

S. 5856

A. 8518

2011-2012 Regular Sessions

S E N A T E - A S S E M B L Y

June 24, 2011

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IN SENATE -- Introduced by Sens. SKELOS, ALESI, BALL, DeFRANCISCO, FARLEY, FLANAGAN, FUSCHILLO, GALLIVAN, GOLDEN, GRIFFO, GRISANTI, HANNON, JOHNSON, LANZA, LARKIN, LAVALLE, LIBOUS, LITTLE, MARCELLINO, MARTINS, MAZIARZ, McDONALD, NOZZOLIO, RANZENHOFER, RITCHIE, ROBACH, SEWARD, YOUNG, ZELDIN -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by M. of A. V. LOPEZ, SILVER, FARRELL -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the general municipal law and the education law, in relation to establishing limits upon school district and local government tax levies; and providing for the repeal of such provisions upon expiration thereof (Part A); to amend chapter 576 of the laws of 1974 amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to recontrol of rents in Albany, chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, chapter 402 of the laws of 1983 amending the general business law relating to conversion of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland and the rent regulation reform act of 1997, in relation to extending the effectiveness thereof; to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to limiting rent increases after vacancy of a housing accommodation and the adjustment of maximum allowable rent based on apartment improvements; to amend the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law, the

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

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administrative code of the city of New York and the tax law, in relation to deregulation thresholds; to amend the real property tax law, in relation to tax exemption for new multiple dwellings and exemption of certain new or substantially rehabilitated multiple dwellings from local taxation and to amend the tax law, in relation to verification of income (Part B); to amend the state finance law, in relation to providing certain centralized services to political subdivisions and extending the authority of the commissioner of general services to aggregate purchases of energy for state agencies and political subdivisions; to amend the general municipal law, in relation to purchasing information technology and telecommunications; to amend the county law, in relation to contracts for services; to amend the general municipal law, in relation to certain federal contracts; to amend the municipal home rule law, in relation to filing and publication of local laws; and providing for the repeal of certain provisions upon the expiration thereof (Subpart A); to amend the general municipal law and the highway law, in relation to mutual aid (Subpart B); to amend the general municipal law, in relation to apportioning the expenses of police department members in attending police training schools; to amend the criminal procedure law, in relation to the prosecution of the offense of identity theft; to amend the family court act, in relation to inter-county probation; to amend the mental hygiene law, in relation to payment of costs for prosecution of inmate-patients; and to repeal section 207-m of the general municipal law relating to salary increases for heads of police departments of municipalities, districts or authorities (Subpart C); to amend the general municipal law, in relation to filing requirements for municipalities regarding urban renewal plans and creation of urban renewal agencies and authorities (Subpart D); to amend the social services law, in relation to the use of debit or credit cards for child care assistance payments; and to amend the social services law, in relation to the length of licenses to board children, training of child protective service caseworkers, services plans, funding for children and family services, district-wide child welfare services plans, and non-residential services for victims of domestic violence (Subpart E); to amend the education law, in relation to census reporting; to amend the education law, in relation to transportation of children receiving special education services; to amend the education law, in relation to funding of certain capital projects and auditing of claims; to amend the education law, in relation to establishing a shared superintendent program; and to amend the education law, in relation to cost-sharing between districts; and to amend the general municipal law, in relation to accounts of officers to be examined; and providing for the repeal of certain provisions upon expiration thereof (Subpart F); to amend the mental hygiene law and the social services law, in relation to the implementation of medical support provisions (Subpart G); and to amend the state administrative procedure act, in relation to alternate methods for implementing regulatory mandates; and to amend the executive law, in relation to creation of the mandate relief council and providing for the expiration of such provisions (Subpart H) (Part C)

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

1 Section 1. This act enacts into law major components of legislation  
2 relating to real property tax levies, rent regulation, exemption from  
3 local taxation and mandate relief. Each component is wholly contained  
4 within a Part identified as Parts A through C. The effective date for  
5 each particular provision contained within such Part is set forth in the  
6 last section of such Part. Any provision in any section contained within  
7 a Part, including the effective date of the Part, which makes a refer-  
8 ence to a section "of this act", when used in connection with that  
9 particular component, shall be deemed to mean and refer to the corre-  
10 sponding section of the Part in which it is found. Section three of this  
11 act sets forth the general effective date of this act.

12 PART A

13 Section 1. The general municipal law is amended by adding a new  
14 section 3-c to read as follows:

15 S 3-C. LIMIT UPON REAL PROPERTY TAX LEVIES BY LOCAL GOVERNMENTS. 1.  
16 UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF REAL PROPERTY TAXES THAT  
17 MAY BE LEVIED BY OR ON BEHALF OF ANY LOCAL GOVERNMENT, OTHER THAN THE  
18 CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN, SHALL NOT EXCEED  
19 THE TAX LEVY LIMIT ESTABLISHED PURSUANT TO THIS SECTION.

20 2. WHEN USED IN THIS SECTION:

21 (A) "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND  
22 TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR;  
23 PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS  
24 THAN ONE.

25 (B) "AVAILABLE CARRYOVER" MEANS THE AMOUNT BY WHICH THE TAX LEVY FOR  
26 THE PRIOR FISCAL YEAR WAS BELOW THE TAX LEVY LIMIT FOR SUCH FISCAL YEAR,  
27 IF ANY, BUT NO MORE THAN AN AMOUNT THAT EQUALS ONE AND ONE-HALF PERCENT  
28 OF THE TAX LEVY LIMIT FOR SUCH FISCAL YEAR.

29 (C) "COMING FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT  
30 FOR WHICH A TAX LEVY LIMIT SHALL BE DETERMINED PURSUANT TO THIS SECTION.

31 (D) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE  
32 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-  
33 MENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE  
34 START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL  
35 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF  
36 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
37 OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL  
38 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF  
39 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
40 OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR  
41 PLACES.

42 (E) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, VILLAGE, FIRE  
43 DISTRICT, OR SPECIAL DISTRICT INCLUDING BUT NOT LIMITED TO A DISTRICT  
44 CREATED PURSUANT TO ARTICLE TWELVE OR TWELVE-A, OR GOVERNED BY ARTICLE  
45 THIRTEEN OF THE TOWN LAW, OR CREATED PURSUANT TO ARTICLE FIVE-A, FIVE-B  
46 OR FIVE-D OF THE COUNTY LAW, CHAPTER FIVE HUNDRED SIXTEEN OF THE LAWS OF  
47 NINETEEN HUNDRED TWENTY-EIGHT, OR CHAPTER TWO HUNDRED SEVENTY-THREE OF  
48 THE LAWS OF NINETEEN HUNDRED THIRTY-NINE, AND SHALL INCLUDE TOWN  
49 IMPROVEMENTS PROVIDED PURSUANT TO ARTICLES THREE-A AND TWELVE-C OF THE  
50 TOWN LAW BUT SHALL NOT INCLUDE THE CITY OF NEW YORK OR THE COUNTIES  
51 CONTAINED THEREIN.

52 (F) "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT  
53 IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

(G) "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES AUTHORIZED TO BE LEVIED BY OR ON BEHALF OF A LOCAL GOVERNMENT PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT THE TAX LEVY LIMIT SHALL NOT INCLUDE THE FOLLOWING:

(I) A TAX LEVY NECESSARY FOR EXPENDITURES RESULTING FROM COURT ORDERS OR JUDGMENTS AGAINST THE LOCAL GOVERNMENT ARISING OUT OF TORT ACTIONS FOR ANY AMOUNT THAT EXCEEDS FIVE PERCENT OF THE TOTAL TAX LEVIED IN THE PRIOR FISCAL YEAR;

(II) IN YEARS IN WHICH THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, AS DEFINED BY PARAGRAPH TEN OF SUBDIVISION A OF SECTION NINETEEN-A OF THE RETIREMENT AND SOCIAL SECURITY LAW, INCREASES BY MORE THAN TWO PERCENTAGE POINTS FROM THE PREVIOUS YEAR, A TAX LEVY NECESSARY FOR EXPENDITURES FOR THE COMING FISCAL YEAR FOR LOCAL GOVERNMENT EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM CAUSED BY GROWTH IN THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE MINUS TWO PERCENTAGE POINTS;

(III) IN YEARS IN WHICH THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM, AS DEFINED BY PARAGRAPH ELEVEN OF SUBDIVISION A OF SECTION THREE HUNDRED NINETEEN-A OF THE RETIREMENT AND SOCIAL SECURITY LAW, INCREASES BY MORE THAN TWO PERCENTAGE POINTS FROM THE PREVIOUS YEAR, A TAX LEVY NECESSARY FOR EXPENDITURES FOR THE COMING FISCAL YEAR FOR LOCAL GOVERNMENT EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM CAUSED BY GROWTH IN THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE MINUS TWO PERCENTAGE POINTS;

(IV) IN YEARS IN WHICH THE NORMAL CONTRIBUTION RATE OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, AS DEFINED BY PARAGRAPH A OF SUBDIVISION TWO OF SECTION FIVE HUNDRED SEVENTEEN OF THE EDUCATION LAW, INCREASES BY MORE THAN TWO PERCENTAGE POINTS FROM THE PREVIOUS YEAR, A TAX LEVY NECESSARY FOR EXPENDITURES FOR THE COMING FISCAL YEAR FOR LOCAL GOVERNMENT EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM CAUSED BY GROWTH IN THE NORMAL CONTRIBUTION RATE MINUS TWO PERCENTAGE POINTS.

(H) "TAX" OR "TAXES" SHALL INCLUDE (I) A CHARGE IMPOSED UPON REAL PROPERTY BY OR ON BEHALF OF A COUNTY, CITY, TOWN, VILLAGE OR SCHOOL DISTRICT FOR MUNICIPAL OR SCHOOL DISTRICT PURPOSES, AND (II) SPECIAL AD VALOREM LEVIES AND SPECIAL ASSESSMENTS AS DEFINED IN SUBDIVISIONS FOURTEEN AND FIFTEEN OF SECTION ONE HUNDRED TWO OF THE REAL PROPERTY TAX LAW.

3. (A) SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION, BEGINNING WITH THE FISCAL YEAR THAT BEGINS IN TWO THOUSAND TWELVE, NO LOCAL GOVERNMENT SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT IS GREATER THAN THE TAX LEVY LIMIT FOR THE COMING FISCAL YEAR. PROVIDED HOWEVER THE TAX LEVY LIMIT SHALL NOT PROHIBIT A LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH (G) OF SUBDIVISION TWO OF THIS SECTION.

(B)(I) THE COMMISSIONER OF TAXATION AND FINANCE SHALL CALCULATE A QUANTITY CHANGE FACTOR FOR EACH LOCAL GOVERNMENT FOR THE COMING FISCAL YEAR BASED UPON THE PHYSICAL OR QUANTITY CHANGE, AS DEFINED BY SECTION TWELVE HUNDRED TWENTY OF THE REAL PROPERTY TAX LAW, REPORTED TO THE COMMISSIONER OF TAXATION AND FINANCE BY THE ASSESSOR OR ASSESSORS PURSUANT TO SECTION FIVE HUNDRED SEVENTY-FIVE OF THE REAL PROPERTY TAX LAW. THE QUANTITY CHANGE FACTOR SHALL SHOW THE PERCENTAGE BY WHICH THE FULL VALUE OF THE TAXABLE REAL PROPERTY IN THE LOCAL GOVERNMENT HAS CHANGED DUE TO PHYSICAL OR QUANTITY CHANGE BETWEEN THE SECOND FINAL ASSESSMENT

ROLL OR ROLLS PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED, AND THE FINAL ASSESSMENT ROLL OR ROLLS IMMEDIATELY PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED.

(II) AFTER DETERMINING THE QUANTITY CHANGE FACTOR FOR THE LOCAL GOVERNMENT, THE COMMISSIONER OF TAXATION AND FINANCE SHALL PROCEED AS FOLLOWS:

(A) IF THE QUANTITY CHANGE FACTOR IS NEGATIVE, THE COMMISSIONER OF TAXATION AND FINANCE SHALL NOT DETERMINE A TAX BASE GROWTH FACTOR FOR THE LOCAL GOVERNMENT.

(B) IF THE QUANTITY CHANGE FACTOR IS POSITIVE, THE COMMISSIONER OF TAXATION AND FINANCE SHALL DETERMINE A TAX BASE GROWTH FACTOR FOR THE LOCAL GOVERNMENT WHICH IS EQUAL TO ONE PLUS THE QUANTITY CHANGE FACTOR.

(III) THE COMMISSIONER OF TAXATION AND FINANCE SHALL NOTIFY THE STATE COMPTROLLER AND EACH LOCAL GOVERNMENT OF THE APPLICABLE TAX BASE GROWTH FACTORS, IF ANY, AS SOON THEREAFTER AS SUCH FACTORS ARE DETERMINED.

(C) EACH LOCAL GOVERNMENT SHALL CALCULATE THE TAX LEVY LIMIT APPLICABLE TO THE COMING FISCAL YEAR WHICH SHALL BE DETERMINED AS FOLLOWS:

(I) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR FISCAL YEAR.

(II) MULTIPLY THE RESULT BY THE TAX BASE GROWTH FACTOR, CALCULATED PURSUANT TO PARAGRAPH (B) OF THIS SUBDIVISION, IF ANY.

(III) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE PRIOR FISCAL YEAR.

(IV) SUBTRACT THE TAX LEVY NECESSARY TO SUPPORT EXPENDITURES PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (G) OF SUBDIVISION TWO OF THIS SECTION FOR THE PRIOR FISCAL YEAR, IF ANY.

(V) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

(VI) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING FISCAL YEAR.

(VII) ADD THE AVAILABLE CARRYOVER, IF ANY.

(D) WHENEVER THE RESPONSIBILITY AND ASSOCIATED COST OF A LOCAL GOVERNMENT FUNCTION IS TRANSFERRED TO ANOTHER LOCAL GOVERNMENT, THE STATE COMPTROLLER SHALL DETERMINE THE COSTS AND SAVINGS ON THE AFFECTED LOCAL GOVERNMENTS ATTRIBUTABLE TO SUCH TRANSFER FOR THE FIRST FISCAL YEAR FOLLOWING THE TRANSFER, AND NOTIFY SUCH LOCAL GOVERNMENTS OF SUCH DETERMINATION AND THAT THEY SHALL ADJUST THEIR TAX LEVY LIMITS ACCORDINGLY.

4. (A) WHEN TWO OR MORE LOCAL GOVERNMENTS CONSOLIDATE, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMIT FOR THE CONSOLIDATED LOCAL GOVERNMENT FOR THE FIRST FISCAL YEAR FOLLOWING THE CONSOLIDATION BASED ON THE RESPECTIVE TAX LEVY LIMITS OF THE COMPONENT LOCAL GOVERNMENTS THAT FORMED SUCH CONSOLIDATED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE CONSOLIDATION.

(B) WHEN A LOCAL GOVERNMENT DISSOLVES, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMIT FOR THE LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FOR THE FIRST FISCAL YEAR FOLLOWING THE DISSOLUTION BASED ON THE RESPECTIVE TAX LEVY LIMITS OF SUCH DISSOLVED LOCAL GOVERNMENT AND SUCH LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE DISSOLUTION.

(C) THE TAX LEVY LIMIT ESTABLISHED BY THIS SECTION SHALL NOT APPLY TO THE FIRST FISCAL YEAR AFTER A LOCAL GOVERNMENT IS NEWLY ESTABLISHED OR CONSTITUTED THROUGH A PROCESS OTHER THAN CONSOLIDATION OR DISSOLUTION.

5. A LOCAL GOVERNMENT MAY ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT IS GREATER THAN THE TAX LEVY LIMIT FOR THE COMING FISCAL YEAR, NOT

INCLUDING ANY LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH G OF SUBDIVISION TWO OF THIS SECTION, ONLY IF THE GOVERNING BODY OF SUCH LOCAL GOVERNMENT FIRST ENACTS, BY A VOTE OF SIXTY PERCENT OF THE TOTAL VOTING POWER OF SUCH BODY, A LOCAL LAW TO OVERRIDE SUCH LIMIT FOR SUCH COMING FISCAL YEAR ONLY, OR IN THE CASE OF A DISTRICT OR FIRE DISTRICT, A RESOLUTION, APPROVED BY A VOTE OF SIXTY PERCENT OF THE TOTAL VOTING POWER OF SUCH BODY, TO OVERRIDE SUCH LIMIT FOR SUCH COMING FISCAL YEAR ONLY.

6. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN FISCAL YEAR EXCEEDS THE TAX LEVY LIMIT AS ESTABLISHED PURSUANT TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERNMENT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY FOR THE ENSUING FISCAL YEAR. IF, UPON EXAMINATION PURSUANT TO SECTIONS THIRTY-THREE AND THIRTY-FOUR OF THIS CHAPTER, THE STATE COMPTROLLER FINDS THAT A LOCAL GOVERNMENT LEVIED TAXES IN EXCESS OF THE APPLICABLE TAX LEVY LIMIT, THE LOCAL GOVERNMENT, AS SOON AS PRACTICABLE, SHALL PLACE AN AMOUNT EQUAL TO THE EXCESS AMOUNT OF THE LEVY IN SUCH RESERVE IN ACCORDANCE WITH THIS SUBDIVISION.

7. ALL LOCAL GOVERNMENTS SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL, PRIOR TO ADOPTING A BUDGET FOR THE COMING FISCAL YEAR, SUBMIT TO THE STATE COMPTROLLER, IN A FORM AND MANNER AS HE OR SHE MAY PRESCRIBE, ANY INFORMATION NECESSARY FOR CALCULATING THE TAX LEVY LIMIT FOR THE COMING FISCAL YEAR.

S 2. The education law is amended by adding a new section 2023-a to read as follows:

S 2023-A. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY. UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR MORE, SHALL NOT EXCEED THE TAX LEVY LIMIT ESTABLISHED PURSUANT TO THIS SECTION, NOT INCLUDING ANY TAX LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF THIS SECTION.

2. DEFINITIONS. AS USED IN THIS SECTION:

A. "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR; PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS THAN ONE.

B. "AVAILABLE CARRYOVER" MEANS THE AMOUNT BY WHICH THE TAX LEVY FOR THE PRIOR SCHOOL YEAR WAS BELOW THE APPLICABLE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR, IF ANY, BUT NO MORE THAN AN AMOUNT THAT EQUALS ONE AND ONE-HALF PERCENT OF THE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR.

C. "CAPITAL LOCAL EXPENDITURES" MEANS THE TAXES ASSOCIATED WITH BUDGETED EXPENDITURES RESULTING FROM THE FINANCING, REFINANCING, ACQUISITION, DESIGN, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF, OR OTHERWISE PROVIDING FOR SCHOOL DISTRICT CAPITAL FACILITIES OR SCHOOL DISTRICT CAPITAL EQUIPMENT, INCLUDING DEBT SERVICE AND LEASE EXPENDITURES, AND TRANSPORTATION CAPITAL DEBT SERVICE, SUBJECT TO THE APPROVAL OF THE QUALIFIED VOTERS WHERE REQUIRED BY LAW.

D. "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL LOCAL EXPENDITURES, IF ANY.

E. "COMING SCHOOL YEAR" MEANS THE SCHOOL YEAR FOR WHICH TAX LEVY LIMITS ARE BEING DETERMINED PURSUANT TO THIS SECTION.

1 F. "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE  
2 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-  
3 MENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE  
4 CURRENT YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES  
5 DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH  
6 PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, DIVIDED BY: (II) THE  
7 AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED  
8 STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY  
9 FIRST OF THE PRIOR YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR  
10 PLACES.

11 G. "PRIOR SCHOOL YEAR" MEANS THE SCHOOL YEAR IMMEDIATELY PRECEDING THE  
12 COMING SCHOOL YEAR.

13 H. "SCHOOL DISTRICT" MEANS A COMMON SCHOOL DISTRICT, UNION FREE SCHOOL  
14 DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT OR A  
15 CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE  
16 THOUSAND INHABITANTS.

17 I. "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT IS  
18 AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT THE  
19 TAX LEVY LIMIT SHALL NOT INCLUDE THE FOLLOWING:

20 (I) A TAX LEVY NECESSARY FOR EXPENDITURES RESULTING FROM COURT ORDERS  
21 OR JUDGMENTS AGAINST THE SCHOOL DISTRICT ARISING OUT OF TORT ACTIONS FOR  
22 ANY AMOUNT THAT EXCEEDS FIVE PERCENT OF THE TOTAL TAX LEVIED IN THE  
23 PRIOR SCHOOL YEAR;

24 (II) IN YEARS IN WHICH THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE  
25 OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, AS DEFINED  
26 BY PARAGRAPH TEN OF SUBDIVISION A OF SECTION NINETEEN-A OF THE RETIRE-  
27 MENT AND SOCIAL SECURITY LAW, INCREASES BY MORE THAN TWO PERCENTAGE  
28 POINTS FROM THE PREVIOUS YEAR, A TAX LEVY NECESSARY FOR EXPENDITURES FOR  
29 THE COMING FISCAL YEAR FOR SCHOOL DISTRICT EMPLOYER CONTRIBUTIONS TO THE  
30 NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM CAUSED BY GROWTH  
31 IN THE SYSTEM AVERAGE ACTUARIAL CONTRIBUTION RATE MINUS TWO PERCENTAGE  
32 POINTS;

33 (III) IN YEARS IN WHICH THE NORMAL CONTRIBUTION RATE OF THE NEW YORK  
34 STATE TEACHERS' RETIREMENT SYSTEM, AS DEFINED BY PARAGRAPH A OF SUBDIVI-  
35 SION TWO OF SECTION FIVE HUNDRED SEVENTEEN OF THIS CHAPTER, INCREASES BY  
36 MORE THAN TWO PERCENTAGE POINTS FROM THE PREVIOUS YEAR, A TAX LEVY  
37 NECESSARY FOR EXPENDITURES FOR THE COMING FISCAL YEAR FOR SCHOOL  
38 DISTRICT EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE TEACHERS' RETIRE-  
39 MENT SYSTEM CAUSED BY GROWTH IN THE NORMAL CONTRIBUTION RATE MINUS TWO  
40 PERCENTAGE POINTS; AND

41 (IV) A CAPITAL TAX LEVY.

42 2-A. TAX BASE GROWTH FACTOR. A. NO LATER THAN FEBRUARY FIFTEENTH OF  
43 EACH YEAR, THE COMMISSIONER OF TAXATION AND FINANCE SHALL IDENTIFY THOSE  
44 SCHOOL DISTRICTS FOR WHICH TAX BASE GROWTH FACTORS MUST BE DETERMINED  
45 FOR THE COMING SCHOOL YEAR, AND SHALL NOTIFY THE COMMISSIONER OF THE TAX  
46 BASE GROWTH FACTORS SO DETERMINED, IF ANY.

47 B. THE COMMISSIONER OF TAXATION AND FINANCE SHALL CALCULATE A QUANTITY  
48 CHANGE FACTOR FOR THE COMING SCHOOL YEAR FOR EACH SCHOOL DISTRICT BASED  
49 UPON THE PHYSICAL OR QUANTITY CHANGE, AS DEFINED BY SECTION TWELVE  
50 HUNDRED TWENTY OF THE REAL PROPERTY TAX LAW, REPORTED TO THE COMMISSION-  
51 ER OF TAXATION AND FINANCE BY THE ASSESSOR OR ASSESSORS PURSUANT TO  
52 SECTION FIVE HUNDRED SEVENTY-FIVE OF THE REAL PROPERTY TAX LAW. THE  
53 QUANTITY CHANGE FACTOR SHALL SHOW THE PERCENTAGE BY WHICH THE FULL VALUE  
54 OF THE TAXABLE REAL PROPERTY IN THE SCHOOL DISTRICT HAS CHANGED DUE TO  
55 PHYSICAL OR QUANTITY CHANGE BETWEEN THE SECOND FINAL ASSESSMENT ROLL OR  
56 ROLLS PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE

TO BE LEVIED, AND THE FINAL ASSESSMENT ROLL OR ROLLS IMMEDIATELY PRECED-  
ING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE  
LEVIED.

C. AFTER DETERMINING THE QUANTITY CHANGE FACTOR FOR A SCHOOL DISTRICT,  
THE COMMISSIONER OF TAXATION AND FINANCE SHALL PROCEED AS FOLLOWS:

(I) IF THE QUANTITY CHANGE FACTOR IS NEGATIVE, THE COMMISSIONER OF  
TAXATION AND FINANCE SHALL NOT DETERMINE A TAX BASE GROWTH FACTOR FOR  
THE SCHOOL DISTRICT.

(II) IF THE QUANTITY CHANGE FACTOR IS POSITIVE, THE COMMISSIONER OF  
TAXATION AND FINANCE SHALL DETERMINE A TAX BASE GROWTH FACTOR FOR THE  
SCHOOL DISTRICT WHICH IS EQUAL TO ONE PLUS THE QUANTITY CHANGE FACTOR.

3. COMPUTATION OF TAX LEVY LIMITS. A. EACH SCHOOL DISTRICT SHALL  
CALCULATE THE TAX LEVY LIMIT FOR EACH SCHOOL YEAR WHICH SHALL BE DETER-  
MINED AS FOLLOWS:

(1) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR SCHOOL  
YEAR.

(2) MULTIPLY THE RESULT BY THE TAX BASE GROWTH FACTOR, IF ANY.

(3) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE  
PRIOR SCHOOL YEAR.

(4) SUBTRACT THE TAX LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSU-  
ANT TO SUBPARAGRAPHS (I) AND (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF  
THIS SECTION FOR THE PRIOR SCHOOL YEAR, IF ANY.

(5) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

(6) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING  
FISCAL YEAR.

(7) ADD THE AVAILABLE CARRYOVER, IF ANY.

B. ON OR BEFORE MARCH FIRST OF EACH YEAR, ANY SCHOOL DISTRICT SUBJECT  
TO THE PROVISIONS OF THIS SECTION SHALL SUBMIT TO THE STATE COMPTROLLER,  
THE COMMISSIONER, AND THE COMMISSIONER OF TAXATION AND FINANCE, IN A  
FORM AND MANNER PRESCRIBED BY THE STATE COMPTROLLER, ANY INFORMATION  
NECESSARY FOR THE CALCULATION OF THE TAX LEVY LIMIT; AND THE SCHOOL  
DISTRICT'S DETERMINATION OF THE TAX LEVY LIMIT PURSUANT TO THIS SECTION  
SHALL BE SUBJECT TO REVIEW BY THE COMMISSIONER AND THE COMMISSIONER OF  
TAXATION AND FINANCE.

4. REORGANIZED SCHOOL DISTRICTS. WHEN TWO OR MORE SCHOOL DISTRICTS  
REORGANIZE, THE COMMISSIONER SHALL DETERMINE THE TAX LEVY LIMIT FOR THE  
REORGANIZED SCHOOL DISTRICT FOR THE FIRST SCHOOL YEAR FOLLOWING THE  
REORGANIZATION BASED ON THE RESPECTIVE TAX LEVY LIMITS OF THE SCHOOL  
DISTRICTS THAT FORMED THE REORGANIZED DISTRICT FROM THE LAST SCHOOL YEAR  
IN WHICH THEY WERE SEPARATE DISTRICTS, PROVIDED THAT IN THE EVENT OF  
FORMATION OF A NEW CENTRAL HIGH SCHOOL DISTRICT, THE TAX LEVY LIMITS FOR  
THE NEW CENTRAL HIGH SCHOOL DISTRICT AND ITS COMPONENT SCHOOL DISTRICTS  
SHALL BE DETERMINED IN ACCORDANCE WITH A METHODOLOGY PRESCRIBED BY THE  
COMMISSIONER.

5. ERRONEOUS LEVIES. IN THE EVENT A SCHOOL DISTRICT'S ACTUAL TAX LEVY  
FOR A GIVEN SCHOOL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTAB-  
LISHED PURSUANT TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE  
SCHOOL DISTRICT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN  
ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY  
PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO  
OFFSET THE TAX LEVY FOR THE ENSUING SCHOOL YEAR.

6. (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IN  
THE EVENT THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF A SCHOOL  
DISTRICT THAT IS SUBJECT TO THE PROVISIONS OF THIS SECTION PROPOSES A  
BUDGET THAT WILL REQUIRE A TAX LEVY THAT EXCEEDS THE TAX LEVY LIMIT FOR  
THE CORRESPONDING SCHOOL YEAR, NOT INCLUDING ANY LEVY NECESSARY TO



1 SUPPORT THE EXPENDITURES PURSUANT TO SUBPARAGRAPHS (I) THROUGH (IV) OF  
2 PARAGRAPH I OF SUBDIVISION TWO OF THIS SECTION, THEN SUCH BUDGET SHALL  
3 BE APPROVED IF SIXTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIR-  
4 MATIVE.

5 (B) WHERE THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION PROPOSES A BUDG-  
6 ET SUBJECT TO THE REQUIREMENTS OF PARAGRAPH (A) OF THIS SUBDIVISION, THE  
7 BALLOT FOR SUCH BUDGET SHALL INCLUDE THE FOLLOWING STATEMENT IN SUBSTAN-  
8 Tially THE SAME FORM: "ADOPTION OF THIS BUDGET REQUIRES A TAX LEVY  
9 INCREASE OF WHICH EXCEEDS THE STATUTORY TAX LEVY INCREASE LIMIT  
10 OF FOR THIS SCHOOL FISCAL YEAR AND THEREFORE EXCEEDS THE STATE TAX  
11 CAP AND MUST BE APPROVED BY SIXTY PERCENT OF THE QUALIFIED VOTERS PRES-  
12 ENT AND VOTING."

13 7. IN THE EVENT THAT THE ORIGINAL PROPOSED BUDGET IS NOT APPROVED BY  
14 THE VOTERS, THE SOLE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION MAY ADOPT A  
15 FINAL BUDGET PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION OR RESUBMIT  
16 TO THE VOTERS THE ORIGINAL OR A REVISED BUDGET AT A SPECIAL DISTRICT  
17 MEETING IN ACCORDANCE WITH SUBDIVISION THREE OF SECTION TWO THOUSAND  
18 SEVEN OF THIS PART. UPON ONE DEFEAT OF SUCH RESUBMITTED BUDGET, THE  
19 SOLE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A FINAL BUDGET  
20 PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION.

21 8. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IF THE  
22 QUALIFIED VOTERS FAIL TO APPROVE THE PROPOSED SCHOOL DISTRICT BUDGET  
23 UPON RESUBMISSION OR UPON A DETERMINATION NOT TO RESUBMIT FOR A SECOND  
24 VOTE PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION, THE SOLE TRUSTEE,  
25 TRUSTEES OR BOARD OF EDUCATION SHALL LEVY A TAX NO GREATER THAN THE TAX  
26 THAT WAS LEVIED FOR THE PRIOR SCHOOL YEAR.

27 9. NOTHING IN THIS SECTION SHALL PRECLUDE THE TRUSTEE, TRUSTEES, OR  
28 BOARD OF EDUCATION OF A SCHOOL DISTRICT, IN THEIR DISCRETION, FROM  
29 SUBMITTING ADDITIONAL ITEMS OF EXPENDITURES TO THE VOTERS FOR APPROVAL  
30 AS SEPARATE PROPOSITIONS OR THE VOTERS FROM SUBMITTING PROPOSITIONS  
31 PURSUANT TO SECTIONS TWO THOUSAND EIGHT AND TWO THOUSAND THIRTY-FIVE OF  
32 THIS PART; PROVIDED HOWEVER, EXCEPT IN THE CASE OF A PROPOSITION SUBMIT-  
33 TED FOR ANY EXPENDITURE CONTAINED WITHIN SUBPARAGRAPHS (I) THROUGH (IV)  
34 OF PARAGRAPH I OF SUBDIVISION TWO OF THIS SECTION, IF ANY PROPOSITION,  
35 OR PROPOSITIONS COLLECTIVELY THAT ARE SUBJECT TO A VOTE ON THE SAME  
36 DATE, WOULD REQUIRE AN EXPENDITURE OF MONEY THAT WOULD REQUIRE A TAX  
37 LEVY AND WOULD RESULT IN THE TAX LEVY LIMIT BEING EXCEEDED FOR THE  
38 CORRESPONDING SCHOOL YEAR THEN SUCH PROPOSITION SHALL BE APPROVED IF  
39 SIXTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE.

