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

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

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:

Section 1. This act enacts into law major components of legislation relating to real property tax levies, rent regulation, exemption from local taxation and mandate relief. Each component is wholly contained within a Part identified as Parts A through C. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, 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 Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

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

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

2. WHEN 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 FISCAL YEAR WAS BELOW THE TAX LEVY LIMIT FOR SUCH FISCAL YEAR, IF ANY, BUT NO MORE THAN AN AMOUNT THAT EQUALS ONE AND ONE-HALF PERCENT OF THE TAX LEVY LIMIT FOR SUCH FISCAL YEAR.

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

(D) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR PLACES.

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

(F) "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT 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.

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

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

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

I. "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT IS AUTHORIZED TO LEVY 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 SCHOOL DISTRICT ARISING OUT OF TORT ACTIONS FOR ANY AMOUNT THAT EXCEEDS FIVE PERCENT OF THE TOTAL TAX LEVIED IN THE PRIOR SCHOOL 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 SCHOOL DISTRICT 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 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 THIS CHAPTER, INCREASES BY MORE THAN TWO PERCENTAGE POINTS FROM THE PREVIOUS YEAR, A TAX LEVY NECESSARY FOR EXPENDITURES FOR THE COMING FISCAL YEAR FOR SCHOOL DISTRICT EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM CAUSED BY GROWTH IN THE NORMAL CONTRIBUTION RATE MINUS TWO PERCENTAGE POINTS; AND

(IV) A CAPITAL TAX LEVY.

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

B. THE COMMISSIONER OF TAXATION AND FINANCE SHALL CALCULATE A QUANTITY CHANGE FACTOR FOR THE COMING SCHOOL YEAR FOR EACH SCHOOL DISTRICT 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 SCHOOL DISTRICT 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.

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 DETERMINED 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 PURSUANT 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 ESTABLISHED 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

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

(B) WHERE THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION PROPOSES A BUDGET SUBJECT TO THE REQUIREMENTS OF PARAGRAPH (A) OF THIS SUBDIVISION, THE BALLOT FOR SUCH BUDGET SHALL INCLUDE THE FOLLOWING STATEMENT IN SUBSTANTIALLY THE SAME FORM: "ADOPTION OF THIS BUDGET REQUIRES A TAX LEVY INCREASE OF WHICH EXCEEDS THE STATUTORY TAX LEVY INCREASE LIMIT OF FOR THIS SCHOOL FISCAL YEAR AND THEREFORE EXCEEDS THE STATE TAX CAP AND MUST BE APPROVED BY SIXTY PERCENT OF THE QUALIFIED VOTERS PRESENT AND VOTING."

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

8. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, 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 SEVEN OF THIS SECTION, THE SOLE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION SHALL LEVY A TAX NO GREATER THAN THE TAX THAT WAS LEVIED FOR THE PRIOR SCHOOL YEAR.

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

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

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

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

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

3. The administrative component of a contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of (1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or (2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

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

b. The following types of expenditures shall be disregarded in determining total spending:

(i) expenditures resulting from a tax certiorari proceeding;

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

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

(iv) capital expenditures resulting from the construction, acquisition, reconstruction, rehabilitation or improvement of school facilities, including debt service and lease expenditures, subject to the approval of the qualified voters where required by law;

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

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

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

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

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

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

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

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

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

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

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

[e. For the purposes of this subdivision:

(i) "Base school year" shall mean the school year immediately preceding the school year for which the contingency budget is prepared.

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

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

(iv) "Resident public school district enrollment shall mean the resident public school enrollment of the school district as defined in paragraph n of subdivision one of section thirty-six hundred two of this chapter.

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

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

a. Each year, commencing with the proposed budget for the two thousand--two thousand one school year, the trustee or board of trustees shall prepare a property tax report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include: (i) the amount of total spending and total estimated school tax levy that would result from adoption of the proposed budget and the percentage increase or decrease in total spending and total school tax levy from the school district budget for the preceding school year; and (ii) THE DISTRICT'S TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE, AND THE ESTIMATED SCHOOL TAX LEVY, EXCLUDING ANY LEVY NECESSARY TO SUPPORT THE EXPENDITURES PURSUANT TO SUBPARAGRAPHS (I) THROUGH (IV) OF PARAGRAPH I OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE, THAT WOULD RESULT FROM ADOPTION OF THE PROPOSED BUDGET; AND (III) the projected enrollment growth for the school year for which the budget is prepared, and the percentage change in enrollment from the previous year; and [(iii)] (IV) the percentage increase in the consumer price index, as defined in paragraph c of this subdivision; and [(iv)] (V) the projected amount of the unappropriated unreserved fund balance that will be retained if the proposed budget is adopted, the projected amount of the reserved fund balance, the projected amount of the appropriated fund balance, the percentage of the proposed budget that the unappropriated unreserved fund balance represents, the actual unappropriated unreserved fund balance retained in the school district budget for the preceding school year, and the percentage of the school district budget for the preceding school year that the actual unappropriated unreserved fund balance represents.

