the use of which is subject to a tax imposed under the authority of
7 this article and the amount of taxes required to be collected with
8 respect to such sales and use. The return of a [recipient] RECEIPT of
9 amusement charges shall show all such charges and the amount of tax
10 thereon, and the return of an operator required to collect tax on rents
11 shall show all rents received or charged and the amount of tax thereon.
12 Every person required to file a part-quarterly return pursuant to subdi-
13 vision (a) of section eleven hundred thirty-six OF THIS CHAPTER shall
14 file a return for the same periods for the taxes imposed pursuant to
15 this article. Provided, however, where a part-quarterly return described
16 in paragraph [(i)] ONE or [(ii)] TWO of subdivision (a) of section elev-
17 en hundred thirty-six is filed for purposes of complying with this
18 section and section eleven hundred thirty-six or subdivision (a) or (b)
19 of section eleven hundred thirty-seven-A OF THIS CHAPTER, on such
20 returns separate amounts due for the taxes imposed by each county, city
21 or school district, pursuant to the authority of section twelve hundred
22 ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred
23 twelve-A OF THIS ARTICLE, need not be shown. Rather, such returns shall
24 only show the aggregate amount of all such local taxes calculated in the
25 manner provided for in paragraph [(i)] ONE or [(ii)] TWO of subdivision
26 (a) of section eleven hundred thirty-six OF THIS CHAPTER except that in
27 the case of a short-form, part-quarterly return, where a county, city or
28 school district did not impose a tax in the comparable quarter of the
29 immediately preceding year, the tax for that locality shall be calcu-
30 lated on such basis as the [tax commission] COMMISSIONER shall by regu-
31 lation prescribe.

32 S 26. Subdivision (b) of section 1252 of the tax law, as amended by
33 chapter 169 of the laws of 1970, is amended to read as follows:

34 (b) The [tax commission] COMMISSIONER, in [its] HIS OR HER discretion,
35 may require or permit any or all persons liable for any tax or required
36 to collect any tax authorized under section twelve hundred ten[, twelve
37 hundred eleven, twelve hundred twelve] or twelve hundred twelve-A OF
38 THIS ARTICLE to make payment to such banks, banking houses or trust
39 companies designated by the [tax commission] COMMISSIONER and to file
40 returns with such banks, banking houses or trust companies, as agent of
41 the state tax commission, in lieu of paying the taxes imposed under the
42 authority of section twelve hundred ten[, twelve hundred eleven, twelve
43 hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE directly to
44 the state tax commission. However, the [tax commission] COMMISSIONER can
45 only designate such banks, banking houses and trust companies which are
46 already designated by the comptroller as depositories pursuant to
47 section eleven hundred forty-eight of this chapter.

48 S 27. Section 1253 of the tax law, as amended by chapter 169 of the
49 laws of 1970, is amended to read as follows:

50 S 1253. Registration. Every person required to register pursuant to
51 section eleven hundred thirty-four OF THIS CHAPTER shall be required to
52 register for purposes of the taxes imposed under the authority of
53 sections twelve hundred ten[, twelve hundred eleven, twelve hundred
54 twelve] and twelve hundred twelve-A OF THIS ARTICLE. However, only one
55 certificate of authority need be issued. Persons who elect to register
56 under such section eleven hundred thirty-four pursuant to the election

1 provided therein shall also be required to make a similar election for
2 purposes of the taxes imposed under the authority of such sections
3 twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] and
4 twelve hundred twelve-A, but only one certificate of authority need be
5 issued.

6 S 28. Subdivisions (a) and (b) of section 1254 of the tax law, as
7 amended by chapter 169 of the laws of 1970, are amended to read as
8 follows:

9 (a) Every person required to collect tax, as defined in section eleven
10 hundred thirty-one OF THIS CHAPTER, who is required to collect any state
11 tax imposed under sections eleven hundred five, eleven hundred six or
12 eleven hundred ten OF THIS CHAPTER, shall at the same time collect any
13 applicable tax imposed by a city, county or school district under the
14 authority of [sections] SECTION twelve hundred ten[, twelve hundred
15 eleven, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTI-
16 CLE, and where the state tax is a retail sales tax, shall also collect
17 any compensating use tax which may be applicable as provided in
18 [sections] SECTION twelve hundred thirteen or twelve hundred fourteen OF
19 THIS ARTICLE.