40 S 3. Section 2023 of the education law, as amended by section 24 of  
41 part A of chapter 436 of the laws of 1997, subdivision 1 as amended by  
42 chapter 682 of the laws of 2002, subparagraphs (v) and (vi) of paragraph  
43 b of subdivision 4 as separately amended by section 1 of part D-2 of  
44 chapter 57 of the laws of 2007 and chapter 422 of the laws of 2007,  
45 subparagraph (vii) of paragraph b of subdivision 4 as added by section 1  
46 of part D-2 of chapter 57 of the laws of 2007, subparagraph (vii) of  
47 paragraph b of subdivision 4 as added by chapter 422 of the laws of 2007  
48 and paragraph b-1 of subdivision 4 as amended by section 5 of part B of  
49 chapter 57 of the laws of 2008, is amended to read as follows:

50 S 2023. Levy of tax for certain purposes without vote; contingency  
51 budget. 1. If the qualified voters shall neglect or refuse to vote the  
52 sum estimated necessary for teachers' salaries, after applying thereto  
53 the public school moneys, and other moneys received or to be received  
54 for that purpose, or if they shall neglect or refuse to vote the sum  
55 estimated necessary for ordinary contingent expenses, including the  
56 purchase of library books and other instructional materials associated

1 with a library and expenses incurred for interschool athletics, field  
2 trips and other extracurricular activities and the expenses for cafete-  
3 ria or restaurant services, the sole trustee, board of trustees, or  
4 board of education shall adopt a contingency budget including such  
5 expenses and shall levy a tax, SUBJECT TO THE RESTRICTIONS AS SET FORTH  
6 IN SUBDIVISION FOUR OF THIS SECTION AND SUBDIVISION EIGHT OF SECTION TWO  
7 THOUSAND TWENTY-THREE-A OF THIS PART, for the same, in like manner as if  
8 the same had been voted by the qualified voters, subject to the limita-  
9 tions contained in subdivisions three and four of this section.

10 2. Notwithstanding the defeat of a school budget, school districts  
11 shall continue to transport students to and from the regular school  
12 program in accordance with the mileage limitations previously adopted by  
13 the qualified voters of the school district. Such mileage limits shall  
14 change only when amended by a special proposition passed by a majority  
15 of the qualified voters of the school district. In cases where the  
16 school budget is defeated by such qualified voters of the school  
17 district, appropriations for transportation costs for purposes other  
18 than for transportation to and from the regular school program, and  
19 transportation that would constitute an ordinary contingent expense  
20 pursuant to subdivision one of this section, shall be authorized in the  
21 budget only after approval by the qualified voters of the district.

22 3. The administrative component of a contingency budget shall not  
23 comprise a greater percentage of the contingency budget exclusive of the  
24 capital component than the lesser of (1) the percentage the administra-  
25 tive component had comprised in the prior year budget exclusive of the  
26 capital component; or (2) the percentage the administrative component  
27 had comprised in the last proposed defeated budget exclusive of the  
28 capital component.

29 4. a. The contingency budget shall not result in a [percentage  
30 increase in total spending over the district's total spending under the  
31 school district budget for the prior school year that exceeds the lesser  
32 of: (i) the result obtained when one hundred twenty percent is multi-  
33 plied by the percentage increase in the consumer price index, with the  
34 result rounded to two decimal places; or (ii) four percent.

35 b. The following types of expenditures shall be disregarded in deter-  
36 mining total spending:

37 (i) expenditures resulting from a tax certiorari proceeding;

38 (ii) expenditures resulting from a court order or judgment against the  
39 school district;

40 (iii) emergency expenditures that are certified by the commissioner as  
41 necessary as a result of damage to, or destruction of, a school building  
42 or school equipment;

43 (iv) capital expenditures resulting from the construction, acquisi-  
44 tion, reconstruction, rehabilitation or improvement of school facili-  
45 ties, including debt service and lease expenditures, subject to the  
46 approval of the qualified voters where required by law;

47 (v) expenditures in the contingency budget attributable to projected  
48 increases in public school enrollment, which, for the purpose of this  
49 subdivision, may include increases attributable to the enrollment of  
50 students attending a pre-kindergarten program established in accordance  
51 with section thirty-six hundred two-e of this chapter, to be computed  
52 based upon an increase in enrollment from the year prior to the base  
53 year for which the budget is being adopted to the base year for which  
54 the budget is being adopted, provided that where the trustees or board  
55 of education have documented evidence that a further increase in enroll-  
56 ment will occur during the school year for which the contingency budget

1 is prepared because of new construction, inception of a pre-kindergarten  
2 program, growth or similar factors, the expenditures attributable to  
3 such additional enrollment may also be disregarded;

4 (vi) non-recurring expenditures in the prior year's school district  
5 budget; and

6 (vii) expenditures for payments to charter schools pursuant to section  
7 twenty-eight hundred fifty-six of this chapter.

8 (vii) expenditures for self-supporting programs. For purposes of this  
9 subparagraph, "self-supporting programs" shall mean any programs that  
10 are entirely funded by private funds that cover all the costs of the  
11 program.

12 b-1. Notwithstanding any other provision of this subdivision to the  
13 contrary, in the event a state grant in aid provided to the district in  
14 the prior year is eliminated and incorporated into a non-categorical  
15 general state aid in the current school year, the amount of such grant  
16 may be included in the computation of total spending for the prior  
17 school year, provided that the commissioner has verified that the grant  
18 in aid has been incorporated into such non-categorical general state  
19 aid] TAX LEVY GREATER THAN THE TAX LEVIED FOR THE PRIOR SCHOOL YEAR.

20 [c.] B. The resolution of the trustee, board of trustees, or board of  
21 education adopting a contingency budget shall incorporate by reference a  
22 statement specifying the projected percentage increase or decrease in  
23 total spending for the school year, and explaining the reasons for  
24 disregarding any portion of an increase in spending in formulating the  
25 contingency budget.

26 [d.] C. Notwithstanding any other provision of law to the contrary,  
27 the trustees or board of education shall not be authorized to amend or  
28 revise a final contingency budget where such amendment or revision would  
29 result in total spending in excess of the spending limitation in para-  
30 graph (a) of this subdivision; provided that the trustees or board of  
31 education shall be authorized to add appropriations for[:

32 (i) the categories of expenditures excluded from the spending limita-  
33 tions set forth in paragraph (b) of this subdivision, subject to  
34 approval of the qualified voters where required by law;

35 (ii) expenditures resulting from an actual increase in enrollment over  
36 the projected enrollment used to develop the contingency budget,  
37 provided that where such actual enrollment is less than such projected  
38 enrollment, it shall be the duty of the trustees or board of education  
39 to use such excess funds to reduce taxes; and

40 (iii)] the expenditure of gifts, grants in aid for specific purposes  
41 or for general use or insurance proceeds authorized pursuant to subdivi-  
42 sion two of [subdivision] SECTION seventeen hundred eighteen of this  
43 chapter in addition to that which has been previously budgeted.

44 [e. For the purposes of this subdivision:

45 (i) "Base school year" shall mean the school year immediately preced-  
46 ing the school year for which the contingency budget is prepared.

47 (ii) "Consumer price index" shall mean the percentage that represents  
48 the average of the national consumer price indexes determined by the  
49 United States department of labor, for the twelve month period preceding  
50 January first of the current year.

51 (iii) "Current year" shall mean the calendar year in which the school  
52 district budget is submitted for a vote of the qualified voters.

53 (iv) "Resident public school district enrollment shall mean the resi-  
54 dent public school enrollment of the school district as defined in para-  
55 graph n of subdivision one of section thirty-six hundred two of this  
56 chapter.

1 (v) "Total spending" shall mean the total amount appropriated under  
2 the school district budget for the school year.]

3 S 4. Paragraph a of subdivision 7 of section 1608 of the education  
4 law, as amended by chapter 238 of the laws of 2007, is amended to read  
5 as follows:

6 a. Each year, commencing with the proposed budget for the two thou-  
7 sand--two thousand one school year, the trustee or board of trustees  
8 shall prepare a property tax report card, pursuant to regulations of the  
9 commissioner, and shall make it publicly available by transmitting it to  
10 local newspapers of general circulation, appending it to copies of the  
11 proposed budget made publicly available as required by law, making it  
12 available for distribution at the annual meeting, and otherwise dissem-  
13 inating it as required by the commissioner. Such report card shall  
14 include: (i) the amount of total spending and total estimated school tax  
15 levy that would result from adoption of the proposed budget and the  
16 percentage increase or decrease in total spending and total school tax  
17 levy from the school district budget for the preceding school year; and  
18 (ii) THE DISTRICT'S TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO  
19 THOUSAND TWENTY-THREE-A OF THIS TITLE, AND THE ESTIMATED SCHOOL TAX  
20 LEVY, EXCLUDING ANY LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT  
21 TO SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF  
22 SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE, THAT WOULD RESULT  
23 FROM ADOPTION OF THE PROPOSED BUDGET; AND (III) the projected enrollment  
24 growth for the school year for which the budget is prepared, and the  
25 percentage change in enrollment from the previous year; and [(iii)] (IV)  
26 the percentage increase in the consumer price index, as defined in para-  
27 graph c of this subdivision; and [(iv)] (V) the projected amount of the  
28 unappropriated unreserved fund balance that will be retained if the  
29 proposed budget is adopted, the projected amount of the reserved fund  
30 balance, the projected amount of the appropriated fund balance, the  
31 percentage of the proposed budget that the unappropriated unreserved  
32 fund balance represents, the actual unappropriated unreserved fund  
33 balance retained in the school district budget for the preceding school  
34 year, and the percentage of the school district budget for the preceding  
35 school year that the actual unappropriated unreserved fund balance  
36 represents.

37 S 5. Paragraph a of subdivision 7 of section 1716 of the education  
38 law, as amended by chapter 238 of the laws of 2007, is amended to read  
39 as follows:

40 a. Each year, commencing with the proposed budget for the two thou-  
41 sand--two thousand one school year, the board of education shall prepare  
42 a property tax report card, pursuant to regulations of the commissioner,  
43 and shall make it publicly available by transmitting it to local newspa-  
44 pers of general circulation, appending it to copies of the proposed  
45 budget made publicly available as required by law, making it available  
46 for distribution at the annual meeting, and otherwise disseminating it  
47 as required by the commissioner. Such report card shall include: (i) the  
48 amount of total spending and total estimated school tax levy that would  
49 result from adoption of the proposed budget and the percentage increase  
50 or decrease in total spending and total school tax levy from the school  
51 district budget for the preceding school year; and (ii) THE DISTRICT'S  
52 TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND  
53 TWENTY-THREE-A OF THIS TITLE, AND THE ESTIMATED SCHOOL TAX LEVY, EXCLUD-  
54 ING ANY LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO SUBPARA-  
55 GRAPHS (I) THROUGH (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF SECTION TWO  
56 THOUSAND TWENTY-THREE-A OF THIS TITLE, THAT WOULD RESULT FROM ADOPTION

1 OF THE PROPOSED BUDGET; AND (III) the projected enrollment growth for  
2 the school year for which the budget is prepared, and the percentage  
3 change in enrollment from the previous year; and [(iii)] (IV) the  
4 percentage increase in the consumer price index, as defined in paragraph  
5 c of this subdivision; and [(iv)] (V) the projected amount of the unap-  
6 propriated unreserved fund balance that will be retained if the proposed  
7 budget is adopted, the projected amount of the reserved fund balance,  
8 the projected amount of the appropriated fund balance, the percentage of  
9 the proposed budget that the unappropriated unreserved fund balance  
10 represents, the actual unappropriated unreserved fund balance retained  
11 in the school district budget for the preceding school year, and the  
12 percentage of the school district budget for the preceding school year  
13 that the actual unappropriated unreserved fund balance represents.

14 S 6. Section 2008 of the education law is amended by adding a new  
15 subdivision 3 to read as follows:

16 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, ANY  
17 PROPOSITION SUBMITTED BY THE VOTERS THAT REQUIRES THE EXPENDITURE OF  
18 MONEY SHALL BE SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBDIVISION NINE  
19 OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

20 S 7. Section 2022 of the education law, as amended by section 23 of  
21 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as  
22 amended by section 8 of part C of chapter 58 of the laws of 1998, subdi-  
23 vision 2-a as amended by section 3 of part A of chapter 60 of the laws  
24 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part  
25 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section  
26 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added  
27 by chapter 61 of the laws of 2003, is amended to read as follows:

28 S 2022. Vote on school district budgets and on the election of school  
29 district trustees and board of education members. 1. Notwithstanding any  
30 law, rule or regulation to the contrary, the election of trustees or  
31 members of the board of education, and the vote upon the appropriation  
32 of the necessary funds to meet the estimated expenditures, in any common  
33 school district, union free school district, central school district or  
34 central high school district shall be held at the annual meeting and  
35 election on the third Tuesday in May, provided, however, that such  
36 election shall be held on the second Tuesday in May if the commissioner  
37 at the request of a local school board certifies no later than March  
38 first that such election would conflict with religious observances.  
39 [When such election or vote is taken by recording the ayes and noes of  
40 the qualified voters attending, a majority of the qualified voters pres-  
41 ent and voting, by a hand or voice vote, may determine to take up the  
42 question of voting the necessary funds to meet the estimated expendi-  
43 tures for a specific item separately, and the qualified voters present  
44 and voting may increase the amount of any estimated expenditures or  
45 reduce the same, except for teachers' salaries, and the ordinary contin-  
46 gent expenses of the schools.] The sole trustee, board of trustees or  
47 board of education of every common, union free, central or central high  
48 school district and every city school district to which this article  
49 applies shall hold a budget hearing not less than seven nor more than  
50 fourteen days prior to the annual meeting and election or special  
51 district meeting at which a school budget vote will occur, and shall  
52 prepare and present to the voters at such budget hearing a proposed  
53 school district budget for the ensuing school year.

54 2. Except as provided in subdivision four of this section, nothing in  
55 this section shall preclude the trustees or board of education, in their  
56 discretion, from submitting additional items of expenditure to the

1 voters for approval as separate propositions or the voters from submit-  
2 ting propositions pursuant to [section] SECTIONS two thousand eight and  
3 two thousand thirty-five of this [article] PART; PROVIDED HOWEVER THAT  
4 SUCH PROPOSITIONS SHALL BE SUBJECT TO THE REQUIREMENTS SET FORTH IN  
5 SUBDIVISION NINE OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

6 2-a. Every common, union free, central, central high school district  
7 and city school district to which this article applies shall mail a  
8 school budget notice to all qualified voters of the school district  
9 after the date of the budget hearing, but no later than six days prior  
10 to the annual meeting and election or special district meeting at which  
11 a school budget vote will occur. The school budget notice shall compare  
12 the percentage increase or decrease in total spending under the proposed  
13 budget over total spending under the school district budget adopted for  
14 the current school year, with the percentage increase or decrease in the  
15 consumer price index, from January first of the prior school year to  
16 January first of the current school year, and shall also include the  
17 information required by paragraphs a and b of this subdivision. The  
18 notice shall also set forth the date, time and place of the school budg-  
19 et vote, in the same manner as in the notice of annual meeting, AND  
20 SHALL ALSO INCLUDE THE DISTRICT'S TAX LEVY LIMIT PURSUANT TO SECTION TWO  
21 THOUSAND TWENTY-THREE-A OF THIS PART, AND THE ESTIMATED SCHOOL TAX LEVY,  
22 EXCLUDING ANY LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO  
23 SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF  
24 SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART, THAT WOULD RESULT FROM  
25 ADOPTION OF THE PROPOSED BUDGET. Such notice shall be in a form  
26 prescribed by the commissioner.

27 a. Commencing with the proposed budget for the two thousand one--two  
28 thousand two school year, such notice shall also include a description  
29 of how total spending and the tax levy resulting from the proposed budg-  
30 et would compare with a projected contingency budget adopted pursuant to  
31 section two thousand twenty-three of this article, assuming that such  
32 contingency budget is adopted on the same day as the vote on the  
33 proposed budget. Such comparison shall be in total and by component  
34 (program, capital and administrative), and shall include a statement of  
35 the assumptions made in estimating the projected contingency budget.

36 b. Commencing with the proposed budget for the two thousand eight--two  
37 thousand nine school year, such notice shall also include, in a format  
38 prescribed by the commissioner, an estimate of the tax savings that  
39 would be available to an eligible homeowner under the basic school tax  
40 relief (STAR) exemption authorized by section four hundred twenty-five  
41 of the real property tax law if the proposed budget were adopted. Such  
42 estimate shall be made in the manner prescribed by the commissioner, in  
43 consultation with the office of real property services.

44 3. In all elections for trustees or members of boards of education or  
45 votes involving the expenditure of money, or authorizing the levy of  
46 taxes, the vote thereon shall be by ballot, or, in school districts that  
47 prior to nineteen hundred ninety-eight conducted their vote at the annu-  
48 al meeting, may be ascertained by taking and recording the ayes and noes  
49 of such qualified voters attending and voting at such district meetings.

50 4. THE BUDGET ADOPTION PROCESS SHALL CONFORM TO THE REQUIREMENTS SET  
51 FORTH IN SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART. In the event  
52 that the original proposed budget is not approved by the voters, the  
53 sole trustee, trustees or board of education may adopt a final budget  
54 pursuant to subdivision five of this section or resubmit to the voters  
55 the original or a revised budget pursuant to subdivision three of  
56 section two thousand seven of this part. Upon one defeat of such resub-

mitted budget, the sole trustee, trustees or board of education shall adopt a final budget pursuant to subdivision five of this section. Notwithstanding any other provision of law to the contrary, the school district budget for any school year, or any part of such budget or any propositions involving the expenditure of money for such school year shall not be submitted for a vote of the qualified voters more than twice.

5. If the qualified voters fail to approve the proposed school district budget upon resubmission or upon a determination not to resubmit for a second vote pursuant to subdivision four of this section, the sole trustee, trustees or board of education, after applying thereto the public school moneys and other moneys received or to be received for that purpose, shall levy a tax for the sum necessary for teachers' salaries and other ordinary contingent expenses in accordance with the provisions of this subdivision and [section] SECTIONS two thousand twenty-three AND TWO THOUSAND TWENTY-THREE-A of this article.

6. Notwithstanding the provisions of subdivision four of section eighteen hundred four and subdivision five of section nineteen hundred six of this title, subdivision one of section two thousand two of this article, subdivision one of this section, subdivision two of section twenty-six hundred one-a of this title and any other provision of law to the contrary, the annual district meeting and election of every common, union free, central and central high school district and the annual meeting of every city school district in a city having a population of less than one hundred twenty-five thousand inhabitants that is scheduled to be held on the third Tuesday of May, two thousand three is hereby adjourned until the first Tuesday in June, two thousand three. The trustees or board of education of each such school district shall provide notice of such adjourned meeting to the qualified voters in the manner prescribed for notice of the annual meeting, and such notice shall provide for an adjourned budget hearing. The adjourned district meeting or district meeting and election shall be deemed the annual meeting or annual meeting and election of the district for all purposes under this title and the date of the adjourned meeting shall be deemed the statewide uniform voting day for all purposes under this title. Notwithstanding the provisions of subdivision seven of section sixteen hundred eight or subdivision seven of section seventeen hundred sixteen of this title or any other provision of law, rule or regulation to the contrary, in two thousand three the property tax report card shall be submitted to the department no later than twenty days prior to the date of the adjourned meeting and the department shall make its compilation available electronically at least seven days prior to such date.

S 8. Section 2035 of the education law is amended by adding a new subdivision 3 to read as follows:

3. ANY PROPOSITION SUBMITTED PURSUANT TO THIS SECTION SHALL BE SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBDIVISION NINE OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

S 9. Section 2601-a of the education law, as added by chapter 171 of the laws of 1996, subdivision 2 as amended by section 6 and subdivision 4 as amended by section 8 of part M of chapter 57 of the laws of 2005, subdivision 3 as amended by chapter 640 of the laws of 2008, subdivision 5 as amended by section 29 of part A of chapter 436 of the laws of 1997, subdivision 6 as amended and subdivision 7 as added by chapter 474 of the laws of 1996, is amended to read as follows:

S 2601-a. Procedures for adoption of school budgets in small city school districts. 1. The board of education of each city school district

1 subject to this article shall provide for the submission of a budget for  
2 approval of the voters pursuant to the provisions of this section AND IN  
3 ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION TWO THOUSAND TWEN-  
4 TY-THREE-A OF THIS TITLE.

5 2. The board of education shall conduct all annual and special school  
6 district meetings for the purpose of adopting a school district budget  
7 in the same manner as a union free school district in accordance with  
8 the provisions of article forty-one of this title, except as otherwise  
9 provided by this section. The annual meeting and election of each such  
10 city school district shall be held on the third Tuesday of May in each  
11 year, provided, however that such annual meeting and election shall be  
12 held on the second Tuesday in May if the commissioner at the request of  
13 a local school board certifies no later than March first that such  
14 election would conflict with religious observances, and any school budg-  
15 et revote shall be held on the date and in the same manner specified in  
16 subdivision three of section two thousand seven of this title. The  
17 provisions of this article, and where applicable subdivisions nine and  
18 nine-a of section twenty-five hundred two of this title, governing the  
19 qualification and registration of voters, and procedures for the nomi-  
20 nation and election of members of the board of education shall continue  
21 to apply, and shall govern the qualification and registration of voters  
22 and voting procedures with respect to the adoption of a school district  
23 budget.

24 3. The board of education shall prepare a proposed school district  
25 budget for the ensuing year in accordance with the provisions of section  
26 seventeen hundred sixteen of this chapter, including all provisions  
27 relating to required notices and appendices to the statement of expendi-  
28 tures. No board of education shall incur a school district liability  
29 except as authorized by the provisions of section seventeen hundred  
30 eighteen of this chapter. Such proposed budget shall be presented in  
31 three components: a program component, a capital component and an admin-  
32 istrative component which shall be separately delineated in accordance  
33 with regulations of the commissioner after consultation with local  
34 school district officials. The administrative component shall include,  
35 but need not be limited to, office and central administrative expenses,  
36 traveling expenses and all compensation, salaries and benefits of all  
37 school administrators and supervisors, including business administra-  
38 tors, superintendents of schools and deputy, assistant, associate or  
39 other superintendents under all existing employment contracts or collec-  
40 tive bargaining agreements, any and all expenditures associated with the  
41 operation of the board of education, the office of the superintendent of  
42 schools, general administration, the school business office, consulting  
43 costs not directly related to direct student services and programs,  
44 planning and all other administrative activities. The program component  
45 shall include, but need not be limited to, all program expenditures of  
46 the school district, including the salaries and benefits of teachers and  
47 any school administrators or supervisors who spend a majority of their  
48 time performing teaching duties, and all transportation operating  
49 expenses. The capital component shall include, but need not be limited  
50 to, all transportation capital, debt service, and lease expenditures;  
51 costs resulting from judgments in tax certiorari proceedings or the  
52 payment of awards from court judgments, administrative orders or settled  
53 or compromised claims; and all facilities costs of the school district,  
54 including facilities lease expenditures, the annual debt service and  
55 total debt for all facilities financed by bonds and notes of the school  
56 district, and the costs of construction, acquisition, reconstruction,



1 rehabilitation or improvement of school buildings, provided that such  
2 budget shall include a rental, operations and maintenance section that  
3 includes base rent costs, total rent costs, operation and maintenance  
4 charges, cost per square foot for each facility leased by the school  
5 district, and any and all expenditures associated with custodial sala-  
6 ries and benefits, service contracts, supplies, utilities, and mainte-  
7 nance and repairs of school facilities. For the purposes of the develop-  
8 ment of a budget for the nineteen hundred ninety-seven--ninety-eight  
9 school year, the board of education shall separate its program, capital  
10 and administrative costs for the nineteen hundred ninety-six--ninety-  
11 seven school year in the manner as if the budget for such year had been  
12 presented in three components. Except as provided in subdivision four of  
13 this section, nothing in this section shall preclude the board, in its  
14 discretion, from submitting additional items of expenditure to the  
15 voters for approval as separate propositions or the voters from submit-  
16 ting propositions pursuant to sections two thousand eight and two thou-  
17 sand thirty-five of this chapter SUBJECT TO THE REQUIREMENTS SET FORTH  
18 IN SUBDIVISION NINE OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

19 4. THE BUDGET ADOPTION PROCESS SHALL CONFORM TO THE REQUIREMENTS SET  
20 FORTH IN SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE. In the event  
21 the qualified voters of the district reject the budget proposed pursuant  
22 to subdivision three of this section, the board may propose to the  
23 voters a revised budget pursuant to subdivision three of section two  
24 thousand seven of this title or may adopt a contingency budget pursuant  
25 to subdivision five of this section and subdivision five of section two  
26 thousand twenty-two of this title. The school district budget for any  
27 school year, or any part of such budget or any propositions involving  
28 the expenditure of money for such school year shall not be submitted for  
29 a vote of the qualified voters more than twice. In the event the quali-  
30 fied voters reject the resubmitted budget, the board shall adopt a  
31 contingency budget in accordance with subdivision five of this section  
32 and subdivision five of such section two thousand twenty-two of this  
33 title.

34 5. If the qualified voters fail or refuse to vote the sum estimated to  
35 be necessary for teachers' salaries and other ordinary contingent  
36 expenses, the board shall adopt a contingency budget in accordance with  
37 this subdivision and shall levy a tax for that portion of such sum  
38 remaining after applying thereto the moneys received or to be received  
39 from state, federal or other sources, in the same manner as if the budg-  
40 et had been approved by the qualified voters; subject to the limitations  
41 imposed in subdivision four of section two thousand twenty-three of this  
42 chapter, SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWENTY-THREE-A OF  
43 THIS TITLE and this subdivision. The administrative component shall not  
44 comprise a greater percentage of the contingency budget exclusive of the  
45 capital component than the lesser of (1) the percentage the administra-  
46 tive component had comprised in the prior year budget exclusive of the  
47 capital component; or (2) the percentage the administrative component  
48 had comprised in the last proposed defeated budget exclusive of the  
49 capital component. Such contingency budget shall include the sum deter-  
50 mined by the board to be necessary for:

51 (a) teachers' salaries, including the salaries of all members of the  
52 teaching and supervising staff;

53 (b) items of expense specifically authorized by statute to be incurred  
54 by the board of education, including, but not limited to, expenditures  
55 for transportation to and from regular school programs included as ordi-  
56 nary contingent expenses in subdivision twelve of section twenty-five

1 hundred three of this chapter, expenditures for textbooks, required  
2 services for non-public school students, school health services, special  
3 education services, kindergarten and nursery school programs, and the  
4 district's share of the administrative costs and costs of services  
5 provided by a board of cooperative educational services;

6 (c) items of expense for legal obligations of the district, including,  
7 but not limited to, contractual obligations, debt service, court orders  
8 or judgments, orders of administrative bodies or officers, and standards  
9 and requirements of the board of regents and the commissioner that have  
10 the force and effect of law;

11 (d) the purchase of library books and other instructional materials  
12 associated with a library;

13 (e) items of expense necessary to maintain the educational programs of  
14 the district, preserve the property of the district or protect the  
15 health and safety of students and staff, including, but not limited to,  
16 support services, pupil personnel services, the necessary salaries for  
17 the necessary number of non-teaching employees, necessary legal  
18 expenses, water and utility charges, instructional supplies for teach-  
19 ers' use, emergency repairs, temporary rental of essential classroom  
20 facilities, and expenditures necessary to advise school district voters  
21 concerning school matters; and

22 (f) expenses incurred for interschool athletics, field trips and other  
23 extracurricular activities; and

24 (g) any other item of expense determined by the commissioner to be an  
25 ordinary contingent expense in any school district.

26 6. The commissioner shall determine appeals raising questions as to  
27 what items of expenditure are ordinary contingent expenses pursuant to  
28 subdivision five of this section in accordance with section two thousand  
29 twenty-four and three hundred ten of this chapter.

30 7. Each year, the board of education shall prepare a school district  
31 report card, pursuant to regulations of the commissioner, and shall make  
32 it publicly available by transmitting it to local newspapers of general  
33 circulation, appending it to copies of the proposed budget made publicly  
34 available as required by law, making it available for distribution at  
35 the annual meeting, and otherwise disseminating it as required by the  
36 commissioner. Such report card shall include measures of the academic  
37 performance of the school district, on a school by school basis, and  
38 measures of the fiscal performance of the district, as prescribed by the  
39 commissioner. Pursuant to regulations of the commissioner, the report  
40 card shall also compare these measures to statewide averages for all  
41 public schools, and statewide averages for public schools of comparable  
42 wealth and need, developed by the commissioner. Such report card shall  
43 include, at a minimum, any information on the school district regarding  
44 pupil performance and expenditure per pupil required to be included in  
45 the annual report by the regents to the governor and the legislature  
46 pursuant to section two hundred fifteen-a of this chapter; and any other  
47 information required by the commissioner. School districts (i) identi-  
48 fied as having fifteen percent or more of their students in special  
49 education, or (ii) which have fifty percent or more of their students  
50 with disabilities in special education programs or services sixty  
51 percent or more of the school day in a general education building, or  
52 (iii) which have eight percent or more of their students with disabili-  
53 ties in special education programs in public or private separate educa-  
54 tional settings shall indicate on their school district report card  
55 their respective percentages as defined in this paragraph and paragraphs  
56 (i) and (ii) of this subdivision as compared to the statewide average.

1 S 10. Paragraph b-1 of subdivision 4 of section 3602 of the education  
2 law, as amended by section 26 of part A of chapter 58 of the laws of  
3 2011, is amended to read as follows:

4 b-1. Notwithstanding any other provision of law to the contrary, for  
5 the two thousand seven--two thousand eight [through] school year and  
6 thereafter, the additional amount payable to each school district pursu-  
7 ant to this subdivision in the current year as total foundation aid,  
8 after deducting the total foundation aid base, shall be deemed a state  
9 grant in aid identified by the commissioner for general use for purposes  
10 of [sections] SECTION seventeen hundred eighteen [and two thousand twen-  
11 ty-three] of this chapter.

12 S 11. Paragraph a of subdivision 1 of section 3635 of the education  
13 law, as amended by chapter 69 of the laws of 1992, is amended to read as  
14 follows:

15 a. Sufficient transportation facilities (including the operation and  
16 maintenance of motor vehicles) shall be provided by the school district  
17 for all the children residing within the school district to and from the  
18 school they legally attend, who are in need of such transportation  
19 because of the remoteness of the school to the child or for the  
20 promotion of the best interest of such children. Such transportation  
21 shall be provided for all children attending grades kindergarten through  
22 eight who live more than two miles from the school which they legally  
23 attend and for all children attending grades nine through twelve who  
24 live more than three miles from the school which they legally attend and  
25 shall be provided for each such child up to a distance of fifteen miles,  
26 the distances in each case being measured by the nearest available route  
27 from home to school. The cost of providing such transportation between  
28 two or three miles, as the case may be, and fifteen miles shall be  
29 considered for the purposes of this chapter to be a charge upon the  
30 district and an ordinary contingent expense of the district. Transporta-  
31 tion for a lesser distance than two miles in the case of children  
32 attending grades kindergarten through eight or three miles in the case  
33 of children attending grades nine through twelve and for a greater  
34 distance than fifteen miles may be provided by the district WITH THE  
35 APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered  
36 equally to all children in like circumstances residing in the district;  
37 provided, however, that this requirement shall not apply to transporta-  
38 tion offered pursuant to section thirty-six hundred thirty-five-b of  
39 this article.

40 S 12. Nothing contained in this act shall impair or invalidate the  
41 powers or duties, as authorized by law, of a control board, interim  
42 finance authority or fiscal stability authority including such powers or  
43 duties that may require the tax levy limit, as that term is defined in  
44 section one or section two of this act, to be exceeded.

45 S 13. This act shall take effect immediately; provided, however, that  
46 sections two through eleven of this act shall take effect July 1, 2011  
47 and shall first apply to school district budgets and the budget adoption  
48 process for the 2012-13 school year; and shall continue to apply to  
49 school district budgets and the budget adoption process for any school  
50 year beginning in any calendar year during which this act is in effect;  
51 provided further, that if section 26 of part A of chapter 58 of the laws  
52 of 2011 shall not have taken effect on or before such date then section  
53 ten of this act shall take effect on the same date and in the same  
54 manner as such chapter of the laws of 2011, takes effect; provided  
55 further, that section one of this act shall first apply to the levy of  
56 taxes by local governments for the fiscal year that begins in 2012 and

1 shall continue to apply to the levy of taxes by local governments for  
2 any fiscal year beginning in any calendar year during which this act is  
3 in effect; provided, further, that this act shall remain in full force  
4 and effect at a minimum until and including June 15, 2016 and shall  
5 remain in effect thereafter only so long as the public emergency requir-  
6 ing the regulation and control of residential rents and evictions and  
7 all such laws providing for such regulation and control continue as  
8 provided in subdivision 3 of section 1 of the local emergency rent  
9 control act, sections 26-501, 26-502 and 26-520 of the administrative  
10 code of the city of New York, section 17 of chapter 576 of the laws of  
11 1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946  
12 constituting the emergency housing rent control law, and section 10 of  
13 chapter 555 of the laws of 1982, amending the general business law and  
14 the administrative code of the city of New York relating to conversions  
15 of residential property to cooperative or condominium ownership in the  
16 city of New York as such laws are continued by chapter 93 of the laws of  
17 2011 and as such sections are amended from time to time.

