STATE OF NEW YORK

2967

2013-2014 Regular Sessions

IN SENATE

January 28, 2013

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

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

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

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

ARTICLE 71
FINANCING OF SCHOOL DISTRICTS

SECTION 3501. LEGISLATIVE INTENT.
3502. BASIC QUALITY EDUCATION.
3503. MINIMUM APPORTIONMENT.
3504. COLLECTION AND DISTRIBUTION.
3505. CONSTRUCTION WITH OTHER LAWS.
3506. SEVERABILITY.

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

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

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

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

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

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

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

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

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

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

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

S 3504. COLLECTION AND DISTRIBUTION. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, CODE, RULE OR REGULATION, THE STATE SHALL, WITHIN FIVE YEARS FROM THE EFFECTIVE DATE OF THIS ARTICLE, COLLECT AND DISTRIBUTE TO SCHOOL DISTRICTS ALL MONEYS RELATING TO THE FINANCING OF PUBLIC EDUCATION, EXCLUSIVE OF HIGHER EDUCATION, WITHIN THIS STATE, AS PROVIDED BY THE LEGISLATURE. THIS ASSUMPTION BY THE STATE OF ALL COSTS OF BASIC QUALITY EDUCATION SHALL BE ACCOMPLISHED IN APPROXIMATELY EQUAL INCREMENTS OVER A FIVE YEAR PERIOD FROM THE EFFECTIVE DATE OF THIS ARTICLE. DURING THIS PERIOD, THE AMOUNT OF MONEY DERIVED BY EACH SCHOOL DISTRICT FROM REAL PROPERTY TAXES SHALL BE REDUCED ACCORDINGLY. AFTER FIVE YEARS FROM THE EFFECTIVE DATE OF THIS ARTICLE, MONEYS DISTRIBUTED TO ANY SCHOOL DISTRICT SHALL BE REDUCED BY THE AMOUNT OF ANY REVENUES RECEIVED BY SUCH SCHOOL DISTRICT FROM TAXES IMPOSED ON REAL PROPERTY BY OR ON BEHALF OF SUCH SCHOOL DISTRICT.

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

S 3506. SEVERABILITY. IF ANY CLAUSE, SENTENCE, PARAGRAPH, SECTION OR PART OF THIS ARTICLE 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, SECTION OR PART THEREOF DIRECTLY INVOLVED IN THE CONTROVERSY IN WHICH SUCH JUDGMENT SHALL HAVE BEEN RENDERED.

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

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

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

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

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

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

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

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

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

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

S 6. Subdivision 5 of section 1618 of the real property tax law, as added by chapter 512 of the laws of 1993 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

5. When the commissioner has established a final equalization rate for a consolidated assessing unit as a whole, school district and county taxes within the consolidated assessing unit shall be apportioned without the use of equalization rates, notwithstanding the provisions of [articles] ARTICLE eight [and thirteen] of this chapter.

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

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

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

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

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

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

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

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

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

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

S 10. Section 1213 of the tax law, as amended by section 2 of part WW of chapter 57 of the laws of 2010, is amended to read as follows:

S 1213. Deliveries outside the jurisdiction where sale is made. Where a sale of tangible personal property or services, including prepaid telephone calling services, but not including other services described in subdivision (b) of section eleven hundred five of this chapter, including an agreement therefor, is made in any city[,] OR county [or school district], but the property sold, the property upon which the services were performed or prepaid telephone calling or other service is or will be delivered to the purchaser elsewhere, such sale shall not be subject to tax by such city[,] OR county [or school district]. However, if delivery occurs or will occur in a city[,] OR county [or school district] imposing a tax on the sale or use of such property, prepaid telephone calling or other services, the vendor shall be required to collect from the purchaser, as provided in section twelve hundred fifty-four of this article, the aggregate sales or compensating use taxes imposed by the city, if any, AND county [and school district] in which delivery occurs or will occur, for distribution by the commissioner to such taxing jurisdiction or jurisdictions. For the purposes of this section delivery shall be deemed to include transfer of possession to the purchaser and the receiving of the property or of the service, including prepaid telephone calling service, by the purchaser. Notwithstanding the foregoing, where a transportation service described in paragraph ten of subdivision (c) of section eleven hundred five of this chapter begins in one jurisdiction but ends in another jurisdiction, any tax imposed pursuant to the authority of this article shall be due the jurisdiction or jurisdictions where the service commenced.

