

2050

2011-2012 Regular Sessions

I N A S S E M B L Y

January 11, 2011

Introduced by M. of A. TEDISCO -- Multi-Sponsored by -- M. of A. BUTLER, CROUCH, FITZPATRICK, HAWLEY, THIELE -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing a city state-supported tax relief exemption and a county state-supported tax relief exemption; to amend the tax law and the general municipal law, in relation to tax credits for investments in empire zone businesses; to amend the tax law, in relation to tax credits for qualified investments in empire zone businesses and a personal income tax credit for certain lease payments and improvements made by an empire zone taxpayer; and to amend the general municipal law, in relation to designation of city empire zones and empire zone capital corporations, and to establish a municipal cooperation program

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

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

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

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1 TOTAL CITY EXPENDITURES FOR THE BASE YEAR MULTIPLIED BY THE CONSUMER
2 PRICE INDEX, OR (II) FOUR PERCENT.

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

5 (I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,

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

8 (III) EMERGENCY EXPENDITURES WHICH ARE CERTIFIED BY THE STATE COMP-
9 TROLLER AS NECESSARY AS A RESULT OF DAMAGE TO OR DESTRUCTION OF A CITY
10 BUILDING OR EQUIPMENT,

11 (IV) CAPITAL EXPENDITURES FOR THE CONSTRUCTION, ACQUISITION, RECON-
12 STRUCTION, REHABILITATION OR IMPROVEMENT OF CITY FACILITIES, INCLUDING
13 DEBT SERVICE AND LEASE COSTS,

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

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

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

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

24 (E) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LEGISLA-
25 TIVE BODY OF THE CITY SHALL NOT AMEND A FINAL BUDGET IF SUCH AMENDMENT
26 RESULTS IN AN INCREASE IN EXCESS OF THE LIMITATION ESTABLISHED IN PARA-
27 GRAPH (C) OF THIS SUBDIVISION; EXCEPT

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

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

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

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

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

51 5. FOR THE PURPOSES OF THIS SECTION:

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

54 (B) "CONSUMER PRICE INDEX" SHALL MEAN THE PERCENTAGE THAT REPRESENTS
55 THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE

1 UNITED STATES DEPARTMENT OF LABOR, FOR THE TWELVE MONTH PERIOD PRECEDING
2 JANUARY FIRST OF THE CURRENT YEAR.

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

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

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

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

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

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

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

29 (I) EXPENDITURES RESULTING FROM TAX CERTIORARI PROCEEDINGS,

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

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

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

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

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

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

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

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

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

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

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

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

18 4. FOR THE PURPOSES OF THIS SECTION:

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

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

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

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

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

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

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

1 (b) of section four hundred sixty-five of the internal revenue code,]
2 and (3) contributions IN THE FORM of money OR PROPERTY to community
3 development projects as defined in regulations promulgated by the
4 commissioner of economic development. "Qualified investments" means the
5 contribution of property to a corporation in exchange for original issue
6 capital stock or other ownership interest, the contribution of property
7 to a partnership in exchange for an interest in the partnership, and
8 similar contributions in the case of a business entity not in corporate
9 or partnership form in exchange for an ownership interest in such enti-
10 ty. The total amount of credit allowable to a taxpayer under this
11 provision for all years, taken in the aggregate, shall not exceed three
12 hundred thousand dollars[, and shall not exceed one hundred thousand
13 dollars with respect to the investments and contributions described in
14 each of subparagraphs one, two and three of this paragraph].

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

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

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

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

1 tor, or any related person, as defined in subparagraph (C) of paragraph
2 three of subsection (b) of section four hundred sixty-five of the inter-
3 nal revenue code,] and (C) contributions of money to community develop-
4 ment projects as defined in regulations promulgated by the commissioner
5 of economic development. "Qualified investments" means the contribution
6 of property to a corporation in exchange for original issue capital
7 stock or other ownership interest, the contribution of property to a
8 partnership in exchange for an interest in the partnership, and similar
9 contributions in the case of a business entity not in corporate or part-
10 nership form in exchange for an ownership interest in such entity. The
11 total amount of credit allowable to a taxpayer under this provision for
12 all years, taken in the aggregate, shall not exceed three hundred thou-
13 sand dollars[, and shall not exceed one hundred thousand dollars with
14 respect to the investments and contributions described in each of
15 subparagraphs (A), (B) and (C) of this paragraph].