20 (b) Where the state of New York, any of its agencies, instrumentali-
21 ties, public corporations (including a public corporation created pursu-
22 ant to agreement or compact with another state or Canada) or political
23 subdivisions sells services or property of a kind ordinarily sold by
24 private persons it shall be considered a vendor for purposes of the
25 taxes imposed under the authority of sections twelve hundred ten[,
26 twelve hundred eleven, twelve hundred twelve] and twelve hundred
27 twelve-A OF THIS ARTICLE and shall be required to collect the taxes
28 imposed by cities, counties and school districts under the authority of
29 such sections.

30 S 29. Subdivisions (a), (b) and (c) of section 1261 of the tax law, as
31 amended by chapter 84 of the laws of 2000, subdivision (a) as amended by
32 chapter 182 of the laws of 2005, and subdivision (c) as amended by
33 section 9 of part SS-1 of chapter 57 of the laws of 2008, are amended to
34 read as follows:

35 (a) All taxes, penalties and interest imposed by cities, counties or
36 school districts under the authority of section twelve hundred ten[,
37 twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A
38 of this article, which are collected by the commissioner, shall be
39 deposited daily with such responsible banks, banking houses or trust
40 companies, as may be designated by the state comptroller, to the credit
41 of the comptroller, in trust for the cities, counties or school
42 districts imposing the tax or for (i) the Nassau county interim finance
43 authority or (ii) the Buffalo fiscal stability authority or (iii) the
44 Erie county fiscal stability authority, created by the public authori-
45 ties law, (i) to the extent that net collections from taxes imposed by
46 Nassau county are payable to the Nassau county interim finance authority
47 or (ii) to the extent that net collections from taxes imposed by Erie
48 county or by the city of Buffalo are payable to the Buffalo fiscal
49 stability authority or (iii) to the extent that net collections from
50 taxes imposed by Erie county are payable to the Erie county fiscal
51 stability authority, or for any public benefit corporation to which the
52 tax may be payable pursuant to law. Such deposits and deposits received
53 pursuant to subdivision (b) of section twelve hundred fifty-two of this
54 article shall be kept in trust and separate and apart from all other
55 monies in the possession of the comptroller. The comptroller shall
56 require adequate security from all such depositories of such revenue

1 collected by the commissioner, including the deposits received pursuant
2 to subdivision (b) of section twelve hundred fifty-two of this article.
3 Any amount payable to such authorities pursuant to the public authori-
4 ties law shall, at the time it is otherwise payable to (i) Nassau coun-
5 ty, (ii) Erie county or the city of Buffalo, or (iii) Erie county,
6 respectively, as specified in this section, be paid instead to such
7 respective authority. Any amount payable to a public benefit corporation
8 pursuant to law shall, at the time it is otherwise payable to the taxing
9 jurisdiction as specified in this section, be paid instead to such
10 public benefit corporation.

11 (b) The comptroller shall retain in the comptroller's hands such
12 amount as the commissioner may determine to be necessary for refunds in
13 respect to the taxes imposed by cities, counties and school districts,
14 under the authority of section twelve hundred ten[, twelve hundred elev-
15 en, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE,
16 and for reasonable costs of the commissioner in administering, collect-
17 ing and distributing such taxes, out of which the comptroller shall pay
18 any refunds of such taxes to which taxpayers shall be entitled under the
19 provisions of this article.

20 (c) (1) The comptroller, after reserving such refund fund and such
21 costs shall, on or before the twelfth day of each month pay to the
22 appropriate fiscal officers of the foregoing taxing jurisdictions the
23 taxes, penalties and interest imposed by such jurisdictions under the
24 authority of sections twelve hundred ten [through] AND twelve hundred
25 twelve-A of this article, collected by the commissioner pursuant to this
26 article during the next preceding calendar month, provided, however,
27 that the comptroller shall on or before the last day of June and Decem-
28 ber make a partial payment consisting of the collections made during and
29 including the first twenty-five days of said months to said fiscal offi-
30 cers of the foregoing taxing jurisdictions.

31 (2) However, the taxes, penalties and interest from the additional one
32 percent rate which the city of Yonkers is authorized to impose pursuant
33 to section twelve hundred ten of this article, after the comptroller has
34 reserved such refund fund and such cost shall be paid to the special
35 sales and compensating use tax fund for the city of Yonkers established
36 by section ninety-two-f of the state finance law at the times set forth
37 in the preceding sentence.

