# STATE OF NEW YORK

S. 2009--C A. 3009--C

# SENATE - ASSEMBLY

January 23, 2017

IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT intentionally omitted (Part A); intentionally omitted (Part B); to amend the tax law and the administrative code of the city of New York, in relation to the school tax reduction credit for residents of a city with a population of one million or more; and to repeal section 54-f of the state finance law relating thereto (Part C); intentionally omitted (Part D); intentionally omitted (Part E); to amend the real property tax law, in relation to authorizing partial payments of property taxes (Part F); to amend the tax law, in relation to the STAR personal income tax credit (Part G); to amend the real property tax law and the tax law, in relation to the applicability of the STAR credit to cooperative apartment corporations; and repealing certain provisions of the tax law relating thereto (Part H); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part I); to amend the state finance law, in relation to the veterans' home assistance fund (Part J); to amend the economic development law and the tax law, in relation to life sciences companies (Part K); to amend the economic development law, in relation to the employee training incentive program (Part L); to amend the tax law, in relation to extending the empire state film production credit and empire state

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

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film post production credit for three years (Part M); to amend the labor law and the tax law, in relation to a program to provide tax incentives for employers employing at risk youth (Subpart A); and to amend the labor law and the tax law, in relation to establishing the empire state apprenticeship tax credit program (Subpart B) (Part N); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for five years (Part O); to amend the tax law, in relation to the investment tax credit (Part P); to amend the tax law, in relation to the treatment of single member limited liability companies that are disregarded entities in determining eligibility for tax credits (Part Q); to amend the tax law, in relation to extending the top personal income tax rate for two years; and to repeal subparagraph (B) of paragraph 1 of subsection (a), subparagraph (B) of paragraph 1 of subsection (b) and subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, relating to the imposition of tax (Part R); to amend the tax law and the administrative code of the city of New York, in relation to extending the high income charitable contribution deduction limitation (Part S); to amend the tax law, in relation to increasing the child and dependent care tax credit (Part T); to amend the tax law, in relation to the financial institution data match system for state tax collection purposes; and providing for the repeal of such provisions upon expiration thereof (Part U); intentionally omitted (Part V); intentionally omitted (Part W); to amend chapter 59 of the laws of 2013, amending the tax law relating to serving an income execution with respect to individual tax debtors without filing a warrant, in relation to extending the provisions authorizing service of income executions on individual tax debtors without filing a warrant (Part X); intentionally omitted (Part Y); to amend the tax law, in relation to the definition of New York source income (Part Z); to amend the tax law, in relation to closing the nonresident partnership asset sale loophole (Part AA); intentionally omitted (Part BB); to amend the tax law, in relation to closing the existing tax loopholes for transactions between related entities under article 28 and pursuant to the authority of article 29 of such law (Part CC); to amend the tax law, in relation to clarifying the imposition of sales tax on gas service or electric service of whatever nature (Part DD); intentionally omitted (Part EE); intentionally omitted (Part FF); intentionally omitted (Part GG); intentionally omitted (Part HH); intentionally omitted (Part II); intentionally omitted (Part JJ); intentionally omitted (Part KK); to amend the racing, pari-mutuel wagering and breeding law, in relation to modifying the funding of and improve the operation of drug testing in horse racing (Part LL); to amend the executive law, in relation to the powers and duties of the state bingo control commission; and to amend the general municipal law, in relation to bingo games (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to allowing for the reprivatization of NYRA (Part NN); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to

extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part OO); to amend the tax law, in relation to vendor fees paid to vendor tracks (Part PP); to amend the tax law, in relation to capital awards to vendor tracks (Part QQ); intentionally omitted (Part RR); to amend the racing, pari-mutuel wagering and breeding law and the workers' compensation law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part SS); to amend the tax law and the real property tax law, in relation to changing the calculation of STAR credit (Part TT); to amend the tax law, in relation to the prepaid sales tax on motor fuel and diesel motor fuel under article 28 thereof (Part UU); to amend the tax law and the administrative code of the city of New York, in relation to qualified financial instruments of RICS and REITS (Part VV); to amend the tax law, in relation to exempting certain monuments from sales and use taxes (Part WW); to amend the New York state urban development corporation act, in relation to certain qualified entities (Part XX); to amend the economic development law, in relation to excelsior research and development tax credits (Part YY); to amend the economic development law, in relation to eligibility to participate in the excelsior jobs program (Part ZZ); to amend the vehicle and traffic law, the insurance law, the executive law, the general municipal law and the tax law, in relation to the regulation of transportation network company services; to establish the New York State TNC Accessibility Task Force and the New York state transportation network company review board; and providing for the repeal of certain provisions relating thereto (Part AAA); to establish the county-wide shared services property tax savings law (Part BBB); to amend chapter 261 of the laws of 1988, amending the state finance law and other laws relating to the New York state infrastructure trust fund, in relation to the minority and women-owned business enterprise program (Part CCC); to amend the tax law, in relation to the establishment of a tax credit for farm donations to food pantries (Part DDD); to amend the tax law, in relation to the imposition of a surcharge on prepaid wireless communications service and to repeal certain provisions of the county law relating thereto (Part EEE); to amend the public health law, in relation to the health care facility transformation program (Part FFF); to amend the public health law, in relation to managed long term care plans and demonstrations (Part GGG); to amend the education law, in relation to establishing the excelsior scholarship (Part HHH); to amend the education law, in relation to establishing enhanced tuition assistance program awards (Part III); to amend the education law, in relation to the NY-SUNY 2020 challenge grant program act; and to amend chapter 260 of the laws of 2011, amending the education law and the New York state urban development corporation act relating to establishing components of the NY-SUNY 2020 challenge grant program, in relation to the effectiveness thereof (Part JJJ); to amend the education law, in relation to a New York state part-time scholarship award program (Part KKK); requiring the president of the higher education services corporation to report on options to make college more affordable for New York students and providing for the repeal of such provisions upon expiration thereof (Part LLL); to amend the education law, in relation to establishing the New York state child welfare worker incentive scholarship program and the New York state child welfare worker loan forgiveness incentive program (Part MMM); to amend the workers' compensation law, in relation to the schedule of compen-

sation in the case of injury, and in relation to appeals (Subpart A); to amend the workers' compensation law, in relation to requiring the drafting of permanency impairment guidelines (Subpart B); to amend the workers' compensation law, in relation to a comprehensive pharmacy benefit plan and prescription drug formulary (Subpart C); to amend the workers' compensation law, in relation to penalties for failure to pay compensation (Subpart D); to amend the workers' compensation law, in relation to assumption of workers' compensation liability policies (Subpart E); to amend chapter 11 of the laws of 2008 amending the workers' compensation law, the insurance law, the volunteer ambulance workers' benefit law and the volunteer firefighters' benefit law relating to rates for workers' compensation insurance and setting forth conditions for workers' compensation rate service organization, in relation to the effectiveness thereof; and to amend the insurance law, in relation to workers' compensation rate service organizations (Subpart F); to amend the workers' compensation law, in relation to requiring a study on independent medical examinations (Subpart G); and to amend the workers' compensation law, in relation to security for payment of compensation (Subpart H); to amend the workers' compensation law, in relation to liability for compensation (Subpart I); and to amend the workers' compensation law, in relation to assessments for annual expenses; and providing for the repeal of certain provisions upon expiration thereof (Subpart J) (Part NNN); to amend the tax law, in relation to allowing an additional New York itemized deduction for union dues not included in federal itemized deductions (Part OOO); to amend the executive law and the criminal procedure law, in relation to the establishment of the office of the inspector general of New York for transportation (Part PPP); authorizing the transfer of certain expenditures and disbursements; and to repeal a chapter of the laws of 2017 making appropriations for the support of government, as proposed in legislative bills numbers S.5492 and A.7068 relating thereto (Part QQQ); to amend the infrastructure investment act, in relation to the definition of an authorized entity that may utilize design-build contracts, and in relation to the effectiveness thereof (Part RRR); to amend the retirement and social security law, in relation to disability benefits for certain members of the New York city police pension fund (Part SSS); to amend the real property tax law, in relation to the affordable New York housing program and to repeal certain provisions of such law relating thereto (Part TTT); to amend the economic development law, in relation to comprehensive economic development reporting; and to repeal section 438 of the economic development law relating thereto (Part UUU); to amend the criminal procedure law, the family court act and the executive law, in relation to statements of those accused of crimes and eyewitness identifications, to enhance criminal investigations and prosecutions and to promote confidence in the criminal justice system of this state; to amend the county law and the executive law, in relation to the implementation of a plan regarding indigent legal services (Part VVV); to amend the criminal procedure law, the penal law, the executive law, the family court act, the social services law, the correction law, the county law and the state finance law, in relation to proceedings against juvenile and adolescent offenders and the age of juvenile and adolescent offenders and to repeal certain provisions of the criminal procedure law relating thereto (Part WWW); to provide for the administration of certain funds and accounts related to the 2017-18 budget and authorizing certain payments and transfers; to amend the state finance law, in