16 S 5. Subparagraphs (B) and (C) of paragraph 2 of subsection (l) of
17 section 606 of the tax law, as amended by chapter 708 of the laws of
18 1993, are amended to read as follows:

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

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

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

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

1 in any certified business firm which amounts to more than twenty-five
2 percent of the ownership interest of such certified business firm. No
3 loan to or investment in any business firm shall be made by an empire
4 zone capital corporation located in a zone within a town with a popu-
5 lation of more than twenty-five thousand, until such corporation has
6 accumulated at least two hundred thousand dollars in capital stock. No
7 loan or investment in any business firm shall be made by an empire zone
8 capital corporation located in a zone within a town with a population of
9 less than twenty-five thousand until such corporation has accumulated at
10 least one hundred thousand dollars in capital stock. A zone capital
11 corporation shall submit to the zone board an annual report on its
12 activities.

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

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

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

39 S 8. The general municipal law is amended by adding a new section
40 958-a to read as follows:

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

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

54 ARTICLE 2-A
55 MUNICIPAL COOPERATION PROGRAM
56 SECTION 25. MUNICIPAL COOPERATION PROGRAM.

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

5 (A) LONG ISLAND - NEW YORK: BRONX, KINGS, NASSAU, NEW YORK, QUEENS,
6 RICHMOND AND SUFFOLK.

7 (B) HUDSON VALLEY: DUTCHESS, ORANGE, PUTNAM, ROCKLAND, SULLIVAN,
8 ULSTER AND WESTCHESTER.

9 (C) CAPITAL: COLUMBIA, GREENE, ALBANY, SCHOHARIE, RENSSELAER, SCHENEC-
10 TADY, MONTGOMERY, FULTON, SARATOGA AND WASHINGTON.

11 (D) NORTH COUNTRY: WARREN, ESSEX, CLINTON, FRANKLIN, HAMILTON, SAINT
12 LAWRENCE, LEWIS, OSWEGO AND JEFFERSON.

13 (E) CENTRAL - MOHAWK VALLEY: OTSEGO, HERKIMER, ONEIDA, MADISON, CORT-
14 LAND, ONONDAGA AND CAYUGA.

15 (F) SOUTHERN TIER: DELAWARE, BROOME, CHENANGO, TIOGA, TOMPKINS,
16 SCHUYLER, CHEMUNG, ALLEGANY AND STEUBEN.

17 (G) FINGER LAKES: WAYNE, SENECA, YATES, ONTARIO, LIVINGSTON AND
18 MONROE.

19 (H) WESTERN: CATTARAUGUS, CHAUTAUQUA, ERIE, WYOMING, GENESEE, ORLEANS
20 AND NIAGARA.

21 2. (A) THE STATE CONFERENCE ON MUNICIPAL COOPERATION SHALL CONSIST OF
22 NINE MEMBERS. THE SECRETARY OF STATE SHALL BE A MEMBER OF THE CONFER-
23 ENCE AND SHALL SERVE AS ITS CHAIR. THE VICE CHAIR OF EACH REGIONAL
24 COMMISSION SHALL SERVE AS A MEMBER OF THE STATE CONFERENCE ON MUNICIPAL
25 COOPERATION.

26 (B) THE STATE CONFERENCE SHALL ALLOCATE FUNDS PURSUANT TO THIS SECTION
27 TO EACH REGIONAL COMMISSION. THE STATE CONFERENCE SHALL PROMULGATE ANY
28 RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS
29 SECTION; HOWEVER SUCH RULES AND REGULATIONS, AND ANY CHANGES THERETO
30 SHALL NOT TAKE EFFECT UNTIL APPROVED BY A MAJORITY VOTE OF THE GOVERNOR,
31 TEMPORARY PRESIDENT OF THE SENATE, SPEAKER OF THE ASSEMBLY, MINORITY
32 LEADER OF THE SENATE AND MINORITY LEADER OF THE ASSEMBLY.

33 3. (A) EACH REGIONAL COMMISSION SHALL CONSIST OF NINE MEMBERS,
34 APPOINTED AS FOLLOWS:

35 (I) TWO MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, ONE OF WHOM SHALL
36 BE THE CHAIR OF THE REGIONAL COMMISSION AND THE OTHER SHALL SERVE AS
37 VICE CHAIR,

38 (II) TWO MEMBERS SHALL BE APPOINTED BY THE TEMPORARY PRESIDENT OF THE
39 SENATE,

40 (III) TWO MEMBERS SHALL BE APPOINTED BY THE SPEAKER OF THE ASSEMBLY,

41 (IV) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER OF THE
42 SENATE,

43 (V) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER OF THE ASSEM-
44 BLY, AND

45 (VI) ONE MEMBER SHALL BE APPOINTED BY THE STATE COMPTROLLER.