38 (3) However, the taxes, penalties and interest which (i) the county of
39 Nassau, (ii) the county of Erie, to the extent the county of Erie is
40 contractually or statutorily obligated to allocate and apply or pay net
41 collections to the city of Buffalo and to the extent that such county
42 has set aside net collections for educational purposes attributable to
43 the Buffalo school district, or the city of Buffalo or (iii) the county
44 of Erie is authorized to impose pursuant to section twelve hundred ten
45 of this article, other than such taxes in the amounts described, respec-
46 tively, in subdivisions one and two of section [one thousand two] TWELVE
47 hundred sixty-two-e of this part, during the period that such section
48 authorizes Nassau county to establish special or local assistance
49 programs thereunder, together with any penalties and interest related
50 thereto, and after the comptroller has reserved such refund fund and
51 such costs, shall, commencing on the next payment date after the effec-
52 tive date of this sentence and of each month thereafter, until such date
53 as (i) the Nassau county interim finance authority shall have no obli-
54 gations outstanding, or (ii) the Buffalo fiscal stability authority
55 shall cease to exist, or (iii) the Erie county fiscal stability authori-
56 ty shall cease to exist, be paid by the comptroller, respectively, to

1 (i) the Nassau county interim finance authority to be applied by the
2 Nassau county interim finance authority, or (ii) to the Buffalo fiscal
3 stability authority to be applied by the Buffalo fiscal stability
4 authority, or (iii) to the Erie county fiscal stability authority to be
5 applied by the Erie county fiscal stability authority, as the case may
6 be, in the following order of priority: first pursuant to the Nassau
7 county interim finance authority's contracts with bondholders or the
8 Buffalo fiscal stability authority's contracts with bondholders or the
9 Erie county fiscal stability authority's contracts with bondholders,
10 respectively, then to pay the Nassau county interim finance authority's
11 operating expenses not otherwise provided for or the Buffalo fiscal
12 stability authority's operating expenses not otherwise provided for or
13 the Erie county fiscal stability authority's operating expenses not
14 otherwise provided for, respectively, and then (i) pursuant to the
15 Nassau county interim finance authority's agreements with the county of
16 Nassau, which agreements shall require the Nassau county interim finance
17 authority to transfer such taxes, penalties and interest remaining after
18 providing for contractual or other obligations of the Nassau county
19 interim finance authority, and subject to any agreement between such
20 authority and the county of Nassau, to the county of Nassau as frequent-
21 ly as practicable; or (ii) pursuant to the Buffalo fiscal stability
22 authority's agreements with the city of Buffalo, which agreements shall
23 require the Buffalo fiscal stability authority to transfer such taxes,
24 penalties and interest remaining after providing for contractual or
25 other obligations of the Buffalo fiscal stability authority, and subject
26 to any agreement between such authority and the city of Buffalo, to the
27 city of Buffalo or the city of Buffalo school district, as the case may
28 be, as frequently as practicable; or (iii) pursuant to the Erie county
29 fiscal stability authority's agreements with the county of Erie, which
30 agreements shall require the Erie county fiscal stability authority to
31 transfer such taxes, penalties and interest remaining after providing
32 for contractual or other obligations of the Erie county fiscal stability
33 authority, and subject to any agreement between such authority and the
34 county of Erie, to the county of Erie as frequently as practicable.
35 During the period that the comptroller is required to make payments to
36 the Nassau county interim finance authority described in the previous
37 sentence, the county of Nassau shall have no right, title or interest in
38 or to such taxes, penalties and interest required to be paid to the
39 Nassau county interim finance authority, except as provided in such
40 authority's agreements with the county of Nassau. During the period that
41 the comptroller is required to make payments to the Buffalo fiscal
42 stability authority described in the second previous sentence, the city
43 of Buffalo and such school district shall have no right, title or inter-
44 est in or to such taxes, penalties and interest required to be paid to
45 the Buffalo fiscal stability authority, except as provided in such
46 authority's agreements with the city of Buffalo. During the period that
47 the comptroller is required to make payments to the Erie county fiscal
48 stability authority described in the third previous sentence, the county
49 of Erie shall have no right, title or interest in or to such taxes,
50 penalties and interest required to be paid to the Erie county fiscal
51 stability authority, except as provided in such authority's agreements
52 with the county of Erie.