18

## PART B

19 Section 1. Short title. This act shall be known and may be cited as  
20 the "rent act of 2011."

21 S 1-a. Section 17 of chapter 576 of the laws of 1974 amending the  
22 emergency housing rent control law relating to the control of and  
23 stabilization of rent in certain cases, as amended by chapter 93 of the  
24 laws of 2011, is amended to read as follows:

25 S 17. Effective date. This act shall take effect immediately and  
26 shall remain in full force and effect until and including the [twenty-  
27 third] FIFTEENTH day of June [2011] 2015; except that sections two and  
28 three shall take effect with respect to any city having a population of  
29 one million or more and section one shall take effect with respect to  
30 any other city, or any town or village whenever the local legislative  
31 body of a city, town or village determines the existence of a public  
32 emergency pursuant to section three of the emergency tenant protection  
33 act of nineteen seventy-four, as enacted by section four of this act,  
34 and provided that the housing accommodations subject on the effective  
35 date of this act to stabilization pursuant to the New York city rent  
36 stabilization law of nineteen hundred sixty-nine shall remain subject to  
37 such law upon the expiration of this act.

38 S 2. Subdivision 2 of section 1 of chapter 274 of the laws of 1946  
39 constituting the emergency housing rent control law, as amended by chap-  
40 ter 93 of the laws of 2011, is amended to read as follows:

41 2. The provisions of this act, and all regulations, orders and  
42 requirements thereunder shall remain in full force and effect until and  
43 including June [23, 2011] 15, 2015.

44 S 3. Section 2 of chapter 329 of the laws of 1963 amending the emer-  
45 gency housing rent control law relating to recontrol of rents in Albany,  
46 as amended by chapter 93 of the laws of 2011, is amended to read as  
47 follows:

48 S 2. This act shall take effect immediately and the provisions of  
49 subdivision 6 of section 12 of the emergency housing rent control law,  
50 as added by this act, shall remain in full force and effect until and  
51 including June [23, 2011] 15, 2015.

52 S 4. Section 10 of chapter 555 of the laws of 1982 amending the gener-  
53 al business law and the administrative code of the city of New York  
54 relating to conversion of residential property to cooperative or condo-

1 minium ownership in the city of New York, as amended by chapter 93 of  
2 the laws of 2011, is amended to read as follows:

3 S 10. This act shall take effect immediately; provided, that the  
4 provisions of sections one, two and nine of this act shall remain in  
5 full force and effect only until and including June [23, 2011] 15, 2015;  
6 provided further that the provisions of section three of this act shall  
7 remain in full force and effect only so long as the public emergency  
8 requiring the regulation and control of residential rents and evictions  
9 continues as provided in subdivision 3 of section 1 of the local emer-  
10 gency housing rent control act; provided further that the provisions of  
11 sections four, five, six and seven of this act shall expire in accord-  
12 ance with the provisions of section 26-520 of the administrative code of  
13 the city of New York as such section of the administrative code is, from  
14 time to time, amended; provided further that the provisions of section  
15 26-511 of the administrative code of the city of New York, as amended by  
16 this act, which the New York City Department of Housing Preservation and  
17 Development must find are contained in the code of the real estate  
18 industry stabilization association of such city in order to approve it,  
19 shall be deemed contained therein as of the effective date of this act;  
20 and provided further that any plan accepted for filing by the department  
21 of law on or before the effective date of this act shall continue to be  
22 governed by the provisions of section 352-eeee of the general business  
23 law as they had existed immediately prior to the effective date of this  
24 act.

25 S 5. Section 4 of chapter 402 of the laws of 1983 amending the general  
26 business law relating to conversion of rental residential property to  
27 cooperative or condominium ownership in certain municipalities in the  
28 counties of Nassau, Westchester and Rockland, as amended by chapter 93  
29 of the laws of 2011, is amended to read as follows:

30 S 4. This act shall take effect immediately; provided, that the  
31 provisions of sections one and three of this act shall remain in full  
32 force and effect only until and including June [23, 2011] 15, 2015; and  
33 provided further that any plan accepted for filing by the department of  
34 law on or before the effective date of this act shall continue to be  
35 governed by the provisions of section 352-eee of the general business  
36 law as they had existed immediately prior to the effective date of this  
37 act.

38 S 6. Subdivision 6 of section 46 of chapter 116 of the laws of 1997  
39 constituting the rent regulation reform act of 1997, as amended by chap-  
40 ter 93 of the laws of 2011, is amended to read as follows:

41 6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-  
42 eight-c of this act shall expire and be deemed repealed after June [23,  
43 2011] 15, 2015;

44 S 7. Paragraph 5-a of subdivision c of section 26-511 of the adminis-  
45 trative code of the city of New York, as added by chapter 116 of the  
46 laws of 1997, is amended to read as follows:

47 (5-a) provides that, notwithstanding any provision of this chapter,  
48 the legal regulated rent for any vacancy lease entered into after the  
49 effective date of this paragraph shall be as hereinafter provided in  
50 this paragraph. The previous legal regulated rent for such housing  
51 accommodation shall be increased by the following: (i) if the vacancy  
52 lease is for a term of two years, twenty percent of the previous legal  
53 regulated rent; or (ii) if the vacancy lease is for a term of one year  
54 the increase shall be twenty percent of the previous legal regulated  
55 rent less an amount equal to the difference between (a) the two year  
56 renewal lease guideline promulgated by the guidelines board of the city

1 of New York applied to the previous legal regulated rent and (b) the one  
2 year renewal lease guideline promulgated by the guidelines board of the  
3 city of New York applied to the previous legal regulated rent. In addi-  
4 tion, if the legal regulated rent was not increased with respect to such  
5 housing accommodation by a permanent vacancy allowance within eight  
6 years prior to a vacancy lease executed on or after the effective date  
7 of this paragraph, the legal regulated rent may be further increased by  
8 an amount equal to the product resulting from multiplying such previous  
9 legal regulated rent by six-tenths of one percent and further multiply-  
10 ing the amount of rent increase resulting therefrom by the greater of  
11 (A) the number of years since the imposition of the last permanent  
12 vacancy allowance, or (B) if the rent was not increased by a permanent  
13 vacancy allowance since the housing accommodation became subject to this  
14 chapter, the number of years that such housing accommodation has been  
15 subject to this chapter. Provided that if the previous legal regulated  
16 rent was less than three hundred dollars the total increase shall be as  
17 calculated above plus one hundred dollars per month. Provided, further,  
18 that if the previous legal regulated rent was at least three hundred  
19 dollars and no more than five hundred dollars in no event shall the  
20 total increase pursuant to this paragraph be less than one hundred  
21 dollars per month. Such increase shall be in lieu of any allowance  
22 authorized for the one or two year renewal component thereof, but shall  
23 be in addition to any other increases authorized pursuant to this chap-  
24 ter including an adjustment based upon a major capital improvement, or a  
25 substantial modification or increase of dwelling space or services, or  
26 installation of new equipment or improvements or new furniture or  
27 furnishings provided in or to the housing accommodation pursuant to this  
28 section. THE INCREASE AUTHORIZED IN THIS PARAGRAPH MAY NOT BE IMPLE-  
29 MENTED MORE THAN ONE TIME IN ANY CALENDAR YEAR, NOTWITHSTANDING THE  
30 NUMBER OF VACANCY LEASES ENTERED INTO IN SUCH YEAR.

31 S 8. Subdivision (a-1) of section 10 of section 4 of chapter 576 of  
32 the laws of 1974, constituting the emergency tenant protection act of  
33 nineteen seventy-four, as added by chapter 116 of the laws of 1997, is  
34 amended to read as follows:

35 (a-1) provides that, notwithstanding any provision of this act, the  
36 legal regulated rent for any vacancy lease entered into after the effec-  
37 tive date of this subdivision shall be as hereinafter set forth. The  
38 previous legal regulated rent for such housing accommodation shall be  
39 increased by the following: (i) if the vacancy lease is for a term of  
40 two years, twenty percent of the previous legal regulated rent; or (ii)  
41 if the vacancy lease is for a term of one year the increase shall be  
42 twenty percent of the previous legal regulated rent less an amount equal  
43 to the difference between (a) the two year renewal lease guideline  
44 promulgated by the guidelines board of the county in which the housing  
45 accommodation is located applied to the previous legal regulated rent  
46 and (b) the one year renewal lease guideline promulgated by the guide-  
47 lines board of the county in which the housing accommodation is located  
48 applied to the previous legal regulated rent. In addition, if the legal  
49 regulated rent was not increased with respect to such housing accommo-  
50 dation by a permanent vacancy allowance within eight years prior to a  
51 vacancy lease executed on or after the effective date of this subdivi-  
52 sion, the legal regulated rent may be further increased by an amount  
53 equal to the product resulting from multiplying such previous legal  
54 regulated rent by six-tenths of one percent and further multiplying the  
55 amount of rent increase resulting therefrom by the greater of (A) the  
56 number of years since the imposition of the last permanent vacancy

1 allowance, or (B) if the rent was not increased by a permanent vacancy  
2 allowance since the housing accommodation became subject to this act,  
3 the number of years that such housing accommodation has been subject to  
4 this act. Provided that if the previous legal regulated rent was less  
5 than three hundred dollars the total increase shall be as calculated  
6 above plus one hundred dollars per month. Provided, further, that if the  
7 previous legal regulated rent was at least three hundred dollars and no  
8 more than five hundred dollars in no event shall the total increase  
9 pursuant to this subdivision be less than one hundred dollars per month.  
10 Such increase shall be in lieu of any allowance authorized for the one  
11 or two year renewal component thereof, but shall be in addition to any  
12 other increases authorized pursuant to this act including an adjustment  
13 based upon a major capital improvement, or a substantial modification or  
14 increase of dwelling space or services, or installation of new equipment  
15 or improvements or new furniture or furnishings provided in or to the  
16 housing accommodation pursuant to section six of this act. THE INCREASE  
17 AUTHORIZED IN THIS SUBDIVISION MAY NOT BE IMPLEMENTED MORE THAN ONE TIME  
18 IN ANY CALENDAR YEAR, NOTWITHSTANDING THE NUMBER OF VACANCY LEASES  
19 ENTERED INTO IN SUCH YEAR.

20 S 9. Paragraph (n) of subdivision 2 of section 2 of chapter 274 of the  
21 laws of 1946, constituting the emergency housing rent control law, as  
22 amended by chapter 82 of the laws of 2003, is amended to read as  
23 follows:

24 (n) any housing accommodation with a maximum rent of two thousand  
25 dollars or more per month at any time between the effective date of this  
26 paragraph and October first, nineteen hundred ninety-three which is or  
27 becomes vacant on or after the effective date of this paragraph[,]; or,  
28 FOR any housing accommodation with a maximum rent of two thousand  
29 dollars or more per month at any time on or after the effective date of  
30 the rent regulation reform act of 1997 AND BEFORE THE EFFECTIVE DATE OF  
31 THE RENT ACT OF 2011, which is or becomes vacant on or after the effec-  
32 tive date of the rent regulation reform act of 1997 AND BEFORE THE  
33 EFFECTIVE DATE OF THE RENT ACT OF 2011. THIS EXCLUSION SHALL APPLY  
34 REGARDLESS OF WHETHER THE NEXT TENANT IN OCCUPANCY OR ANY SUBSEQUENT  
35 TENANT IN OCCUPANCY IS CHARGED OR PAYS LESS THAN TWO THOUSAND DOLLARS A  
36 MONTH; OR, FOR ANY HOUSING ACCOMMODATION WITH A MAXIMUM RENT OF TWO  
37 THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH AT ANY TIME ON OR AFTER  
38 THE EFFECTIVE DATE OF THE RENT ACT OF 2011, WHICH IS OR BECOMES VACANT  
39 ON OR AFTER SUCH EFFECTIVE DATE. This exclusion shall apply regardless  
40 of whether the next tenant in occupancy or any subsequent tenant in  
41 occupancy actually is charged or pays less than two thousand FIVE  
42 HUNDRED dollars a month. [This] AN exclusion PURSUANT TO THIS PARAGRAPH  
43 shall not apply, however, to or become effective with respect to housing  
44 accommodations which the commissioner determines or finds that the land-  
45 lord or any person acting on his or her behalf, with intent to cause the  
46 tenant to vacate, has engaged in any course of conduct (including, but  
47 not limited to, interruption or discontinuance of required services)  
48 which interfered with or disturbed or was intended to interfere with or  
49 disturb the comfort, repose, peace or quiet of the tenant in his or her  
50 use or occupancy of the housing accommodations and in connection with  
51 such course of conduct, any other general enforcement provision of this  
52 law shall also apply.

53 S 10. Paragraph 13 of subdivision a of section 5 of section 4 of chap-  
54 ter 576 of the laws of 1974, constituting the emergency tenant  
55 protection act of nineteen seventy-four, as amended by chapter 82 of the  
56 laws of 2003, is amended to read as follows:

1 (13) any housing accommodation with a legal regulated rent of two  
2 thousand dollars or more per month at any time between the effective  
3 date of this paragraph and October first, nineteen hundred ninety-three  
4 which is or becomes vacant on or after the effective date of this para-  
5 graph[,]; or, FOR any housing accommodation with a legal regulated rent  
6 of two thousand dollars or more per month at any time on or after the  
7 effective date of the rent regulation reform act of 1997 AND BEFORE THE  
8 EFFECTIVE DATE OF THE RENT ACT OF 2011, which is or becomes vacant on or  
9 after the effective date of the rent regulation reform act of 1997 AND  
10 BEFORE THE EFFECTIVE DATE OF THE RENT ACT OF 2011. THIS EXCLUSION SHALL  
11 APPLY REGARDLESS OF WHETHER THE NEXT TENANT IN OCCUPANCY OR ANY SUBSE-  
12 QUENT TENANT IN OCCUPANCY IS CHARGED OR PAYS LESS THAN TWO THOUSAND  
13 DOLLARS A MONTH; OR, FOR ANY HOUSING ACCOMMODATION WITH A LEGAL REGU-  
14 LATED RENT OF TWO THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH AT ANY  
15 TIME ON OR AFTER THE EFFECTIVE DATE OF THE RENT ACT OF 2011, WHICH IS OR  
16 BECOMES VACANT ON OR AFTER SUCH EFFECTIVE DATE. [This] AN exclusion  
17 PURSUANT TO THIS PARAGRAPH shall apply regardless of whether the next  
18 tenant in occupancy or any subsequent tenant in occupancy actually is  
19 charged or pays less than two thousand FIVE HUNDRED dollars a month.  
20 Provided however, that [this] AN exclusion PURSUANT TO THIS PARAGRAPH  
21 shall not apply to housing accommodations which became or become subject  
22 to this act (a) by virtue of receiving tax benefits pursuant to section  
23 four hundred twenty-one-a or four hundred eighty-nine of the real prop-  
24 erty tax law, except as otherwise provided in subparagraph (i) of para-  
25 graph (f) of subdivision two of section four hundred twenty-one-a of the  
26 real property tax law, or (b) by virtue of article seven-C of the multi-  
27 ple dwelling law. This paragraph shall not apply, however, to or become  
28 effective with respect to housing accommodations which the commissioner  
29 determines or finds that the landlord or any person acting on his or her  
30 behalf, with intent to cause the tenant to vacate, has engaged in any  
31 course of conduct (including, but not limited to, interruption or  
32 discontinuance of required services) which interfered with or disturbed  
33 or was intended to interfere with or disturb the comfort, repose, peace  
34 or quiet of the tenant in his or her use or occupancy of the housing  
35 accommodations and in connection with such course of conduct, any other  
36 general enforcement provision of this act shall also apply.

37 S 11. Subparagraph (k) of paragraph 2 of subdivision e of section  
38 26-403 of the administrative code of the city of New York, as amended by  
39 chapter 82 of the laws of 2003, is amended to read as follows:

40 (k) Any housing accommodation which becomes vacant on or after April  
41 first, nineteen hundred ninety-seven AND BEFORE THE EFFECTIVE DATE OF  
42 THE RENT ACT OF 2011, and where at the time the tenant vacated such  
43 housing accommodation the maximum rent was two thousand dollars or more  
44 per month; or, FOR any housing accommodation which is or becomes vacant  
45 on or after the effective date of the rent regulation reform act of 1997  
46 AND BEFORE THE EFFECTIVE DATE OF THE RENT ACT OF 2011 with a maximum  
47 rent of two thousand dollars or more per month. THIS EXCLUSION SHALL  
48 APPLY REGARDLESS OF WHETHER THE NEXT TENANT IN OCCUPANCY OR ANY SUBSE-  
49 QUENT TENANT IN OCCUPANCY IS CHARGED OR PAYS LESS THAN TWO THOUSAND  
50 DOLLARS A MONTH; OR, FOR ANY HOUSING ACCOMMODATION WITH A MAXIMUM RENT  
51 OF TWO THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH AT ANY TIME ON OR  
52 AFTER THE EFFECTIVE DATE OF THE RENT ACT OF 2011, WHICH IS OR BECOMES  
53 VACANT ON OR AFTER SUCH EFFECTIVE DATE. This exclusion shall apply  
54 regardless of whether the next tenant in occupancy or any subsequent  
55 tenant in occupancy actually is charged or pays less than two thousand  
56 FIVE HUNDRED dollars a month. Provided however, that [this] AN exclu-



1 sion PURSUANT TO THIS SUBPARAGRAPH shall not apply to housing accommo-  
2 dations which became or become subject to this law by virtue of receiv-  
3 ing tax benefits pursuant to section four hundred eighty-nine of the  
4 real property tax law. This subparagraph shall not apply, however, to or  
5 become effective with respect to housing accommodations which the  
6 commissioner determines or finds that the landlord or any person acting  
7 on his or her behalf, with intent to cause the tenant to vacate, has  
8 engaged in any course of conduct (including, but not limited to, inter-  
9 ruption or discontinuance of required services) which interfered with or  
10 disturbed or was intended to interfere with or disturb the comfort,  
11 repose, peace or quiet of the tenant in his or her use or occupancy of  
12 the housing accommodations and in connection with such course of  
13 conduct, any other general enforcement provision of this law shall also  
14 apply.

15 S 12. Section 26-504.2 of the administrative code of the city of New  
16 York, as amended by chapter 116 of the laws of 1997, subdivision a as  
17 amended by chapter 82 of the laws of 2003 and subdivision b as added by  
18 local law number 12 of the city of New York for the year 2000, is  
19 amended to read as follows:

20 S 26-504.2 Exclusion of high rent accommodations. a. "Housing accommo-  
21 dations" shall not include: any housing accommodation which becomes  
22 vacant on or after April first, nineteen hundred ninety-seven AND BEFORE  
23 THE EFFECTIVE DATE OF THE RENT ACT OF 2011 and where at the time the  
24 tenant vacated such housing accommodation the legal regulated rent was  
25 two thousand dollars or more per month[,]; or, FOR any housing accommo-  
26 dation which is or becomes vacant on or after the effective date of the  
27 rent regulation reform act of 1997 AND BEFORE THE EFFECTIVE DATE OF THE  
28 RENT ACT OF 2011, with a legal regulated rent of two thousand dollars or  
29 more per month. THIS EXCLUSION SHALL APPLY REGARDLESS OF WHETHER THE  
30 NEXT TENANT IN OCCUPANCY OR ANY SUBSEQUENT TENANT IN OCCUPANCY IS  
31 CHARGED OR PAYS LESS THAN TWO THOUSAND DOLLARS A MONTH; OR, FOR ANY  
32 HOUSING ACCOMMODATION WITH A LEGAL REGULATED RENT OF TWO THOUSAND FIVE  
33 HUNDRED DOLLARS OR MORE PER MONTH AT ANY TIME ON OR AFTER THE EFFECTIVE  
34 DATE OF THE RENT ACT OF 2011, WHICH IS OR BECOMES VACANT ON OR AFTER  
35 SUCH EFFECTIVE DATE. This exclusion shall apply regardless of whether  
36 the next tenant in occupancy or any subsequent tenant in occupancy actu-  
37 ally is charged or pays less than two thousand FIVE HUNDRED dollars a  
38 month. Provided however, that [this] AN exclusion PURSUANT TO THIS  
39 SUBDIVISION shall not apply to housing accommodations which became or  
40 become subject to this law (a) by virtue of receiving tax benefits  
41 pursuant to section four hundred twenty-one-a or four hundred eighty-  
42 nine of the real property tax law, except as otherwise provided in  
43 subparagraph (i) of paragraph (f) of subdivision two of section four  
44 hundred twenty-one-a of the real property tax law, or (b) by virtue of  
45 article seven-C of the multiple dwelling law. This section shall not  
46 apply, however, to or become effective with respect to housing accommo-  
47 dations which the commissioner determines or finds that the landlord or  
48 any person acting on his or her behalf, with intent to cause the tenant  
49 to vacate, engaged in any course of conduct (including, but not limited  
50 to, interruption or discontinuance of required services) which interfer-  
51 ed with or disturbed or was intended to interfere with or disturb the  
52 comfort, repose, peace or quiet of the tenant in his or her use or occu-  
53 pancy of the housing accommodations and in connection with such course  
54 of conduct, any other general enforcement provision of this law shall  
55 also apply.

1 b. The owner of any housing accommodation that is not subject to this  
2 law pursuant to the provisions of subdivision a of this section or  
3 subparagraph k of paragraph 2 of subdivision e of section 26-403 of this  
4 code shall give written notice certified by such owner to the first  
5 tenant of that housing accommodation after such housing accommodation  
6 becomes exempt from the provisions of this law or the city rent and  
7 rehabilitation law. Such notice shall contain the last regulated rent,  
8 the reason that such housing accommodation is not subject to this law or  
9 the city rent and rehabilitation law, a calculation of how either the  
10 rental amount charged when there is no lease or the rental amount  
11 provided for in the lease has been derived so as to reach two thousand  
12 dollars or more per month OR, FOR A HOUSING ACCOMMODATION WITH A LEGAL  
13 REGULATED RENT OR MAXIMUM RENT OF TWO THOUSAND FIVE HUNDRED DOLLARS OR  
14 MORE PER MONTH ON OR AFTER THE EFFECTIVE DATE OF THE RENT ACT OF 2011,  
15 WHICH IS OR BECOMES VACANT ON OR AFTER SUCH EFFECTIVE DATE, WHETHER THE  
16 NEXT TENANT IN OCCUPANCY OR ANY SUBSEQUENT TENANT IN OCCUPANCY ACTUALLY  
17 IS CHARGED OR PAYS LESS THAN A LEGAL REGULATED RENT OR MAXIMUM RENT OF  
18 TWO THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH, a statement that  
19 the last legal regulated rent or the maximum rent may be verified by the  
20 tenant by contacting the state division of housing and community  
21 renewal, or any successor thereto, and the address and telephone number  
22 of such agency, or any successor thereto. Such notice shall be sent by  
23 certified mail within thirty days after the tenancy commences or after  
24 the signing of the lease by both parties, whichever occurs first or  
25 shall be delivered to the tenant at the signing of the lease. In addi-  
26 tion, the owner shall send and certify to the tenant a copy of the  
27 registration statement for such housing accommodation filed with the  
28 state division of housing and community renewal indicating that such  
29 housing accommodation became exempt from the provisions of this law or  
30 the city rent and rehabilitation law, which form shall include the last  
31 regulated rent, and shall be sent to the tenant within thirty days after  
32 the tenancy commences or the filing of such registration, whichever  
33 occurs later.

34 S 13. Subdivision a-2 of section 10 of section 4 of chapter 576 of the  
35 laws of 1974, constituting the emergency tenant protection act of nine-  
36 teen seventy-four, as added by chapter 82 of the laws of 2003, is  
37 amended to read as follows:

38 [a-2.] (A-2) Provides that where the amount of rent charged to and  
39 paid by the tenant is less than the legal regulated rent for the housing  
40 accommodation, the amount of rent for such housing accommodation which  
41 may be charged upon renewal or upon vacancy thereof may, at the option  
42 of the owner, be based upon such previously established legal regulated  
43 rent, as adjusted by the most recent applicable guidelines increases and  
44 other increases authorized by law. Where, subsequent to vacancy, such  
45 legal regulated rent, as adjusted by the most recent applicable guide-  
46 lines increases and any other increases authorized by law is two thou-  
47 sand dollars or more per month OR, FOR ANY HOUSING ACCOMMODATION WHICH  
48 IS OR BECOMES VACANT ON OR AFTER THE EFFECTIVE DATE OF THE RENT ACT OF  
49 2011, IS TWO THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH, such hous-  
50 ing accommodation shall be excluded from the provisions of this act  
51 pursuant to paragraph thirteen of subdivision a of section five of this  
52 act.

53 S 14. Paragraph 14 of subdivision c of section 26-511 of the adminis-  
54 trative code of the city of New York, as added by chapter 82 of the laws  
55 of 2003, is amended to read as follows:

1 (14) provides that where the amount of rent charged to and paid by the  
2 tenant is less than the legal regulated rent for the housing accommo-  
3 dation, the amount of rent for such housing accommodation which may be  
4 charged upon renewal or upon vacancy thereof may, at the option of the  
5 owner, be based upon such previously established legal regulated rent,  
6 as adjusted by the most recent applicable guidelines increases and any  
7 other increases authorized by law. Where, subsequent to vacancy, such  
8 legal regulated rent, as adjusted by the most recent applicable guide-  
9 lines increases and any other increases authorized by law is two thou-  
10 sand dollars or more per month OR, FOR ANY HOUSING ACCOMMODATION WHICH  
11 IS OR BECOMES VACANT ON OR AFTER THE EFFECTIVE DATE OF THE RENT ACT OF  
12 2011, IS TWO THOUSAND FIVE HUNDRED DOLLARS OR MORE PER MONTH, such hous-  
13 ing accommodation shall be excluded from the provisions of this law  
14 pursuant to section 26-504.2 of this chapter.

15 S 15. Subparagraph (e) of paragraph 1 of subdivision g of section  
16 26-405 of the administrative code of the city of New York, as amended by  
17 chapter 253 of the laws of 1993, is amended to read as follows:

18 (e) The landlord and tenant by mutual voluntary written agreement  
19 agree to a substantial increase or decrease in dwelling space or a  
20 change in the services, furniture, furnishings or equipment provided in  
21 the housing accommodations. An adjustment under this subparagraph shall  
22 be equal to one-fortieth, IN THE CASE OF A BUILDING WITH THIRTY-FIVE OR  
23 FEWER HOUSING ACCOMMODATIONS, OR ONE-SIXTIETH, IN THE CASE OF A BUILDING  
24 WITH MORE THAN THIRTY-FIVE HOUSING ACCOMMODATIONS WHERE SUCH ADJUSTMENT  
25 TAKES EFFECT ON OR AFTER SEPTEMBER TWENTY-FOURTH, TWO THOUSAND ELEVEN,  
26 of the total cost incurred by the landlord in providing such modifica-  
27 tion or increase in dwelling space, services, furniture, furnishings or  
28 equipment, including the cost of installation, but excluding finance  
29 charges, provided further [than] THAT an owner who is entitled to a rent  
30 increase pursuant to this subparagraph shall not be entitled to a  
31 further rent increase based upon the installation of similar equipment,  
32 or new furniture or furnishings within the useful life of such new  
33 equipment, or new furniture or furnishings. The owner shall give written  
34 notice to the city rent agency of any such adjustment pursuant to this  
35 subparagraph[.]; or

36 S 16. Paragraph 13 of subdivision c of section 26-511 of the adminis-  
37 trative code of the city of New York, as added by chapter 253 of the  
38 laws of 1993, is amended to read as follows:

39 (13) provides that an owner is entitled to a rent increase where there  
40 has been a substantial modification or increase of dwelling space or an  
41 increase in the services, or installation of new equipment or improve-  
42 ments or new furniture or furnishings provided in or to a tenant's hous-  
43 ing accommodation, on written tenant consent to the rent increase. In  
44 the case of a vacant housing accommodation, tenant consent shall not be  
45 required. The permanent increase in the legal regulated rent for the  
46 affected housing accommodation shall be one-fortieth, IN THE CASE OF A  
47 BUILDING WITH THIRTY-FIVE OR FEWER HOUSING ACCOMMODATIONS, OR ONE-SIXTI-  
48 ETH, IN THE CASE OF A BUILDING WITH MORE THAN THIRTY-FIVE HOUSING ACCOM-  
49 MODATIONS WHERE SUCH PERMANENT INCREASE TAKES EFFECT ON OR AFTER SEPTEM-  
50 BER TWENTY-FOURTH, TWO THOUSAND ELEVEN, of the total cost incurred by  
51 the landlord in providing such modification or increase in dwelling  
52 space, services, furniture, furnishings or equipment, including the cost  
53 of installation, but excluding finance charges. Provided further that an  
54 owner who is entitled to a rent increase pursuant to this paragraph  
55 shall not be entitled to a further rent increase based upon the instal-

lation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

S 17. Intentionally omitted.

S 18. Paragraph 1 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as added by chapter 253 of the laws of 1993, is amended to read as follows:

(1) there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings, provided in or to a tenant's housing accommodation, on written tenant consent to the rent increase. In the case of a vacant housing accommodation, tenant consent shall not be required. The permanent increase in the legal regulated rent for the affected housing accommodation shall be one-fortieth, IN THE CASE OF A BUILDING WITH THIRTY-FIVE OR FEWER HOUSING ACCOMMODATIONS, OR ONE-SIXTIETH, IN THE CASE OF A BUILDING WITH MORE THAN THIRTY-FIVE HOUSING ACCOMMODATIONS WHERE SUCH PERMANENT INCREASE TAKES EFFECT ON OR AFTER SEPTEMBER TWENTY-FOURTH, TWO THOUSAND ELEVEN, of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges. Provided further [than] THAT an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

S 19. Intentionally omitted.

S 20. Intentionally omitted.

S 21. Intentionally omitted.

S 22. Intentionally omitted.

S 23. Intentionally omitted.

S 24. Intentionally omitted.