46 (B) EACH REGIONAL COMMISSION MAY CONDUCT BUSINESS WITH A QUORUM OF
47 MEMBERS IN OFFICE AT THE TIME.

48 (C) EACH MEMBER OF A REGIONAL COMMISSION SHALL SERVE AT THE PLEASURE
49 OF HIS OR HER APPOINTING AUTHORITY.

50 (D) MEMBERS OF REGIONAL COMMISSIONS SHALL RECEIVE NO COMPENSATION FOR
51 THEIR SERVICE BUT SHALL BE ALLOWED THEIR ACTUAL AND NECESSARY EXPENSES
52 INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

53 (E) EVERY MEMBER OF A REGIONAL COMMISSION SHALL RESIDE WITHIN THE
54 REGION REGULATED BY THE REGIONAL COMMISSION UPON WHICH HE OR SHE SERVES.

55 (F) EVERY MEMBER OF A REGIONAL COMMISSION WHO IS AN ELECTED OFFICIAL
56 SHALL RECUSE HIMSELF OR HERSELF FROM ANY MEETING OF THE COMMISSION DEAL-

1 ING DIRECTLY WITH AN ISSUE IMPACTING UPON THE MUNICIPALITY WHICH ELECTED
2 SUCH MEMBER.

3 (G) A TWO-THIRDS MAJORITY OF EACH REGIONAL COMMISSION SHALL APPOINT AN
4 EXECUTIVE DIRECTOR, WHO SHALL CONDUCT THE BUSINESS OF SUCH REGIONAL
5 COMMISSION UNDER THE SUPERVISION OF THE REGIONAL COMMISSION. THE EXECU-
6 TIVE DIRECTOR SHALL ALSO BE AUTHORIZED TO HIRE SUCH ADDITIONAL STAFF AS
7 NECESSARY TO EXECUTE THE WORK OF THE REGIONAL COMMISSION. THE EXECUTIVE
8 DIRECTOR MAY BE REMOVED ONLY BY A THREE-QUARTERS VOTE OF THE MEMBERS OF
9 THE REGIONAL COMMISSION.

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

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

13 (II) PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE AND TRAINING TO LOCAL
14 GOVERNMENTS, AND

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

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

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

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

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

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

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

1 MAY BE PROMULGATED BY THE STATE CONFERENCE AND APPROVED BY MAJORITY VOTE
2 OF THE GOVERNOR AND LEGISLATIVE LEADERS.

3 (B) IF APPROVED, AFTER THE END OF THE FIRST YEAR OF THE CONSOLIDATION,
4 THE LEAD AGENT SHALL PRODUCE A REPORT WHICH SHALL STATE THE SAVINGS
5 WHICH THE MUNICIPALITIES HAVE EXPERIENCED DURING THE YEAR. THAT REPORT
6 SHALL BE SUBMITTED TO THEIR REGIONAL COMMISSION, WHICH SHALL VALIDATE
7 THE SAVINGS WHICH HAVE ACCRUED TO THE LOCALITIES. SUCH SAVINGS WILL BE
8 CALCULATED BY COMPARING THE TOTAL AMOUNT SPENT FOR SERVICES WHICH HAVE
9 BEEN CONSOLIDATED WITH THE PROJECTED COST OF THE SERVICES WHICH HAVE
10 BEEN CONSOLIDATED IF THE CONSOLIDATION HAD NOT OCCURRED, IN THE CASE OF
11 FUNCTIONAL CONSOLIDATIONS; OR THE COMBINED BUDGETS OF THE MERGED MUNICI-
12 PALITY, WITH THE COMBINED BUDGETS OF THE MUNICIPALITIES WHICH HAVE BEEN
13 MERGED IF THE MERGER HAD NOT OCCURRED, IN THE CASE OF MERGERS.

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

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

22 (E) COOPERATION REWARD GRANTS SHALL BE DETERMINED ON THE FOLLOWING
23 BASIS:

24 (I) GRANTS TO REWARD FUNCTIONAL CONSOLIDATION, I.E., CONSOLIDATION OF
25 SERVICES BETWEEN MUNICIPALITIES. SUCH GRANTS SHALL EQUAL FIFTY PERCENT
26 OF THE IDENTIFIED AND VALIDATED SAVINGS ASSOCIATED WITH SUCH CONSOL-
27 IDATION, AND

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

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

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