53 (4) The amount so payable shall be certified to the comptroller by the
54 commissioner or the commissioner's delegate, who shall not be held
55 liable for any inaccuracy in such certificate. Provided, however, any
56 such certification may be based on such information as may be available

1 to the commissioner at the time such certificate must be made under this
2 section and may be estimated on the basis of percentages or other
3 indices calculated from distributions for prior periods.

4 (5) However, the comptroller shall withhold from the taxes, penalties
5 and interest imposed by the city of New York on and after August first,
6 two thousand eight, and deposit such amounts to the state treasury as
7 reimbursement for appropriated disbursements made by the New York state
8 financial control board established by the New York state financial
9 emergency act for the city of New York and by the state deputy comp-
10 troller for the city of New York established by section forty-one-a of
11 the executive law, as the actual, reasonable expenses of that board or
12 that deputy comptroller, incurred on behalf of the city, for quarterly
13 periods commencing July first, two thousand eight, and ending on the
14 date when those expenses are no longer incurred by that board or deputy
15 comptroller; and the comptroller shall pay those withheld amounts imme-
16 diately into the miscellaneous special revenue fund financial control
17 board account 339-15 and the miscellaneous special revenue fund finan-
18 cial oversight account 339-DI of the state. During the period that the
19 comptroller is required to withhold amounts and make payments described
20 in this paragraph, the city of New York has no right, title or interest
21 in or to those taxes, penalties and interest required to be paid into
22 the above referenced miscellaneous special revenue funds.

23 (6) Where the amount so paid over to any city, county, school district
24 or the special sales and compensating use tax fund for the city of Yonk-
25 ers in any such distribution or to any such authority is more or less
26 than the amount then due to such city, county, school district or such
27 fund or to such authority, the amount of the overpayment or underpayment
28 shall be certified to the comptroller by the commissioner or the commis-
29 sioner's delegate, who shall not be held liable for any inaccuracy in
30 such certificate. The amount of the overpayment or underpayment shall be
31 so certified to the comptroller as soon after the discovery of the over-
32 payment or underpayment as reasonably possible and subsequent payments
33 and distributions by the comptroller to such city, county, school
34 district or the special sales and compensating use tax fund for the city
35 of Yonkers or to such authority shall be adjusted by subtracting the
36 amount of any such overpayment from or by adding the amount of any such
37 underpayment to such number of subsequent payments and distributions as
38 the comptroller and the commissioner shall consider reasonable in view
39 of the amount of the overpayment or underpayment and all other facts and
40 circumstances.

41 S 30. Subdivision (e) of section 1261 of the tax law is REPEALED.

42 S 31. Subdivision (e) of section 1262 of the tax law is REPEALED.

43 S 32. Subdivision 2 of section 302 of the real property tax law, as
44 amended by chapter 755 of the laws of 1962, is amended to read as
45 follows:

46 2. The taxable status date of real property assessed for school
47 district and village purposes shall be determined in accordance with
48 [sections thirteen hundred two and] ARTICLE SEVENTY-ONE OF THE EDUCATION
49 LAW AND SECTION fourteen hundred of this chapter, respectively. The date
50 of taxable status of the real property contained on any village assess-
51 ment roll shall be imprinted or otherwise indicated at the top of the
52 first page of each volume of such roll.

53 S 33. Subdivision 2 of section 1909 of the education law, as added by
54 section 3 of part C of chapter 58 of the laws of 1998, is amended to
55 read as follows:

1 2. Any state aid representing tax savings duly provided by a component
2 school district of the central high school district [pursuant to section
3 thirteen hundred six-a of the real property tax law] for taxes levied to
4 fund expenditures of the central high school district shall be claimed
5 by such component school district [pursuant to subdivision three of
6 section thirteen hundred six-a of the real property tax law,] and any
7 resulting payment of state aid to the component school district based on
8 such tax savings shall be paid by the component school district, within
9 ten days after receipt of such payment, over to the treasurer of such
10 central high school district in an amount equal to the product of the
11 total payment received by such component school district for all tax
12 savings [provided pursuant to section thirteen hundred six-a of the real
13 property tax law] multiplied by the quotient of the tax savings provided
14 for taxes levied to fund expenditures of the central high school
15 district divided by the total tax savings duly provided by such compo-
16 nent school district [pursuant to section thirteen hundred six-a of the
17 real property law].