S 25. The second undesignated paragraph of paragraph (a) of subdivision 4 of section 4 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, as amended by chapter 21 of the laws of 1962, clause 5 as amended by chapter 253 of the laws of 1993, is amended to read as follows:

No application for adjustment of maximum rent based upon a sales price valuation shall be filed by the landlord under this subparagraph prior to six months from the date of such sale of the property. In addition, no adjustment ordered by the commission based upon such sales price valuation shall be effective prior to one year from the date of such sale. Where, however, the assessed valuation of the land exceeds four times the assessed valuation of the buildings thereon, the commission may determine a valuation of the property equal to five times the equalized assessed valuation of the buildings, for the purposes of this subparagraph. The commission may make a determination that the valuation of the property is an amount different from such equalized assessed valuation where there is a request for a reduction in such assessed valuation currently pending; or where there has been a reduction in the assessed valuation for the year next preceding the effective date of the current assessed valuation in effect at the time of the filing of the application. Net annual return shall be the amount by which the earned income exceeds the operating expenses of the property, excluding mortgage interest and amortization, and excluding allowances for obsolescence and reserves, but including an allowance for

1 depreciation of two per centum of the value of the buildings exclusive  
2 of the land, or the amount shown for depreciation of the buildings in  
3 the latest required federal income tax return, whichever is lower;  
4 provided, however, that (1) no allowance for depreciation of the build-  
5 ings shall be included where the buildings have been fully depreciated  
6 for federal income tax purposes or on the books of the owner; or (2) the  
7 landlord who owns no more than four rental units within the state has  
8 not been fully compensated by increases in rental income sufficient to  
9 offset unavoidable increases in property taxes, fuel, utilities, insur-  
10 ance and repairs and maintenance, excluding mortgage interest and amor-  
11 tization, and excluding allowances for depreciation, obsolescence and  
12 reserves, which have occurred since the federal date determining the  
13 maximum rent or the date the property was acquired by the present owner,  
14 whichever is later; or (3) the landlord operates a hotel or rooming  
15 house or owns a cooperative apartment and has not been fully compensated  
16 by increases in rental income from the controlled housing accommodations  
17 sufficient to offset unavoidable increases in property taxes and other  
18 costs as are allocable to such controlled housing accommodations,  
19 including costs of operation of such hotel or rooming house, but exclud-  
20 ing mortgage interest and amortization, and excluding allowances for  
21 depreciation, obsolescence and reserves, which have occurred since the  
22 federal date determining the maximum rent or the date the landlord  
23 commenced the operation of the property, whichever is later; or (4) the  
24 landlord and tenant voluntarily enter into a valid written lease in good  
25 faith with respect to any housing accommodation, which lease provides  
26 for an increase in the maximum rent not in excess of fifteen per centum  
27 and for a term of not less than two years, except that where such lease  
28 provides for an increase in excess of fifteen per centum, the increase  
29 shall be automatically reduced to fifteen per centum; or (5) the land-  
30 lord and tenant by mutual voluntary written agreement agree to a  
31 substantial increase or decrease in dwelling space or a change in the  
32 services, furniture, furnishings or equipment provided in the housing  
33 accommodations; provided that an owner shall be entitled to a rent  
34 increase where there has been a substantial modification or increase of  
35 dwelling space or an increase in the services, or installation of new  
36 equipment or improvements or new furniture or furnishings provided in or  
37 to a tenant's housing accommodation. The permanent increase in the maxi-  
38 mum rent for the affected housing accommodation shall be one-fortieth,  
39 IN THE CASE OF A BUILDING WITH THIRTY-FIVE OR FEWER HOUSING ACCOMMO-  
40 DATIONS, OR ONE-SIXTIETH, IN THE CASE OF A BUILDING WITH MORE THAN THIR-  
41 TY-FIVE HOUSING ACCOMMODATIONS WHERE SUCH PERMANENT INCREASE TAKES  
42 EFFECT ON OR AFTER SEPTEMBER TWENTY-FOURTH, TWO THOUSAND ELEVEN, of the  
43 total cost incurred by the landlord in providing such modification or  
44 increase in dwelling space, services, furniture, furnishings or equip-  
45 ment, including the cost of installation, but excluding finance charges  
46 provided further that an owner who is entitled to a rent increase pursu-  
47 ant to this clause shall not be entitled to a further rent increase  
48 based upon the installation of similar equipment, or new furniture or  
49 furnishings within the useful life of such new equipment, or new furni-  
50 ture or furnishings. The owner shall give written notice to the commis-  
51 sion of any such adjustment pursuant to this clause; or (6) there has  
52 been, since March first, nineteen hundred fifty, an increase in the  
53 rental value of the housing accommodations as a result of a substantial  
54 rehabilitation of the building or housing accommodation therein which  
55 materially adds to the value of the property or appreciably prolongs its  
56 life, excluding ordinary repairs, maintenance and replacements; or (7)

1 there has been since March first, nineteen hundred fifty, a major capi-  
2 tal improvement required for the operation, preservation or maintenance  
3 of the structure; or (8) there has been since March first, nineteen  
4 hundred fifty, in structures containing more than four housing accommo-  
5 dations, other improvements made with the express consent of the tenants  
6 in occupancy of at least seventy-five per centum of the housing accom-  
7 modations, provided, however, that no adjustment granted hereunder shall  
8 exceed fifteen per centum unless the tenants have agreed to a higher  
9 percentage of increase, as herein provided; or (9) there has been,  
10 since March first, nineteen hundred fifty, a subletting without written  
11 consent from the landlord or an increase in the number of adult occu-  
12 pants who are not members of the immediate family of the tenant, and the  
13 landlord has not been compensated therefor by adjustment of the maximum  
14 rent by lease or order of the commission or pursuant to the federal act;  
15 or (10) the presence of unique or peculiar circumstances materially  
16 affecting the maximum rent has resulted in a maximum rent which is  
17 substantially lower than the rents generally prevailing in the same area  
18 for substantially similar housing accommodations.

19 S 26. Intentionally omitted.

20 S 27. Intentionally omitted.

21 S 28. Intentionally omitted.

22 S 29. Paragraph 12 of subdivision a of section 5 of section 4 of chap-  
23 ter 576 of the laws of 1974, constituting the emergency tenant  
24 protection act of nineteen seventy-four, as amended by chapter 116 of  
25 the laws of 1997, is amended to read as follows:

26 (12) upon issuance of an order by the division, housing accommodations  
27 which are: (1) occupied by persons who have a total annual income [in  
28 excess of one hundred seventy-five thousand dollars per annum in each of  
29 the two preceding calendar years, as defined in and subject to the limi-  
30 tations and process set forth in section five-a of this act] AS DEFINED  
31 IN AND SUBJECT TO THE LIMITATIONS AND PROCESS SET FORTH IN SECTION  
32 FIVE-A OF THIS ACT IN EXCESS OF THE DEREGULATION INCOME THRESHOLD, AS  
33 DEFINED IN SECTION FIVE-A OF THIS ACT, IN EACH OF THE TWO PRECEDING  
34 CALENDAR YEARS; and (2) have a legal regulated rent [of two thousand  
35 dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT  
36 THRESHOLD, AS DEFINED IN SECTION FIVE-A OF THIS ACT. Provided however,  
37 that this exclusion shall not apply to housing accommodations which  
38 became or become subject to this act (a) by virtue of receiving tax  
39 benefits pursuant to section four hundred twenty-one-a or four hundred  
40 eighty-nine of the real property tax law, except as otherwise provided  
41 in subparagraph (i) of paragraph (f) of subdivision two of section four  
42 hundred twenty-one-a of the real property tax law, or (b) by virtue of  
43 article seven-C of the multiple dwelling law.

44 S 30. Section 5-a of section 4 of chapter 576 of the laws of 1974,  
45 constituting the emergency tenant protection act of nineteen seventy-  
46 four, as added by chapter 253 of the laws of 1993, subdivision (b) and  
47 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as  
48 added by chapter 116 of the laws of 1997, is amended to read as follows:

49 S 5-a. High income rent [decontrol] DEREGULATION. (a) 1. For purposes  
50 of this section, annual income shall mean the federal adjusted gross  
51 income as reported on the New York state income tax return. Total annual  
52 income means the sum of the annual incomes of all persons whose names  
53 are recited as the tenant or co-tenant on a lease who occupy the housing  
54 accommodation and all other persons that occupy the housing accommo-  
55 dation as their primary residence on other than a temporary basis,  
56 excluding bona fide employees of such occupants residing therein in

1 connection with such employment and excluding bona fide subtenants in  
2 occupancy pursuant to the provisions of section two hundred twenty-six-b  
3 of the real property law. In the case where a housing accommodation is  
4 sublet, the annual income of the tenant or co-tenant recited on the  
5 lease who will reoccupy the housing accommodation upon the expiration of  
6 the sublease shall be considered.

7 2. DEREGULATION INCOME THRESHOLD MEANS TOTAL ANNUAL INCOME EQUAL TO  
8 ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
9 CALENDAR YEARS FOR PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND  
10 ELEVEN. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND  
11 ELEVEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME  
12 EQUAL TO TWO HUNDRED THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
13 CALENDAR YEARS.

14 3. DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND DOLLARS FOR  
15 PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND ELEVEN. FOR  
16 PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN, THE  
17 DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND FIVE HUNDRED DOLLARS.

18 (b) On or before the first day of May in each calendar year, the owner  
19 of each housing accommodation for which the legal regulated MONTHLY rent  
20 [is two thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREG-  
21 ULATION RENT THRESHOLD may provide the tenant or tenants residing there-  
22 in with an income certification form prepared by the division of housing  
23 and community renewal on which such tenant or tenants shall identify all  
24 persons referred to in subdivision (a) of this section and shall certify  
25 whether the total annual income is in excess of [one hundred seventy-  
26 five thousand dollars in each of the two preceding calendar years] THE  
27 DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR  
28 YEARS. Such income certification form shall state that the income level  
29 certified to by the tenant may be subject to verification by the depart-  
30 ment of taxation and finance pursuant to section one hundred seventy-  
31 one-b of the tax law, and shall not require disclosure of any informa-  
32 tion other than whether the aforementioned threshold has been exceeded.  
33 Such income certification form shall clearly state that: (i) only  
34 tenants residing in housing accommodations which had a legal regulated  
35 MONTHLY rent [of two thousand dollars or more per month] THAT EQUALS OR  
36 EXCEEDS THE DEREGULATION RENT THRESHOLD are required to complete the  
37 certification form; (ii) that tenants have protections available to them  
38 which are designed to prevent harassment; (iii) that tenants are not  
39 required to provide any information regarding their income except that  
40 which is requested on the form and may contain such other information  
41 the division deems appropriate. The tenant or tenants shall return the  
42 completed certification to the owner within thirty days after service  
43 upon the tenant or tenants. In the event that the total annual income as  
44 certified is in excess of [one hundred seventy-five thousand dollars in  
45 each such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
46 PRECEDING CALENDAR YEARS, the owner may file the certification with the  
47 state division of housing and community renewal on or before June thir-  
48 tieth of such year. Upon filing such certification with the division,  
49 the division shall, within thirty days after the filing, issue an order  
50 providing that such housing accommodation shall not be subject to the  
51 provisions of this act upon the expiration of the existing lease. A copy  
52 of such order shall be mailed by regular and certified mail, return  
53 receipt requested, to the tenant or tenants and a copy thereof shall be  
54 mailed to the owner.

55 (c) 1. In the event that the tenant or tenants either fail to return  
56 the completed certification to the owner on or before the date required

1 by subdivision (b) of this section or the owner disputes the certifi-  
2 cation returned by the tenant or tenants, the owner may, on or before  
3 June thirtieth of such year, petition the state division of housing and  
4 community renewal to verify, pursuant to section one hundred seventy-  
5 one-b of the tax law, whether the total annual income exceeds [one  
6 hundred seventy-five thousand dollars in each of the two preceding  
7 calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
8 PRECEDING CALENDAR YEARS. Within twenty days after the filing of such  
9 request with the division, the division shall notify the tenant or  
10 tenants that such tenant or tenants named on the lease must provide the  
11 division with such information as the division and the department of  
12 taxation and finance shall require to verify whether the total annual  
13 income exceeds [one hundred seventy-five thousand dollars in each such  
14 year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING  
15 CALENDAR YEARS. The division's notification shall require the tenant or  
16 tenants to provide the information to the division within sixty days of  
17 service upon such tenant or tenants and shall include a warning in bold  
18 faced type that failure to respond will result in an order being issued  
19 by the division providing that such housing accommodations shall not be  
20 subject to the provisions of this act.

21 2. If the department of taxation and finance determines that the total  
22 annual income is in excess of [one hundred seventy-five thousand dollars  
23 in each of the two preceding calendar years] THE DEREGULATION INCOME  
24 THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the division  
25 shall, on or before November fifteenth of such year, notify the owner  
26 and tenants of the results of such verification. Both the owner and the  
27 tenants shall have thirty days within which to comment on such verifica-  
28 tion results. Within forty-five days after the expiration of the  
29 comment period, the division shall, where appropriate, issue an order  
30 providing that such housing accommodation shall not be subject to the  
31 provisions of this act upon expiration of the existing lease. A copy of  
32 such order shall be mailed by regular and certified mail, return receipt  
33 requested, to the tenant or tenants and a copy thereof shall be sent to  
34 the owner.

35 3. In the event the tenant or tenants fail to provide the information  
36 required pursuant to paragraph one of this subdivision, the division  
37 shall issue, on or before December first of such year, an order provid-  
38 ing that such housing accommodation shall not be subject to the  
39 provisions of this act upon the expiration [or] OF the current lease. A  
40 copy of such order shall be mailed by regular and certified mail, return  
41 receipt requested, to the tenant or tenants and a copy thereof shall be  
42 sent to the owner.

43 4. The provisions of the state freedom of information act shall not  
44 apply to any income information obtained by the division pursuant to  
45 this section.

46 (d) This section shall apply only to paragraph twelve of subdivision a  
47 of section five of this act.

48 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to  
49 this section, an owner shall offer the housing accommodation subject to  
50 such order to the tenant at a rent not in excess of the market rent,  
51 which for the purposes of this section means a rent obtainable in an  
52 arm's length transaction. Such rental offer shall be made by the owner  
53 in writing to the tenant by certified and regular mail and shall inform  
54 the tenant that such offer must be accepted in writing within ten days  
55 of receipt. The tenant shall respond within ten days after receipt of  
56 such offer. If the tenant declines the offer or fails to respond within



1 such period, the owner may commence an action or proceeding for the  
2 eviction of such tenant.

3 S 31. Paragraph (m) of subdivision 2 of section 2 of chapter 274 of  
4 the laws of 1946, constituting the emergency housing rent control law,  
5 as amended by chapter 116 of the laws of 1997, is amended to read as  
6 follows:

7 (m) upon the issuance of an order of [decontrol] DEREGULATION by the  
8 division, housing accommodations which: (1) are occupied by persons who  
9 have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITATIONS  
10 AND PROCESS SET FORTH IN SECTION TWO-A OF THIS LAW, in excess of [one  
11 hundred seventy-five thousand dollars in each of the two preceding  
12 calendar years, as defined in and subject to the limitations and process  
13 set forth in section two-a of this law] THE DEREGULATION INCOME THRESH-  
14 OLD AS DEFINED IN SECTION TWO-A OF THIS LAW IN EACH OF THE TWO PRECEDING  
15 CALENDAR YEARS; and (2) have a maximum rent [of two thousand dollars or  
16 more per month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD  
17 AS DEFINED IN SECTION TWO-A OF THIS LAW.

18 S 32. Section 2-a of chapter 274 of the laws of 1946, constituting the  
19 emergency housing rent control law, as added by chapter 253 of the laws  
20 of 1993, subdivision (b) and paragraphs 1 and 2 of subdivision (c) as  
21 amended and subdivision (e) as added by chapter 116 of the laws of 1997,  
22 is amended to read as follows:

23 S 2-a. (a) 1. For purposes of this section, annual income shall mean  
24 the federal adjusted gross income as reported on the New York state  
25 income tax return. Total annual income means the sum of the annual  
26 incomes of all persons who occupy the housing accommodation as their  
27 primary residence on other than a temporary basis, excluding bona fide  
28 employees of such occupants residing therein in connection with such  
29 employment and excluding bona fide subtenants in occupancy pursuant to  
30 the provisions of section two hundred twenty-six-b of the real property  
31 law. In the case where a housing accommodation is sublet, the annual  
32 income of the sublessor shall be considered.

33 2. DEREGULATION INCOME THRESHOLD MEANS TOTAL ANNUAL INCOME EQUAL TO  
34 ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
35 CALENDAR YEARS FOR PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND  
36 ELEVEN. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND  
37 ELEVEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME  
38 EQUAL TO TWO HUNDRED THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
39 CALENDAR YEARS.

40 3. DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND DOLLARS FOR  
41 PROCEEDINGS COMMENCED PRIOR TO JULY FIRST, TWO THOUSAND ELEVEN. FOR  
42 PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN, THE  
43 DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND FIVE HUNDRED DOLLARS.

44 (b) On or before the first day of May in each calendar year, the owner  
45 of each housing accommodation for which the maximum MONTHLY rent [is two  
46 thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION  
47 RENT THRESHOLD may provide the tenant or tenants residing therein with  
48 an income certification form prepared by the division of housing and  
49 community renewal on which such tenant or tenants shall identify all  
50 persons referred to in subdivision (a) of this section and shall certify  
51 whether the total annual income is in excess of [one hundred seventy-  
52 five thousand dollars in each of the two preceding calendar years] THE  
53 DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR  
54 YEARS. Such income certification form shall state that the income level  
55 certified to by the tenant may be subject to verification by the depart-  
56 ment of taxation and finance pursuant to section one hundred seventy-

1 one-b of the tax law and shall not require disclosure of any income  
2 information other than whether the aforementioned threshold has been  
3 exceeded. Such income certification form shall clearly state that: (i)  
4 only tenants residing in housing accommodations which had a maximum  
5 MONTHLY rent EQUAL TO OR IN EXCESS of [two thousand dollars or more per  
6 month] THE DEREGULATION RENT THRESHOLD are required to complete the  
7 certification form; (ii) that tenants have protections available to them  
8 which are designed to prevent harassment; (iii) that tenants are not  
9 required to provide any information regarding their income except that  
10 which is requested on the form and may contain such other information  
11 the division deems appropriate. The tenant or tenants shall return the  
12 completed certification to the owner within thirty days after service  
13 upon the tenant or tenants. In the event that the total annual income as  
14 certified is in excess of [one hundred seventy-five thousand dollars in  
15 each such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
16 PRECEDING CALENDAR YEARS, the owner may file the certification with the  
17 state division of housing and community renewal on or before June thir-  
18 tieth of such year. Upon filing such certification with the division,  
19 the division shall, within thirty days after the filing, issue an order  
20 of [decontrol] DEREGULATION providing that such housing accommodations  
21 shall not be subject to the provisions of this law as of the first day  
22 of June in the year next succeeding the filing of the certification by  
23 the owner. A copy of such order shall be mailed by regular and certified  
24 mail, return receipt requested, to the tenant or tenants and a copy  
25 thereof shall be mailed to the owner.

26 (c) 1. In the event that the tenant or tenants either fail to return  
27 the completed certification to the owner on or before the date required  
28 by subdivision (b) of this section or the owner disputes the certifi-  
29 cation returned by the tenant or tenants, the owner may, on or before  
30 June thirtieth of such year, petition the state division of housing and  
31 community renewal to verify, pursuant to section one hundred seventy-  
32 one-b of the tax law, whether the total annual income exceeds [one  
33 hundred seventy-five thousand dollars in each of the two preceding  
34 calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
35 PRECEDING CALENDAR YEARS. Within twenty days after the filing of such  
36 request with the division, the division shall notify the tenant or  
37 tenants that such tenant or tenants must provide the division with such  
38 information as the division and the department of taxation and finance  
39 shall require to verify whether the total annual income exceeds [one  
40 hundred seventy-five thousand dollars in each such year] THE DEREGU-  
41 LATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS.  
42 The division's notification shall require the tenant or tenants to  
43 provide the information to the division within sixty days of service  
44 upon such tenant or tenants and shall include a warning in bold faced  
45 type that failure to respond will result in an order of [decontrol]  
46 DEREGULATION being issued by the division for such housing accommo-  
47 dation.

48 2. If the department of taxation and finance determines that the total  
49 annual income is in excess of [one hundred seventy-five thousand dollars  
50 in each of the two preceding calendar years] THE DEREGULATION INCOME  
51 THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the division  
52 shall, on or before November fifteenth of such year, notify the owner  
53 and tenants of the results of such verification. Both the owner and the  
54 tenants shall have thirty days within which to comment on such verifica-  
55 tion results. Within forty-five days after the expiration of the  
56 comment period, the division shall, where appropriate, issue an order of

1 [decontrol] DEREGULATION providing that such housing accommodation shall  
2 not be subject to the provisions of this law as of the first day of  
3 March in the year next succeeding the filing of the owner's petition  
4 with the division. A copy of such order shall be mailed by regular and  
5 certified mail, return receipt requested, to the tenant or tenants and a  
6 copy thereof shall be sent to the owner.

7 3. In the event the tenant or tenants fail to provide the information  
8 required pursuant to paragraph one of this subdivision, the division  
9 shall issue, on or before December first of such year, an order of  
10 [decontrol] DEREGULATION providing that such housing accommodation shall  
11 not be subject to the provisions of this law as of the first day of  
12 March in the year next succeeding the last day on which the tenant or  
13 tenants were required to provide the information required by such para-  
14 graph. A copy of such order shall be mailed by regular and certified  
15 mail, return receipt requested, to the tenant or tenants and a copy  
16 thereof shall be sent to the owner.

17 4. The provisions of the state freedom of information act shall not  
18 apply to any income information obtained by the division pursuant to  
19 this section.

20 (d) This section shall apply only to paragraph (m) of subdivision two  
21 of section two of this law.

22 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to  
23 this section, an owner shall offer the housing accommodation subject to  
24 such order to the tenant at a rent not in excess of the market rent,  
25 which for the purposes of this section means a rent obtainable in an  
26 arm's length transaction. Such rental offer shall be made by the owner  
27 in writing to the tenant by certified and regular mail and shall inform  
28 the tenant that such offer must be accepted in writing within ten days  
29 of receipt. The tenant shall respond within ten days after receipt of  
30 such offer. If the tenant declines the offer or fails to respond within  
31 such period, the owner may commence an action or proceeding for the  
32 eviction of such tenant.

33 S 33. Subparagraph (j) of paragraph 2 of subdivision e of section  
34 26-403 of the administrative code of the city of New York, as amended by  
35 chapter 116 of the laws of 1997, is amended to read as follows:

36 (j) Upon the issuance of an order of [decontrol] DEREGULATION by the  
37 division, housing accommodations which: (1) are occupied by persons who  
38 have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITATIONS  
39 AND PROCESS SET FORTH IN SECTION 26-403.1 OF THIS CHAPTER, in excess of  
40 [one hundred seventy-five thousand dollars per annum] THE DEREGULATION  
41 INCOME THRESHOLD, AS DEFINED IN SECTION 26-403.1 OF THIS CHAPTER, in  
42 each of the two preceding calendar years[, as defined in and subject to  
43 the limitations and process set forth in section 26-403.1 of this chap-  
44 ter]; and (2) have a maximum rent [of two thousand dollars or more per  
45 month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD, AS  
46 DEFINED IN SECTION 26-403.1 OF THIS CHAPTER. Provided however, that  
47 this exclusion shall not apply to housing accommodations which became or  
48 become subject to this law by virtue of receiving tax benefits pursuant  
49 to section four hundred eighty-nine of the real property tax law.

50 S 34. Section 26-403.1 of the administrative code of the city of New  
51 York, as added by chapter 253 of the laws of 1993, subdivision (b) and  
52 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as  
53 added by chapter 116 of the laws of 1997, is amended to read as follows:

54 S 26-403.1 High income rent [decontrol] DEREGULATION. (a) 1. For  
55 purposes of this section, annual income shall mean the federal adjusted  
56 gross income as reported on the New York state income tax return. Total

1 annual income means the sum of the annual incomes of all persons who  
2 occupy the housing accommodation as their primary residence other than  
3 on a temporary basis, excluding bona fide employees of such occupants  
4 residing therein in connection with such employment and excluding bona  
5 fide subtenants in occupancy pursuant to the provisions of section two  
6 hundred twenty-six-b of the real property law. In the case where a hous-  
7 ing accommodation is sublet, the annual income of the sublessor shall be  
8 considered.

9 2. DEREGULATION INCOME THRESHOLD MEANS TOTAL ANNUAL INCOME EQUAL TO  
10 ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
11 CALENDAR YEARS FOR PROCEEDINGS COMMENCED PRIOR TO JULY FIRST, TWO THOU-  
12 SAND ELEVEN. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO  
13 THOUSAND ELEVEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNU-  
14 AL INCOME EQUAL TO TWO HUNDRED THOUSAND DOLLARS IN EACH OF THE TWO  
15 PRECEDING CALENDAR YEARS.

16 3. DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND DOLLARS FOR  
17 PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND ELEVEN. FOR  
18 PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN, THE  
19 DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND FIVE HUNDRED DOLLARS.

20 (b) On or before the first day of May in each calendar year, the owner  
21 of each housing accommodation for which the maximum rent [is two thou-  
22 sand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION RENT  
23 THRESHOLD may provide the tenant or tenants residing therein with an  
24 income certification form prepared by the division of housing and commu-  
25 nity renewal on which such tenant or tenants shall identify all persons  
26 referred to in subdivision (a) of this section and shall certify whether  
27 the total annual income is in excess of [one hundred seventy-five thou-  
28 sand dollars in each of the two preceding calendar years] THE DEREGU-  
29 LATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS.  
30 Such income certification form shall state that the income level certi-  
31 fied to by the tenant may be subject to verification by the department  
32 of taxation and finance pursuant to section one hundred seventy-one-b of  
33 the tax law and shall not require disclosure of any income information  
34 other than whether the aforementioned threshold has been exceeded. Such  
35 income certification form shall clearly state that: (i) only tenants  
36 residing in housing accommodations which have a maximum MONTHLY rent [of  
37 two thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE  
38 DEREGULATION RENT THRESHOLD are required to complete the certification  
39 form; (ii) that tenants have protections available to them which are  
40 designed to prevent harassment; (iii) that tenants are not required to  
41 provide any information regarding their income except that which is  
42 requested on the form and may contain such other information the divi-  
43 sion deems appropriate. The tenant or tenants shall return the completed  
44 certification to the owner within thirty days after service upon the  
45 tenant or tenants. In the event that the total annual income as certi-  
46 fied is in excess of [one hundred seventy-five thousand dollars in each  
47 such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECED-  
48 ING CALENDAR YEARS, the owner may file the certification with the state  
49 division of housing and community renewal on or before June thirtieth of  
50 such year. Upon filing such certification with the division, the divi-  
51 sion shall, within thirty days after the filing, issue an order of  
52 [decontrol] DEREGULATION providing that such housing accommodations  
53 shall not be subject to the provisions of this law as of the first day  
54 of June in the year next succeeding the filing of the certification by  
55 the owner. A copy of such order shall be mailed by regular and certified

1 mail, return receipt requested, to the tenant or tenants and a copy  
2 thereof shall be mailed to the owner.

3 (c) 1. In the event that the tenant or tenants either fail to return  
4 the completed certification to the owner on or before the date required  
5 by subdivision (b) of this section or the owner disputes the certifi-  
6 cation returned by the tenant or tenants, the owner may, on or before  
7 June thirtieth of such year, petition the state division of housing and  
8 community renewal to verify, pursuant to section one hundred seventy-  
9 one-b of the tax law, whether the total annual income exceeds [one  
10 hundred seventy-five thousand dollars in each of the two preceding  
11 calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
12 PRECEDING CALENDAR YEARS. Within twenty days after the filing of such  
13 request with the division, the division shall notify the tenant or  
14 tenants that such tenant or tenants must provide the division with such  
15 information as the division and the department of taxation and finance  
16 shall require to verify whether the total annual income exceeds [one  
17 hundred seventy-five thousand dollars in each such year] THE DEREGU-  
18 LATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS.  
19 The division's notification shall require the tenant or tenants to  
20 provide the information to the division within sixty days of service  
21 upon such tenant or tenants and shall include a warning in bold faced  
22 type that failure to respond will result in an order of [decontrol]  
23 DEREGULATION being issued by the division for such housing accommo-  
24 dation.

25 2. If the department of taxation and finance determines that the total  
26 annual income is in excess of [one hundred seventy-five thousand dollars  
27 in each of the two preceding calendar years] THE DEREGULATION INCOME  
28 THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the division  
29 shall, on or before November fifteenth of such year, notify the owner  
30 and tenants of the results of such verification. Both the owner and the  
31 tenants shall have thirty days within which to comment on such verifica-  
32 tion results. Within forty-five days after the expiration of the  
33 comment period, the division shall, where appropriate, issue an order of  
34 [decontrol] DEREGULATION providing that such housing accommodation shall  
35 not be subject to the provisions of this law as of the first day of  
36 March in the year next succeeding the filing of the owner's petition  
37 with the division. A copy of such order shall be mailed by regular and  
38 certified mail, return receipt requested, to the tenant or tenants and a  
39 copy thereof shall be sent to the owner.

40 3. In the event the tenant or tenants fail to provide the information  
41 required pursuant to paragraph one of this subdivision, the division  
42 shall issue, on or before December first of such year, an order of  
43 [decontrol] DEREGULATION providing that such housing accommodation shall  
44 not be subject to the provisions of this law as of the first day of  
45 March in the year next succeeding the last day on which the tenant or  
46 tenants were required to provide the information required by such para-  
47 graph. A copy of such order shall be mailed by regular and certified  
48 mail, return receipt requested, to the tenant or tenants and a copy  
49 thereof shall be sent to the owner.

50 4. The provisions of the state freedom of information act shall not  
51 apply to any income information obtained by the division pursuant to  
52 this section.

53 (d) This section shall apply only to subparagraph (j) of paragraph two  
54 of subdivision e of section 26-403 of this [code] CHAPTER.

55 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to  
56 this section, an owner shall offer the housing accommodation subject to

1 such order to the tenant at a rent not in excess of the market rent,  
2 which for the purposes of this section means a rent obtainable in an  
3 arm's length transaction. Such rental offer shall be made by the owner  
4 in writing to the tenant by certified and regular mail and shall inform  
5 the tenant that such offer must be accepted in writing within ten days  
6 of receipt. The tenant shall respond within ten days after receipt of  
7 such offer. If the tenant declines the offer or fails to respond within  
8 such period, the owner may commence an action or proceeding for the  
9 eviction of such tenant.

10 S 35. Section 26-504.1 of the administrative code of the city of New  
11 York, as amended by chapter 116 of the laws of 1997, is amended to read  
12 as follows:

13 S 26-504.1 Exclusion of accommodations of high income renters. Upon  
14 the issuance of an order by the division, "housing accommodations" shall  
15 not include housing accommodations which: (1) are occupied by persons  
16 who have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITA-  
17 TIONS AND PROCESS SET FORTH IN SECTION 26-504.3 OF THIS CHAPTER, in  
18 excess of [one hundred seventy-five thousand dollars per annum] THE  
19 DEREGULATION INCOME THRESHOLD, AS DEFINED IN SECTION 26-504.3 OF THIS  
20 CHAPTER, for each of the two preceding calendar years[, as defined in  
21 and subject to the limitations and process set forth in section 26-504.3  
22 of this chapter]; and (2) have a legal regulated MONTHLY rent [of two  
23 thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGU-  
24 LATION RENT THRESHOLD, AS DEFINED IN SECTION 26-504.3 OF THIS CHAPTER.  
25 Provided, however, that this exclusion shall not apply to housing accom-  
26 modations which became or become subject to this law (a) by virtue of  
27 receiving tax benefits pursuant to section four hundred twenty-one-a or  
28 four hundred eighty-nine of the real property tax law, except as other-  
29 wise provided in subparagraph (i) of paragraph (f) of subdivision two of  
30 section four hundred twenty-one-a of the real property tax law, or (b)  
31 by virtue of article seven-C of the multiple dwelling law.

32 S 36. Section 26-504.3 of the administrative code of the city of New  
33 York, as added by chapter 253 of the laws of 1993, subdivision (b) and  
34 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as  
35 added by chapter 116 of the laws of 1997, is amended to read as follows:

36 S 26-504.3 High income rent [decontrol] DEREGULATION. (a) 1. For  
37 purposes of this section, annual income shall mean the federal adjusted  
38 gross income as reported on the New York state income tax return. Total  
39 annual income means the sum of the annual incomes of all persons whose  
40 names are recited as the tenant or co-tenant on a lease who occupy the  
41 housing accommodation and all other persons that occupy the housing  
42 accommodation as their primary residence on other than a temporary  
43 basis, excluding bona fide employees of such occupants residing therein  
44 in connection with such employment and excluding bona fide subtenants in  
45 occupancy pursuant to the provisions of section two hundred twenty-six-b  
46 of the real property law. In the case where a housing accommodation is  
47 sublet, the annual income of the tenant or co-tenant recited on the  
48 lease who will reoccupy the housing accommodation upon the expiration of  
49 the sublease shall be considered.

50 2. DEREGULATION INCOME THRESHOLD MEANS TOTAL ANNUAL INCOME EQUAL TO  
51 ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
52 CALENDAR YEARS FOR PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND  
53 ELEVEN. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND  
54 ELEVEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME  
55 EQUAL TO TWO HUNDRED THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING  
56 CALENDAR YEARS.

1 3. DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND DOLLARS FOR  
2 PROCEEDINGS COMMENCED BEFORE JULY FIRST, TWO THOUSAND ELEVEN. FOR  
3 PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN, THE  
4 DEREGULATION RENT THRESHOLD MEANS TWO THOUSAND FIVE HUNDRED DOLLARS.

5 (b) On or before the first day of May in each calendar year, the owner  
6 of each housing accommodation for which the legal regulated rent [is two  
7 thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION  
8 RENT THRESHOLD may provide the tenant or tenants residing therein with  
9 an income certification form prepared by the division of housing and  
10 community renewal on which such tenant or tenants shall identify all  
11 persons referred to in subdivision (a) of this section and shall certify  
12 whether the total annual income is in excess of [one hundred seventy-  
13 five thousand dollars in each of the two preceding calendar years] THE  
14 DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR  
15 YEARS. Such income certification form shall state that the income level  
16 certified to by the tenant may be subject to verification by the depart-  
17 ment of taxation and finance pursuant to section one hundred seventy-  
18 one-b of the tax law and shall not require disclosure of any income  
19 information other than whether the aforementioned threshold has been  
20 exceeded. Such income certification form shall clearly state that: (i)  
21 only tenants residing in housing accommodations which have a legal regu-  
22 lated MONTHLY rent [of two thousand dollars or more per month], THAT  
23 EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are required to  
24 complete the certification form; (ii) that tenants have protections  
25 available to them which are designed to prevent harassment; (iii) that  
26 tenants are not required to provide any information regarding their  
27 income except that which is requested on the form and may contain such  
28 other information the division deems appropriate. The tenant or tenants  
29 shall return the completed certification to the owner within thirty days  
30 after service upon the tenant or tenants. In the event that the total  
31 annual income as certified is in excess of [one hundred seventy-five  
32 thousand dollars in each such year] THE DEREGULATION INCOME THRESHOLD IN  
33 EACH OF THE TWO PRECEDING CALENDAR YEARS, the owner may file the certif-  
34 ication with the state division of housing and community renewal on or  
35 before June thirtieth of such year. Upon filing such certification with  
36 the division, the division shall, within thirty days after the filing,  
37 issue an order providing that such housing accommodation shall not be  
38 subject to the provisions of this act upon the expiration of the exist-  
39 ing lease. A copy of such order shall be mailed by regular and certified  
40 mail, return receipt requested, to the tenant or tenants and a copy  
41 thereof shall be mailed to the owner.