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

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

OF THE PROPOSED BUDGET; AND (III) the projected enrollment growth for the school year for which the budget is prepared, and the percentage change in enrollment from the previous year; and [(iii)] (IV) the percentage increase in the consumer price index, as defined in paragraph c of this subdivision; and [(iv)] (V) the projected amount of the unappropriated unreserved fund balance that will be retained if the proposed budget is adopted, the projected amount of the reserved fund balance, the projected amount of the appropriated fund balance, the percentage of the proposed budget that the unappropriated unreserved fund balance represents, the actual unappropriated unreserved fund balance retained in the school district budget for the preceding school year, and the percentage of the school district budget for the preceding school year that the actual unappropriated unreserved fund balance represents.

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

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

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

S 2022. Vote on school district budgets and on the election of school district trustees and board of education members. 1. Notwithstanding any law, rule or regulation to the contrary, the election of trustees or members of the board of education, and the vote upon the appropriation of the necessary funds to meet the estimated expenditures, in any common school district, union free school district, central school district or central high school district shall be held at the annual meeting and election on the third Tuesday in May, provided, however, that such election shall be held on the second Tuesday in May if the commissioner at the request of a local school board certifies no later than March first that such election would conflict with religious observances. [When such election or vote is taken by recording the ayes and noes of the qualified voters attending, a majority of the qualified voters present and voting, by a hand or voice vote, may determine to take up the question of voting the necessary funds to meet the estimated expenditures for a specific item separately, and the qualified voters present and voting may increase the amount of any estimated expenditures or reduce the same, except for teachers' salaries, and the ordinary contingent expenses of the schools.] The sole trustee, board of trustees or board of education of every common, union free, central or central high school district and every city school district to which this article applies shall hold a budget hearing not less than seven nor more than fourteen days prior to the annual meeting and election or special district meeting at which a school budget vote will occur, and shall prepare and present to the voters at such budget hearing a proposed school district budget for the ensuing school year.

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

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

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

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

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

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

4. THE BUDGET ADOPTION PROCESS SHALL CONFORM TO THE REQUIREMENTS SET FORTH IN SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART. In the event that the original proposed budget is not approved by the voters, the sole trustee, trustees or board of education may adopt a final budget pursuant to subdivision five of this section or resubmit to the voters the original or a revised budget pursuant to subdivision three of 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

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

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

3. The board of education shall prepare a proposed school district budget for the ensuing year in accordance with the provisions of section seventeen hundred sixteen of this chapter, including all provisions relating to required notices and appendices to the statement of expenditures. No board of education shall incur a school district liability except as authorized by the provisions of section seventeen hundred eighteen of this chapter. Such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated in accordance with regulations of the commissioner after consultation with local school district officials. The administrative component shall include, but need not be limited to, office and central administrative expenses, traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, including business administrators, superintendents of schools and deputy, assistant, associate or other superintendents under all existing employment contracts or collective bargaining agreements, any and all expenditures associated with the operation of the board of education, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction,

rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. For the purposes of the development of a budget for the nineteen hundred ninety-seven--ninety-eight school year, the board of education shall separate its program, capital and administrative costs for the nineteen hundred ninety-six--ninety-seven school year in the manner as if the budget for such year had been presented in three components. Except as provided in subdivision four of this section, nothing in this section shall preclude the board, in its discretion, from submitting additional items of expenditure to the voters for approval as separate propositions or the voters from submitting propositions pursuant to sections two thousand eight and two thousand thirty-five of this chapter SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBDIVISION NINE OF SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

4. THE BUDGET ADOPTION PROCESS SHALL CONFORM TO THE REQUIREMENTS SET FORTH IN SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE. In the event the qualified voters of the district reject the budget proposed pursuant to subdivision three of this section, the board may propose to the voters a revised budget pursuant to subdivision three of section two thousand seven of this title or may adopt a contingency budget pursuant to subdivision five of this section and subdivision five of section two thousand twenty-two of this title. 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. In the event the qualified voters reject the resubmitted budget, the board shall adopt a contingency budget in accordance with subdivision five of this section and subdivision five of such section two thousand twenty-two of this title.

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

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

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

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

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

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

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

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

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

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

7. Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information on the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students with disabilities in special education programs or services sixty percent or more of the school day in a general education building, or (iii) which have eight percent or more of their students with disabilities in special education programs in public or private separate educational settings shall indicate on their school district report card their respective percentages as defined in this paragraph and paragraphs (i) and (ii) of this subdivision as compared to the statewide average.