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

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

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

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

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

S 1256. Cooperation by localities. Every city[,] AND county [and school district] shall cooperate with the [state tax commission] COMMISSIONER to enable [it] HIM OR HER to carry out [its] HIS OR HER duties under [articles] THIS ARTICLE AND ARTICLE twenty-eight [and twenty-nine] of this chapter. Every such locality shall furnish to such [commission] COMMISSIONER those returns, reports and other information which the [tax commission] COMMISSIONER deems necessary to carry out such duties, except that cities having a population of one million or more, may, in their discretion, furnish instead copies of such returns, reports and other information. Such copies shall be furnished at the [tax commission's] COMMISSIONER'S expense, such expenses to be charged to the cost of administration. Notwithstanding any other law to the contrary, the duty to furnish returns, reports and other information or copies thereof shall apply to [those returns and reports filed under taxes authorized under chapter eight hundred seventy-three of the laws of nineteen hundred thirty-four, as amended, chapter three hundred forty-one of the laws of nineteen hundred forty-six, as amended, article two-B of the general city law and chapter two hundred seventy-eight of the laws of nineteen hundred forty-seven, as amended, and to such other] information which is relevant to the duties of the [tax commission] COMMISSIONER under THIS ARTICLE AND such [articles] ARTICLE twenty-eight [and twenty-nine] OR OTHER RELEVANT PROVISIONS OF THIS CHAPTER.

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

(1) The clerk of each county when performing the function of registration of a motor vehicle, snowmobile, vessel or all terrain vehicle or accepting an application for a certificate of title of a motor vehicle or vessel, pursuant to the authority of the vehicle and traffic law, or the commissioner of motor vehicles, when such commissioner performs such functions, prior to performing such functions, shall act as the agent of the [state tax commission] COMMISSIONER to collect any retail sales tax due under this article and under a sales tax imposed pursuant to section twelve hundred ten [or twelve hundred eleven] OF THIS CHAPTER upon sales of such motor vehicles, snowmobiles, vessels or all terrain vehicles by persons other than dealers registered under sections four hundred fifteen, twenty-two hundred twenty-two, twenty-two hundred fifty-seven and twenty-two hundred eighty-two of the vehicle and traffic law. Such county clerks and such commissioner shall also act as such agents to collect any compensating use tax due under section eleven hundred ten OF THIS ARTICLE and under a compensating use tax imposed pursuant to section twelve hundred ten [or twelve hundred eleven] OF THIS CHAPTER for the use of a motor vehicle, snowmobile, vessel or all terrain vehicle within this state. The commissioner of motor vehicles shall act as such agent without fee. Each such county clerk shall, after deducting his OR HER fee as provided in paragraph two of this subdivision, and such commissioner shall remit to the tax commission all funds collected pursuant to this subdivision and shall follow such procedures and keep such records as shall be prescribed by the [tax commission] COMMISSIONER.

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

(iii) is not engaged in carrying on in such jurisdiction any employment, trade, business or profession in which the motor vehicle or vessel will be used in such jurisdiction, and such other proof as the commissioner may require to ensure proper administration of the taxes imposed under the authority of [sections] SECTION twelve hundred ten [and twelve hundred eleven] of this article.

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

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

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

S 17. Section 1223 of the tax law, as separately amended by chapters 4, 8 and 9 of the laws of 2003 and subdivision (a) as amended by chapter 74 of the laws of 2010, is amended to read as follows:

S 1223. Limitations on rates. (a) No transaction taxable under sections twelve hundred two [through] AND twelve hundred [four] THREE of this article shall be taxed pursuant to this article by any county or by any city located therein, or by both, at an aggregate rate in excess of the highest rate set forth in the applicable subdivision of section twelve hundred one of this article or, in the case of any taxes imposed pursuant to the authority of section twelve hundred ten or twelve hundred eleven of this article (other than taxes imposed by the county of Nassau, Erie, Steuben, Cattaraugus, Suffolk, Oneida, Genesee, Greene, Franklin, Herkimer, Tioga, Orleans, Allegany, Ulster, Albany, Rensselaer, Tompkins, Wyoming, Columbia, Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sullivan, Wayne, Livingston, Schenectady, Montgomery, Delaware, Clinton, Niagara, Yates, Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua, Orange, Oswego, Ontario, Jefferson or Onondaga and by the county of Cortland and the city of Cortland and by the county of Broome and the city of Binghamton and by the county of Cayuga and the city of Auburn and by the county of Otsego and the city of Oneonta and by the county of Madison and the city of Oneida and by the county of Fulton and the city of Gloversville or the city of Johnstown as provided in section twelve hundred ten of this article) at a rate in excess of three percent, except that, in the city of Yonkers, in the city of Mount Vernon, in the city of New Rochelle, in the city of Fulton and in the city of Oswego, the rate may not be in excess of four percent and in the city of White Plains, the rate may not be in excess of four percent and except that in the city of Poughkeepsie in the county of Dutchess, if such county withdraws from the metropolitan commuter transportation district pursuant to section twelve hundred seventy-nine-b of the public authorities law and if the revenues from a three-eighths percent rate of such tax imposed by such county, pursuant to the authority of section twelve hundred ten of this article, are required by local laws, ordinances or resolutions to be set aside for mass transportation purposes, the rate may not be in excess of three and three-eighths percent.

(b) If a transaction is taxed by both a county and a city, the rate of tax on such transaction imposed by the county or city, not having prior right thereto pursuant to section twelve hundred twenty-four OF THIS SUBPART, shall be deemed to be reduced (or the entire tax eliminated, if necessary) to the extent necessary to comply with the foregoing requirement. A tax imposed by a county upon any transaction, to the extent that it would require a reduction in any tax rate imposed thereon by a city, shall not become effective in respect to any transaction taxed by such city (or in respect of other similar transactions outside of the city which, if occurring in such city, would be subject to such city tax) before the commencement of the city's next succeeding fiscal year and then only if the county shall have given notice to such city of its imposition of a tax on such transaction at least six months prior to the commencement of such fiscal year, provided however that the local legislative body of such city may waive the requirement of such notice and the postponement of the effective date of such tax. A city tax upon any transaction, to the extent that it would require a reduction in any tax rate imposed by a county thereon, shall not become effective in respect of any transaction taxed by such county before the commencement of the county's next succeeding fiscal year and then only if the city shall have given notice to such county of its imposition of a tax on such transaction at least six months prior to the commencement of such fiscal year, provided, however, that the local legislative body of such county may waive the requirement of such notice and postponement of the effective date of such tax. However, whether or not the six months' notice requirement provided in this section has been waived, a tax imposed pursuant to the authority of section twelve hundred ten [or twelve hundred eleven] OF THIS ARTICLE shall still be subject to the requirements provided for in the first three sentences of subdivision (d) of such [sections] SECTION and in subdivision (e) of such [sections] SECTION.

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

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

S 19. Subdivision (k) of section 1224 of the tax law, as amended by chapter 426 of the laws of 1968 and separately relettered by chapters

531, 574, 617, 718 and 719 of the laws of 1992, is amended to read as follows:

(k) For purposes of this section, the term "prior right" shall mean the preferential right to impose any tax described in sections twelve hundred two [and], twelve hundred three[,] AND twelve hundred ten [and twelve hundred eleven] OF THIS ARTICLE and thereby to pre-empt such tax and to preclude another municipal corporation from imposing or continuing the imposition of such tax to the extent that such right is exercised. However, the right of pre-emption shall only apply within the territorial limits of the taxing jurisdiction having the right of pre-emption.