42 (c) 1. In the event that the tenant or tenants either fail to return  
43 the completed certification to the owner on or before the date required  
44 by subdivision (b) of this section or the owner disputes the certif-  
45 ication returned by the tenant or tenants, the owner may, on or before  
46 June thirtieth of such year, petition the state division of housing and  
47 community renewal to verify, pursuant to section one hundred seventy-  
48 one-b of the tax law, whether the total annual income exceeds [one  
49 hundred seventy-five thousand dollars in each of the two preceding  
50 calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO  
51 PRECEDING CALENDAR YEARS. Within twenty days after the filing of such  
52 request with the division, the division shall notify the tenant or  
53 tenants named on the lease that such tenant or tenants must provide the  
54 division with such information as the division and the department of  
55 taxation and finance shall require to verify whether the total annual  
56 income exceeds [one hundred seventy-five thousand dollars in each such

1 year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING  
2 CALENDAR YEARS. The division's notification shall require the tenant or  
3 tenants to provide the information to the division within sixty days of  
4 service upon such tenant or tenants and shall include a warning in bold  
5 faced type that failure to respond will result in an order being issued  
6 by the division providing that such housing accommodation shall not be  
7 subject to the provisions of this law.

8 2. If the department of taxation and finance determines that the total  
9 annual income is in excess of [one hundred seventy-five thousand dollars  
10 in each of the two preceding calendar years] THE DEREGULATION INCOME  
11 THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the division  
12 shall, on or before November fifteenth of such year, notify the owner  
13 and tenants of the results of such verification. Both the owner and the  
14 tenants shall have thirty days within which to comment on such verifica-  
15 tion results. Within forty-five days after the expiration of the  
16 comment period, the division shall, where appropriate, issue an order  
17 providing that such housing accommodation shall not be subject to the  
18 provisions of this law upon the expiration of the existing lease. A copy  
19 of such order shall be mailed by regular and certified mail, return  
20 receipt requested, to the tenant or tenants and a copy thereof shall be  
21 sent to the owner.

22 3. In the event the tenant or tenants fail to provide the information  
23 required pursuant to paragraph one of this subdivision, the division  
24 shall issue, on or before December first of such year, an order provid-  
25 ing that such housing accommodation shall not be subject to the  
26 provisions of this law upon the expiration of the current lease. A copy  
27 of such order shall be mailed by regular and certified mail, return  
28 receipt requested, to the tenant or tenants and a copy thereof shall be  
29 sent to the owner.

30 4. The provisions of the state freedom of information act shall not  
31 apply to any income information obtained by the division pursuant to  
32 this section.

33 (d) This section shall apply only to section 26-504.1 of this [code]  
34 CHAPTER.

35 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to  
36 this section, an owner shall offer the housing accommodation subject to  
37 such order to the tenant at a rent not in excess of the market rent,  
38 which for the purposes of this section means a rent obtainable in an  
39 arm's length transaction. Such rental offer shall be made by the owner  
40 in writing to the tenant by certified and regular mail and shall inform  
41 the tenant that such offer must be accepted in writing within ten days  
42 of receipt. The tenant shall respond within ten days after receipt of  
43 such offer. If the tenant declines the offer or fails to respond within  
44 such period, the owner may commence an action or proceeding for the  
45 eviction of such tenant.

46 S 37. Paragraph (b) of subdivision 3 of section 171-b of the tax law,  
47 as amended by chapter 116 of the laws of 1997, is amended to read as  
48 follows:

49 (b) The department, when requested by the division of housing and  
50 community renewal, shall verify the total annual income of all persons  
51 residing in housing accommodations as their primary residence subject to  
52 rent regulation and shall notify the commissioner of the division of  
53 housing and community renewal as may be appropriate whether the total  
54 annual income exceeds [one hundred seventy-five thousand dollars per  
55 annum in each of the two preceding calendar years] THE APPLICABLE DEREG-  
56 ULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS.



No other information regarding the annual income of such persons shall be provided.

S 38. Subparagraph (i) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(i) Within a city having a population of one million or more, new multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN, AND JUNE THIRTIETH, TWO THOUSAND NINE, SHALL HAVE AN ADDITIONAL THIRTY-SIX MONTHS TO COMPLETE CONSTRUCTION AND SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION FOR THE FIRST THREE YEARS OF THE PERIOD OF CONSTRUCTION; ANY ELIGIBLE PROJECT THAT SEEKS TO UTILIZE THE SIX-YEAR PERIOD OF CONSTRUCTION AUTHORIZED BY THIS SECTION MUST APPLY FOR A PRELIMINARY CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE RENT ACT OF 2011, PROVIDED, HOWEVER THAT SUCH MULTIPLE DWELLINGS SHALL BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS OF BENEFITS DURING THE CONSTRUCTION PERIOD, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during construction so long as used at the completion of construction for dwelling purposes for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion thereof, as follows:

(A) except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN, AND JUNE THIRTIETH, TWO THOUSAND NINE, SHALL HAVE AN ADDITIONAL THIRTY-SIX MONTHS TO COMPLETE CONSTRUCTION AND SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION FOR THE FIRST THREE YEARS OF THE PERIOD OF CONSTRUCTION; ANY ELIGIBLE PROJECT THAT SEEKS TO UTILIZE THE SIX-YEAR PERIOD OF CONSTRUCTION AUTHORIZED BY THIS SECTION MUST APPLY FOR A PRELIMINARY CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE RENT ACT OF 2011, PROVIDED, HOWEVER THAT SUCH MULTIPLE DWELLINGS SHALL BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS OF BENEFITS DURING THE CONSTRUCTION PERIOD, and for two years following such period;

(B) followed by two years of exemption from eighty per cent of such taxation;

(C) followed by two years of exemption from sixty per cent of such taxation;

(D) followed by two years of exemption from forty per cent of such taxation;

(E) followed by two years of exemption from twenty per cent of such taxation;

The following table shall illustrate the computation of the tax exemption:

#### CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years);	100%

1 EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY  
 2 FIRST, TWO THOUSAND SEVEN AND JUNE  
 3 THIRTIETH, TWO THOUSAND NINE (MAXIMUM  
 4 THREE YEARS)  
 5 Following completion of work  
 6 Year:

7	1	100%
8	2	100
9	3	80
10	4	80
11	5	60
12	6	60
13	7	40
14	8	40
15	9	20
16	10	20

17 S 39. Clause (A) of subparagraph (ii) of paragraph (a) of subdivision  
 18 2 of section 421-a of the real property tax law, as amended by chapter  
 19 288 of the laws of 1985, is amended to read as follows:

20 (A) Within a city having a population of one million or more the local  
 21 housing agency may adopt rules and regulations providing that except in  
 22 areas excluded by local law new multiple dwellings, except hotels, shall  
 23 be exempt from taxation for local purposes, other than assessments for  
 24 local improvements, for the tax year or years immediately following  
 25 taxable status dates occurring subsequent to the commencement and prior  
 26 to the completion of construction, but not to exceed three such tax  
 27 years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH  
 28 COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN, AND JUNE THIRTIETH,  
 29 TWO THOUSAND NINE, SHALL HAVE AN ADDITIONAL THIRTY-SIX MONTHS TO  
 30 COMPLETE CONSTRUCTION AND SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM  
 31 TAXATION FOR THE FIRST THREE YEARS OF THE PERIOD OF CONSTRUCTION; ANY  
 32 ELIGIBLE PROJECT THAT SEEKS TO UTILIZE THE SIX-YEAR PERIOD OF  
 33 CONSTRUCTION AUTHORIZED BY THIS SECTION MUST APPLY FOR A PRELIMINARY  
 34 CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE  
 35 RENT ACT OF 2011, PROVIDED, HOWEVER THAT SUCH MULTIPLE DWELLINGS SHALL  
 36 BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS OF BENEFITS DURING THE  
 37 CONSTRUCTION PERIOD, and shall continue to be exempt from such taxation  
 38 in tax years immediately following the taxable status date first occur-  
 39 ring after the expiration of the exemption herein conferred during such  
 40 construction so long as used at the completion of construction for  
 41 dwelling purposes for a period not to exceed fifteen years in the aggre-  
 42 gate, as follows:

43 a. except as otherwise provided herein there shall be full exemption  
 44 from taxation during the period of construction or the period of three  
 45 years immediately following commencement of construction, whichever  
 46 expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF  
 47 WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN, AND JUNE  
 48 THIRTIETH, TWO THOUSAND NINE, SHALL HAVE AN ADDITIONAL THIRTY-SIX MONTHS  
 49 TO COMPLETE CONSTRUCTION AND SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM  
 50 TAXATION FOR THE FIRST THREE YEARS OF THE PERIOD OF CONSTRUCTION; ANY  
 51 ELIGIBLE PROJECT THAT SEEKS TO UTILIZE THE SIX-YEAR PERIOD OF  
 52 CONSTRUCTION AUTHORIZED BY THIS SECTION MUST APPLY FOR A PRELIMINARY  
 53 CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE  
 54 RENT ACT OF 2011, PROVIDED, HOWEVER THAT SUCH MULTIPLE DWELLINGS SHALL

1 BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS OF BENEFITS DURING THE  
2 CONSTRUCTION PERIOD, and for eleven years following such period;

3 b. followed by one year of exemption from eighty percent of such taxa-  
4 tion;

5 c. followed by one year of exemption from sixty percent of such taxa-  
6 tion;

7 d. followed by one year of exemption from forty percent of such taxa-  
8 tion;

9 e. followed by one year of exemption from twenty percent of such taxa-  
10 tion.

11 S 40. Clause (A) of subparagraph (iii) of paragraph (a) of subdivision  
12 2 of section 421-a of the real property tax law, as amended by chapter  
13 702 of the laws of 1992, is amended to read as follows:

14 (A) Within a city having a population of one million or more the local  
15 housing agency may adopt rules and regulations providing that new multi-  
16 ple dwellings, except hotels, shall be exempt from taxation for local  
17 purposes, other than assessments for local improvements, for the tax  
18 year or years immediately following taxable status dates occurring  
19 subsequent to the commencement and prior to the completion of  
20 construction, but not to exceed three such tax years, EXCEPT FOR NEW  
21 MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY  
22 FIRST, TWO THOUSAND SEVEN, AND JUNE THIRTIETH, TWO THOUSAND NINE, SHALL  
23 HAVE AN ADDITIONAL THIRTY-SIX MONTHS TO COMPLETE CONSTRUCTION AND SHALL  
24 BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION FOR THE FIRST THREE YEARS  
25 OF THE PERIOD OF CONSTRUCTION; ANY ELIGIBLE PROJECT THAT SEEKS TO  
26 UTILIZE THE SIX-YEAR PERIOD OF CONSTRUCTION AUTHORIZED BY THIS SECTION  
27 MUST APPLY FOR A PRELIMINARY CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR  
28 OF THE EFFECTIVE DATE OF THE RENT ACT OF 2011, PROVIDED, HOWEVER THAT  
29 SUCH MULTIPLE DWELLINGS SHALL BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS  
30 OF BENEFITS DURING THE CONSTRUCTION PERIOD, and shall continue to be  
31 exempt from such taxation in tax years immediately following the taxable  
32 status date first occurring after the expiration of the exemption herein  
33 conferred during such construction so long as used at the completion of  
34 construction for dwelling purposes for a period not to exceed twenty-  
35 five years in the aggregate, provided that the area in which the project  
36 is situated is a neighborhood preservation program area as determined by  
37 the local housing agency as of June first, nineteen hundred eighty-five,  
38 or is a neighborhood preservation area as determined by the New York  
39 city planning commission as of June first, nineteen hundred eighty-five,  
40 or is an area that was eligible for mortgage insurance provided by the  
41 rehabilitation mortgage insurance corporation as of May first, nineteen  
42 hundred ninety-two or is an area receiving funding for a neighborhood  
43 preservation project pursuant to the neighborhood reinvestment corpo-  
44 ration act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred  
45 eighty-five, as follows:

46 a. except as otherwise provided herein there shall be full exemption  
47 from taxation during the period of construction or the period of three  
48 years immediately following commencement of construction, whichever  
49 expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF  
50 WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN, AND JUNE  
51 THIRTIETH, TWO THOUSAND NINE, SHALL HAVE AN ADDITIONAL THIRTY-SIX MONTHS  
52 TO COMPLETE CONSTRUCTION AND SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM  
53 TAXATION FOR THE FIRST THREE YEARS OF THE PERIOD OF CONSTRUCTION; ANY  
54 ELIGIBLE PROJECT THAT SEEKS TO UTILIZE THE SIX-YEAR PERIOD OF  
55 CONSTRUCTION AUTHORIZED BY THIS SECTION MUST APPLY FOR A PRELIMINARY  
56 CERTIFICATE OF ELIGIBILITY WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE

1 RENT ACT OF 2011, PROVIDED, HOWEVER THAT SUCH MULTIPLE DWELLINGS SHALL  
2 BE ELIGIBLE FOR A MAXIMUM OF THREE YEARS OF BENEFITS DURING THE  
3 CONSTRUCTION PERIOD, and for twenty-one years following such period;

4 b. followed by one year of exemption from eighty percent of such taxa-  
5 tion;

6 c. followed by one year of exemption from sixty percent of such taxa-  
7 tion;

8 d. followed by one year of exemption from forty percent of such taxa-  
9 tion;

10 e. followed by one year of exemption from twenty percent of such taxa-  
11 tion.

12 S 41. The opening paragraph of clause (A) of subparagraph (iv) of  
13 paragraph (a) of subdivision 2 of section 421-a of the real property tax  
14 law, as amended by chapter 618 of the laws of 2007, is amended to read  
15 as follows:

16 Unless excluded by local law, in the city of New York, the benefits of  
17 this subparagraph shall be available in the borough of Manhattan for new  
18 multiple dwellings on tax lots now existing or hereafter created south  
19 of or adjacent to either side of one hundred tenth street [which] THAT  
20 commence construction after July first, nineteen hundred ninety-two and  
21 before [December twenty-eighth] JUNE FIFTEENTH, two thousand [ten]  
22 FIFTEEN only if:

23 S 42. Subparagraph (ii) of paragraph (c) of subdivision 2 of section  
24 421-a of the real property tax law, as amended by chapter 618 of the  
25 laws of 2007, is amended to read as follows:

26 (ii) construction is commenced after January first, nineteen hundred  
27 seventy-five and before [December twenty-eighth] JUNE FIFTEENTH, two  
28 thousand [ten] FIFTEEN provided, however, that such commencement period  
29 shall not apply to multiple dwellings eligible for benefits under  
30 subparagraph (iv) of paragraph (a) of this subdivision;

31 S 43. The real property tax law is amended by adding a new section  
32 421-m to read as follows:

33 S 421-M. EXEMPTION OF CERTAIN NEW OR SUBSTANTIALLY REHABILITATED  
34 MULTIPLE DWELLINGS FROM LOCAL TAXATION. 1. (A) A CITY, TOWN OR VILLAGE  
35 MAY, BY LOCAL LAW, PROVIDE FOR THE EXEMPTION OF MULTIPLE DWELLINGS  
36 CONSTRUCTED OR SUBSTANTIALLY REHABILITATED IN A BENEFIT AREA DESIGNATED  
37 IN SUCH LOCAL LAW FROM TAXATION AND SPECIAL AD VALOREM LEVIES, BUT NOT  
38 SPECIAL ASSESSMENTS, AS PROVIDED IN THIS SECTION. SUBSEQUENT TO THE  
39 ADOPTION OF SUCH A LOCAL LAW, ANY OTHER MUNICIPAL CORPORATION IN WHICH  
40 THE DESIGNATED BENEFIT AREA IS LOCATED MAY LIKEWISE EXEMPT SUCH PROPERTY  
41 FROM ITS TAXATION AND SPECIAL AD VALOREM LEVIES BY LOCAL LAW, OR IN THE  
42 CASE OF A SCHOOL DISTRICT, BY RESOLUTION.

43 (B) AS USED IN THIS SECTION, THE TERM "BENEFIT AREA" MEANS THE AREA  
44 WITHIN A CITY, TOWN OR VILLAGE, DESIGNATED BY LOCAL LAW, TO WHICH AN  
45 EXEMPTION, ESTABLISHED PURSUANT TO THIS SECTION, APPLIES.

46 (C) THE TERM "SUBSTANTIAL REHABILITATION" MEANS ALL WORK NECESSARY TO  
47 BRING A PROPERTY INTO COMPLIANCE WITH ALL APPLICABLE LAWS AND REGU-  
48 LATIONS INCLUDING BUT NOT LIMITED TO THE INSTALLATION, REPLACEMENT OR  
49 REPAIR OF HEATING, PLUMBING, ELECTRICAL AND RELATED SYSTEMS AND THE  
50 ELIMINATION OF ALL HAZARDOUS AND IMMEDIATELY HAZARDOUS VIOLATIONS IN THE  
51 STRUCTURE IN ACCORDANCE WITH STATE AND LOCAL LAWS AND REGULATIONS OF  
52 STATE AND LOCAL AGENCIES. SUBSTANTIAL REHABILITATION MAY ALSO INCLUDE  
53 RECONSTRUCTION OR WORK TO IMPROVE THE HABITABILITY OR PROLONG THE USEFUL  
54 LIFE OF THE PROPERTY; PROVIDED SUBSTANTIAL REHABILITATION SHALL NOT  
55 INCLUDE ORDINARY MAINTENANCE OR REPAIR.

(D) THE TERM "MULTIPLE DWELLING" MEANS A DWELLING, OTHER THAN A HOTEL, WHICH IS TO BE OCCUPIED OR IS OCCUPIED AS THE RESIDENCE OR HOME OF THREE OR MORE FAMILIES LIVING INDEPENDENTLY OF ONE ANOTHER, WHETHER SUCH DWELLING IS RENTED OR OWNED AS A COOPERATIVE OR CONDOMINIUM.

2. (A) ELIGIBLE NEW OR SUBSTANTIALLY REHABILITATED MULTIPLE DWELLINGS IN A DESIGNATED BENEFIT AREA SHALL BE EXEMPT ACCORDING TO THE FOLLOWING SCHEDULE:

CONSTRUCTION OR SUBSTANTIAL REHABILITATION OF CERTAIN  
MULTIPLE DWELLINGS

DURING CONSTRUCTION OR EXEMPTION

SUBSTANTIAL REHABILITATION

(MAXIMUM THREE YEARS)

100%

FOLLOWING COMPLETION OF WORK YEAR:

1 THROUGH 12

100%

13-14

80%

15-16

60%

17-18

40%

19-20

20%

(B) PROVIDED THAT TAXES SHALL BE PAID DURING ANY SUCH PERIOD AT LEAST IN THE AMOUNT OF THE TAXES PAID ON SUCH LAND AND ANY IMPROVEMENTS THEREON DURING THE TAX YEAR PRECEDING THE COMMENCEMENT OF SUCH EXEMPTION. PROVIDED FURTHER THAT NO OTHER EXEMPTION MAY BE GRANTED CONCURRENTLY TO THE SAME IMPROVEMENTS UNDER ANY OTHER SECTION OF LAW.

3. TO BE ELIGIBLE FOR EXEMPTION UNDER THIS SECTION:

(A) SUCH CONSTRUCTION OR SUBSTANTIAL REHABILITATION SHALL TAKE PLACE ON VACANT, PREDOMINANTLY VACANT OR UNDER-UTILIZED LAND, OR ON LAND IMPROVED WITH A NON-CONFORMING USE OR ON LAND CONTAINING ONE OR MORE SUBSTANDARD OR STRUCTURALLY UNSOUND DWELLINGS, OR A DWELLING THAT HAS BEEN CERTIFIED AS UNSANITARY BY THE LOCAL HEALTH AGENCY.

(B) SUCH CONSTRUCTION OR SUBSTANTIAL REHABILITATION WAS COMMENCED ON OR AFTER THE EFFECTIVE DATE OF THE LOCAL LAW, ORDINANCE OR RESOLUTION DESCRIBED IN SUBDIVISION ONE OF THIS SECTION, BUT NO LATER THAN JUNE FIFTEENTH, TWO THOUSAND FIFTEEN.

(C) AT LEAST TWENTY PERCENT OF THE UNITS SHALL BE AFFORDABLE TO INDIVIDUALS OR FAMILIES OF LOW AND MODERATE INCOME WHOSE INCOMES AT THE TIME OF INITIAL OCCUPANCY DO NOT EXCEED NINETY PERCENT OF THE AREA MEDIAN INCOME ADJUSTED FOR FAMILY SIZE AND THE INDIVIDUAL OR FAMILY SHALL PAY IN RENT OR MONTHLY CARRYING CHARGES NO MORE THAN THIRTY PERCENT OF THEIR ADJUSTED GROSS INCOME AS REPORTED IN THEIR FEDERAL INCOME TAX RETURN, OR WOULD BE REPORTED IF SUCH RETURN WERE REQUIRED, LESS SUCH PERSONAL EXEMPTIONS AND DEDUCTIONS AND MEDICAL EXPENSES AS ARE ACTUALLY TAKEN BY THE TAXPAYER, AS VERIFIED ACCORDING TO PROCEDURES ESTABLISHED BY THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL. SUCH PROCEDURES SHALL BE PUBLISHED THROUGH NOTICE IN THE STATE REGISTER WITHOUT FURTHER ACTION REQUIRED FOR THE PROMULGATION OF REGULATIONS PURSUANT TO THE STATE ADMINISTRATIVE PROCEDURE ACT.

(D) SUCH CONSTRUCTION OR SUBSTANTIAL REHABILITATION IS CARRIED OUT WITH THE ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FOR THE CONSTRUCTION OR SUBSTANTIAL REHABILITATION OF AFFORDABLE HOUSING FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY THEREOF.

4. APPLICATION FOR EXEMPTION UNDER THIS SECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE COMMISSIONER AND FILED WITH THE ASSESSOR ON OR BEFORE THE APPLICABLE TAXABLE STATUS DATE.

5. IN THE CASE OF PROPERTY WHICH IS USED PARTIALLY AS A MULTIPLE DWELLING AND PARTIALLY FOR COMMERCIAL OR OTHER PURPOSES, THE PROPERTY SHALL BE ELIGIBLE FOR THE EXEMPTION AUTHORIZED BY THIS SECTION IF:

1 (A) THE SQUARE FOOTAGE OF THE PORTION USED AS A MULTIPLE DWELLING  
2 REPRESENTS AT LEAST FIFTY PERCENT OF THE SQUARE FOOTAGE OF THE ENTIRE  
3 PROPERTY;

4 (B) AT LEAST TWENTY PERCENT OF THE UNITS ARE AFFORDABLE TO INDIVIDUALS  
5 OR FAMILIES OF LOW AND MODERATE INCOME, AS DETERMINED ACCORDING TO THE  
6 CRITERIA SET FORTH IN PARAGRAPH (C) OF SUBDIVISION THREE OF THIS  
7 SECTION; AND

8 (C) THE REQUIREMENTS OF THIS SECTION ARE OTHERWISE SATISFIED WITH  
9 RESPECT TO THE PORTION OF THE PROPERTY USED AS A MULTIPLE DWELLING.

10 6. THE EXEMPTION AUTHORIZED BY THIS SECTION SHALL NOT BE AVAILABLE IN  
11 A JURISDICTION TO WHICH THE PROVISIONS OF SECTION FOUR HUNDRED  
12 TWENTY-ONE-A OR FOUR HUNDRED TWENTY-ONE-C OF THIS ARTICLE ARE APPLICA-  
13 BLE.

14 7. A CITY, TOWN OR VILLAGE PROVIDING AN EXEMPTION PURSUANT TO THE  
15 AUTHORITY OF THIS SECTION SHALL DEVELOP AN INCOME MONITORING AND COMPLI-  
16 ANCE PLAN TO MEET THE CRITERIA OF PARAGRAPH (C) OF SUBDIVISION THREE OF  
17 THIS SECTION AND SUCH PLAN SHALL BE REVIEWED, EVALUATED AND APPROVED BY  
18 THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL AS A CONDITION OF  
19 PROVIDING SUCH EXEMPTION. SUCH PLAN SHALL INCLUDE AN ANNUAL CERTIF-  
20 ICATION THAT THE MULTIPLE DWELLING RECEIVING AN EXEMPTION MEETS THE  
21 REQUIREMENTS OF THIS SECTION. SUCH CERTIFICATION SHALL BE PROVIDED TO  
22 THE ASSESSOR AND THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL. IF  
23 SUCH REQUIREMENTS ARE NOT MET, THEN THE MULTIPLE DWELLING SHALL NOT  
24 QUALIFY FOR THE EXEMPTION IN THAT YEAR.

25 S 44. The division of housing and community renewal shall, pursuant to  
26 this act, promulgate rules and regulations to implement and enforce all  
27 provisions of this act and any law renewed or continued by this act.

28 S 45. Severability clause. If any clause, sentence, paragraph, subdi-  
29 vision, section or part of this act shall be adjudged by any court of  
30 competent jurisdiction to be invalid, such judgment shall not affect,  
31 impair, or invalidate the remainder thereof, but shall be confined in  
32 its operation to the clause, sentence, paragraph, subdivision, section  
33 or part thereof directly involved in the controversy in which such judg-  
34 ment shall have been rendered. It is hereby declared to be the intent of  
35 the legislature that this act would have been enacted even if such  
36 invalid provisions had not been included herein.

37 S 46. This act shall take effect immediately and shall be deemed to  
38 have been in full force and effect on and after June 24, 2011; provided,  
39 however, that:

40 (a) the amendments to chapter 4 of title 26 of the administrative code  
41 of the city of New York made by sections seven, twelve, fourteen,  
42 sixteen, thirty-five and thirty-six of this act shall expire on the same  
43 date as such chapter expires and shall not affect the expiration of such  
44 chapter as provided under section 26-520 of such law;

45 (b) the amendments to section 4 of chapter 576 of the laws of 1974  
46 constituting the emergency tenant protection act of nineteen seventy-  
47 four made by sections eight, ten, thirteen, eighteen, twenty-nine and  
48 thirty of this act shall expire on the same date as such act expires and  
49 shall not affect the expiration of such act as provided in section 17 of  
50 chapter 576 of the laws of 1974;

51 (c) the amendments to section 2 of the emergency housing rent control  
52 law made by sections nine, twenty-five, thirty-one and thirty-two of  
53 this act shall expire on the same date as such law expires and shall not  
54 affect the expiration of such law as provided in subdivision 2 of  
55 section 1 of chapter 274 of the laws of 1946;

(d) the amendments to chapter 3 of title 26 of the administrative code of the city of New York made by sections eleven, fifteen, thirty-three and thirty-four of this act shall remain in full force and effect only as long as the public emergency requiring the regulation and control of residential rents and evictions continues, as provided in subdivision 3 of section 1 of the local emergency housing rent control act;

(e) the amendments to section 421-a of the real property tax law made by sections thirty-eight, thirty-nine, forty, forty-one and forty-two of this act shall be deemed to have been in full force and effect as of December 28, 2010; and

(f) the amendments made by sections thirty through thirty-seven of this act shall not be grounds for dismissal of any owner application for deregulation where a notice or application for such deregulation, that is filed or served between May 1, 2011 through July 1, 2011, used the income and rent deregulation thresholds in effect prior to the effective date of such sections. Any tenant failure to respond to such notice or application because of the use of such income or deregulation thresholds shall constitute grounds to afford such tenant an additional opportunity to respond.

## PART C

Section 1. This act enacts into law major components of legislation relating to mandate relief. Each component is wholly contained within a Subpart identified as Subparts A through H. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this act sets forth the general effective date of this act.

## SUBPART A

Section 1. Subdivisions 3 and 5 of section 97-g of the state finance law, subdivision 3 as amended by section 45 of part K of chapter 81 of the laws of 2002 and subdivision 5 as added by chapter 710 of the laws of 1964, are amended to read as follows:

3. Moneys of the fund shall be available to the commissioner of general services for the purchase of food, supplies and equipment for [state institutions and other] state agencies, and for the purpose of furnishing or providing centralized services to or for [state institutions and other] state agencies; PROVIDED FURTHER THAT SUCH MONEYS SHALL BE AVAILABLE TO THE COMMISSIONER OF GENERAL SERVICES FOR PURPOSES PURSUANT TO ITEMS (D) AND (F) OF SUBDIVISION FOUR OF THIS SECTION TO OR FOR POLITICAL SUBDIVISIONS. Beginning the first day of April, two thousand two, moneys in such fund shall also be transferred by the state comptroller to the revenue bond tax fund account of the general debt service fund in amounts equal to those required for payments to authorized issuers for revenue bonds issued pursuant to article five-C of this chapter for the purpose of lease purchases and installment purchases by or for state agencies and institutions for personal or real property purposes.

5. The amount expended from such fund for the above-stated purposes shall be charged against the [state institution or] agency OR POLITICAL

SUBDIVISIONS ABOVE receiving such food, supplies, equipment and services and all payments received therefor shall be credited to such fund.

S 2. Subdivision 4 of section 97-g of the state finance law, as amended by chapter 410 of the laws of 2009, is amended to read as follows:

4. The term "centralized services" as used in this section shall mean and include only (a) communications services, (b) mail, messenger and reproduction services, (c) computer services, (d) fuels, including natural gas, hydrogen, biofuels and gasoline, and automotive services, (e) renovation and maintenance services, (f) purchases of electricity, renewable energy, renewable energy credits or attributes from the power authority of the state of New York and, in consultation with the power authority of the state of New York, from other suppliers, (g) real property management services, (h) building design and construction services, (i) parking services, (j) distribution of United States department of agriculture donated foods to eligible recipients, pursuant to all applicable statutes and regulations, (k) distribution of federal surplus property donations to all eligible recipients, pursuant to applicable statutes and regulations, and (l) payments and related services for lease purchases and installment purchases by or for state agencies and institutions for personal property purposes financed through the issuance of certificates of participation. The services defined in items (a) through (C), (E), (G) AND (h) of this subdivision shall be provided to state agencies and institutions only.

S 3. Intentionally omitted

S 4. Section 103 of the general municipal law is amended by adding a new subdivision 1-b to read as follows:

1-B. A POLITICAL SUBDIVISION OR ANY DISTRICT THEREIN SHALL HAVE THE OPTION OF PURCHASING INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS HARDWARE, SOFTWARE AND PROFESSIONAL SERVICES THROUGH COOPERATIVE PURCHASING PERMISSIBLE PURSUANT TO FEDERAL GENERAL SERVICES ADMINISTRATION INFORMATION TECHNOLOGY SCHEDULE SEVENTY OR ANY SUCCESSOR SCHEDULE. A POLITICAL SUBDIVISION OR ANY DISTRICT THEREIN THAT PURCHASES THROUGH GENERAL SERVICES ADMINISTRATION SCHEDULE SEVENTY, INFORMATION TECHNOLOGY AND CONSOLIDATED SCHEDULE CONTRACTS SHALL COMPLY WITH FEDERAL SCHEDULE ORDERING PROCEDURES AS PROVIDED IN FEDERAL ACQUISITION REGULATION 8.405-1 OR 8.405-2 OR SUCCESSOR REGULATIONS, WHICHEVER IS APPLICABLE. ADHERENCE TO SUCH PROCEDURES SHALL CONSTITUTE COMPLIANCE WITH THE COMPETITIVE BIDDING REQUIREMENTS UNDER THIS SECTION.

S 5. Subdivision 3 of section 103 of the general municipal law, as amended by chapter 343 of the laws of 2007, is amended to read as follows:

3. Notwithstanding the provisions of subdivision one of this section, any officer, board or agency of a political subdivision or of any district therein authorized to make purchases of materials, equipment or supplies, or to contract for services, may make such purchases, or may contract for services, other than services subject to article [eight or] nine of the labor law, when available, through the county in which the political subdivision or district is located or through any county within the state subject to the rules established pursuant to subdivision two of section four hundred eight-a of the county law; provided that the political subdivision or district for which such officer, board or agency acts shall accept sole responsibility for any payment due the vendor or contractor. All purchases and all contracts for such services shall be subject to audit and inspection by the political subdivision or district for which made. Prior to making such purchases or contracts the



1 officer, board or agency shall consider whether such contracts will  
2 result in cost savings after all factors, including charges for service,  
3 material, and delivery, have been considered. No officer, board or agen-  
4 cy of a political subdivision or of any district therein shall make any  
5 purchase or contract for any such services through the county in which  
6 the political subdivision or district is located or through any county  
7 within the state when bids have been received for such purchase or such  
8 services by such officer, board or agency, unless such purchase may be  
9 made or the contract for such services may be entered into upon the same  
10 terms, conditions and specifications at a lower price through the coun-  
11 ty.