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

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

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

a. Sufficient transportation facilities (including the operation and maintenance of motor vehicles) shall be provided by the school district for all the children residing within the school district to and from the school they legally attend, who are in need of such transportation because of the remoteness of the school to the child or for the promotion of the best interest of such children. Such transportation shall be provided for all children attending grades kindergarten through eight who live more than two miles from the school which they legally attend and for all children attending grades nine through twelve who live more than three miles from the school which they legally attend and shall be provided for each such child up to a distance of fifteen miles, the distances in each case being measured by the nearest available route from home to school. The cost of providing such transportation between two or three miles, as the case may be, and fifteen miles shall be considered for the purposes of this chapter to be a charge upon the district and an ordinary contingent expense of the district. Transportation for a lesser distance than two miles in the case of children attending grades kindergarten through eight or three miles in the case of children attending grades nine through twelve and for a greater distance than fifteen miles may be provided by the district WITH THE APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered equally to all children in like circumstances residing in the district; provided, however, that this requirement shall not apply to transportation offered pursuant to section thirty-six hundred thirty-five-b of this article.

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

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

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

PART B

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

S 1-a. Section 17 of 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, as amended by chapter 93 of the laws of 2011, is amended to read as follows:

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

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

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

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

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

S 4. Section 10 of 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 condo-

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

S 10. This act shall take effect immediately; provided, that the provisions of sections one, two and nine of this act shall remain in full force and effect only until and including June [23, 2011] 15, 2015; provided further that the provisions of section three of this act shall remain in full force and effect only so 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; provided further that the provisions of sections four, five, six and seven of this act shall expire in accordance with the provisions of section 26-520 of the administrative code of the city of New York as such section of the administrative code is, from time to time, amended; provided further that the provisions of section 26-511 of the administrative code of the city of New York, as amended by this act, which the New York City Department of Housing Preservation and Development must find are contained in the code of the real estate industry stabilization association of such city in order to approve it, shall be deemed contained therein as of the effective date of this act; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eeee of the general business law as they had existed immediately prior to the effective date of this act.

S 5. Section 4 of 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, as amended by chapter 93 of the laws of 2011, is amended to read as follows:

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

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

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

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

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

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

S 8. Subdivision (a-1) of section 10 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 116 of the laws of 1997, is amended to read as follows:

(a-1) provides that, notwithstanding any provision of this act, the legal regulated rent for any vacancy lease entered into after the effective date of this subdivision shall be as hereinafter set forth. The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, twenty percent of the previous legal regulated rent; or (ii) if the vacancy lease is for a term of one year the increase shall be twenty percent of the previous legal regulated rent less an amount equal to the difference between (a) the two year renewal lease guideline promulgated by the guidelines board of the county in which the housing accommodation is located applied to the previous legal regulated rent and (b) the one year renewal lease guideline promulgated by the guidelines board of the county in which the housing accommodation is located applied to the previous legal regulated rent. In addition, if the legal regulated rent was not increased with respect to such housing accommodation by a permanent vacancy allowance within eight years prior to a vacancy lease executed on or after the effective date of this subdivision, the legal regulated rent may be further increased by an amount equal to the product resulting from multiplying such previous legal regulated rent by six-tenths of one percent and further multiplying the amount of rent increase resulting therefrom by the greater of (A) the number of years since the imposition of the last permanent vacancy

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

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

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

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

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

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

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

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

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

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

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

S 13. Subdivision a-2 of section 10 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 82 of the laws of 2003, is amended to read as follows:

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

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

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

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

(e) The landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations. An adjustment under this subparagraph shall be equal to 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 ADJUSTMENT 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 subparagraph 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. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph[.]; or

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

(13) provides that an owner is entitled to a rent increase where 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 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 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