18 S 34. Section 3601 of the education law, as amended by section 4-a of
19 part A-1 of chapter 58 of the laws of 2006, is amended to read as
20 follows:

21 S 3601. When apportioned and how applied. The amount annually appro-
22 priated by the legislature for general support for public schools, net
23 of disallowances, refunds, reimbursements and credits, shall be appor-
24 tioned by the commissioner each year prior to the dates of the respec-
25 tive final payments provided by law and all moneys so apportioned shall
26 be applied exclusively to school purposes authorized by law. General
27 state aid claims, on forms prescribed by the commissioner, shall be
28 submitted to the commissioner by September second of each school year,
29 except that the audit report required by subdivision three of section
30 twenty-one hundred sixteen-a of this chapter shall be submitted to the
31 commissioner by October fifteenth following the close of the school year
32 audited for all districts other than the city school districts of the
33 cities of Buffalo, Rochester, Syracuse, Yonkers and New York and by
34 January first following the close of the school year audited for such
35 city school districts. No aid shall be paid to a school district or
36 board of cooperative educational services prior to the submission of
37 claims as required by the commissioner, except that no aid certified as
38 payable to a school district by the state board of real property
39 services [pursuant to paragraph (c) of subdivision three of section
40 thirteen hundred six-a of the real property tax law] shall be withheld
41 due to the failure of the school district to submit general state aid
42 claims required by the commissioner, and except that no aids shall be
43 withheld due to the failure of a school district to submit the audit
44 report required by subdivision three of section twenty-one hundred
45 sixteen-a of this chapter until the thirtieth day following the due date
46 specified in this section for such report.

47 S 35. Paragraph y of subdivision 1 of section 3602 of the education
48 law, as added by section 11 of part B of chapter 57 of the laws of 2007,
49 is amended to read as follows:

50 y. "School tax relief aid" shall mean state aid payable to a school
51 district representing tax savings duly provided by the school district
52 [pursuant to section thirteen hundred six-a of the real property tax
53 law] that is claimed by the school district and certified by the state
54 board of real property services [pursuant to subdivision three of
55 section thirteen hundred six-a of the real property tax law].

1 S 36. Paragraph (j) and subparagraph (iv) of paragraph (k) of subdivi-
2 sion 2 of section 425 of the real property tax law, paragraph (j) of
3 subdivision 2 as amended by section 1 of part A of chapter 405 of the
4 laws of 1999, subparagraph (iv) of paragraph (k) of subdivision 2 as
5 added by section 1-a of part E of chapter 83 of the laws of 2002 and
6 redesignated by chapter 355 of the laws of 2003, are amended to read as
7 follows:

8 (j) Certain city school districts. The state board shall adjust the
9 exempt amount for each city containing a school district which is
10 subject to article fifty-two of the education law, to account for the
11 fact that the school district is fiscally dependent upon the city. This
12 adjustment shall be made by multiplying the exempt amount that would
13 otherwise be determined for the city by sixty-seven percent, or, in the
14 case of a city with a population of one million or more, by fifty
15 percent. The exempt amount resulting from this calculation shall be
16 applied both to the assessed value for city school district purposes and
17 to the assessed value for general city purposes, and state aid shall be
18 payable on the combined tax savings [in the manner provided by section
19 thirteen hundred six-a of this chapter].