relation to the school tax relief fund and payments, transfers and deposits; to amend chapter 62 of the laws of 2003 amending the general business law and other laws relating to implementing the state fiscal plan for the 2003-2004 state fiscal year, in relation to the deposit provisions of the tobacco settlement financing corporation act; to amend the state finance law, in relation to establishing the retiree health benefit trust fund; to amend chapter 174 of the laws of 1968 constituting the New York state urban development corporation act, in relation to funding project costs undertaken by non-public schools; to amend the New York state urban development corporation act, in relation to funding project costs for certain capital projects; to amend chapter 389 of the laws of 1997, relating to the financing of the correctional facilities improvement fund and the youth facility improvement fund, in relation to the issuance of bonds; to amend the private housing finance law, in relation to housing program bonds and notes; to amend chapter 329 of the laws of 1991, amending the state finance law and other laws relating to the establishment of the dedicated highway and bridge trust fund, in relation to the issuance of bonds; to amend the public authorities law, in relation to the issuance of bonds by the dormitory authority; to amend chapter 61 of the laws of 2005 relating to providing for the administration of certain funds and accounts related to the 2005-2006 budget, in relation to issuance of bonds by the urban development corporation; to amend the New York state urban development corporation act, in relation to the issuance of bonds; to amend the public authorities law, in relation to the state environmental infrastructure projects; to amend the New York state urban development corporation act, in relation to authorizing the urban development corporation to issue bonds to fund project costs for the implementation of a NY-CUNY challenge grant program and increasing the bonding limit for certain state and municipal facilities; to amend chapter 61 of the laws of 2005, relating to providing for the administration of certain funds and accounts related to the 2005-2006 budget, in relation to increasing the bonding limit for certain public protection facilities; to amend chapter 81 of the laws of 2002, relating to providing for the administration of certain funds and accounts related to the 2002-2003 budget, in relation to increasing the aggregate amount of bonds to be issued by the New York state urban development corporation; to amend the public authorities law, in relation to financing of peace bridge and transportation capital projects; to amend the public authorities law, in relation to dormitories at certain educational institutions other than state operated institutions and statutory or contract colleges under the jurisdiction of the state university of New York; to amend the New York state medical care facilities finance agency act, in relation to bonds and mental health facilities improvement notes; to amend the state finance law and the public authorities law, in relation to funding certain capital projects and the issuance of bonds; to repeal sections 58, 59 and 60 of the state finance law relating thereto; and providing for the repeal of certain provisions upon expiration thereof (Part XXX); and to amend the education law, in relation to contracts for excellence and the apportionment of public moneys; to amend the education law, in relation to requiring the commissioner of education to include certain information in the official score report of all students; to amend the education law, in relation to charter school tuition and facility aid for charter schools; relating to apportionment to the Haverstraw-Stony Point central school district; relating to penalties