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

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

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

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

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

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

S 23. Subdivision (a) of section 1243 of the tax law, as amended by chapter 808 of the laws of 1992 and paragraph 1 as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(a) Any final determination of the amount of any tax payable under sections twelve hundred one through twelve hundred [four] THREE OF THIS ARTICLE shall be reviewable for error, illegality or unconstitutionality or any other reason whatsoever by a proceeding under article seventy-eight of the civil practice law and rules if application therefor is made to the supreme court within four months after the giving of the notice of such final determination, provided, however, that any such proceeding under article seventy-eight of the civil practice law and rules shall not be instituted by a taxpayer unless (1) the amount of any tax sought to be reviewed, with such interest and penalties thereon as may be provided for by local law, ordinance, resolution or regulation, shall be first deposited and there is filed an undertaking, issued by a surety company authorized to transact business in this state and approved by the superintendent of financial services of this state as to solvency and responsibility, in such amount as a justice of the supreme court shall approve to the effect that if such proceeding be dismissed or the tax confirmed the taxpayer will pay all costs and charges which may accrue in the prosecution of such proceeding or (2) at the option of the taxpayer, such undertaking may be in a sum sufficient to cover the taxes, interest and penalties stated in such determination, plus the costs and charges which may accrue against such taxpayer in the prosecution of the proceeding, in which event the taxpayer shall not be required to pay such taxes, interest or penalties as a condition precedent to the application.

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

S 1250. Administration and collection. The taxes imposed under the authority of sections twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] and twelve hundred twelve-A OF THIS ARTICLE shall be administered and collected by the [state tax commission] COMMISSIONER in the same manner as the taxes imposed under article twenty-eight of this chapter are administered and collected by such commission. All of the provisions of such article relating to or applicable to the administration and collection of the taxes imposed by that article shall apply to the taxes imposed under the authority of section twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE, including sections eleven hundred one and eleven hundred eleven and sections eleven hundred thirty-one through eleven hundred forty-seven OF THIS CHAPTER, with the same force and effect as if those provisions had been incorporated in full into this article and had expressly referred to the taxes imposed under sections twelve hundred ten [through] AND twelve hundred twelve-A OF THIS ARTICLE, except to the extent that any provisions of such article twenty-eight are either inconsistent with a provision of this article or are not relevant to this article. For purposes of this article, the term "tax" in part IV of such article twenty-eight shall include any tax imposed under the authority of section twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE. Wherever there is joint collection of state and local taxes, it shall be deemed that such collections shall represent proportionally the applicable state and local taxes in determining the amount to be remitted to local taxing jurisdictions.

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

(a) Every person required to collect any of the taxes imposed under the authority of section twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE shall file a return as required by subdivision (a) of section eleven hundred thirty-six OF THIS CHAPTER with the [tax commission] COMMISSIONER, except that return for the quarterly period ending August thirty-first, nineteen hundred sixty-five shall only cover the month of August, nineteen hundred sixty-five. The return of a vendor of tangible personal property or services shall show his OR HER receipts from sales and also the aggregate value of tangible personal property and services sold by him, the use of which is subject to a tax imposed under the authority of this article and the amount of taxes required to be collected with respect to such sales and use. The return of a [recipient] RECEIPT of amusement charges shall show all such charges and the amount of tax thereon, and the return of an operator required to collect tax on rents shall show all rents received or charged and the amount of tax thereon. Every person required to file a part-quarterly return pursuant to subdivision (a) of section eleven hundred thirty-six OF THIS CHAPTER shall file a return for the same periods for the taxes imposed pursuant to this article. Provided, however, where a part-quarterly return described in paragraph [(i)] ONE or [(ii)] TWO of subdivision (a) of section eleven hundred thirty-six is filed for purposes of complying with this section and section eleven hundred thirty-six or subdivision (a) or (b) of section eleven hundred thirty-seven-A OF THIS CHAPTER, on such returns separate amounts due for the taxes imposed by each county, city or school district, pursuant to the authority of section twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A OF THIS ARTICLE, need not be shown. Rather, such returns shall only show the aggregate amount of all such local taxes calculated in the manner provided for in paragraph [(i)] ONE or [(ii)] TWO of subdivision (a) of section eleven hundred thirty-six OF THIS CHAPTER except that in the case of a short-form, part-quarterly return, where a county, city or school district did not impose a tax in the comparable quarter of the immediately preceding year, the tax for that locality shall be calculated on such basis as the [tax commission] COMMISSIONER shall by regulation prescribe.