12 S 6. Subdivision 2 of section 408-a of the county law, as amended by  
13 section 2 of part X of chapter 62 of the laws of 2003, is amended to  
14 read as follows:

15 2. The board of supervisors may, in the case of any purchase contract  
16 or any contract for services, other than services subject to article  
17 [eight or] nine of the labor law, of the county to be awarded to the  
18 lowest responsible bidder after advertisement for bids, authorize the  
19 inclusion of a provision whereby purchases may be made or such services  
20 may be obtained under such contract by any political subdivision or fire  
21 company (as both are defined in section one hundred of the general  
22 municipal law) or district. In such event, the board shall adopt rules  
23 prescribing the conditions under which, and the manner in which,  
24 purchases may be made or services may be obtained by such political  
25 subdivision, fire company or district.

26 S 7. Section 104 of the general municipal law, as amended by chapter  
27 137 of the laws of 2008, is amended to read as follows:

28 S 104. Purchase through office of general services; CERTAIN FEDERAL  
29 CONTRACTS. 1. Notwithstanding the provisions of section one hundred  
30 three of this article or of any other general, special or local law, any  
31 officer, board or agency of a political subdivision, of a district ther-  
32 ein, of a fire company or of a voluntary ambulance service authorized to  
33 make purchases of materials, equipment, food products, or supplies, or  
34 services available pursuant to sections one hundred sixty-one and one  
35 hundred sixty-seven of the state finance law, may make such purchases,  
36 except of printed material, through the office of general services  
37 subject to such rules as may be established from time to time pursuant  
38 to sections one hundred sixty-three and one hundred sixty-seven of the  
39 state finance law [or through the general services administration pursu-  
40 ant to section 1555 of the federal acquisition streamlining act of 1994,  
41 P.L. 103-355]; provided that any such purchase shall exceed five hundred  
42 dollars and that the political subdivision, district, fire company or  
43 voluntary ambulance service for which such officer, board or agency acts  
44 shall accept sole responsibility for any payment due the vendor. All  
45 purchases shall be subject to audit and inspection by the political  
46 subdivision, district, fire company or voluntary ambulance service for  
47 which made. No officer, board or agency of a political subdivision, or a  
48 district therein, of a fire company or of a voluntary ambulance service  
49 shall make any purchase through such office when bids have been received  
50 for such purchase by such officer, board or agency, unless such purchase  
51 may be made upon the same terms, conditions and specifications at a  
52 lower price through such office. Two or more fire companies or voluntary  
53 ambulance services may join in making purchases pursuant to this  
54 section, and for the purposes of this section such groups shall be  
55 deemed "fire companies or voluntary ambulance services."

1 2. NOTWITHSTANDING THE PROVISIONS OF SECTION ONE HUNDRED THREE OF THIS  
2 ARTICLE OR OF ANY OTHER GENERAL, SPECIAL OR LOCAL LAW, ANY OFFICER,  
3 BOARD OR AGENCY OF A POLITICAL SUBDIVISION, OR OF A DISTRICT THEREIN,  
4 MAY MAKE PURCHASES FROM FEDERAL GENERAL SERVICE ADMINISTRATION SUPPLY  
5 SCHEDULES PURSUANT TO SECTION 211 OF THE FEDERAL E-GOVERNMENT ACT OF  
6 2002, P.L. 107-347, AND PURSUANT TO SECTION 1122 OF THE NATIONAL DEFENSE  
7 AUTHORIZATION ACT FOR FISCAL YEAR 1994, P.L. 103-160, OR ANY SUCCESSOR  
8 SCHEDULES IN ACCORDANCE WITH PROCEDURES ESTABLISHED PURSUANT THERETO.  
9 PRIOR TO MAKING SUCH PURCHASES THE OFFICER, BOARD OR AGENCY SHALL  
10 CONSIDER WHETHER SUCH PURCHASES WILL RESULT IN COST SAVINGS AFTER ALL  
11 FACTORS, INCLUDING CHARGES FOR SERVICE, MATERIAL, AND DELIVERY, HAVE  
12 BEEN CONSIDERED.

13 S 8. Subdivision 2 of section 27 of the municipal home rule law, as  
14 amended by chapter 259 of the laws of 1987, is amended to read as  
15 follows:

16 2. Each such certified copy shall contain the text only of the local  
17 law without the brackets and without the matter within the brackets, the  
18 matter with a line run through it, or the italicizing or underscoring,  
19 if any, to indicate the changes made by it, except that each such certi-  
20 fied copy of a local law enacted by a city with a population of one  
21 million or more shall be printed in the same form as the official copy  
22 of the proposed local law which became the local law provided that line  
23 numbers, the printed number of the bill and explanatory matter shall be  
24 omitted[, and also have attached thereto a certificate executed by the  
25 corporation counsel, municipal attorney or other principal law officer  
26 to the effect that it contains the correct text and that all proper  
27 proceedings have been had or taken for the enactment of such local law,  
28 which certificate shall constitute presumptive evidence thereof,  
29 provided that any failure or omission so to certify shall not invalidate  
30 such local law].

31 S 9. This act shall take effect immediately, provided, however that:

32 1. sections one, four, five, six and seven of this act shall expire  
33 and be deemed repealed 3 years after they shall have become a law;

34 2. the amendments to subdivision 4 of section 97-g of the state  
35 finance law made by section two of this act shall not affect the expira-  
36 tion and reversion of such subdivision as provided in section 3 of chap-  
37 ter 410 of the laws of 2009, and shall expire and be deemed repealed  
38 therewith;

39 3. sections four, five, six and seven of this act shall apply to any  
40 contract let or awarded on or after such effective date.

41

#### SUBPART B

42 Section 1. Section 99-r of the general municipal law, as amended by  
43 section 1 of part B of chapter 494 of the laws of 2009, is amended to  
44 read as follows:

45 S 99-r. Contracts for services. Notwithstanding any other provisions  
46 of law to the contrary, the governing board of any municipal corporation  
47 may enter into agreements and/or contracts with any state agency includ-  
48 ing any department, board, bureau, commission, division, office, coun-  
49 cil, committee, or officer of the state, whether permanent or temporary,  
50 or a public benefit corporation or public authority, or a soil and water  
51 conservation district, and any unit of the state university of New York,  
52 pursuant to and consistent with sections three hundred fifty-five and  
53 sixty-three hundred one of the education law within or without such  
54 municipal corporation to provide or receive fuel, equipment, maintenance

1 and repair, supplies, water supply, street sweeping or maintenance,  
2 sidewalk maintenance, right-of-way maintenance, storm water and other  
3 drainage, sewage disposal, landscaping, mowing, or any other services of  
4 government. Such state agency, soil and water conservation district, or  
5 unit of the state university of New York, within the limits of any  
6 specific statutory appropriation authorized and made available therefor  
7 by the legislature or by the governing body responsible for the opera-  
8 tion of such state agency, soil and water conservation district, or unit  
9 of the state university of New York may contract with any municipal  
10 corporation for such services as herein provided AND MAY PROVIDE, IN  
11 AGREEMENTS AND/OR CONTRACTS ENTERED INTO PURSUANT TO THIS SECTION, FOR  
12 THE RECIPROCAL PROVISION OF SERVICES OR OTHER CONSIDERATION OF APPROXI-  
13 MATELY EQUIVALENT VALUE, INCLUDING, BUT NOT LIMITED TO, ROUTINE AND/OR  
14 EMERGENCY SERVICES, MONIES, EQUIPMENT, BUILDINGS AND FACILITIES, MATERI-  
15 ALS OR A COMMITMENT TO PROVIDE FUTURE ROUTINE AND/OR EMERGENCY SERVICES,  
16 MONIES, EQUIPMENT, BUILDINGS AND FACILITIES OR MATERIALS. Any such  
17 contract may be entered into by direct negotiations and shall not be  
18 subject to the provisions of section one hundred three of this chapter.

19 S 2. Paragraph (e) of subdivision 4 of section 10-c of the highway  
20 law, as amended by chapter 413 of the laws of 1991, is amended to read  
21 as follows:

22 (e) Funds allocated for local street or highway projects under this  
23 subdivision shall be used to undertake work on a project either with the  
24 municipality's own forces or by contract, provided however, that whenev-  
25 er the estimate for the construction contract work exceeds one hundred  
26 thousand dollars BUT DOES NOT EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS  
27 SUCH WORK MUST BE PERFORMED EITHER WITH THE MUNICIPALITY'S OWN FORCES OR  
28 BY CONTRACT LET BY COMPETITIVE BID IN ACCORDANCE WITH THE PROVISIONS OF  
29 SECTION ONE HUNDRED THREE OF THE GENERAL MUNICIPAL LAW AND PROVIDED  
30 FURTHER, HOWEVER, THAT WHENEVER THE ESTIMATE FOR THE CONSTRUCTION  
31 CONTRACT WORK EXCEEDS TWO HUNDRED FIFTY THOUSAND DOLLARS such work must  
32 be performed by contract let by competitive bid in accordance with the  
33 provisions of section one hundred three of the general municipal law.

34 S 3. Section 102 of the general municipal law, as added by chapter 861  
35 of the laws of 1953 and subdivision 2 as amended by chapter 537 of the  
36 laws of 1984, is amended to read as follows:

37 S 102. Deposits on plans and specifications. 1. Notwithstanding any  
38 inconsistent provision of any general, special or local law, the offi-  
39 cer, board or agency of any political subdivision or of any district  
40 therein, charged with the duty of preparing plans and specifications for  
41 and awarding or entering into contracts for the performance of public  
42 work, [shall] MAY require, as a deposit to guarantee the safe return of  
43 such plans and specifications, the payment of a fixed sum of money, not  
44 exceeding one hundred dollars for each copy thereof, by persons or  
45 corporations desiring a copy thereof. Any person or corporation desiring  
46 a copy of such plans and specifications and making the [deposit] PAYMENT  
47 required by this section shall be furnished with one copy of the plans  
48 and specifications.

49 2. If a proposal is duly submitted by any person or corporation making  
50 the deposit required by subdivision one and such proposal is accompanied  
51 by a certified check or other security in accordance with the require-  
52 ments contained in the plans and specifications or in the public adver-  
53 tisement for bids, and if the copy of the plans and specifications used  
54 by such person or corporation, other than the successful bidder, is  
55 returned in good condition within thirty days following the award of the  
56 contract covered by such plans and specifications or the rejection of

1 the bid of such person or corporation, the full amount of such deposit  
2 for one copy of the plans and specifications shall be returned to such  
3 person or corporation, including the successful bidder. Partial  
4 reimbursement, in an amount equal to the full amount of such deposit for  
5 one set of plans and specifications per unsuccessful bidder or non-bid-  
6 der less the actual cost of reproduction of the plans and specifications  
7 as determined by the officer, board or agency of any political subdivi-  
8 sion or of any district therein, charged with the duty of preparing the  
9 plans and specifications, shall be made for the return of all other  
10 copies of the plans and specifications in good condition within thirty  
11 days following the award of the contract or the rejection of the bids  
12 covered by such plans and specifications.

13 S 4. This act shall take effect immediately.

14

#### SUBPART C

15 Section 1. Section 72-c of the general municipal law, as amended by  
16 chapter 229 of the laws of 1992, is amended to read as follows:

17 S 72-c. Expenses of members of the police department and other peace  
18 officers in attending police training schools. The board or body of a  
19 county, city, town or village authorized to appropriate and to raise  
20 money by taxation and to make payments therefrom, is hereby authorized,  
21 in its discretion, to appropriate and to raise money by taxation and to  
22 make payments from such moneys, for the annual expenses of the members  
23 of the police department of such municipal corporation in attending a  
24 police training school, as provided by the regulations of the depart-  
25 ment, either within such municipal corporation or elsewhere within the  
26 state; and for the payment of reasonable expenses of such members and  
27 other police officers or peace officers of the municipality while going  
28 to, attending, and returning from any training school conducted by or  
29 under the auspices of the federal bureau of investigation, whether with-  
30 in or without the state. Notwithstanding any inconsistent provision of  
31 any general, special or local law to the contrary, whenever a member of  
32 the police department of a municipal corporation[, having a population  
33 of ten thousand or less,] has attended a police training school, the  
34 expense of which was borne by such municipal corporation, terminates  
35 employment with such municipal corporation and commences employment with  
36 any other municipal corporation or employer county sheriff, such employ-  
37 er municipal corporation or employer county sheriff shall reimburse the  
38 prior employer municipal corporation[, having a population of ten thou-  
39 sand or less,] for such expenses, including, salary, tuition, enrollment  
40 fees, books, and the cost of transportation to and from training school,  
41 as follows: on a pro rata basis, to be calculated by subtracting from  
42 the number of days in the three years following the date of the member's  
43 graduation from police training school, the number of days between the  
44 date of the member's graduation from training school and the date of the  
45 termination of employment with the municipal corporation which paid for  
46 such training, and multiplying the difference by the per diem cost of  
47 such expenses, to be calculated by dividing the total cost of such  
48 expenses by the number of days in the three years following the date of  
49 the member's graduation, if such change in employment occurs within  
50 three years of such member's graduation from police training school.  
51 Provided, however, the employer municipal corporation or employer county  
52 sheriff shall not be required to reimburse the prior employer municipal  
53 corporation for that portion of such expenses which is reimbursable by  
54 the member to the prior employer municipal corporation under the terms

1 of an employment or labor agreement. Provided, further, however, the  
2 employer municipal corporation or employer county sheriff shall not be  
3 required to reimburse the prior employer municipal corporation for such  
4 basic training if such change in employment occurs after the expiration  
5 of the validity of the member's certificate attesting to the satisfac-  
6 tory completion of an approved municipal police basic training program.

7 S 2. Section 207-m of the general municipal law is REPEALED.

8 S 3. The opening paragraph and paragraph (1) of subdivision 4 of  
9 section 20.40 of the criminal procedure law, paragraph (1) as amended by  
10 chapter 346 of the laws of 2007, are amended to read as follows:

11 A person may be convicted in an appropriate criminal court of a  
12 particular county, of an offense of which the criminal courts of this  
13 state have jurisdiction pursuant to section 20.20, committed either by  
14 his OR HER own conduct or by the conduct of another for which he OR SHE  
15 is legally accountable pursuant to section 20.00 of the penal law, when:

16 (1) An offense of identity theft or unlawful possession of personal  
17 [identification] IDENTIFYING information AND ALL CRIMINAL ACTS COMMITTED  
18 AS PART OF THE SAME CRIMINAL TRANSACTION AS DEFINED IN SUBDIVISION TWO  
19 OF SECTION 40.10 OF THIS CHAPTER may be prosecuted (i) in any county in  
20 which part of the offense took place regardless of whether the defendant  
21 was actually present in such county, or (ii) in the county in which the  
22 person who suffers financial loss resided at the time of the commission  
23 of the offense, or (iii) in the county where the person whose personal  
24 [identification] IDENTIFYING information was used in the commission of  
25 the offense resided at the time of the commission of the offense. The  
26 law enforcement agency of any such county shall take a police report of  
27 the matter and provide the complainant with a copy of such report at no  
28 charge.

29 S 4. Section 176 of the family court act is amended to read as  
30 follows:

31 S 176. Inter-county probation. [If a person placed under probation by  
32 the family court resides in or moves to a county other than the county  
33 in which he was placed on probation, the family court which placed him  
34 on probation may transfer the proceedings to the county in which the  
35 probationer resides or to which he has moved or may place him under the  
36 supervision of the probation service attached to the family court in  
37 which the probationer resides or to which he has moved.]

38 1. WHERE A PERSON PLACED ON PROBATION RESIDES IN ANOTHER JURISDICTION  
39 WITHIN THE STATE AT THE TIME OF THE ORDER OF DISPOSITION, THE FAMILY  
40 COURT WHICH PLACED HIM OR HER ON PROBATION SHALL TRANSFER SUPERVISION TO  
41 THE PROBATION DEPARTMENT IN THE JURISDICTION IN WHICH THE PERSON  
42 RESIDES. WHERE, AFTER A PROBATION DISPOSITION IS PRONOUNCED, A PROBA-  
43 TIONER REQUESTS TO RESIDE IN ANOTHER JURISDICTION WITHIN THE STATE, THE  
44 FAMILY COURT WHICH PLACED HIM OR HER ON PROBATION MAY, IN ITS  
45 DISCRETION, APPROVE A CHANGE IN RESIDENCY AND, UPON APPROVAL, SHALL  
46 TRANSFER SUPERVISION TO THE PROBATION DEPARTMENT SERVING THE COUNTY OF  
47 THE PROBATIONER'S PROPOSED NEW RESIDENCE. ANY TRANSFER UNDER THIS SUBDI-  
48 VISION MUST BE IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSIONER OF  
49 THE DIVISION OF CRIMINAL JUSTICE SERVICES.

50 2. UPON COMPLETION OF A TRANSFER AS AUTHORIZED PURSUANT TO SUBDIVISION  
51 ONE OF THIS SECTION, THE FAMILY COURT WITHIN THE JURISDICTION OF THE  
52 RECEIVING PROBATION DEPARTMENT SHALL ASSUME ALL POWERS AND DUTIES OF THE  
53 FAMILY COURT WHICH PLACED THE PROBATIONER ON PROBATION AND SHALL HAVE  
54 SOLE JURISDICTION IN THE CASE. THE FAMILY COURT WHICH PLACED THE PROBA-  
55 TIONER ON PROBATION SHALL IMMEDIATELY FORWARD ITS ENTIRE CASE RECORD TO  
56 THE RECEIVING COURT.

1 3. UPON COMPLETION OF A TRANSFER AS AUTHORIZED PURSUANT TO SUBDIVISION  
2 ONE OF THIS SECTION, THE PROBATION DEPARTMENT IN THE RECEIVING JURISDIC-  
3 TION SHALL ASSUME ALL POWERS AND DUTIES OF THE PROBATION DEPARTMENT IN  
4 THE JURISDICTION OF THE FAMILY COURT WHICH PLACED THE PROBATIONER ON  
5 PROBATION.

6 S 5. The mental hygiene law is amended by adding a new section 29.28  
7 to read as follows:

8 S 29.28 PAYMENT OF COSTS FOR PROSECUTION OF INMATE-PATIENTS.

9 (A) WHEN AN INMATE-PATIENT, AS DEFINED IN SUBDIVISION (A) OF SECTION  
10 29.27 OF THIS ARTICLE, WHO WAS COMMITTED FROM A STATE CORRECTIONAL  
11 FACILITY, IS ALLEGED TO HAVE COMMITTED AN OFFENSE WHILE IN THE CUSTODY  
12 OF THE DEPARTMENT, THE DEPARTMENT OF CORRECTIONS AND COMMUNITY SUPER-  
13 VISION SHALL PAY ALL REASONABLE COSTS FOR THE PROSECUTION OF SUCH  
14 OFFENSE, INCLUDING BUT NOT LIMITED TO, COSTS FOR: A GRAND JURY IMPANELED  
15 TO HEAR AND EXAMINE EVIDENCE OF SUCH OFFENSE, PETIT JURORS, WITNESSES,  
16 THE DEFENSE OF ANY INMATE FINANCIALLY UNABLE TO OBTAIN COUNSEL IN  
17 ACCORDANCE WITH THE PROVISIONS OF THE COUNTY LAW, THE DISTRICT ATTORNEY,  
18 THE COSTS OF THE SHERIFF AND THE APPOINTMENT OF ADDITIONAL COURT ATTEND-  
19 ANTS, OFFICERS OR OTHER JUDICIAL PERSONNEL.

20 (B) IT SHALL BE THE DUTY OF THE GOVERNING BODY OF ANY COUNTY WHEREIN  
21 SUCH PROSECUTION OCCURS TO CAUSE A SWORN STATEMENT OF ALL COSTS TO BE  
22 FORWARDED TO THE DEPARTMENT. UPON CERTIFICATION BY THE DEPARTMENT THAT  
23 SUCH COSTS AS AUTHORIZED BY THIS STATUTE HAVE BEEN INCURRED, THE DEPART-  
24 MENT SHALL FORWARD THE PROPER VOUCHERS TO THE STATE COMPTROLLER. IT  
25 SHALL BE THE DUTY OF THE COMPTROLLER TO EXAMINE SUCH STATEMENT AND TO  
26 CORRECT SAME BY STRIKING THEREFROM ANY AND ALL ITEMS WHICH ARE NOT  
27 AUTHORIZED PURSUANT TO THE PROVISIONS OF THIS SECTION AND AFTER CORRECT-  
28 ING SUCH STATEMENT, THE COMPTROLLER SHALL DRAW HIS WARRANT FOR THE  
29 AMOUNT OF ANY SUCH COSTS IN FAVOR OF THE APPROPRIATE COUNTY TREASURER,  
30 WHICH SUM SHALL BE PAID TO SAID COUNTY TREASURER OUT OF ANY MONEYS  
31 APPROPRIATED THEREFOR.

32 (C) THE DEPARTMENT SHALL, AFTER CONSULTATION WITH THE DIRECTOR OF THE  
33 BUDGET, PROMULGATE RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF  
34 THIS SECTION.

35 S 6. This act shall take effect immediately, provided, that section  
36 five of this act shall take effect on the thirtieth day after it shall  
37 have become law.

#### 38 SUBPART D

39 Section 1. Section 514 of the general municipal law, as amended by  
40 chapter 492 of the laws of 1963, is amended to read as follows:

41 S 514. Filing of proposed plans. The municipality or agency, as the  
42 case may be, shall file with the commissioner a copy of [each] ANY  
43 proposed urban renewal program ASSISTED BY STATE LOANS, PERIODIC SUBSI-  
44 DIES OR CAPITAL GRANTS, embodying the plans, layout, estimated cost and  
45 proposed [methed] METHOD of financing. Any change made in [the] AN urban  
46 renewal program ASSISTED BY STATE LOANS, PERIODIC SUBSIDIES OR CAPITAL  
47 GRANTS shall be filed with the commissioner. From time to time prior to  
48 completion, and with reasonable promptness after [each] ANY urban  
49 renewal program ASSISTED BY STATE LOANS, PERIODIC SUBSIDIES OR CAPITAL  
50 GRANTS shall have been completed, upon request of the commissioner, the  
51 municipality or agency shall file with the commissioner a detailed  
52 statement of the cost thereof.

53 Upon receipt of a copy of a proposed urban renewal program, or any  
54 proposed change therein, the commissioner may transmit his criticism and

1 suggestions to the municipality or agency, as the case may be. No change  
2 in an urban renewal program assisted by state loans, periodic subsidies  
3 or capital grants may be made by a municipality or agency without the  
4 approval of the commissioner.

5 S 2. Subdivision 1 of section 553 of the general municipal law, as  
6 amended by chapter 681 of the laws of 1963, subparagraph 1 of paragraph  
7 (a) as amended by chapter 213 of the laws of 1966, is amended to read as  
8 follows:

9 1. (a) Upon the establishment of a municipal urban renewal agency by  
10 special act of the legislature, the mayor of the city or village wherein  
11 such agency is established, or the town board of the town, shall file  
12 within six months after the effective date of the special act of the  
13 legislature establishing such agency or before the first day of July,  
14 nineteen hundred sixty-four, whichever date shall be later, [in the  
15 office of the commissioner, and a duplicate] in the office of the secre-  
16 tary of state, a certificate signed by him setting forth: (1) the effec-  
17 tive date of the special act establishing the agency; (2) the name of  
18 the agency; (3) the names of the members and their terms of office,  
19 specifying which member is the chairman; and (4) facts establishing the  
20 need for the establishment of an agency in such city, town or village.

21 (b) Every such agency shall be perpetual in duration, except that if  
22 [(1) such certificate is not filed with and approved by the commissioner  
23 within six months after the effective date of the special act of the  
24 legislature establishing such agency or before the first day of July,  
25 nineteen hundred sixty-four, whichever date shall be later, or if (2)],  
26 at the expiration of ten years subsequent to the effective date of the  
27 special act, there shall be outstanding no bonds or other obligations  
28 theretofore issued by such agency or by the municipality for OR on [in]  
29 behalf of the agency, then the corporate existence of such agency shall  
30 thereupon terminate and it shall [there upon] THEREUPON be deemed to be  
31 and shall be dissolved.

32 S 3. Subdivision 2 of section 553 of the general municipal law, as  
33 added by chapter 921 of the laws of 1962, is amended to read as follows:

34 2. An agency shall be a corporate governmental agency, constituting a  
35 public benefit corporation. Except as otherwise provided by special act  
36 of the Legislature, an agency shall consist of not less than three nor  
37 more than five members who shall be appointed by the mayor of a city or  
38 village or the town board of a town and who shall serve at the pleasure  
39 of the appointing authority. A member shall continue to hold office  
40 until his successor is appointed and has qualified. The mayor of a city  
41 or village, or the town board of a town, shall designate the first  
42 chairman [and file with the commissioner a certificate of appointment or  
43 re-appointment of any member]. Such members shall receive no compen-  
44 sation for their services but shall be entitled to the necessary  
45 expenses, including traveling expenses, incurred in the discharge of  
46 their duties.

47 S 4. This act shall take effect immediately.

#### 48 SUBPART E

49 Section 1. Section 410-x of the social services law is amended by  
50 adding a new subdivision 8 to read as follows:

51 8. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, CHILD CARE  
52 ASSISTANCE PAYMENTS MADE PURSUANT TO THIS SECTION MAY BE MADE BY DIRECT  
53 DEPOSIT OR DEBIT CARD, AS ELECTED BY THE RECIPIENT, AND ADMINISTERED  
54 ELECTRONICALLY, AND IN ACCORDANCE WITH SUCH GUIDELINES, AS MAY BE SET

FORTH BY REGULATION OF THE OFFICE OF CHILDREN AND FAMILY SERVICES. THE OFFICE OF CHILDREN AND FAMILY SERVICES MAY ENTER INTO CONTRACTS ON BEHALF OF LOCAL SOCIAL SERVICES DISTRICTS FOR SUCH DIRECT DEPOSIT OR DEBIT CARD SERVICES IN ACCORDANCE WITH SECTION TWENTY-ONE-A OF THIS CHAPTER.

S 2. Subdivision 2 of section 378 of the social services law, as amended by chapter 555 of the laws of 1978, is amended to read as follows:

2. Such certificates and licenses shall be valid for not more than [one year] TWO YEARS after date of issue but may be renewed or extended subject to regulations established by the [department] OFFICE OF CHILDREN AND FAMILY SERVICES.

S 3. This act shall take effect immediately.

#### SUBPART F

Section 1. Subdivision 1 of section 3241 of the education law, as amended by chapter 971 of the laws of 1969, is amended to read as follows:

1. The board of education of each city, except in cities having a population of one hundred twenty-five thousand or more, shall constitute a permanent census board in such city. Such board shall, under its regulations, cause a census of the children in its city to be taken and to be amended from day to day, as changes of residence shall occur among persons in such cities within the ages prescribed in subdivision two of this section and as other persons shall come within the ages prescribed therein and as other persons within such ages shall become residents of such cities, so that there shall always be on file with such board a complete census giving the facts and information required in subdivision two of this section; PROVIDED, HOWEVER, THAT FOR PRE-SCHOOL STUDENTS FROM BIRTH TO FIVE YEARS OF AGE, SUCH CENSUS MAY BE PREPARED AND FILED BIENNIALLY ON OR BEFORE THE FIFTEENTH DAY OF OCTOBER.

S 2. Section 3242 of the education law, as amended by chapter 425 of the laws of 1993, is amended to read as follows:

S 3242. School census in school districts. The trustees or board of education of every school district may cause a census to be taken of all children between birth and eighteen years of age, including all such facts and information as are required in the census provided for in section thirty-two hundred forty-one of this chapter. Such census shall be prepared ANNUALLY FOR CHILDREN BETWEEN AGES FIVE AND EIGHTEEN WHO ARE ENTITLED TO ATTEND THE PUBLIC SCHOOLS WITHOUT PAYMENT OF TUITION in duplicate in their respective school districts, and one copy thereof filed with the teacher or principal and the other copy filed with the district superintendent or superintendent on or before the [fifteen] FIFTEENTH day of October. FOR PRE-SCHOOL STUDENTS FROM BIRTH TO FIVE YEARS OF AGE, SUCH CENSUS MAY BE PREPARED AND FILED BIENNIALLY ON OR BEFORE THE FIFTEENTH DAY OF OCTOBER. Such census shall include the reports and information required from cities as provided in section thirty-two hundred forty-one. All information regarding a [handicapped person] STUDENT WITH A DISABILITY under the age of twenty-one years shall be filed annually with the superintendent of the board of cooperative educational services of which said district may be a part.

S 3. Section 3635 of the education law is amended by adding a new subdivision 8 to read as follows:

8. A. THE TRUSTEES OR BOARD OF EDUCATION OF A SCHOOL DISTRICT MAY, AT ITS DISCRETION, PROVIDE STUDENT TRANSPORTATION BASED UPON PATTERNS OF



1 ACTUAL RIDERSHIP. THE ACTUAL RIDERSHIP SHALL BE DETERMINED BY A SCHOOL  
2 DISTRICT BASED UPON DOCUMENTED HISTORY AND EXPERIENCE THAT YIELDS A  
3 CONSISTENT PATTERN OF ELIGIBLE PUPILS NOT USING DISTRICT TRANSPORTATION;  
4 OR MODELING OF FUTURE RIDERSHIP; OR THE SHARING OF TRANSPORTATION  
5 REGIONALLY; OR OTHER CRITERIA APPROVED BY THE COMMISSIONER; PROVIDED  
6 HOWEVER THAT ANY METHODOLOGY SHALL REQUIRE AN ADDITIONAL TEN PERCENT IN  
7 SEATING CAPACITY ABOVE THE NUMBER OF SEATS DERIVED USING SUCH METHODOLO-  
8 GY WHICH SHALL BE AVAILABLE IN CASE OF UNANTICIPATED RIDERS.

9 NOTHING IN THIS SUBDIVISION SHALL BE CONSTRUED TO REDUCE OR RELIEVE  
10 SCHOOL DISTRICTS FROM THE RESPONSIBILITY OF PROVIDING TRANSPORTATION TO  
11 STUDENTS OTHERWISE ELIGIBLE FOR SUCH TRANSPORTATION. NOTHING IN THIS  
12 SUBDIVISION SHALL BE CONSTRUED TO AUTHORIZE A SCHOOL DISTRICT TO HAVE  
13 STANDING PASSENGERS IN VIOLATION OF SECTION THIRTY-SIX HUNDRED  
14 THIRTY-FIVE-C OF THIS ARTICLE, AND UNANTICIPATED RIDERSHIP SHALL NOT BE  
15 DEEMED AN UNFORESEEN OCCURRENCE FOR PURPOSES OF SUBDIVISION TWO OF SUCH  
16 SECTION AFTER THE FIRST DAY IN WHICH SUCH UNANTICIPATED RIDERSHIP  
17 OCCURS.

18 ANY SCHOOL DISTRICT THAT, AT ITS DISCRETION, HAS ELECTED TO PROVIDE  
19 STUDENT TRANSPORTATION BASED UPON PATTERNS OF ACTUAL RIDERSHIP SHALL  
20 PLACE SUCH PLANS ON THE SCHOOL DISTRICT'S WEBSITE, IF ONE EXISTS, ON OR  
21 BEFORE AUGUST FIFTEENTH OF THE SCHOOL YEAR IN WHICH THE TRANSPORTATION  
22 PLAN WILL BE IMPLEMENTED AND SHALL BE REQUIRED TO HAVE A BACK UP PLAN AS  
23 PART OF THEIR EMERGENCY MANAGEMENT PRACTICES FOR PUPIL TRANSPORTATION IN  
24 THE EVENT THAT A BUS IS FILLED BEYOND CAPACITY.

25 B. THE COMMISSIONER SHALL EVALUATE THE EFFECTIVENESS OF THIS SUBDIVI-  
26 SION INCLUDING THE METHODOLOGIES USED BY SCHOOL DISTRICTS TO DETERMINE  
27 THE PATTERNS OF ACTUAL RIDERSHIP AND WHETHER SUCH METHODOLOGIES ENSURE  
28 THAT ALL STUDENTS OTHERWISE ELIGIBLE RECEIVE TRANSPORTATION AND THAT  
29 STUDENT SAFETY IS ASSURED.