20 (iv) Notwithstanding the provisions of subparagraph (ii) of this para-
21 graph, when a cooperative apartment corporation is incorporated as a
22 mutual company pursuant to the private housing finance law, and the
23 granting of an exemption pursuant to this section would not inure to the
24 benefit of eligible tenant-stockholders because the real property of
25 such corporation is subject to an exemption from taxation pursuant to
26 section thirty-three, ninety-three, one hundred twenty-five or five
27 hundred fifty-six of the private housing finance law, an alternative
28 benefit shall be provided to such corporation and passed through to
29 eligible tenant-stockholders in the manner provided by this subdivision.
30 Such alternative benefit shall consist of a reduction in the real prop-
31 erty taxes or payments in lieu of taxes that would otherwise be payable
32 on account of such real property. The total amount of such reduction
33 shall be the sum of the "STAR savings" for all of the cooperative apart-
34 ment units that are occupied by one or more eligible tenant-stockhold-
35 ers. The STAR savings for each such unit shall be equal to one-third of
36 the exempt amount determined pursuant to paragraph (a) of this subdivi-
37 sion for purposes of the basic or enhanced exemption, as the case may
38 be, multiplied by the applicable school tax rate, or in the case of a
39 school district described in paragraph (j) of this subdivision, by the
40 applicable city tax rate. Provided, however, in no case shall the STAR
41 savings for any individual unit exceed the amount payable by or chargea-
42 ble to the unit on account of real property taxes or payments in lieu of
43 taxes. The STAR savings so determined for each unit shall be credited by
44 the cooperative apartment corporation against the real property taxes or
45 payments in lieu of taxes otherwise payable by or chargeable to the
46 eligible tenant-stockholders. The total of the alternative benefits
47 provided pursuant to this subparagraph shall be a state charge which
48 shall be payable in the same manner that school districts are compen-
49 sated [pursuant to section thirteen hundred six-a of this chapter] for
50 tax savings attributable to exemptions granted pursuant to this section.

51 S 37. Paragraph (b) of subdivision 2 of section 202 of the real prop-
52 erty tax law, as added by chapter 522 of the laws of 1981, is amended to
53 read as follows:

54 (b) Any resolution which delegates powers and duties relating to the
55 establishment of special state equalization rates pursuant to [sections]
56 SECTION eight hundred six [and thirteen hundred fourteen] of this chap-

ter 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.

S 38. Subdivisions 1 and 2 of section 1216 of the real property tax law, as added by chapter 800 of the laws of 1967, are amended to read as follows:

1. Where a supplemental assessment roll has been completed, verified and filed [pursuant to section thirteen hundred thirty-five of this chapter] AS PER THE REQUEST OF THE SCHOOL AUTHORITIES OF A SCHOOL DISTRICT, the state board shall determine an equalization rate for such supplemental assessment roll in the manner provided in this article for determining equalization rates for towns. The equalization rate so determined for the supplemental assessment roll shall be used in computing the taxable full valuation of real property on the supplemental assessment roll for all school district purposes except as otherwise provided [in section thirteen hundred fourteen] BY OTHER PROVISIONS of this chapter.

2. The full valuation of taxable property for school district purposes for a fiscal year of a school district in which SUCH supplemental assessment rolls were completed, verified and filed [pursuant to section thirteen hundred thirty-five of this chapter] for such fiscal year, shall be the simple average of the full valuation of taxable property on the regular and supplemental assessment rolls of such school district for such fiscal year, provided however, that such supplemental assessment rolls shall not be used in determining limitations on indebtedness pursuant to the local finance law. Such full valuation shall be computed for each roll by dividing the taxable assessed valuation on each such roll by the state equalization rate established for each such roll.

S 39. Subdivision 1 of section 1226 of the real property tax law, as added by chapter 280 of the laws of 1985, is amended to read as follows:

1. If the state board finds that there has been a material change in level of assessment in a town or city since the last state equalization rate was established, it shall determine and certify a special equalization rate for tax apportionment purposes to the district superintendent of schools for use in the apportionment of school taxes [as provided in section thirteen hundred fourteen of this chapter].

S 40. Paragraph (a) of subdivision 2 of section 1227 of the real property tax law, as added by chapter 87 of the laws of 2001, is amended to read as follows:

(a) When a nuclear powered electric generating facility is exempt from taxation for school district purposes pursuant to section four hundred eighty-five of this chapter, but it is not exempt for all purposes, the state board shall establish a special apportionment rate for the assessing unit containing the facility, which rate shall be used for purposes of apportioning school district taxes to that assessing unit [pursuant to section thirteen hundred fourteen of this chapter,] subject to the provisions of paragraph (b) of this subdivision. Provided, however, that no such rate shall be established unless it would result in a change of two percent or more in the share of the school district levy allocated to at least one school district segment, or where applicable

1 in the share of the non-homestead class levy allocated to at least one
2 portion.