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

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

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

S 1253. Registration. Every person required to register pursuant to section eleven hundred thirty-four OF THIS CHAPTER shall be required to register for purposes of the taxes imposed under the authority of sections twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] and twelve hundred twelve-A OF THIS ARTICLE. However, only one certificate of authority need be issued. Persons who elect to register under such section eleven hundred thirty-four pursuant to the election provided therein shall also be required to make a similar election for purposes of the taxes imposed under the authority of such sections twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] and twelve hundred twelve-A, but only one certificate of authority need be issued.

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

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

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

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

(a) All taxes, penalties and interest imposed by cities, counties or school districts under the authority of section twelve hundred ten[, twelve hundred eleven, twelve hundred twelve] or twelve hundred twelve-A of this article, which are collected by the commissioner, shall be deposited daily with such responsible banks, banking houses or trust companies, as may be designated by the state comptroller, to the credit of the comptroller, in trust for the cities, counties or school districts imposing the tax or for (i) the Nassau county interim finance authority or (ii) the Buffalo fiscal stability authority or (iii) the Erie county fiscal stability authority, created by the public authorities law, (i) to the extent that net collections from taxes imposed by Nassau county are payable to the Nassau county interim finance authority or (ii) to the extent that net collections from taxes imposed by Erie county or by the city of Buffalo are payable to the Buffalo fiscal stability authority or (iii) to the extent that net collections from taxes imposed by Erie county are payable to the Erie county fiscal stability authority, or for any public benefit corporation to which the tax may be payable pursuant to law. Such deposits and deposits received pursuant to subdivision (b) of section twelve hundred fifty-two of this article shall be kept in trust and separate and apart from all other monies in the possession of the comptroller. The comptroller shall require adequate security from all such depositories of such revenue collected by the commissioner, including the deposits received pursuant to subdivision (b) of section twelve hundred fifty-two of this article. Any amount payable to such authorities pursuant to the public authorities law shall, at the time it is otherwise payable to (i) Nassau county, (ii) Erie county or the city of Buffalo, or (iii) Erie county, respectively, as specified in this section, be paid instead to such respective authority. Any amount payable to a public benefit corporation pursuant to law shall, at the time it is otherwise payable to the taxing jurisdiction as specified in this section, be paid instead to such public benefit corporation.

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

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

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

(3) However, the taxes, penalties and interest which (i) the county of Nassau, (ii) the county of Erie, to the extent the county of Erie is contractually or statutorily obligated to allocate and apply or pay net collections to the city of Buffalo and to the extent that such county has set aside net collections for educational purposes attributable to the Buffalo school district, or the city of Buffalo or (iii) the county of Erie is authorized to impose pursuant to section twelve hundred ten of this article, other than such taxes in the amounts described, respectively, in subdivisions one and two of section [one thousand two] TWELVE hundred sixty-two-e of this part, during the period that such section authorizes Nassau county to establish special or local assistance programs thereunder, together with any penalties and interest related