depreciation of two per centum of the value of the buildings exclusive of the land, or the amount shown for depreciation of the buildings in the latest required federal income tax return, whichever is lower; provided, however, that (1) no allowance for depreciation of the buildings shall be included where the buildings have been fully depreciated for federal income tax purposes or on the books of the owner; or (2) the landlord who owns no more than four rental units within the state has not been fully compensated by increases in rental income sufficient to offset unavoidable increases in property taxes, fuel, utilities, insurance and repairs and maintenance, excluding mortgage interest and amortization, and excluding allowances for depreciation, obsolescence and reserves, which have occurred since the federal date determining the maximum rent or the date the property was acquired by the present owner, whichever is later; or (3) the landlord operates a hotel or rooming house or owns a cooperative apartment and has not been fully compensated by increases in rental income from the controlled housing accommodations sufficient to offset unavoidable increases in property taxes and other costs as are allocable to such controlled housing accommodations, including costs of operation of such hotel or rooming house, but excluding mortgage interest and amortization, and excluding allowances for depreciation, obsolescence and reserves, which have occurred since the federal date determining the maximum rent or the date the landlord commenced the operation of the property, whichever is later; or (4) the landlord and tenant voluntarily enter into a valid written lease in good faith with respect to any housing accommodation, which lease provides for an increase in the maximum rent not in excess of fifteen per centum and for a term of not less than two years, except that where such lease provides for an increase in excess of fifteen per centum, the increase shall be automatically reduced to fifteen per centum; or (5) the landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations; provided that an owner shall be entitled to a rent increase where 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. The permanent increase in the maximum 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 that an owner who is entitled to a rent increase pursuant to this clause 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. The owner shall give written notice to the commission of any such adjustment pursuant to this clause; or (6) there has been, since March first, nineteen hundred fifty, an increase in the rental value of the housing accommodations as a result of a substantial rehabilitation of the building or housing accommodation therein which materially adds to the value of the property or appreciably prolongs its life, excluding ordinary repairs, maintenance and replacements; or (7)

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

S 26. Intentionally omitted.

S 27. Intentionally omitted.

S 28. Intentionally omitted.

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

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

S 30. Section 5-a 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, subdivision (b) and paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as added by chapter 116 of the laws of 1997, is amended to read as follows:

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

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

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

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

(b) On or before the first day of May in each calendar year, the owner of each housing accommodation for which the legal regulated MONTHLY rent [is two thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD may provide the tenant or tenants residing therein with an income certification form prepared by the division of housing and community renewal on which such tenant or tenants shall identify all persons referred to in subdivision (a) of this section and shall certify whether the total annual income is in excess of [one hundred seventy-five thousand dollars in each of the two preceding calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS. Such income certification form shall state that the income level certified to by the tenant may be subject to verification by the department of taxation and finance pursuant to section one hundred seventy-one-b of the tax law, and shall not require disclosure of any information other than whether the aforementioned threshold has been exceeded. Such income certification form shall clearly state that: (i) only tenants residing in housing accommodations which had a legal regulated MONTHLY rent [of two thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are required to complete the certification form; (ii) that tenants have protections available to them which are designed to prevent harassment; (iii) that tenants are not required to provide any information regarding their income except that which is requested on the form and may contain such other information the division deems appropriate. The tenant or tenants shall return the completed certification to the owner within thirty days after service upon the tenant or tenants. In the event that the total annual income as certified is in excess of [one hundred seventy-five thousand dollars in each such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the owner may file the certification with the state division of housing and community renewal on or before June thirtieth of such year. Upon filing such certification with the division, the division shall, within thirty days after the filing, issue an order providing that such housing accommodation shall not be subject to the provisions of this act upon the expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be mailed to the owner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. DEREGULATION INCOME THRESHOLD MEANS TOTAL ANNUAL INCOME EQUAL TO ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS FOR PROCEEDINGS COMMENCED PRIOR TO JULY FIRST, TWO THOUSAND ELEVEN. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME EQUAL TO TWO HUNDRED THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS.

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

(b) On or before the first day of May in each calendar year, the owner of each housing accommodation for which the maximum rent [is two thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD may provide the tenant or tenants residing therein with an income certification form prepared by the division of housing and community renewal on which such tenant or tenants shall identify all persons referred to in subdivision (a) of this section and shall certify whether the total annual income is in excess of [one hundred seventy-five thousand dollars in each of the two preceding calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS. Such income certification form shall state that the income level certified to by the tenant may be subject to verification by the department of taxation and finance pursuant to section one hundred seventy-one-b of the tax law and shall not require disclosure of any income information other than whether the aforementioned threshold has been exceeded. Such income certification form shall clearly state that: (i) only tenants residing in housing accommodations which have a maximum MONTHLY rent [of two thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are required to complete the certification form; (ii) that tenants have protections available to them which are designed to prevent harassment; (iii) that tenants are not required to provide any information regarding their income except that which is requested on the form and may contain such other information the division deems appropriate. The tenant or tenants shall return the completed certification to the owner within thirty days after service upon the tenant or tenants. In the event that the total annual income as certified is in excess of [one hundred seventy-five thousand dollars in each such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the owner may file the certification with the state division of housing and community renewal on or before June thirtieth of such year. Upon filing such certification with the division, the division shall, within thirty days after the filing, issue an order of [decontrol] DEREGULATION providing that such housing accommodations shall not be subject to the provisions of this law as of the first day of June in the year next succeeding the filing of the certification by the owner. A copy of such order shall be mailed by regular and certified