3 S 41. Subdivision 1 and paragraph (a) and the opening paragraph of
4 paragraph (d) of subdivision 7 of section 1316 of the real property tax
5 law, as added by chapter 556 of the laws of 2002, are amended to read as
6 follows:

7 1. Notwithstanding the provisions of [section thirteen hundred four-
8 teen of this] article SEVENTY-ONE OF THE EDUCATION LAW, a school
9 district located in more than one city or town, which includes a desig-
10 nated large property, as determined by the state board, may provide by
11 annual resolution, adopted no later than ten days prior to the last day
12 provided by law for the levy of school taxes, that school taxes to be
13 levied for the fiscal year commencing July first of the same year shall
14 be apportioned to each city or town or part thereof in accordance with
15 the provisions set forth in this section.

16 (a) The tax shall be apportioned in accordance with the provisions of
17 [section thirteen hundred fourteen of this] article SEVENTY-ONE OF THE
18 EDUCATION LAW.

19 The resulting tax levy from paragraph (c) of this subdivision shall be
20 reapportioned among all other property within the taxing jurisdiction,
21 exclusive of the designated large property. This reapportionment shall
22 be done in accordance with [section thirteen hundred fourteen of this]
23 THE PROVISIONS OF article SEVENTY-ONE OF THE EDUCATION LAW, except that:

24 S 42. Paragraphs (a) and (f) of subdivision 4 of section 1903-a of the
25 real property tax law, as amended by chapter 47 of the laws of 1991, are
26 amended to read as follows:

27 (a) Equalization by class. The tax authorities shall determine for the
28 homestead and non-homestead classes, respectively, the total full valu-
29 ation and total taxable full valuation of the real property subject to
30 taxation for district purposes in each city or town or part thereof
31 included within the tax district. The total full valuation of a class in
32 a city or town or part thereof shall be computed by dividing the total
33 assessed value of the property in the class by the state equalization
34 rate or special equalization rate [prescribed in section thirteen
35 hundred fourteen of this chapter]. The total taxable full valuation of a
36 class in a city or town or part thereof shall be computed by dividing
37 the total taxable assessed value of the property in the class by the
38 state equalization rate or special equalization rate [prescribed in
39 section thirteen hundred fourteen of this chapter].

40 (f) Correction and review. The equalization and apportionment required
41 by this subdivision shall be subject to correction and review to the
42 extent practicable [as provided in section thirteen hundred fourteen of
43 this chapter].

44 S 43. Subdivision 2 of section 954 of the real property tax law, as
45 added by chapter 440 of the laws of 1989, is amended to read as follows:

46 2. Notwithstanding the provisions of section nine hundred twenty-two[,
47 thirteen hundred twenty-two, thirteen hundred twenty-four] or fourteen
48 hundred thirty of this chapter, upon agreement between a collecting
49 officer and a mortgage investing institution, the mortgage investing
50 institution or its agent shall, no later than thirty days prior to the
51 last date established by law for the annexation of the warrant to the
52 assessment roll, present to the collecting officer a list in any mutual-
53 ly agreeable format of the real property tax escrow accounts with
54 respect to which the mortgage investing institution or its agent has
55 been authorized by the mortgagor to receive tax bills. If the collecting
56 officer and mortgage investing institution agree, a list of additions

1 and deletions to the last such list so delivered may be presented
2 instead.

3 S 44. Subdivision 2 of section 544 of the real property tax law is
4 amended to read as follows:

5 2. No penalties, interest or fees of any kind, except fees payable to
6 school district collecting officers [pursuant to subdivision one of
7 section thirteen hundred twenty-eight of this chapter] on school taxes
8 on lands outside the forest preserve, shall be added to taxes payable by
9 the state pursuant to the provisions of this section.

10 S 45. Subdivision 2 of section 558 of the real property tax law, as
11 amended by chapter 529 of the laws of 1990, is amended to read as
12 follows:

13 2. The county legislature of any county shall direct the cancellation
14 of any unpaid school tax relieved by such county [pursuant to subdivi-
15 sion five of section thirteen hundred thirty or subdivision five of
16 section thirteen hundred thirty-two of this chapter,] or any unpaid
17 village tax relieved by such county pursuant to subdivision four of
18 section fourteen hundred forty-two of this chapter, against property of
19 the state or the United States where it is determined that the lien of
20 such tax cannot be enforced, or where the lien of such tax is rendered
21 permanently unenforceable by operation of the provisions of any statute.
22 The amount of any tax so cancelled shall be charged against the school
23 district or village which levied such tax. The amount so charged against
24 a school district or village shall be withheld by the county treasurer
25 from any moneys which shall become payable by him to such school
26 district or village by reason of taxes which shall thereafter be
27 returned to him as uncollected by such school district or village. No
28 such cancellation of any unpaid school taxes or no such charge shall be
29 made by the county legislature against any such school district or
30 village unless ten days' notice thereof by mail shall be given to the
31 school authorities thereof.