thereto, and after the comptroller has reserved such refund fund and such costs, shall, commencing on the next payment date after the effective date of this sentence and of each month thereafter, until such date as (i) the Nassau county interim finance authority shall have no obligations outstanding, or (ii) the Buffalo fiscal stability authority shall cease to exist, or (iii) the Erie county fiscal stability authority shall cease to exist, be paid by the comptroller, respectively, to (i) the Nassau county interim finance authority to be applied by the Nassau county interim finance authority, or (ii) to the Buffalo fiscal stability authority to be applied by the Buffalo fiscal stability authority, or (iii) to the Erie county fiscal stability authority to be applied by the Erie county fiscal stability authority, as the case may be, in the following order of priority: first pursuant to the Nassau county interim finance authority's contracts with bondholders or the Buffalo fiscal stability authority's contracts with bondholders or the Erie county fiscal stability authority's contracts with bondholders, respectively, then to pay the Nassau county interim finance authority's operating expenses not otherwise provided for or the Buffalo fiscal stability authority's operating expenses not otherwise provided for or the Erie county fiscal stability authority's operating expenses not otherwise provided for, respectively, and then (i) pursuant to the Nassau county interim finance authority's agreements with the county of Nassau, which agreements shall require the Nassau county interim finance authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Nassau county interim finance authority, and subject to any agreement between such authority and the county of Nassau, to the county of Nassau as frequently as practicable; or (ii) pursuant to the Buffalo fiscal stability authority's agreements with the city of Buffalo, which agreements shall require the Buffalo fiscal stability authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Buffalo fiscal stability authority, and subject to any agreement between such authority and the city of Buffalo, to the city of Buffalo or the city of Buffalo school district, as the case may be, as frequently as practicable; or (iii) pursuant to the Erie county fiscal stability authority's agreements with the county of Erie, which agreements shall require the Erie county fiscal stability authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Erie county fiscal stability authority, and subject to any agreement between such authority and the county of Erie, to the county of Erie as frequently as practicable. During the period that the comptroller is required to make payments to the Nassau county interim finance authority described in the previous sentence, the county of Nassau shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Nassau county interim finance authority, except as provided in such authority's agreements with the county of Nassau. During the period that the comptroller is required to make payments to the Buffalo fiscal stability authority described in the second previous sentence, the city of Buffalo and such school district shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Buffalo fiscal stability authority, except as provided in such authority's agreements with the city of Buffalo. During the period that the comptroller is required to make payments to the Erie county fiscal stability authority described in the third previous sentence, the county of Erie shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Erie county fiscal stability authority, except as provided in such authority's agreements with the county of Erie.

(4) The amount so payable shall be certified to the comptroller by the commissioner or the commissioner's delegate, who shall not be held liable for any inaccuracy in such certificate. Provided, however, any such certification may be based on such information as may be available to the commissioner at the time such certificate must be made under this section and may be estimated on the basis of percentages or other indices calculated from distributions for prior periods.

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

(6) Where the amount so paid over to any city, county, school district or the special sales and compensating use tax fund for the city of Yonkers in any such distribution or to any such authority is more or less than the amount then due to such city, county, school district or such fund or to such authority, the amount of the overpayment or underpayment shall be certified to the comptroller by the commissioner or the commissioner's delegate, who shall not be held liable for any inaccuracy in such certificate. The amount of the overpayment or underpayment shall be so certified to the comptroller as soon after the discovery of the overpayment or underpayment as reasonably possible and subsequent payments and distributions by the comptroller to such city, county, school district or the special sales and compensating use tax fund for the city of Yonkers or to such authority shall be adjusted by subtracting the amount of any such overpayment from or by adding the amount of any such underpayment to such number of subsequent payments and distributions as the comptroller and the commissioner shall consider reasonable in view of the amount of the overpayment or underpayment and all other facts and circumstances.

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

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

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

2. The taxable status date of real property assessed for school district and village purposes shall be determined in accordance with [sections thirteen hundred two and] ARTICLE SEVENTY-ONE OF THE EDUCATION LAW AND SECTION fourteen hundred of this chapter, respectively. The date

of taxable status of the real property contained on any village assessment roll shall be imprinted or otherwise indicated at the top of the first page of each volume of such roll.

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

2. Any state aid representing tax savings duly provided by a component school district of the central high school district [pursuant to section thirteen hundred six-a of the real property tax law] for taxes levied to fund expenditures of the central high school district shall be claimed by such component school district [pursuant to subdivision three of section thirteen hundred six-a of the real property tax law,] and any resulting payment of state aid to the component school district based on such tax savings shall be paid by the component school district, within ten days after receipt of such payment, over to the treasurer of such central high school district in an amount equal to the product of the total payment received by such component school district for all tax savings [provided pursuant to section thirteen hundred six-a of the real property tax law] multiplied by the quotient of the tax savings provided for taxes levied to fund expenditures of the central high school district divided by the total tax savings duly provided by such component school district [pursuant to section thirteen hundred six-a of the real property law].