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) On or before the first day of May in each calendar year, the owner of each housing accommodation for which the legal regulated rent [is two thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD may provide the tenant or tenants residing therein with an income certification form prepared by the division of housing and community renewal on which such tenant or tenants shall identify all persons referred to in subdivision (a) of this section and shall certify whether the total annual income is in excess of [one hundred seventy-five thousand dollars in each of the two preceding calendar years] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS. Such income certification form shall state that the income level certified to by the tenant may be subject to verification by the department of taxation and finance pursuant to section one hundred seventy-one-b of the tax law and shall not require disclosure of any income information other than whether the aforementioned threshold has been exceeded. Such income certification form shall clearly state that: (i) only tenants residing in housing accommodations which have a legal regulated MONTHLY rent [of two thousand dollars or more per month], THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are required to complete the certification form; (ii) that tenants have protections available to them which are designed to prevent harassment; (iii) that tenants are not required to provide any information regarding their income except that which is requested on the form and may contain such other information the division deems appropriate. The tenant or tenants shall return the completed certification to the owner within thirty days after service upon the tenant or tenants. In the event that the total annual income as certified is in excess of [one hundred seventy-five thousand dollars in each such year] THE DEREGULATION INCOME THRESHOLD IN EACH OF THE TWO PRECEDING CALENDAR YEARS, the owner may file the certification with the state division of housing and community renewal on or before June thirtieth of such year. Upon filing such certification with the division, the division shall, within thirty days after the filing, issue an order providing that such housing accommodation shall not be subject to the provisions of this act upon the expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be mailed to the owner.

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

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

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

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

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

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

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

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

(b) The department, when requested by the division of housing and community renewal, shall verify the total annual income of all persons residing in housing accommodations as their primary residence subject to rent regulation and shall notify the commissioner of the division of housing and community renewal as may be appropriate whether the total annual income exceeds [one hundred seventy-five thousand dollars per annum in each of the two preceding calendar years] THE APPLICABLE DEREGULATION 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%

EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE (MAXIMUM THREE YEARS)
Following completion of work

Year:	
1	100%
2	100
3	80
4	80
5	60
6	60
7	40
8	40
9	20
10	20

S 39. Clause (A) of subparagraph (ii) 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:

(A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that except in areas excluded by local law 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 such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed fifteen years in the aggregate, 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 eleven years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

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

(A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that 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 such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed twenty-five years in the aggregate, provided that the area in which the project is situated is a neighborhood preservation program area as determined by the local housing agency as of June first, nineteen hundred eighty-five, or is a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, or is an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two or is an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred eighty-five, 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 twenty-one years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

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

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

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

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

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

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

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

(C) THE TERM "SUBSTANTIAL REHABILITATION" MEANS ALL WORK NECESSARY TO BRING A PROPERTY INTO COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS INCLUDING BUT NOT LIMITED TO THE INSTALLATION, REPLACEMENT OR REPAIR OF HEATING, PLUMBING, ELECTRICAL AND RELATED SYSTEMS AND THE ELIMINATION OF ALL HAZARDOUS AND IMMEDIATELY HAZARDOUS VIOLATIONS IN THE STRUCTURE IN ACCORDANCE WITH STATE AND LOCAL LAWS AND REGULATIONS OF STATE AND LOCAL AGENCIES. SUBSTANTIAL REHABILITATION MAY ALSO INCLUDE RECONSTRUCTION OR WORK TO IMPROVE THE HABITABILITY OR PROLONG THE USEFUL LIFE OF THE PROPERTY; PROVIDED SUBSTANTIAL REHABILITATION SHALL NOT 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 SUBSTANTIAL REHABILITATION	EXEMPTION
(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:

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

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

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

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

7. A CITY, TOWN OR VILLAGE PROVIDING AN EXEMPTION PURSUANT TO THE AUTHORITY OF THIS SECTION SHALL DEVELOP AN INCOME MONITORING AND COMPLIANCE PLAN TO MEET THE CRITERIA OF PARAGRAPH (C) OF SUBDIVISION THREE OF THIS SECTION AND SUCH PLAN SHALL BE REVIEWED, EVALUATED AND APPROVED BY THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL AS A CONDITION OF PROVIDING SUCH EXEMPTION. SUCH PLAN SHALL INCLUDE AN ANNUAL CERTIFICATION THAT THE MULTIPLE DWELLING RECEIVING AN EXEMPTION MEETS THE REQUIREMENTS OF THIS SECTION. SUCH CERTIFICATION SHALL BE PROVIDED TO THE ASSESSOR AND THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL. IF SUCH REQUIREMENTS ARE NOT MET, THEN THE MULTIPLE DWELLING SHALL NOT QUALIFY FOR THE EXEMPTION IN THAT YEAR.