32 S 46. Subdivision 1-b of section 3651 of the education law, as added
33 by section 73 of part A of chapter 436 of the laws of 1997, is amended
34 to read as follows:

35 1-b. Notwithstanding the provisions of subdivision one of this
36 section, where the city or county is not required to pay to the treasur-
37 er of a city school district unpaid taxes during the fiscal year for
38 which such real property taxes are levied, the board of education of
39 such city school district may establish a reserve for uncollected taxes
40 without approval of the qualified voters of the school district,
41 provided that the ratio of the amount of such reserve to the total prin-
42 cipal amount of the district's tax levy for such fiscal year shall not
43 be less than the ratio of the principal amount of the school district
44 taxes as levied by the school district for the last completed fiscal
45 year but not received by the district before the end of such fiscal year
46 to the total principal amount of the tax levy for such last completed
47 fiscal year. If the city or county is not required to pay to the treas-
48 urer of a city school district unpaid taxes [pursuant to section thir-
49 teen hundred thirty-two of the real property tax law], the board of
50 education of the city school district shall establish a reserve pursuant
51 to this subdivision, provided that such reserve shall not be less than
52 the amount of taxes for the fiscal year for which such budget is being
53 prepared which are estimated to be unpaid during such fiscal year [under
54 the aforesaid provisions of the real property tax law].

1 S 47. Paragraph e of subdivision 7 of section 545 of the real property
2 tax law, as amended by chapter 800 of the laws of 1967, is amended to
3 read as follows:

4 e. "Latest preceding assessment roll" means the last preceding assess-
5 ment roll finally completed, verified and filed prior to the final
6 completion of the assessment roll for which the transition assessment is
7 being established, but shall not mean or include a supplemental assess-
8 ment roll completed, verified and filed as [provided in section thirteen
9 hundred thirty-five of this chapter] PER THE REQUEST OF THE SCHOOL
10 AUTHORITIES OF A SCHOOL DISTRICT.

11 S 48. Subdivisions 1 and 3 of section 972 of the real property tax
12 law, as amended by section 12 of part B of chapter 389 of the laws of
13 1997, are amended to read as follows:

14 1. Adoption. Notwithstanding any provisions of this chapter, or any
15 other general, special or local law to the contrary, the legislative
16 body of a county may, by local law, provide that thereafter and until
17 such local law is repealed, the county shall become the tax collection
18 agency for the purpose of collecting taxes in installments as prescribed
19 by this title [and by sections thirteen hundred thirty-six through thir-
20 teen hundred forty-two of this chapter]. The term "taxes" as used in
21 this title shall include special assessments which are levied by the
22 county legislative body at the time and in the manner provided by law
23 for the levy of county and town taxes.

24 3. Interest. (a) Each installment other than the first shall be
25 subject to interest at the rate determined pursuant to section nine
26 hundred twenty-four-a of this article, or such other law as may be
27 locally applicable, up to and including the date on which it is to be
28 paid. Such interest shall be amortized over all scheduled payments,
29 unless the local law provides for unequal installments, in which case
30 interest shall be calculated and imposed separately upon each install-
31 ment.

32 (b) If an installment is not paid on or before the date it is due,
33 additional interest shall be added as provided by section nine hundred
34 seventy-five [or section thirteen hundred forty] of this [chapter] ARTI-
35 CLE.

36 (c) The amount of any interest which shall be added to any installment
37 pursuant to this section and section nine hundred seventy-five [or
38 section thirteen hundred forty] of this [chapter] ARTICLE shall belong
39 to the county.

40 S 49. In order to provide for continuity of funding to school
41 districts, fifty percent of the school taxes due on July first in the
42 year preceding the effective date of this act shall be paid as hereto-
43 fore required by law.

44 S 50. This act shall take effect on the first of January next succeed-
45 ing the date on which it shall have become a law, provided, however,
46 that sections two, four, five, six, eight and ten through forty-eight of
47 this act shall take effect on the first of January in the fifth year
48 next succeeding such effective date.