30 S 4. Clause (b) of subparagraph 3 of paragraph e of subdivision 6 of  
31 section 3602 of the education law, as amended by section 1 of part F of  
32 chapter 383 of the laws of 2001, is amended to read as follows:

33 (b) Such assumed amortization for a project approved by the commis-  
34 sioner on or after the later of the first day of December, two thousand  
35 one or thirty days after the date upon which this subdivision shall have  
36 become a law AND PRIOR TO THE FIRST DAY OF JULY, TWO THOUSAND ELEVEN or  
37 for any debt service related to projects approved by the commissioner  
38 prior to such date where a bond, capital note or bond anticipation note  
39 is first issued on or after [such date] THE FIRST DAY OF DECEMBER, TWO  
40 THOUSAND ONE to fund such projects, shall commence: (i) eighteen months  
41 after such approval or (ii) on the date of receipt by the commissioner  
42 of a certification by the district that a general construction contract  
43 has been awarded for such project by the district, whichever is later,  
44 and SUCH ASSUMED AMORTIZATION FOR A PROJECT APPROVED BY THE COMMISSIONER  
45 ON OR AFTER THE FIRST DAY OF JULY, TWO THOUSAND ELEVEN SHALL COMMENCE:  
46 (III) EIGHTEEN MONTHS AFTER SUCH APPROVAL OR (IV) ON THE DATE OF RECEIPT  
47 BY THE COMMISSIONER OF BOTH THE FINAL CERTIFICATE OF SUBSTANTIAL  
48 COMPLETION OF THE PROJECT ISSUED BY THE ARCHITECT OR ENGINEER AND THE  
49 FINAL COST REPORT FOR SUCH PROJECT, WHICHEVER IS LATER OR (V) UPON THE  
50 DATE OF A FINDING BY THE COMMISSIONER THAT THE CERTIFICATE OF SUBSTAN-  
51 TIAL COMPLETION OF THE PROJECT HAS BEEN ISSUED BY THE ARCHITECT OR ENGI-  
52 NEER, BUT THE DISTRICT IS UNABLE TO COMPLETE THE FINAL COST REPORT  
53 BECAUSE OF CIRCUMSTANCES BEYOND THE CONTROL OF THE DISTRICT. SUCH  
54 ASSUMED AMORTIZATION shall provide for equal semiannual payments of  
55 principal and interest based on an interest rate established pursuant to  
56 subparagraph five of this paragraph for such purpose for the school year

1 during which such certification is received. The first installment of  
2 obligations issued by the school district in support of such projects  
3 may mature not later than the dates established pursuant to sections  
4 21.00 and 22.10 of the local finance law.

5 S 5. Subdivision 35 of section 1604 of the education law, as added by  
6 chapter 263 of the laws of 2005, is amended to read as follows:

7 35. a. In their discretion, to adopt a resolution establishing the  
8 office of claims auditor and appoint a claims auditor who shall hold his  
9 or her position subject to the pleasure of such trustees. IN ITS  
10 DISCRETION, THE TRUSTEES MAY ADOPT A RESOLUTION ESTABLISHING THE OFFICE  
11 OF DEPUTY CLAIMS AUDITOR WHO SHALL ACT AS CLAIMS AUDITOR IN THE ABSENCE  
12 OF THE CLAIMS AUDITOR. Such claims auditor shall report directly to the  
13 trustees. No person shall be eligible for appointment to the office of  
14 claims auditor OR DEPUTY CLAIMS AUDITOR who shall also be:

- 15 (1) a trustee of the school district;  
16 (2) the clerk or treasurer of the school district;  
17 (3) the superintendent of schools or other official of the district  
18 responsible for business management;  
19 (4) the person designated as purchasing agent; or  
20 (5) clerical or professional personnel directly involved in accounting  
21 and purchasing functions of the school district.

22 b. Such claims auditor OR DEPUTY CLAIMS AUDITOR shall not be required  
23 to be a resident of the district, and the [position] POSITIONS of claims  
24 auditor AND DEPUTY CLAIMS AUDITOR shall be classified in the exempt  
25 class of the civil service. The trustees, at any time after the estab-  
26 lishment of the office of claims auditor OR DEPUTY CLAIMS AUDITOR, may  
27 adopt a resolution abolishing such office, whereupon such office shall  
28 be abolished. When the office of claims auditor shall have been estab-  
29 lished and a claims auditor shall have been appointed and shall have  
30 qualified, the powers and duties of the trustees with respect to claims  
31 auditing, and allowing or rejecting all accounts, charges, claims or  
32 demands against the school district, shall devolve upon and thereafter  
33 be exercised by such claims auditor during the continuance of such  
34 office. The trustees shall be permitted to delegate the claims audit  
35 function TO ONE OR MORE INDEPENDENT ENTITIES by using (1) inter-muni-  
36 cipal cooperative agreements, (2) shared services to the extent authorized  
37 by section nineteen hundred fifty of this title, or (3) independent  
38 contractors, to fulfill this function.

39 C. WHEN THE TRUSTEES DELEGATE THE CLAIMS AUDIT FUNCTION USING AN  
40 INTER-MUNICIPAL COOPERATIVE AGREEMENT, SHARED SERVICE AUTHORIZED BY  
41 SECTION NINETEEN HUNDRED FIFTY OF THIS TITLE, OR AN INDEPENDENT CONTRAC-  
42 TOR, THE TRUSTEES SHALL BE RESPONSIBLE FOR AUDITING ALL CLAIMS FOR  
43 SERVICES FROM THE ENTITY PROVIDING THE DELEGATED CLAIMS AUDITOR, EITHER  
44 DIRECTLY OR THROUGH A DELEGATION TO A DIFFERENT INDEPENDENT ENTITY.

45 S 6. Subdivision 20-a of section 1709 of the education law, as  
46 amended by chapter 263 of the laws of 2005, is amended to read as  
47 follows:

48 20-a. a. In its discretion to adopt a resolution establishing the  
49 office of claims auditor and appoint a claims auditor who shall hold his  
50 or her position subject to the pleasure of such board of education. IN  
51 ITS DISCRETION, THE BOARD OF EDUCATION MAY ADOPT A RESOLUTION ESTABLISH-  
52 ING THE OFFICE OF DEPUTY CLAIMS AUDITOR WHO SHALL ACT AS CLAIMS AUDITOR  
53 IN THE ABSENCE OF THE CLAIMS AUDITOR. Such claims auditor shall report  
54 directly to the board of education. No person shall be eligible for  
55 appointment to the office of claims auditor OR DEPUTY CLAIMS AUDITOR who  
56 shall also be:

1 (1) a member of the board of education;  
2 (2) the clerk or treasurer of the board of education;  
3 (3) the superintendent of schools or other official of the district  
4 responsible for business management;  
5 (4) the person designated as purchasing agent; or  
6 (5) clerical or professional personnel directly involved in accounting  
7 and purchasing functions of the school district.

8 b. Such claims auditor OR DEPUTY CLAIMS AUDITOR shall not be required  
9 to be a resident of the district, and such position shall be classified  
10 in the exempt class of the civil service. Such board of education, at  
11 any time after the establishment of the office of claims auditor OR  
12 DEPUTY CLAIMS AUDITOR, may adopt a resolution abolishing such office,  
13 whereupon such office shall be abolished. When the office of claims  
14 auditor shall have been established and a claims auditor shall have been  
15 appointed and shall have qualified, the powers and duties of the board  
16 of education with respect to claims auditing, allowing or rejecting all  
17 accounts, charges, claims or demands against the school district shall  
18 devolve upon and thereafter be exercised by such claims auditor, during  
19 the continuance of such office. A board shall be permitted to delegate  
20 the claims audit function TO ONE OR MORE INDEPENDENT ENTITIES by using  
21 (1) inter-municipal cooperative agreements, (2) shared services to the  
22 extent authorized by section nineteen hundred fifty of this title, or  
23 (3) independent contractors, to fulfill this function.

24 C. WHEN THE BOARD OF EDUCATION DELEGATES THE CLAIMS AUDIT FUNCTION  
25 USING AN INTER-MUNICIPAL COOPERATIVE AGREEMENT, SHARED SERVICE AUTHOR-  
26 IZED BY SECTION NINETEEN HUNDRED FIFTY OF THIS TITLE, OR AN INDEPENDENT  
27 CONTRACTOR, THE BOARD SHALL BE RESPONSIBLE FOR AUDITING ALL CLAIMS FOR  
28 SERVICES FROM THE ENTITY PROVIDING THE DELEGATED CLAIMS AUDITOR, EITHER  
29 DIRECTLY OR THROUGH A DELEGATION TO A DIFFERENT INDEPENDENT ENTITY.

30 S 7. Paragraph e of subdivision 2 of section 1711 of the education  
31 law, as amended by chapter 263 of the laws of 2005, is amended to read  
32 as follows:

33 e. To have supervision and direction of associate, assistant and other  
34 superintendents, directors, supervisors, principals, teachers, lectur-  
35 ers, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS AUDI-  
36 TORS, attendance officers, janitors and other persons employed in the  
37 management of the schools or the other educational activities of the  
38 district authorized by this chapter and under the direction and manage-  
39 ment of the board of education; to transfer teachers from one school to  
40 another, or from one grade of the course of study to another grade in  
41 such course, and to report immediately such transfers to such board for  
42 its consideration and actions; to report to such board violations of  
43 regulations and cases of insubordination, and to suspend an associate,  
44 assistant or other superintendent, director, supervisor, expert, princi-  
45 pal, teacher or other employee until the next regular meeting of such  
46 board, when all facts relating to the case shall be submitted to such  
47 board for its consideration and action.

48 S 8. Subdivision 1 of section 1724 of the education law, as amended by  
49 chapter 259 of the laws of 1975, is amended to read as follows:

50 1. No claim against a central school district or a union free school  
51 district, except for compensation for services of an officer or employee  
52 engaged at agreed wages by the hour, day, week, month or year or for the  
53 principal of or interest on indebtedness of the district, shall be paid  
54 unless an itemized voucher therefor approved by the officer whose action  
55 gave rise or origin to the claim, shall have been presented to the board  
56 of education of the district and shall have been audited and allowed;

1 PROVIDED, HOWEVER THAT IN THE CASE OF A SCHOOL DISTRICT WITH A PUBLIC  
2 SCHOOL ENROLLMENT OF TEN THOUSAND STUDENTS OR MORE, THE BOARD OF EDUCA-  
3 TION MAY, AT ITS DISCRETION, USE A RISK-BASED OR SAMPLING METHODOLOGY TO  
4 DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN LIEU OF AUDITING ALL CLAIMS  
5 SO LONG AS IT IS DETERMINED BY RESOLUTION OF THE BOARD OF EDUCATION THAT  
6 THE METHODOLOGY FOR CHOOSING THE SAMPLE PROVIDES REASONABLE ASSURANCE  
7 THAT ALL THE CLAIMS REPRESENTED IN THE SAMPLE ARE PROPER CHARGES AGAINST  
8 THE SCHOOL DISTRICT. The board of education shall be authorized, but  
9 not required, to prescribe the form of such voucher.

10 S 9. Subdivision 5 of section 2503 of the education law, as amended by  
11 chapter 263 of the laws of 2005, is amended to read as follows:

12 5. Shall create, abolish, maintain and consolidate such positions,  
13 divisions, boards or bureaus as, in its judgment, may be necessary for  
14 the proper and efficient administration of its work; shall appoint prop-  
15 erly qualified persons to fill such positions, including a superinten-  
16 dent of schools, such associate, assistant and other superintendents,  
17 directors, supervisors, principals, teachers, lecturers, special  
18 instructors, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS  
19 AUDITORS, attendance officers, secretaries, clerks, custodians, janitors  
20 and other employees and other persons or experts in educational, social  
21 or recreational work or in the business management or direction of its  
22 affairs as said board shall determine necessary for the efficient  
23 management of the schools and other educational, social, recreational  
24 and business activities; and shall determine their duties except as  
25 otherwise provided herein.

26 S 10. Subdivision 5 of section 2508 of the education law, as amended  
27 by chapter 263 of the laws of 2005, is amended to read as follows:

28 5. To have supervision and direction of associate, assistant and other  
29 superintendents, directors, supervisors, principals, teachers, lectur-  
30 ers, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS AUDI-  
31 TORS, attendance officers, janitors and other persons employed in the  
32 management of the schools or the other educational activities of the  
33 district authorized by this chapter and under the direction and manage-  
34 ment of the board of education; to transfer teachers from one school to  
35 another, or from one grade of the course of study to another grade in  
36 such course, and to report immediately such transfers to such board for  
37 its consideration and action; to report to such board violations of  
38 regulations and cases of insubordination, and to suspend an associate,  
39 assistant or other superintendent, director, supervisor, expert, princi-  
40 pal, teacher or other employee until the next regular meeting of such  
41 board, when all facts relating to the case shall be submitted to such  
42 board for its consideration and action.

43 S 11. Subdivision 2 of section 2523 of the education law, as amended  
44 by chapter 263 of the laws of 2005, is amended to read as follows:

45 2. Such moneys shall be disbursed only on the signature of such treas-  
46 urer by checks payable to the person or persons entitled thereto. The  
47 board of education may in its discretion require that such checks-other  
48 than checks for salary, be countersigned by another officer of such  
49 district. When authorized by resolution of the board of education such  
50 checks may be signed with the facsimile signature of the treasurer and  
51 other district officer whose signature is required, as reproduced by a  
52 machine or device commonly known as a check-signer. Each check drawn by  
53 the treasurer shall state the fund against which it is drawn. No fund  
54 shall be overdrawn nor shall any check be drawn upon one fund to pay a  
55 claim chargeable to another. No money shall be paid out by the treasurer  
56 except upon the warrant of the clerk of the board of education after

1 audit and allowance by such board, or if a claims auditor OR DEPUTY  
2 CLAIMS AUDITOR shall have been appointed, except upon the warrant of  
3 such claims auditor OR DEPUTY CLAIMS AUDITOR after audit and allowance  
4 thereof; provided, however, when provision for payment has been made in  
5 the annual budget the treasurer may pay, without such warrant or prior  
6 audit and allowance, (a) the principal of and interest on bonds, notes  
7 or other evidences of indebtedness of the district or for the payment of  
8 which the district shall be liable, and (b) compensation for services of  
9 officers or employees engaged at agreed wages by the hour, day, week,  
10 month or year upon presentation of a duly certified payroll; AND  
11 PROVIDED FURTHER THAT IN THE CASE OF A CITY SCHOOL DISTRICT WITH A  
12 PUBLIC SCHOOL ENROLLMENT OF TEN THOUSAND STUDENTS OR MORE, THE BOARD OF  
13 EDUCATION MAY, AT ITS DISCRETION, USE A RISK-BASED OR SAMPLING METHODOLOGY  
14 TO DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN LIEU OF AUDITING ALL  
15 CLAIMS SO LONG AS IT IS DETERMINED BY RESOLUTION OF THE BOARD OF EDUCATION  
16 THAT THE METHODOLOGY FOR CHOOSING THE SAMPLE PROVIDES REASONABLE  
17 ASSURANCE THAT ALL THE CLAIMS REPRESENTED IN THE SAMPLE ARE PROPER  
18 CHARGES AGAINST THE SCHOOL DISTRICT. By resolution duly adopted, the  
19 board may determine to enter into a contract to provide for the deposit  
20 of the periodic payroll of the school district in a bank or trust company  
21 for disbursement by it in accordance with provisions of section ninety-  
22 six-b of the banking law.

23 S 12. Subdivision 1 of section 2524 of the education law, as amended  
24 by chapter 263 of the laws of 2005, is amended to read as follows:

25 1. No claim against a city school district, except for compensation  
26 for services of an officer or employee engaged at agreed wages by the  
27 hour, day, week, month or year or for the principal of or interest on  
28 indebtedness of the district, shall be paid unless an itemized voucher  
29 therefor approved by the officer whose action gave rise or origin to the  
30 claim, shall have been presented to the board of education, or THE  
31 claims auditor OR DEPUTY CLAIMS AUDITOR of the city school district and  
32 shall have been audited and allowed, PROVIDED THAT IN THE CASE OF A CITY  
33 SCHOOL DISTRICT WITH A PUBLIC SCHOOL ENROLLMENT OF TEN THOUSAND STUDENTS  
34 OR MORE, THE BOARD OF EDUCATION MAY, AT ITS DISCRETION, USE A RISK-BASED  
35 OR SAMPLING METHODOLOGY TO DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN  
36 LIEU OF AUDITING ALL CLAIMS SO LONG AS IT IS DETERMINED BY RESOLUTION OF  
37 THE BOARD OF EDUCATION THAT THE METHODOLOGY FOR CHOOSING THE SAMPLE  
38 PROVIDES REASONABLE ASSURANCE THAT ALL THE CLAIMS REPRESENTED IN THE  
39 SAMPLE ARE PROPER CHARGES AGAINST THE SCHOOL DISTRICT. The board of  
40 education shall be authorized, but not required, to prescribe the form  
41 of such voucher.

42 S 13. Section 2525 of the education law, as amended by chapter 263 of  
43 the laws of 2005, is amended to read as follows:

44 S 2525. Audit of claims. 1. The board of education, in considering any  
45 claim OR WHERE APPLICABLE A SAMPLING OF CLAIMS, may require any person  
46 presenting the same to be sworn before it or before any member thereof  
47 and to give testimony relative to the justness and accuracy of such  
48 claim, and may take evidence and examine witnesses under oath in respect  
49 to the claim, and for that purpose may issue subpoenas for the attendance  
50 of witnesses. When a claim OR WHERE APPLICABLE A SAMPLING OF CLAIMS  
51 has been finally audited by the board of education the clerk of such  
52 board shall endorse thereon or attach thereto a certificate of such  
53 audit and file the same as a public record in his or her office. When  
54 any claim has been so audited and a certificate thereof so filed, the  
55 clerk of the board of education shall draw a warrant specifying the name  
56 of the claimant, the amount allowed and the fund, function and object

chargeable therewith and such other information as may be deemed necessary and essential, directed to the treasurer of the district, authorizing and directing him or her to pay to the claimant the amount allowed upon his or her claim. A copy of such warrant shall be filed in the office of the clerk.

2. In a city school district in which the office of claims auditor OR DEPUTY CLAIMS AUDITOR has been created, the claims auditor OR DEPUTY CLAIMS AUDITOR in considering a claim OR WHERE APPLICABLE A SAMPLING OF CLAIMS, may require any person presenting the same to be sworn before him or her and to give testimony relative to the justness and accuracy of such claim, and may take evidence and examine witnesses under oath in respect to the claim, and for that purpose may issue subpoenas for the attendance of witnesses. When a claim, OR WHERE APPLICABLE A SAMPLING OF CLAIMS, has been finally audited by the claims auditor OR DEPUTY CLAIMS AUDITOR he or she shall endorse thereon or attach thereto a certificate of such audit and file the same as a public record in his or her office. When any claim has been so audited and a certificate thereof so filed, the claims auditor OR DEPUTY CLAIMS AUDITOR shall draw a warrant specifying the number of the claim, the name of the claimant, the amount allowed and the fund, function and object chargeable therewith and such other information as may be deemed necessary or essential, directed to the treasurer of the district, authorizing and directing him or her to pay to the claimant the amount allowed upon his or her claim. IN THE CASE OF A CITY SCHOOL DISTRICT WITH A PUBLIC SCHOOL ENROLLMENT OF TEN THOUSAND STUDENTS OR MORE, THE BOARD OF EDUCATION MAY, AT ITS DISCRETION, USE A RISK-BASED OR SAMPLING METHODOLOGY TO DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN LIEU OF AUDITING ALL CLAIMS SO LONG AS IT IS DETERMINED BY RESOLUTION OF THE BOARD OF EDUCATION THAT THE METHODOLOGY FOR CHOOSING THE SAMPLE PROVIDES REASONABLE ASSURANCE THAT ALL THE CLAIMS REPRESENTED IN THE SAMPLE ARE PROPER CHARGES AGAINST THE SCHOOL DISTRICT. A copy of such warrant shall be filed in the office of the clerk.

S 14. Section 2526 of the education law, as amended by chapter 263 of the laws of 2005, is amended to read as follows:

S 2526. Claims auditor. 1. The board of education of a city school district may adopt a resolution establishing the office of claims auditor and appoint a claims auditor who shall hold his or her position subject to the pleasure of such board of education. IN ITS DISCRETION, THE BOARD MAY ADOPT A RESOLUTION ESTABLISHING THE OFFICE OF DEPUTY CLAIMS AUDITOR WHO SHALL ACT AS CLAIMS AUDITOR IN THE ABSENCE OF THE CLAIMS AUDITOR. Such claims auditor shall report directly to the board of education. No person shall be eligible for appointment to the office of claims auditor OR DEPUTY CLAIMS AUDITOR who shall be:

- (1) a member of the board of education;
- (2) the clerk or treasurer of the board of education;
- (3) the superintendent of schools or other official of the district responsible for business management;
- (4) the person designated as purchasing agent; or
- (5) clerical or professional personnel directly involved in accounting and purchasing functions of the school district.

1-a. The [position] POSITIONS of claims auditor AND DEPUTY CLAIMS AUDITOR shall be classified in the exempt class of civil service. Such board of education, at any time after the establishment of the office of claims auditor OR DEPUTY CLAIMS AUDITOR, may adopt a resolution abolishing such office, whereupon such office shall be abolished.

1 2. When the office of claims auditor shall have been established and a  
2 claims auditor shall have been appointed and shall have qualified, the  
3 powers and duties of the board of education with respect to claims  
4 auditing, allowing or rejecting all accounts, charges, claims or demands  
5 against the city school district shall devolve upon and thereafter be  
6 exercised by such claims auditor, during the continuance of such office.  
7 The board of education shall be permitted to delegate the claims audit  
8 function TO ONE OR MORE INDEPENDENT ENTITIES by using (1) inter-municipal  
9 cooperative agreements, (2) shared services to the extent authorized  
10 by section nineteen hundred fifty of this title, or (3) independent  
11 contractors, to fulfill this function.

12 3. WHEN THE BOARD OF EDUCATION DELEGATES THE CLAIMS AUDIT FUNCTION  
13 USING AN INTER-MUNICIPAL COOPERATIVE AGREEMENT, SHARED SERVICE AUTHORIZED  
14 BY SECTION NINETEEN HUNDRED FIFTY OF THIS TITLE, OR AN INDEPENDENT  
15 CONTRACTOR, THE BOARD SHALL BE RESPONSIBLE FOR AUDITING ALL CLAIMS FOR  
16 SERVICES FROM THE ENTITY PROVIDING THE DELEGATED CLAIMS AUDITOR, EITHER  
17 DIRECTLY OR THROUGH A DELEGATION TO A DIFFERENT INDEPENDENT ENTITY.

18 S 15. Section 2527 of the education law, as amended by chapter 263 of  
19 the laws of 2005, is amended to read as follows:

20 S 2527. Official undertakings. The clerk of the board of education or,  
21 where the office of claims auditor OR DEPUTY CLAIMS AUDITOR has been  
22 created, the claims auditor OR DEPUTY CLAIMS AUDITOR, and the treasurer,  
23 collector and such other officers and employees as the board of education  
24 shall designate, shall, before they enter upon the duties of their  
25 respective offices or positions, each execute to the school district and  
26 file with the school district clerk an official undertaking in such sum  
27 and with such corporate surety as the board of education shall direct  
28 and approve. The board of education may, at any time, require any such  
29 officer or employee to file a new official undertaking for such sum and  
30 with such corporate surety as the board shall approve. Such undertakings  
31 as shall have been approved by the board of education shall forthwith be  
32 filed with the school district clerk. The expense of any undertaking  
33 executed pursuant to this section shall be a school district charge.

34 S 16. Subdivision 2-a of section 2554 of the education law, as amended  
35 by chapter 263 of the laws of 2005, is amended to read as follows:

36 2-a. a. In its discretion to adopt a resolution establishing the  
37 office of claims auditor and appoint a claims auditor who shall hold his  
38 or her position subject to the pleasure of the board. IN ITS DISCRETION,  
39 THE BOARD MAY ADOPT A RESOLUTION ESTABLISHING ONE OR MORE OFFICES OF  
40 DEPUTY CLAIMS AUDITOR WHO SHALL ACT AS CLAIMS AUDITOR IN THE ABSENCE OF  
41 THE CLAIMS AUDITOR. Such claims auditor shall report directly to the  
42 board of education. No person shall be eligible for appointment to the  
43 office of claims auditor OR DEPUTY CLAIMS AUDITOR who shall be

44 (1) a member of the board of education;

45 (2) a clerk or treasurer of the board of education;

46 (3) the superintendent of schools or other official of the district  
47 responsible for business management;

48 (4) the person designated as purchasing agent; or

49 (5) clerical or professional personnel directly involved in accounting  
50 and purchasing functions of the school district.

51 b. The [position] POSITIONS of claims auditor OR DEPUTY CLAIMS AUDITOR  
52 shall be classified in the exempt class of civil service. The board of  
53 education, at any time after the establishment of the office of claims  
54 auditor OR DEPUTY CLAIMS AUDITOR, may adopt a resolution abolishing the  
55 office. When the office of claims auditor shall have been established  
56 and a claims auditor shall have been appointed and shall have qualified,

1 the powers and duties of the board of education with respect to auditing  
2 accounts, charges, claims or demands against the city school district  
3 shall devolve upon and thereafter be exercised by such claims auditor,  
4 during the continuance of the office. The board of education shall be  
5 permitted to delegate the claims audit function TO ONE OR MORE INDEPEND-  
6 ENT ENTITIES by using (1) inter-municipal cooperative agreements, or (2)  
7 independent contractors, to fulfill this function.

8 C. WHEN THE BOARD OF EDUCATION DELEGATES THE CLAIMS AUDIT FUNCTION  
9 USING AN INTER-MUNICIPAL COOPERATIVE AGREEMENT, SHARED SERVICE AUTHOR-  
10 IZED BY SECTION NINETEEN HUNDRED FIFTY OF THIS TITLE, OR AN INDEPENDENT  
11 CONTRACTOR, THE BOARD SHALL BE RESPONSIBLE FOR AUDITING ALL CLAIMS FOR  
12 SERVICES FROM THE ENTITY PROVIDING THE DELEGATED CLAIMS AUDITOR, EITHER  
13 DIRECTLY OR THROUGH A DELEGATION TO A DIFFERENT INDEPENDENT ENTITY.

14 S 17. Subdivision 2 of section 2562 of the education law, as amended  
15 by chapter 263 of the laws of 2005, is amended to read as follows:

16 2. The said board of education may require any person presenting for  
17 settlement an account or claim for any cause whatever against it to be  
18 sworn before it or a committee thereof, or before the claims auditor OR  
19 DEPUTY CLAIMS AUDITOR, or before any person designated by said board,  
20 touching such account or claim, and when so sworn, to answer orally as  
21 to any facts relative to the justness of such account or claim. A member  
22 of the board, the claims auditor, or any other person designated as  
23 hereinbefore stated, shall have the power to administer an oath to any  
24 person who shall give testimony to the justness of such account or  
25 claim, and for the purpose of securing such testimony may issue subpoe-  
26 nas for the attendance of witnesses. Wilful false swearing before the  
27 said board of education, a committee thereof, the claims auditor OR  
28 DEPUTY CLAIMS AUDITOR, or before any person designated as hereinbefore  
29 stated, is perjury and punishable as such.

30 S 18. Subdivision 6 of section 2566 of the education law, as amended  
31 by chapter 263 of the laws of 2005, is amended to read as follows:

32 6. To have supervision and direction of associate, assistant, district  
33 and other superintendents, directors, supervisors, principals, teachers,  
34 lecturers, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS  
35 AUDITORS, attendance officers, janitors and other persons employed in  
36 the management of the schools or the other educational activities of the  
37 city authorized by this chapter and under the direction and management  
38 of the board of education, except that in the city school districts of  
39 the cities of Buffalo and Rochester to also appoint, within the amounts  
40 budgeted therefor, such associate, assistant and district superinten-  
41 dents and all other supervising staff who are excluded from the right to  
42 bargain collectively pursuant to article fourteen of the civil service  
43 law; to transfer teachers from one school to another, or from one grade  
44 of the course of study to another grade in such course, and to report  
45 immediately such transfers to said board for its consideration and  
46 action; to report to said board of education violations of regulations  
47 and cases of insubordination, and to suspend an associate, assistant,  
48 district or other superintendent, director, supervisor, expert, princi-  
49 pal, teacher or other employee until the next regular meeting of the  
50 board, when all facts relating to the case shall be submitted to the  
51 board for its consideration and action.

52 S 19. Paragraph a of subdivision 1 of section 2576 of the education  
53 law, as amended by chapter 263 of the laws of 2005, is amended to read  
54 as follows:

55 a. The salary of the superintendent of schools, associate, district or  
56 assistant or other superintendents, examiners, directors, supervisors,



principals, teachers, lecturers, special instructors, claims auditors, DEPUTY CLAIMS AUDITORS, medical inspectors, nurses, attendance officers, clerks, custodians and janitors and the salary, fees or compensation of all other employees appointed or employed by said board of education. In addition, the expenses of personnel utilized to fulfill the internal audit function pursuant to section twenty-one hundred sixteen-b of this [chapter] TITLE.

S 20. Subdivisions 2 and 4 of section 2580 of the education law, subdivision 2 as amended by chapter 263 of the laws of 2005 and subdivision 4 as amended by chapter 452 of the laws of 1964, are amended to read as follows:

2. Such funds shall be disbursed by authority of the board of education upon written orders drawn on the city treasurer or other fiscal officer of the city. Such orders shall be signed by the superintendent of schools and the secretary of the board of education or such other officers as the board may authorize. If a claims auditor OR DEPUTY CLAIMS AUDITOR shall have been appointed, orders shall be signed by [the] SUCH claims auditor; provided, however, that the board may require, in addition, the signature of such other officer or officers as it may by resolution direct. Orders shall be numbered consecutively and shall specify the purpose for which they are drawn and the person or corporation to whom they are payable.

4. It shall be unlawful for a city treasurer or other officer having the custody of such city funds to permit their use for any purpose other than that for which they are lawfully authorized; they shall be paid out only on audit of the board of education or as otherwise provided herein; PROVIDED, HOWEVER, THAT THE BOARD OF EDUCATION MAY, AT ITS DISCRETION, USE A RISK-BASED OR SAMPLING METHODOLOGY TO DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN LIEU OF AUDITING ALL CLAIMS SO LONG AS IT IS DETERMINED BY RESOLUTION OF THE BOARD OF EDUCATION THAT THE METHODOLOGY FOR CHOOSING THE SAMPLE PROVIDES REASONABLE ASSURANCE THAT ALL THE CLAIMS REPRESENTED IN THE SAMPLE ARE PROPER CHARGES AGAINST THE SCHOOL DISTRICT. Payments from such funds shall be made only by checks signed by the treasurer or other custodian of such moneys and payable to the person or persons entitled thereto and countersigned either by the comptroller, or in a city having no comptroller, by an officer designated by the officer or body having the general control of the financial affairs of such city. The board of education of such city shall make, in addition to such classification of its funds and accounts as it desires for its own use and information, such further classification of the funds under its management and control and of the disbursements thereof as the comptroller of the city, or the officer or body having the general control of the financial affairs of such city, shall require, and such board shall furnish such data in relation to such funds and their disbursements as the comptroller or such other financial officer or body of the city shall require.

S 21. The education law is amended by adding a new section 1527-c to read as follows:

S 1527-C. SHARED SUPERINTENDENT PROGRAM. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, RULE OR REGULATION TO THE CONTRARY, THE GOVERNING BOARD OF A SCHOOL DISTRICT WITH AN ENROLLMENT OF LESS THAN ONE THOUSAND STUDENTS IN THE PREVIOUS YEAR SHALL BE AUTHORIZED TO ENTER INTO A SCHOOL SUPERINTENDENT SHARING CONTRACT WITH NO MORE THAN TWO ADDITIONAL SCHOOL DISTRICTS EACH OF WHICH HAD FEWER THAN ONE THOUSAND IN ENROLLED PUPILS IN THE PREVIOUS YEAR. EACH SHARED SUPERINTENDENT ARRANGEMENT SHALL BE GOVERNED BY THE BOARDS OF EDUCATION OF THE SCHOOL DISTRICTS PARTICIPAT-

1 ING IN THE SHARED CONTRACT. PROVIDED HOWEVER, THAT THIS SECTION SHALL  
2 NOT BE CONSTRUED TO ALTER, AFFECT OR IMPAIR ANY EMPLOYMENT CONTRACT  
3 WHICH IS IN EFFECT ON OR BEFORE JULY FIRST, TWO THOUSAND THIRTEEN. ANY  
4 SCHOOL DISTRICT WHICH HAS ENTERED INTO A SCHOOL SUPERINTENDENT SHARING  
5 PROGRAM WILL CONTINUE TO BE ELIGIBLE TO COMPLETE SUCH CONTRACT NOTWITH-  
6 STANDING THAT THE ENROLLMENT OF THE SCHOOL DISTRICT EXCEEDED ONE THOU-  
7 SAND STUDENTS AFTER ENTERING INTO A SHARED SUPERINTENDENT CONTRACT.