arising from late final cost reports; to amend chapter 425 of the laws of 2002, amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, in relation to the effectiveness thereof; to amend the education law, in relation to English language learner pupils; to amend chapter 101 of the laws of 2003, amending the education law relating to the implementation of the No Child Left Behind Act of 2001, in relation to the effectiveness thereof; to amend the education law, in relation to transportable classroom units; to amend chapter 507 of the laws of 1974 relating to providing for the apportionment of state monies to certain nonpublic schools, to reimburse them for their expenses in complying with certain state requirements for the administration of state testing and evaluation programs and for participation in state programs for the reporting of basic educational data, in relation to the state's immunization program; to amend the education law, in relation to grants for hiring teachers; to amend the education law, in relation to foundation aid; to amend the education law, in relation to education of Native American pupils; to amend the education law, in relation to additional expanded prekindergarten; to amend the education law, in relation to conforming foundation aid base change to accommodate pulling out community schools; to amend the education law, in relation to establishing a foundation aid phase-in; and in relation to maintenance of effort reduction; and in relation to general aid for public schools; to amend the education law, in relation to state aid adjustments; to amend the education law, in relation to the teachers of tomorrow teacher recruitment and retention program; to amend the education law, in relation to class sizes for special classes containing certain students with disabilities; relating to the Hendrick Hudson reserve fund; to amend the education law, in relation to approved reimbursement for preschool integrated special class programs; to amend part B of chapter 57 of the laws of 2008 amending the education law relating to the universal pre-kindergarten program, in relation to the effectiveness thereof; to amend chapter 121 of the laws of 1996 relating to authorizing the Roosevelt union free school district to finance deficits by the issuance of serial bonds, in relation to certain apportionments; to amend the general municipal law, in relation to contracts for the purchase of certain produce; to amend chapter 472 of the laws of 1998 amending the education law relating to the lease of school buses by school districts in relation to the effectiveness thereof; to amend chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, in relation to the effectiveness thereof; to amend chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to reimbursements for the 2017-2018 school year; to amend chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to withholding a portion of employment preparation education aid and in relation to the effectiveness thereof; to amend chapter 89 of the laws of 2016, relating to supplementary funding for dedicated programs for public school students in the East Ramapo central school district, in relation to reimbursement to such school district and in relation to the effectiveness thereof; to amend chapter 147 of the laws of 2001, amending

the education law relating to conditional appointment of school district, charter school or BOCES employees, in relation to the effectiveness thereof; relating to school bus driver training; relating to special apportionment for salary expenses and public pension accruals; relating to suballocations of appropriations; relating to the city school district of the city of Rochester; relating to total foundation aid for the purpose of the development, maintenance or expansion of certain magnet schools or magnet school programs for the 2017-2018 school year; relating to support of public libraries; to amend chapter 57 of the laws of 2004, relating to the support of education, in relation to the effectiveness thereof; to amend chapter 658 of the laws of 2002, amending the education law, relating to citizenship requirements for permanent certification as a teacher, in relation to extending the effectiveness thereof; to amend the education law, in relation to serving persons twenty-one years of age or older (Part YYY)

**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 which are necessary to implement the state fiscal plan for the 2017-2018 state fiscal year. Each component is wholly contained within a Part identified as Parts A through YYY. 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

Intentionally Omitted

PART B

Intentionally Omitted

PART C

Section 1. Section 54-f of the state finance law is REPEALED.

§ 2. Subsection (ggg) of section 606 of the tax law, as added by section 1 of part E of chapter 60 of the laws of 2016, and as relettered by section 1 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(ggg) School tax reduction credit for residents of a city with a population over one million. (1) For taxable years beginning after two thousand fifteen, a school tax reduction credit shall be allowed to a resident individual of the state who is a resident of a city with a population over one million, as provided below. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the excess shall be treated as an overpayment of tax to be

credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided however, that no interest will be paid thereon. For purposes of this subsection, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this [~~paragraph~~] **subsection** shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law.

**(3)** For **taxable years beginning in two thousand sixteen, the credit shall be determined as provided in this paragraph, provided that for** the purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

(A) Married individuals filing joint returns and surviving spouses. In the case of married individuals who make a single return jointly and of a surviving spouse, the credit shall be one hundred twenty-five dollars.