S 34. Section 3601 of the education law, as amended by section 4-a of part A-1 of chapter 58 of the laws of 2006 and as further amended by subdivision (d) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

S 3601. When apportioned and how applied. The amount annually appropriated by the legislature for general support for public schools, net of disallowances, refunds, reimbursements and credits, shall be apportioned by the commissioner each year prior to the dates of the respective final payments provided by law and all moneys so apportioned shall be applied exclusively to school purposes authorized by law. General state aid claims, on forms prescribed by the commissioner, shall be submitted to the commissioner by September second of each school year, except that the audit report required by subdivision three of section twenty-one hundred sixteen-a of this chapter shall be submitted to the commissioner by October fifteenth following the close of the school year audited for all districts other than the city school districts of the cities of Buffalo, Rochester, Syracuse, Yonkers and New York and by January first following the close of the school year audited for such city school districts. No aid shall be paid to a school district or board of cooperative educational services prior to the submission of claims as required by the commissioner, except that no aid certified as payable to a school district by the commissioner of taxation and finance [pursuant to paragraph (c) of subdivision three of section thirteen hundred six-a of the real property tax law] shall be withheld due to the failure of the school district to submit general state aid claims required by the commissioner, and except that no aids shall be withheld due to the failure of a school district to submit the audit report required by subdivision three of section twenty-one hundred sixteen-a of this chapter until the thirtieth day following the due date specified in this section for such report.

S 35. Paragraph y of subdivision 1 of section 3602 of the education law, as added by section 11 of part B of chapter 57 of the laws of 2007 and as further amended by subdivision (d) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

y. "School tax relief aid" shall mean state aid payable to a school district representing tax savings duly provided by the school district [pursuant to section thirteen hundred six-a of the real property tax law] that is claimed by the school district and certified by the commissioner of taxation and finance [pursuant to subdivision three of section thirteen hundred six-a of the real property tax law].

S 36. Paragraph (j) and subparagraph (iv) of paragraph (k) of subdivision 2 of section 425 of the real property tax law, paragraph (j) as amended by section 1 of part A of chapter 405 of the laws of 1999 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010 and, subparagraph (iv) of paragraph (k) as added by section 1-a of part E of chapter 83 of the laws of 2002 and redesignated by chapter 355 of the laws of 2003, are amended to read as follows:

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

(iv) Notwithstanding the provisions of subparagraph (ii) of this paragraph, when a cooperative apartment corporation is incorporated as a mutual company pursuant to the private housing finance law, and the granting of an exemption pursuant to this section would not inure to the benefit of eligible tenant-stockholders because the real property of such corporation is subject to an exemption from taxation pursuant to section thirty-three, ninety-three, one hundred twenty-five or five hundred fifty-six of the private housing finance law, an alternative benefit shall be provided to such corporation and passed through to eligible tenant-stockholders in the manner provided by this subdivision. Such alternative benefit shall consist of a reduction in the real property taxes or payments in lieu of taxes that would otherwise be payable on account of such real property. The total amount of such reduction shall be the sum of the "STAR savings" for all of the cooperative apartment units that are occupied by one or more eligible tenant-stockholders. The STAR savings for each such unit shall be equal to one-third of the exempt amount determined pursuant to paragraph (a) of this subdivision for purposes of the basic or enhanced exemption, as the case may be, multiplied by the applicable school tax rate, or in the case of a school district described in paragraph (j) of this subdivision, by the applicable city tax rate. Provided, however, in no case shall the STAR savings for any individual unit exceed the amount payable by or chargeable to the unit on account of real property taxes or payments in lieu of taxes. The STAR savings so determined for each unit shall be credited by the cooperative apartment corporation against the real property taxes or payments in lieu of taxes otherwise payable by or chargeable to the eligible tenant-stockholders. The total of the alternative benefits provided pursuant to this subparagraph shall be a state charge which shall be payable in the same manner that school districts are compensated [pursuant to section thirteen hundred six-a of this chapter] for tax savings attributable to exemptions granted pursuant to this section.