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

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

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

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

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

(c) the amendments to section 2 of the emergency housing rent control law made by sections nine, twenty-five, thirty-one and thirty-two of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided in subdivision 2 of 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

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

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

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

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

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

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

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

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

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

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

2. the amendments to subdivision 4 of section 97-g of the state finance law made by section two of this act shall not affect the expiration and reversion of such subdivision as provided in section 3 of chapter 410 of the laws of 2009, and shall expire and be deemed repealed therewith;

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

SUBPART B

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

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

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

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

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

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

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

2. If a proposal is duly submitted by any person or corporation making the deposit required by subdivision one and such proposal is accompanied by a certified check or other security in accordance with the requirements contained in the plans and specifications or in the public advertisement for bids, and if the copy of the plans and specifications used by such person or corporation, other than the successful bidder, is returned in good condition within thirty days following the award of the contract covered by such plans and specifications or the rejection of

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

S 4. This act shall take effect immediately.

SUBPART C

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

S 72-c. Expenses of members of the police department and other peace officers in attending police training schools. The board or body of a county, city, town or village authorized to appropriate and to raise money by taxation and to make payments therefrom, is hereby authorized, in its discretion, to appropriate and to raise money by taxation and to make payments from such moneys, for the annual expenses of the members of the police department of such municipal corporation in attending a police training school, as provided by the regulations of the department, either within such municipal corporation or elsewhere within the state; and for the payment of reasonable expenses of such members and other police officers or peace officers of the municipality while going to, attending, and returning from any training school conducted by or under the auspices of the federal bureau of investigation, whether within or without the state. Notwithstanding any inconsistent provision of any general, special or local law to the contrary, whenever a member of the police department of a municipal corporation[, having a population of ten thousand or less,] has attended a police training school, the expense of which was borne by such municipal corporation, terminates employment with such municipal corporation and commences employment with any other municipal corporation or employer county sheriff, such employer municipal corporation or employer county sheriff shall reimburse the prior employer municipal corporation[, having a population of ten thousand or less,] for such expenses, including, salary, tuition, enrollment fees, books, and the cost of transportation to and from training school, as follows: on a pro rata basis, to be calculated by subtracting from the number of days in the three years following the date of the member's graduation from police training school, the number of days between the date of the member's graduation from training school and the date of the termination of employment with the municipal corporation which paid for such training, and multiplying the difference by the per diem cost of such expenses, to be calculated by dividing the total cost of such expenses by the number of days in the three years following the date of the member's graduation, if such change in employment occurs within three years of such member's graduation from police training school. Provided, however, the employer municipal corporation or employer county sheriff shall not be required to reimburse the prior employer municipal corporation for that portion of such expenses which is reimbursable by the member to the prior employer municipal corporation under the terms

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

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

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

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

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

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

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

1. WHERE A PERSON PLACED ON PROBATION RESIDES IN ANOTHER JURISDICTION WITHIN THE STATE AT THE TIME OF THE ORDER OF DISPOSITION, THE FAMILY COURT WHICH PLACED HIM OR HER ON PROBATION SHALL TRANSFER SUPERVISION TO THE PROBATION DEPARTMENT IN THE JURISDICTION IN WHICH THE PERSON RESIDES. WHERE, AFTER A PROBATION DISPOSITION IS PRONOUNCED, A PROBATIONER REQUESTS TO RESIDE IN ANOTHER JURISDICTION WITHIN THE STATE, THE FAMILY COURT WHICH PLACED HIM OR HER ON PROBATION MAY, IN ITS DISCRETION, APPROVE A CHANGE IN RESIDENCY AND, UPON APPROVAL, SHALL TRANSFER SUPERVISION TO THE PROBATION DEPARTMENT SERVING THE COUNTY OF THE PROBATIONER'S PROPOSED NEW RESIDENCE. ANY TRANSFER UNDER THIS SUBDIVISION MUST BE IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSIONER OF THE DIVISION OF CRIMINAL JUSTICE SERVICES.

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

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

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

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

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

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

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

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

SUBPART D

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

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

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

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

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

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

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

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

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

S 4. This act shall take effect immediately.

SUBPART E

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

8. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, CHILD CARE ASSISTANCE PAYMENTS MADE 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 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

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

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

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

B. THE COMMISSIONER SHALL EVALUATE THE EFFECTIVENESS OF THIS SUBDIVISION INCLUDING THE METHODOLOGIES USED BY SCHOOL DISTRICTS TO DETERMINE THE PATTERNS OF ACTUAL RIDERSHIP AND WHETHER SUCH METHODOLOGIES ENSURE THAT ALL STUDENTS OTHERWISE ELIGIBLE RECEIVE TRANSPORTATION AND THAT STUDENT SAFETY IS ASSURED.