8 S 22. Section 1604 of the education law is amended by adding a new  
9 subdivision 21-b to read as follows:

10 21-B. A. THE TRUSTEES ARE AUTHORIZED TO PROVIDE REGIONAL TRANSPORTA-  
11 TION SERVICES BY RENDERING SUCH SERVICES JOINTLY WITH OTHER SCHOOL  
12 DISTRICTS OR BOARDS OF COOPERATIVE EDUCATIONAL SERVICES. SUCH SERVICES  
13 MAY INCLUDE PUPIL TRANSPORTATION BETWEEN HOME AND SCHOOL, TRANSPORTATION  
14 DURING THE DAY TO AND FROM SCHOOL AND A SPECIAL EDUCATION PROGRAM OR  
15 SERVICE OR A PROGRAM AT A BOARD OF COOPERATIVE EDUCATIONAL SERVICES OR  
16 AN APPROVED SHARED PROGRAM AT ANOTHER SCHOOL DISTRICT, TRANSPORTATION  
17 FOR FIELD TRIPS OR TO AND FROM EXTRACURRICULAR ACTIVITIES, AND COOPER-  
18 ATIVE SCHOOL BUS MAINTENANCE.

19 B. THE TRUSTEES ARE AUTHORIZED TO ENTER INTO A CONTRACT WITH ANOTHER  
20 SCHOOL DISTRICT, A COUNTY, MUNICIPALITY, OR THE STATE OFFICE OF CHILDREN  
21 AND FAMILY SERVICES TO PROVIDE TRANSPORTATION FOR CHILDREN, INCLUDING  
22 CONTRACTS TO PROVIDE SUCH TRANSPORTATION AS REGIONAL TRANSPORTATION  
23 SERVICES, PROVIDED THAT THE CONTRACT COST IS APPROPRIATE. IN DETERMINING  
24 THE APPROPRIATE TRANSPORTATION CONTRACT COST, THE TRANSPORTATION SERVICE  
25 PROVIDER SCHOOL DISTRICT SHALL USE A CALCULATION CONSISTENT WITH REGU-  
26 LATIONS ADOPTED BY THE COMMISSIONER FOR THE PURPOSE OF ASSURING THAT  
27 CHARGES REFLECT THE TRUE COSTS THAT WOULD BE INCURRED BY A PRUDENT  
28 PERSON IN THE CONDUCT OF A COMPETITIVE TRANSPORTATION BUSINESS.

29 S 23. Paragraphs g and h of subdivision 25 of section 1709 of the  
30 education law, paragraph g as added by chapter 367 of the laws of 1979  
31 and paragraph h as added by chapter 700 of the laws of 1993, are amended  
32 to read as follows:

33 g. The board of education is authorized to provide regional transpor-  
34 tation services by rendering such services jointly with other school  
35 districts or boards of cooperative educational services. Such services  
36 may include pupil transportation between home and school, TRANSPORTATION  
37 DURING THE DAY TO AND FROM SCHOOL AND A SPECIAL EDUCATION PROGRAM OR  
38 SERVICE OR A PROGRAM AT A BOARD OF COOPERATIVE EDUCATIONAL SERVICES OR  
39 AN APPROVED SHARED PROGRAM AT ANOTHER SCHOOL DISTRICT, TRANSPORTATION  
40 FOR FIELD TRIPS OR TO AND FROM EXTRACURRICULAR ACTIVITIES, and cooper-  
41 ative school bus maintenance.

42 h. The board of education is authorized to enter into a contract with  
43 another school district, a county, municipality, or the state [division  
44 for youth] OFFICE OF CHILDREN AND FAMILY SERVICES to provide transporta-  
45 tion for children, INCLUDING CONTRACTS TO PROVIDE SUCH TRANSPORTATION AS  
46 REGIONAL TRANSPORTATION SERVICES, provided that the contract cost is  
47 appropriate. In determining the appropriate transportation contract  
48 cost, the transportation service provider school district shall use a  
49 calculation consistent with regulations adopted by the commissioner for  
50 the purpose of assuring that charges reflect the true costs that would  
51 be incurred by a prudent person in the conduct of a competitive trans-  
52 portation business.

53 S 24. Paragraph b of subdivision 2 of section 33 of the general  
54 municipal law, as added by chapter 267 of the laws of 2005, is amended  
55 to read as follows:

b. In undertaking such audits the comptroller's review shall include, but not be limited to:

(1) examining, auditing and evaluating financial documents and records of school districts, BOCES and charter schools,

(2) assessing the current financial practices of school districts, BOCES and charter schools to ensure that they are consistent with established standards, INCLUDING WHETHER ANY SCHOOL DISTRICT THAT USES A RISK-BASED OR SAMPLING METHODOLOGY TO DETERMINE WHICH CLAIMS ARE TO BE AUDITED IN LIEU OF AUDITING ALL CLAIMS HAS ADOPTED A METHODOLOGY THAT PROVIDES REASONABLE ASSURANCE THAT ALL THE CLAIMS REPRESENTED IN THE SAMPLE ARE PROPER CHARGES AGAINST THE SCHOOL DISTRICT; and

(3) determining that school districts, BOCES, and charter schools provide for adequate protections against any fraud, theft, or professional misconduct.

S 25. The comptroller shall review the effectiveness of allowing school districts to use a risk-based or sampling methodology to determine which claims are to be audited in lieu of auditing all claims including whether this practice maintains adequate school district fiscal accountability and any recommendations for improvements or modifications that should be made and whether school districts should be authorized to continue such practice. Such report shall be issued to the governor and the legislature by January 15, 2014.

S 26. This act shall take effect immediately provided, however, that the provisions of section three of this act shall expire June 30, 2014 when upon such date the provisions of such section shall be deemed repealed; provided, further that the provisions of sections eight, eleven, twelve, thirteen and twenty of this act shall expire July 1, 2014 when upon such date the provisions of such sections shall be deemed repealed.

#### SUBPART G

Section 1. Paragraph 1 of subdivision (c) of section 81.44 of the mental hygiene law, as added by chapter 175 of the laws of 2008, is amended to read as follows:

1. serve a copy of the statement of death upon the court examiner, the duly appointed personal representative of the decedent's estate, or, if no [person] PERSONAL representative has been appointed, then upon the personal representative named in the decedent's will or any trust instrument, if known, UPON THE LOCAL DEPARTMENT OF SOCIAL SERVICES and upon the public administrator of the chief fiscal officer of the county in which the guardian was appointed, and

S 2. Subdivision 4 of section 458-b of the social services law is amended by adding a new paragraph (d) to read as follows:

(D) PAYMENTS PURSUANT TO THIS SECTION MAY BE MADE BY DIRECT DEPOSIT OR DEBIT CARD, AS ELECTED BY THE RECIPIENT, AND ADMINISTERED ELECTRONICALLY, AND IN ACCORDANCE WITH SECTION TWENTY-ONE-A OF THIS CHAPTER AND WITH SUCH GUIDELINES AS MAY BE SET FORTH BY REGULATION OF THE OFFICE OF CHILDREN AND FAMILY SERVICES. THE OFFICE OF CHILDREN AND FAMILY SERVICES MAY ENTER INTO CONTRACTS ON BEHALF OF LOCAL SOCIAL SERVICES DISTRICTS FOR SUCH DIRECT DEPOSIT OR DEBIT CARD SERVICES IN ACCORDANCE WITH SECTION TWENTY-ONE-A OF THIS CHAPTER.

S 3. This act shall take effect immediately; provided, however that section one of this act shall take effect on the ninetieth day after it shall have become law; provided, further, that section two of this act

1 shall take effect on the same date and in the same manner as section 4  
2 of part F of chapter 58 of the laws of 2010, takes effect.

3 SUBPART H

4 Section 1. Section 204-a of the state administrative procedure act,  
5 as added by chapter 479 of the laws of 2001, is amended to read as  
6 follows:

7 S 204-a. Alternate methods for implementing regulatory mandates. 1. As  
8 used in this section:

9 (a) "local government" means any county, city, town, village, school  
10 district, fire district or other special district;

11 (b) "regulatory mandate" means any rule which requires one or more  
12 local governments to create a new program, increase the level of service  
13 for an existing program or otherwise comply with mandatory requirements;  
14 and

15 (c) "petition" means a document submitted by a local government seek-  
16 ing approval of an alternate method for implementing a regulatory  
17 mandate.

18 2. A LOCAL GOVERNMENT, OR TWO OR MORE LOCAL GOVERNMENTS ACTING JOINT-  
19 LY, MAY SEEK APPROVAL FOR AN ALTERNATE METHOD OF IMPLEMENTING A REGULA-  
20 TORY MANDATE BY SUBMITTING TO THE APPROPRIATE STATE AGENCY A petition  
21 WHICH shall include BUT NOT BE LIMITED TO:

22 (a) FOR EACH INVOLVED LOCAL GOVERNMENT, an indication that submission  
23 has been approved by the governing body of the local government or by an  
24 officer duly authorized by the governing body to do so;

25 (b) an identification of the regulatory mandate which is the subject  
26 of the petition and information sufficient to establish that the  
27 proposed alternate method of implementation is consistent with and will  
28 effectively carry out the objectives of the regulatory mandate;

29 (c) information [on the process used by the local government to ensure  
30 that all stakeholders have been appropriately involved in the process of  
31 developing the alternate method, including where relevant the date of  
32 any hearing, forum or other meeting to seek input on the alternate meth-  
33 od] SUFFICIENT TO ESTABLISH THAT THE PROPOSED ALTERNATE METHOD OF IMPLE-  
34 MENTATION IS CONSISTENT WITH AND WILL EFFECTIVELY CARRY OUT THE OBJEC-  
35 TIVES OF THE REGULATORY MANDATE;

36 (d) documentation that the petition has been submitted to the author-  
37 ized agents of any certified or recognized employee organizations  
38 representing employees who would be effected by implementation of the  
39 alternate method;

40 (e) [a proposed plan and timetable for compiling and reporting infor-  
41 mation to facilitate evaluation of the effectiveness of the alternate  
42 method;]

43 (f) if] WHETHER the state [provides] HAS PROVIDED financial assistance  
44 for complying with the regulatory mandate[, any proposed amount or  
45 percentage of such assistance which would be returned to the state due  
46 to savings from implementing the alternate method]; and

47 [(g)] (F) the name, public office address and telephone number of the  
48 representative of the local government who will coordinate requests for  
49 additional information on the petition; AND

50 [3. Two] (G) WHERE TWO or more local governments [may submit a peti-  
51 tion] HAVE PETITIONED jointly, [provided that each local government  
52 meets the requirements of paragraphs (a), (c), (d) and (g) of subdivi-  
53 sion two of this section, and provided that the petition] INFORMATION

1 WHICH addresses the manner in which responsibility for implementation  
2 will be allocated between or among the participating local governments.

3 [4] 3. The agency shall cause a notice of the petition to be  
4 published in the state register AND A NEWSPAPER OF GENERAL CIRCULATION  
5 IN THE IMPACTED COMMUNITY and shall receive comments on the petition for  
6 a period of thirty days. Such notice shall either include the full text  
7 of the information set forth in the petition or shall set forth the  
8 address of a website on which the full text has been posted. The notice  
9 shall include the name, public office address and telephone number, and  
10 may include a fax number and electronic mail address, of an agency  
11 representative from whom additional information on the petition can be  
12 obtained and to whom comments on the petition may be submitted.

13 [5. (a)] 4. Not later than thirty days after the last day of the  
14 comment period, the agency shall approve or disapprove the petition. The  
15 agency may approve the petition without change or with such conditions  
16 or modifications as the agency deems appropriate. Notice of the agency  
17 determination shall be provided in writing to the local government and  
18 shall be published in the state register. The agency shall not grant a  
19 petition unless it determines that the petition has met the requirements  
20 of subdivision two of this section and that the local government has  
21 established that the alternate method is consistent with and will effec-  
22 tively carry out the objectives of the regulatory mandate; provided,  
23 however, that no petition shall be approved which would result in the  
24 contravention of any environmental, health or safety standard or would  
25 reduce any benefits or rights accorded by law or rule to third parties.  
26 In approving a petition, an agency may waive a statutory provision only  
27 if it is specifically authorized by law to waive such provision. An  
28 approval shall include a timetable for agency evaluation of the effec-  
29 tiveness of the alternate method.

30 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-  
31 sion, upon receipt of an objection to a petition from the authorized  
32 agent of any certified or recognized employee organization representing  
33 employees who would be affected by implementation of the alternate meth-  
34 od, the agency shall provide any such organizations with an opportunity  
35 for a hearing. If an adjudicatory proceeding is requested, the petition  
36 shall not be approved unless the agency determines by a preponderance of  
37 the evidence that implementing the alternate method would not affect  
38 such employees by contravening any environmental, health or safety stan-  
39 dard, reducing any rights or benefits or violating the terms of any  
40 negotiated agreement, and that all other requirements of this section  
41 have been met. The provisions of this subdivision are in addition to and  
42 shall not be construed to impair or modify any rights of such employees  
43 under any other law, regulation or contract.

44 5. A LOCAL GOVERNMENT THAT OBJECTS TO A STATE AGENCY DETERMINATION TO  
45 MODIFY OR DISAPPROVE ITS PETITION MAY APPEAL IN WRITING TO THE MANDATE  
46 RELIEF COUNCIL, WHO, UPON REVIEW OF THE AGENCY'S FINDINGS AND DETERMI-  
47 NATION, MAY APPROVE, MODIFY OR DISAPPROVE THE PETITION.

48 6. Nothing in this section shall require a local government to  
49 commence or continue an alternate method of implementation if it deter-  
50 mines in its sole discretion not to do so, except to the extent that a  
51 local government has committed to commencing or continuing an alternate  
52 method in a joint petition submitted pursuant to subdivision [three] TWO  
53 of this section.

54 7. A state agency may rescind its approval of a petition [at any time  
55 if it determines, based on the information reported pursuant to para-  
56 graph (e) of subdivision two of this section or other information avail-

1 able to it, that the alternate method is not effectively carrying out  
2 the objectives of the regulatory mandate or is being implemented in a  
3 manner detrimental to the public interest] ONLY AFTER A HEARING,  
4 PROVIDED, HOWEVER, THAT THE AGENCY MAY SUSPEND ITS APPROVAL OF A PETI-  
5 TION PRIOR TO A HEARING IF IT FINDS THAT IMMEDIATE SUSPENSION IS NECES-  
6 SARY TO ADDRESS AN IMMINENT THREAT TO HEALTH OR SAFETY. NOTICE OF A  
7 HEARING MUST BE PROVIDED TO THE PETITIONER AT LEAST THIRTY DAYS PRIOR TO  
8 THE HEARING AND MUST BE POSTED ON THE AGENCY'S WEBSITE. SUCH NOTICE MUST  
9 STATE THE BASIS FOR THE AGENCY'S DECISION TO SEEK RESCISSION AND INFORM  
10 THE LOCAL GOVERNMENT THAT IT MAY REQUEST INFORMATION RELIED UPON BY THE  
11 AGENCY IN MAKING ITS DETERMINATION, WHICH INFORMATION MUST BE PROVIDED  
12 TO THE LOCAL GOVERNMENT AT LEAST SEVEN DAYS IN ADVANCE OF THE HEARING.  
13 AFTER SUCH HEARING, THE AGENCY MAY RESCIND ITS APPROVAL UPON A FINDING  
14 THAT THE ALTERNATIVE METHOD OF IMPLEMENTATION IS NOT CONSISTENT WITH OR  
15 DOES NOT EFFECTIVELY CARRY OUT THE OBJECTIVES OF THE REGULATORY MANDATE.

16 [7.] 8. Notwithstanding any other provision of law, implementation of  
17 an alternate method approved by an agency pursuant to this section shall  
18 be deemed to lawfully meet all requirements of the regulatory mandate.  
19 An agency shall retain the authority to enforce compliance with the  
20 alternate method in the same manner as it may enforce compliance with  
21 the underlying rule. Any action on a petition by a state agency shall be  
22 subject to review pursuant to article seventy-eight of the civil prac-  
23 tice law and rules.

24 [8.] 9. In accordance with the timetable established pursuant to  
25 subdivision [four] THREE of this section, the agency shall evaluate the  
26 effectiveness of the alternate method in carrying out the objectives of  
27 the regulatory mandate. The evaluation shall identify any savings or  
28 other benefits, and any costs or other disadvantages, of implementing  
29 the alternate method, and shall address the desirability of incorporat-  
30 ing the alternate method into the rules of the agency. Notice of avail-  
31 ability of the evaluation shall be published in the state register.

32 S 2. The executive law is amended by adding a new section 666 to read  
33 as follows:

34 S 666. MANDATE RELIEF COUNCIL. 1. DEFINITIONS. A. "MANDATE" MEANS ANY  
35 REQUIREMENT THAT A LOCAL GOVERNMENT PERFORM OR ADMINISTER ANY PROGRAM,  
36 PROJECT OR ACTIVITY, REQUIRED OR IMPOSED BY A STATE LAW OR STATE AGENCY  
37 THAT REQUIRES A HIGHER LEVEL OF SERVICE FOR AN EXISTING LOCAL GOVERNMENT  
38 PROGRAM, PROJECT OR ACTIVITY.

39 B. "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, VILLAGE, SCHOOL  
40 DISTRICT, OR SPECIAL DISTRICT.

41 C. "STATE AGENCY" OR "AGENCY" MEANS ANY STATE AGENCY, DEPARTMENT,  
42 OFFICE, BOARD, BUREAU, DIVISION, COMMITTEE, COUNCIL OR OFFICE UNDER THE  
43 DIRECTION OR CONTROL OF THE EXECUTIVE.

44 2. MANDATE RELIEF COUNCIL. THERE IS HEREBY CREATED WITHIN THE EXECU-  
45 TIVE DEPARTMENT THE MANDATE RELIEF COUNCIL, WHICH SHALL BE COMPRISED OF  
46 ELEVEN MEMBERS AS FOLLOWS: THE SECRETARY TO THE GOVERNOR, WHO SHALL  
47 CHAIR THE COUNCIL, THE COUNSEL TO THE GOVERNOR, THE DIRECTOR OF THE  
48 DIVISION OF THE BUDGET, THE SECRETARY OF STATE, AND THREE ADDITIONAL  
49 MEMBERS TO BE APPOINTED BY THE GOVERNOR FROM AMONG HIS OR HER EXECUTIVE  
50 CHAMBER STAFF, TWO MEMBERS TO BE APPOINTED BY THE TEMPORARY PRESIDENT OF  
51 THE SENATE, AND TWO MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE ASSEM-  
52 BLY.

53 A. SIX MEMBERS OF THE COUNCIL, OR THEIR DESIGNEES IN THE CASE OF THE  
54 DIRECTOR OF THE DIVISION OF THE BUDGET AND THE SECRETARY OF STATE, SHALL  
55 CONSTITUTE A QUORUM.

1 B. THE COUNCIL SHALL MEET REGULARLY UPON THE CALL OF ITS CHAIR AND AS  
2 FREQUENTLY AS ITS BUSINESS MAY REQUIRE. THE MEMBERS OF THE COUNCIL SHALL  
3 SERVE WITHOUT COMPENSATION BUT SHALL RECEIVE REIMBURSEMENT FOR THEIR  
4 REASONABLE AND NECESSARY EXPENSES.

5 C. THE COUNCIL SHALL, UPON REQUEST OF A LOCAL GOVERNMENT OR ONE OF THE  
6 MEMBERS OF THE COUNCIL, IDENTIFY AND REVIEW MANDATES THAT CAN BE ELIMI-  
7 NATED OR REFORMED, AND MAKE SUCH OTHER AND FURTHER INQUIRIES, REPORTS  
8 AND RECOMMENDATIONS AS THE COUNCIL MAY DEEM NECESSARY AND PRUDENT TO  
9 EFFECTUATE ITS MISSION OF MANDATE RELIEF. IN IDENTIFYING AND DETERMINING  
10 WHETHER SUCH MANDATES ARE UNSOUND, UNDULY BURDENSOME OR COSTLY, THE  
11 COUNCIL SHALL RECEIVE AND CONSIDER PUBLIC COMMENT ABOUT THEM AND SHALL  
12 REVIEW THEM IN LIGHT OF COST-BENEFIT PRINCIPLES AND SUCH OTHER AND  
13 FURTHER FACTORS AS THE COUNCIL SHALL DEEM NECESSARY AND PRUDENT. THE  
14 COUNCIL SHALL NOT MAKE A REFERRAL TO THE GOVERNOR THAT A MANDATE BE  
15 ELIMINATED OR REFORMED REGARDING ANY OF THE FOLLOWING MANDATES:

16 (I) THOSE WHICH ARE REQUIRED TO COMPLY WITH FEDERAL LAWS OR RULES OR  
17 TO MEET ELIGIBILITY STANDARDS FOR FEDERAL ENTITLEMENTS;

18 (II) THOSE WHICH REAPPORTION THE COSTS OF ACTIVITIES BETWEEN BOARDS OF  
19 EDUCATION, COUNTIES, AND MUNICIPALITIES;

20 (III) THOSE WHICH IMPLEMENT PROVISIONS OF THE STATE CONSTITUTION; AND

21 (IV) THOSE WHICH THE COUNCIL DETERMINES ARE NECESSARY FOR THE MAINTENANCE OF THE PUBLIC HEALTH OR SAFETY OF THE PEOPLE OF NEW YORK STATE.

22 D. ALL VOTES OF THE COUNCIL, AND ALL DELIBERATIONS AND REPORTS OF ITS  
23 PROCEEDINGS SHALL BE OPEN TO THE PUBLIC PURSUANT TO ARTICLE SEVEN OF THE  
24 PUBLIC OFFICERS LAW.

25 3. COUNCIL ACTIONS ON REGULATORY MANDATES. UPON A DETERMINATION THAT A  
26 MANDATE IN ANY REGULATION, RULE OR ORDER OF ANY STATE AGENCY HAS BEEN  
27 IMPOSED UPON ANY LOCAL GOVERNMENT IN AN UNSOUND, UNDULY BURDENSOME OR  
28 COSTLY MANNER SO AS TO NECESSITATE THAT IT BE ELIMINATED OR REFORMED,  
29 THE COUNCIL SHALL HAVE THE POWER TO:

30 A. REFER A REQUEST BY A LOCAL GOVERNMENT FOR A REVIEW OF SUCH REGULA-  
31 TORY MANDATE, FOR PETITION BY SUCH LOCAL GOVERNMENT FOR A WAIVER,  
32 MODIFICATION OR REPEAL OF SUCH REGULATORY MANDATE PURSUANT TO SECTION  
33 TWO HUNDRED FOUR-A OF THE STATE ADMINISTRATIVE PROCEDURE ACT. IN THE  
34 EVENT THE COUNCIL VOTES TO MAKE SUCH REFERRAL ON BEHALF OF A LOCAL  
35 GOVERNMENT, THE STATE AGENCY THAT IS CHARGED WITH REVIEWING THE PETITION  
36 SHALL PROVIDE THE TECHNICAL ASSISTANCE AND SUPPORT FOR SUCH LOCAL  
37 GOVERNMENT TO PROPERLY PREPARE AND SUBMIT SUCH PETITION. IN THE EVENT  
38 THAT SUCH STATE AGENCY REVIEWING THE PETITION OF THE LOCAL GOVERNMENT  
39 PURSUANT TO SECTION TWO HUNDRED FOUR-A OF THE STATE ADMINISTRATIVE  
40 PROCEDURE ACT DOES NOT PROVIDE THE REMEDY SOUGHT BY SUCH LOCAL GOVERN-  
41 MENT, THE COUNCIL MAY HEAR AND CONSIDER AN APPEAL OF SUCH DECISION AND  
42 GRANT SUCH RELIEF AS IT DEEMS APPROPRIATE, INCLUDING THE MAKING OF A  
43 REFERRAL TO THE GOVERNOR FOR THE WAIVING, MODIFYING OR REPEALING OF SUCH  
44 REGULATORY MANDATE. THE COUNCIL SHALL ADOPT PROCEDURES BY WHICH IT  
45 SHALL CONSIDER, DECIDE AND EFFECTUATE THE REMEDIES OF SUCH APPEALS  
46 CONSISTENT WITH THIS SECTION.

47 B. UPON A TWO-THIRDS VOTE, REFER A REGULATION TO THE GOVERNOR FOR  
48 REPEAL OR MODIFICATION, WHERE THE COUNCIL HAS PREVIOUSLY DETERMINED THAT  
49 SUCH REGULATION IMPOSES UPON ANY LOCAL GOVERNMENT A MANDATE IN AN  
50 UNSOUND, UNDULY BURDENSOME OR COSTLY MANNER, SO AS TO NECESSITATE THAT  
51 IT BE ELIMINATED OR REFORMED. UPON RECEIPT OF SUCH REFERRAL BY THE  
52 COUNCIL, THE GOVERNOR SHALL WITHIN SIXTY DAYS, DIRECT THE STATE AGENCY  
53 RESPONSIBLE FOR THE PROMULGATION, REPEAL OR MODIFICATION OF SUCH REGU-  
54 LATION TO EFFECTUATE SUCH REPEAL OR MODIFICATION OF THE REGULATION  
55 PURSUANT TO THE PROCEDURES THAT SUCH AGENCY WOULD OTHERWISE BE REQUIRED  
56

1 TO FOLLOW UNDER THE LAW, HAD SUCH AGENCY ON ITS OWN ACCORD SOUGHT TO  
2 REPEAL OR MODIFY THE REGULATION.

3 4. COUNCIL ACTIONS ON STATUTORY MANDATES. THE COUNCIL MAY, UPON A VOTE  
4 OF SEVEN MEMBERS, REFER A STATUTE TO THE GOVERNOR FOR REPEAL OR MODIFI-  
5 CATION, WHERE THE COUNCIL HAS PREVIOUSLY DETERMINED THAT SUCH STATUTE  
6 IMPOSES UPON ANY LOCAL GOVERNMENT A MANDATE IN AN UNSOUND, UNDULY  
7 BURDENSOME OR COSTLY MANNER, SO AS TO NECESSITATE THAT IT BE ELIMINATED  
8 OR REFORMED. UPON RECEIPT OF THE REFERRAL BY THE COUNCIL, THE GOVERNOR,  
9 WITHIN SIXTY DAYS, SHALL HAVE PREPARED A GOVERNOR'S PROGRAM BILL, FOR  
10 INTRODUCTION IN BOTH HOUSES OF THE LEGISLATURE, TO EFFECTUATE SUCH  
11 REPEAL OR MODIFICATION OF THE STATUTE.

12 5. LOCAL GOVERNMENT REQUEST. A LOCAL GOVERNMENT MAY, BY RESOLUTION OF  
13 ITS GOVERNING BODY, ASK THE COUNCIL TO REVIEW A SPECIFIC STATUTE, REGU-  
14 LATION, RULE OR ORDER OF STATE GOVERNMENT TO DETERMINE WHETHER SUCH  
15 STATUTE, REGULATION, RULE OR ORDER OF STATE GOVERNMENT IS AN UNFUNDED  
16 MANDATE OR IS OTHERWISE UNSOUND, UNDULY BURDENSOME OR COSTLY SO AS TO  
17 REQUIRE THAT IT BE ELIMINATED OR REFORMED. NO LOCAL GOVERNMENT MAY MAKE  
18 MORE THAN THREE SUCH REQUESTS IN EACH CALENDAR YEAR. UPON SUCH REVIEW,  
19 THE COUNCIL SHALL, BY MAJORITY VOTE, DETERMINE WHETHER SUCH MANDATE HAS  
20 BEEN IMPOSED UPON SUCH LOCAL GOVERNMENT IN AN UNSOUND, UNDULY BURDENSOME  
21 OR COSTLY MANNER, SO AS TO NECESSITATE THAT IT BE ELIMINATED OR  
22 REFORMED. A DETERMINATION OF THE COUNCIL SHALL RESOLVE ANY DISPUTE  
23 REGARDING WHETHER SUCH A STATUTE, REGULATION, RULE OR ORDER CONSTITUTES  
24 SUCH AN UNFUNDED MANDATE, BUT SHALL NOT BE DEEMED A JUDICIAL DETERMI-  
25 NATION UNDER THE LAW.

26 6. APPEALS. UPON AN APPEAL OF A PETITION PREVIOUSLY DECIDED BY A STATE  
27 AGENCY PURSUANT TO SECTION TWO HUNDRED FOUR-A OF THE STATE ADMINISTRA-  
28 TIVE PROCEDURE ACT, THE COUNCIL, UPON REQUEST OF THE LOCAL GOVERNMENT,  
29 SHALL REVIEW THE STATE AGENCY'S DETERMINATION AND MAY AFFIRM, MODIFY OR  
30 REJECT SUCH DETERMINATION. SUCH APPEAL SHALL NOT PRECLUDE OR LIMIT A  
31 LOCAL GOVERNMENT OR ANY OTHER PARTY WITH STANDING FROM PURSUING ANY  
32 RIGHT IT MAY HAVE PURSUANT TO A PROCEEDING INSTITUTED IN ACCORDANCE WITH  
33 THE PROVISIONS OF ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND  
34 RULES OR ANY OTHER STATUTE.

35 7. REPORTS. THE COUNCIL SHALL BY DECEMBER FIFTEENTH OF EACH YEAR  
36 REPORT TO THE GOVERNOR AND LEGISLATURE REGARDING ITS ACTIVITIES, AND  
37 REGARDING THE ISSUES, STATUTES, REGULATIONS, RULES AND ORDERS WHICH IT  
38 REVIEWED, EXAMINED, PROPOSED, REFERRED, AND/OR CONSIDERED. SUCH REPORTS,  
39 WHICH SHALL BE ADOPTED UPON A MAJORITY VOTE OF THE MEMBERS OF THE COUN-  
40 CIL, OR THEIR DESIGNEES IN THE CASE OF THE DIRECTOR OF THE DIVISION OF  
41 THE BUDGET OR THE SECRETARY OF STATE. ALL REPORTS OF THE COUNCIL SHALL  
42 BE POSTED ON A PUBLICLY ACCESSIBLE WEBSITE.

43 8. ASSISTANCE OF OTHER AGENCIES. TO EFFECTUATE THE PURPOSES OF THIS  
44 SECTION, ANY STATE AGENCY SHALL, AT THE REQUEST OF THE COUNCIL, PROVIDE  
45 TO THE COUNCIL SUCH FACILITIES, ASSISTANCE AND DATA AS WILL ENABLE THE  
46 COUNCIL TO PROPERLY CARRY OUT ITS RESPONSIBILITIES AND DUTIES.

47 S 3. This act shall take effect immediately; provided, however, that  
48 section one of this act shall take effect on the thirtieth day after it  
49 shall have become a law and shall expire January 1, 2015 or upon the  
50 departure from office of the fifty-sixth governor whichever comes first,  
51 provided however that section two of this act shall take effect January  
52 15, 2012 and shall expire January 1, 2015 or upon the departure from  
53 office of the fifty-sixth governor whichever comes first.

54 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
55 sion, section or subpart of this act shall be adjudged by any court of  
56 competent jurisdiction to be invalid, such judgment shall not affect,



1 impair, or invalidate the remainder thereof, but shall be confined in  
2 its operation to the clause, sentence, paragraph, subdivision, section  
3 or subpart thereof directly involved in the controversy in which such  
4 judgment shall have been rendered. It is hereby declared to be the  
5 intent of the legislature that this act would have been enacted even if  
6 such invalid provisions had not been included herein.

7 S 3. This act shall take effect immediately provided, however, that  
8 the applicable effective date of Subparts A through H of this act shall  
9 be as specifically set forth in the last section of such Subparts.

10 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
11 sion, section or part of this act shall be adjudged by any court of  
12 competent jurisdiction to be invalid, such judgment shall not affect,  
13 impair, or invalidate the remainder thereof, but shall be confined in  
14 its operation to the clause, sentence, paragraph, subdivision, section  
15 or part thereof directly involved in the controversy in which such judg-  
16 ment shall have been rendered. It is hereby declared to be the intent of  
17 the legislature that this act would have been enacted even if such  
18 invalid provisions had not been included herein.

19 S 3. This act shall take effect immediately provided, however, that  
20 the applicable effective date of Parts A through C of this act shall be  
21 as specifically set forth in the last section of such Parts; provided,  
22 however that Part B of this act shall remain in full force and effect at  
23 a minimum until and including June 15, 2015.