S 37. Subdivisions 1 and 2 of section 1216 of the real property tax law, as added by chapter 800 of the laws of 1967 and subdivision 1 as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, are amended to read as follows:

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

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

S 38. Subdivision 1 of section 1226 of the real property tax law, as added by chapter 280 of the laws of 1985 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

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

S 39. Paragraph (a) of subdivision 2 of section 1227 of the real property tax law, as added by chapter 87 of the laws of 2001 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

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

S 40. Subdivision 1 and paragraph (a) and the opening paragraph of paragraph (d) of subdivision 7 of section 1316 of the real property tax law, as added by chapter 556 of the laws of 2002, are amended to read as follows:

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

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

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

S 41. Paragraphs (a) and (f) of subdivision 4 of section 1903-a of the real property tax law, as amended by chapter 47 of the laws of 1991, are amended to read as follows:

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

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

S 42. Subdivision 2 of section 954 of the real property tax law, as added by chapter 440 of the laws of 1989, is amended to read as follows:

2. Notwithstanding the provisions of section nine hundred twenty-two[, thirteen hundred twenty-two, thirteen hundred twenty-four] or fourteen hundred thirty of this chapter, upon agreement between a collecting officer and a mortgage investing institution, the mortgage investing institution or its agent shall, no later than thirty days prior to the last date established by law for the annexation of the warrant to the assessment roll, present to the collecting officer a list in any mutually agreeable format of the real property tax escrow accounts with respect to which the mortgage investing institution or its agent has been authorized by the mortgagor to receive tax bills. If the collecting officer and mortgage investing institution agree, a list of additions and deletions to the last such list so delivered may be presented instead.

S 43. Subdivision 2 of section 544 of the real property tax law is amended to read as follows:

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

S 44. Subdivision 2 of section 558 of the real property tax law, as amended by chapter 529 of the laws of 1990, is amended to read as follows:

2. The county legislature of any county shall direct the cancellation of any unpaid school tax relevied by such county [pursuant to subdivision five of section thirteen hundred thirty or subdivision five of section thirteen hundred thirty-two of this chapter,] or any unpaid village tax relevied by such county pursuant to subdivision four of section fourteen hundred forty-two of this chapter, against property of the state or the United States where it is determined that the lien of such tax cannot be enforced, or where the lien of such tax is rendered permanently unenforceable by operation of the provisions of any statute. The amount of any tax so cancelled shall be charged against the school district or village which levied such tax. The amount so charged against a school district or village shall be withheld by the county treasurer from any moneys which shall become payable by him to such school district or village by reason of taxes which shall thereafter be returned to him as uncollected by such school district or village. No such cancellation of any unpaid school taxes or no such charge shall be made by the county legislature against any such school district or village unless ten days' notice thereof by mail shall be given to the school authorities thereof.

S 45. Subdivision 1-b of section 3651 of the education law, as added by section 73 of part A of chapter 436 of the laws of 1997, is amended to read as follows:

1-b. Notwithstanding the provisions of subdivision one of this section, where the city or county is not required to pay to the treasurer of a city school district unpaid taxes during the fiscal year for which such real property taxes are levied, the board of education of such city school district may establish a reserve for uncollected taxes without approval of the qualified voters of the school district, provided that the ratio of the amount of such reserve to the total principal amount of the district's tax levy for such fiscal year shall not be less than the ratio of the principal amount of the school district taxes as levied by the school district for the last completed fiscal year but not received by the district before the end of such fiscal year to the total principal amount of the tax levy for such last completed fiscal year. If the city or county is not required to pay to the treasurer of a city school district unpaid taxes [pursuant to section thirteen hundred thirty-two of the real property tax law], the board of education of the city school district shall establish a reserve pursuant to this subdivision, provided that such reserve shall not be less than the amount of taxes for the fiscal year for which such budget is being prepared which are estimated to be unpaid during such fiscal year [under the aforesaid provisions of the real property tax law].

S 46. Paragraph e of subdivision 7 of section 545 of the real property tax law, as amended by chapter 800 of the laws of 1967, is amended to read as follows:

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

S 47. Subdivisions 1 and 3 of section 972 of the real property tax law, as amended by section 12 of part B of chapter 389 of the laws of 1997, are amended to read as follows:

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

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

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

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

S 48. In order to provide for continuity of funding to school districts, fifty percent of the school taxes due on July first in the year preceding the effective date of this act shall be paid as heretofore required by law.

S 49. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, provided, however, that sections two, four, five, six, eight and ten through forty-seven of this act shall take effect on the first of January in the fifth year next succeeding such effective date.