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

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

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

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

35. a. In their discretion, to 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 trustees. IN ITS DISCRETION, THE TRUSTEES 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 trustees. No person shall be eligible for appointment to the office of claims auditor OR DEPUTY CLAIMS AUDITOR who shall also be:

(1) a trustee of the school district;

(2) the clerk or treasurer of the school district;

(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.

b. Such claims auditor OR DEPUTY CLAIMS AUDITOR shall not be required to be a resident of the district, and the [position] POSITIONS of claims auditor AND DEPUTY CLAIMS AUDITOR shall be classified in the exempt class of the civil service. The trustees, 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. When the office of claims auditor shall have been established and a claims auditor shall have been appointed and shall have qualified, the powers and duties of the trustees with respect to claims auditing, and allowing or rejecting all accounts, charges, claims or demands against the school district, shall devolve upon and thereafter be exercised by such claims auditor during the continuance of such office. The trustees shall be permitted to delegate the claims audit function TO ONE OR MORE INDEPENDENT ENTITIES by using (1) inter-municipal cooperative agreements, (2) shared services to the extent authorized by section nineteen hundred fifty of this title, or (3) independent contractors, to fulfill this function.

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

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

20-a. a. In its discretion to 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 OF EDUCATION 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 also 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.

b. Such claims auditor OR DEPUTY CLAIMS AUDITOR shall not be required to be a resident of the district, and such position shall be classified in the exempt class of the 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. When the office of claims auditor shall have been established and a claims auditor shall have been appointed and shall have qualified, the powers and duties of the board of education with respect to claims auditing, allowing or rejecting all accounts, charges, claims or demands against the school district shall devolve upon and thereafter be exercised by such claims auditor, during the continuance of such office. A board shall be permitted to delegate the claims audit function TO ONE OR MORE INDEPENDENT ENTITIES by using (1) inter-municipal cooperative agreements, (2) shared services to the extent authorized by section nineteen hundred fifty of this title, or (3) independent contractors, to fulfill this function.

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

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

e. To have supervision and direction of associate, assistant and other superintendents, directors, supervisors, principals, teachers, lecturers, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS AUDITORS, attendance officers, janitors and other persons employed in the management of the schools or the other educational activities of the district authorized by this chapter and under the direction and management of the board of education; to transfer teachers from one school to another, or from one grade of the course of study to another grade in such course, and to report immediately such transfers to such board for its consideration and actions; to report to such board violations of regulations and cases of insubordination, and to suspend an associate, assistant or other superintendent, director, supervisor, expert, principal, teacher or other employee until the next regular meeting of such board, when all facts relating to the case shall be submitted to such board for its consideration and action.

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

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

PROVIDED, HOWEVER THAT IN THE CASE OF A 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. The board of education shall be authorized, but not required, to prescribe the form of such voucher.

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

5. Shall create, abolish, maintain and consolidate such positions, divisions, boards or bureaus as, in its judgment, may be necessary for the proper and efficient administration of its work; shall appoint properly qualified persons to fill such positions, including a superintendent of schools, such associate, assistant and other superintendents, directors, supervisors, principals, teachers, lecturers, special instructors, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS AUDITORS, attendance officers, secretaries, clerks, custodians, janitors and other employees and other persons or experts in educational, social or recreational work or in the business management or direction of its affairs as said board shall determine necessary for the efficient management of the schools and other educational, social, recreational and business activities; and shall determine their duties except as otherwise provided herein.

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

5. To have supervision and direction of associate, assistant and other superintendents, directors, supervisors, principals, teachers, lecturers, medical inspectors, nurses, claims auditors, DEPUTY CLAIMS AUDITORS, attendance officers, janitors and other persons employed in the management of the schools or the other educational activities of the district authorized by this chapter and under the direction and management of the board of education; to transfer teachers from one school to another, or from one grade of the course of study to another grade in such course, and to report immediately such transfers to such board for its consideration and action; to report to such board violations of regulations and cases of insubordination, and to suspend an associate, assistant or other superintendent, director, supervisor, expert, principal, teacher or other employee until the next regular meeting of such board, when all facts relating to the case shall be submitted to such board for its consideration and action.

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

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

audit and allowance by such board, or if a claims auditor OR DEPUTY CLAIMS AUDITOR shall have been appointed, except upon the warrant of such claims auditor OR DEPUTY CLAIMS AUDITOR after audit and allowance thereof; provided, however, when provision for payment has been made in the annual budget the treasurer may pay, without such warrant or prior audit and allowance, (a) the principal of and interest on bonds, notes or other evidences of indebtedness of the district or for the payment of which the district shall be liable, and (b) compensation for services of officers or employees engaged at agreed wages by the hour, day, week, month or year upon presentation of a duly certified payroll; AND PROVIDED FURTHER THAT 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. By resolution duly adopted, the board may determine to enter into a contract to provide for the deposit of the periodic payroll of the school district in a bank or trust company for disbursal by it in accordance with provisions of section ninety-six-b of the banking law.

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

1. No claim against a city school district, except for compensation for services of an officer or employee engaged at agreed wages by the hour, day, week, month or year or for the principal of or interest on indebtedness of the district, shall be paid unless an itemized voucher therefor approved by the officer whose action gave rise or origin to the claim, shall have been presented to the board of education, or THE claims auditor OR DEPUTY CLAIMS AUDITOR of the city school district and shall have been audited and allowed, PROVIDED THAT 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. The board of education shall be authorized, but not required, to prescribe the form of such voucher.

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

S 2525. Audit of claims. 1. The board of education, in considering any claim OR WHERE APPLICABLE A SAMPLING OF CLAIMS, may require any person presenting the same to be sworn before it or before any member thereof 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 board of education the clerk of such board 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 clerk of the board of education shall draw a warrant specifying 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 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.

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

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

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

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

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

2-a. a. In its discretion to 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 the board. IN ITS DISCRETION, THE BOARD MAY ADOPT A RESOLUTION ESTABLISHING ONE OR MORE OFFICES 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) a 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.

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

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

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

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

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

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

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

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

a. The salary of the superintendent of schools, associate, district or 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-

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

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

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

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

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

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

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

S 24. Paragraph b of subdivision 2 of section 33 of the general municipal law, as added by chapter 267 of the laws of 2005, is amended 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

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

SUBPART H

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

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

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

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

(c) "petition" means a document submitted by a local government seeking approval of an alternate method for implementing a regulatory mandate.

2. A LOCAL GOVERNMENT, OR TWO OR MORE LOCAL GOVERNMENTS ACTING JOINTLY, MAY SEEK APPROVAL FOR AN ALTERNATE METHOD OF IMPLEMENTING A REGULATORY MANDATE BY SUBMITTING TO THE APPROPRIATE STATE AGENCY A petition WHICH shall include BUT NOT BE LIMITED TO:

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

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

(c) information [on the process used by the local government to ensure that all stakeholders have been appropriately involved in the process of developing the alternate method, including where relevant the date of any hearing, forum or other meeting to seek input on the alternate method] SUFFICIENT TO ESTABLISH THAT THE PROPOSED ALTERNATE METHOD OF IMPLEMENTATION IS CONSISTENT WITH AND WILL EFFECTIVELY CARRY OUT THE OBJECTIVES OF THE REGULATORY MANDATE;

(d) documentation that the petition has been submitted to the authorized agents of any certified or recognized employee organizations representing employees who would be effected by implementation of the alternate method;

(e) [a proposed plan and timetable for compiling and reporting information to facilitate evaluation of the effectiveness of the alternate method;]

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

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

[3. Two] (G) WHERE TWO or more local governments [may submit a petition] HAVE PETITIONED jointly, [provided that each local government meets the requirements of paragraphs (a), (c), (d) and (g) of subdivision two of this section, and provided that the petition] INFORMATION

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

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

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

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

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

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

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

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

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

[8.] 9. In accordance with the timetable established pursuant to subdivision [four] THREE of this section, the agency shall evaluate the effectiveness of the alternate method in carrying out the objectives of the regulatory mandate. The evaluation shall identify any savings or other benefits, and any costs or other disadvantages, of implementing the alternate method, and shall address the desirability of incorporating the alternate method into the rules of the agency. Notice of availability of the evaluation shall be published in the state register.

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

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

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

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

2. MANDATE RELIEF COUNCIL. THERE IS HEREBY CREATED WITHIN THE EXECUTIVE DEPARTMENT THE MANDATE RELIEF COUNCIL, WHICH SHALL BE COMPRISED OF ELEVEN MEMBERS AS FOLLOWS: THE SECRETARY TO THE GOVERNOR, WHO SHALL CHAIR THE COUNCIL, THE COUNSEL TO THE GOVERNOR, THE DIRECTOR OF THE DIVISION OF THE BUDGET, THE SECRETARY OF STATE, AND THREE ADDITIONAL MEMBERS TO BE APPOINTED BY THE GOVERNOR FROM AMONG HIS OR HER EXECUTIVE CHAMBER STAFF, TWO MEMBERS TO BE APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE, AND TWO MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE ASSEMBLY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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