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return, the credit shall be sixty-two dollars and fifty cents.

[~~(3)~~] **(4) For taxable years beginning after two thousand sixteen, the credit shall equal the "fixed" amount provided by paragraph (4-a) of this subsection plus the "rate reduction" amount provided by paragraph (4-b) of this subsection.**

**(4-a) The "fixed" amount of the credit shall be determined as provided in this paragraph, provided that any taxpayer with income of more than two hundred fifty thousand dollars shall not receive such amount.**

**(A) Married individuals filing joint returns and surviving spouses. In the case of married individuals who make a single return jointly and of a surviving spouse, the "fixed" amount of the credit shall be one hundred twenty-five dollars.**

**(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return, the "fixed" amount of the credit shall be sixty-two dollars and fifty cents.**

**(4-b) The "rate reduction" amount of the credit shall be determined as provided in this paragraph, provided that any taxpayer with income of more than five hundred thousand dollars shall not receive such amount.**

**(A) For married individuals who make a single return jointly and for a surviving spouse:**

| **If the city taxable income is:** | **The "rate reduction" amount is:** |
|---|---|
| **Not over $21,600** | **0.171% of the city taxable income** |
| **Over $21,600 but not over $500,000** | **$37 plus 0.228% of excess over $21,600** |
| **Over $500,000** | **Not applicable** |

**(B) For a head of household:**

| **If the city taxable income is:** | **The "rate reduction" amount is:** |
|---|---|
| **Not over $14,400** | **0.171% of the city taxable income** |
| **Over $14,400 but not over $500,000** | **$25 plus 0.228% of excess over $14,400** |
| **Over $500,000** | **Not applicable** |

**(C) For an unmarried individual or a married individual filing a separate return:**

| **If the city taxable income is:** | **The "rate reduction" amount is:** |
|---|---|
| **Not over $12,000** | **0.171% of the city taxable income** |
| **Over $12,000 but not over $500,000** | **$21 plus 0.228% of excess over** |

| | |
|---|---|
| | $12,000 |
| Over $500,000 | Not applicable |

(5) Part-year residents. If a taxpayer changes status during the taxable year from resident to nonresident, or from nonresident to resident, the school tax reduction credit authorized by this subsection shall be prorated according to the number of months in the period of residence.

§ 3. Paragraphs 1, 2 and 3 of subsection (a) of section 1304 of the tax law, as amended by section 2 of part B of chapter 59 of the laws of 2015, are amended to read as follows:

(1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on the city taxable income of every city resident married individual who makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article and on the city taxable income of every city resident surviving spouse shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~fourteen~~] sixteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.7% of the city taxable income |
| Over $21,600 but not over $45,000 | $583 plus 3.3% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,355 plus 3.35% of excess over $45,000 |
| Over $90,000 | $2,863 plus 3.4% of excess over $90,000 |

(B) For taxable year beginning after two thousand fourteen and before two thousand seventeen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.55% of the city taxable income |
| Over $21,600 but not over $45,000 | $551 plus 3.1% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,276 plus 3.15% of excess over $45,000 |
| Over $90,000 but not over $500,000 | $2,694 plus 3.2% of excess over $90,000 |
| Over $500,000 | $16,803 plus 3.4% of excess over $500,000 |

[~~(B)~~] (C) For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.55% of the city taxable income |
| Over $21,600 but not over $45,000 | $551 plus 3.1% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,276 plus 3.15% of excess over $45,000 |
| Over $90,000 but not over $500,000 | $2,694 plus 3.2% of excess over $90,000 |
| Over $500,000 | $15,814 plus 3.4% of excess over $500,000 |

(2) Resident heads of households. The tax under this section for each taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~fourteen~~] **sixteen**:

| **If the city taxable income is:** | **The tax is:** |
|---|---|
| **Not over $14,400** | **2.7% of the city taxable income** |
| **Over $14,400 but not over $30,000** | **$389 plus 3.3% of excess over $14,400** |
| **Over $30,000 but not over $60,000** | **$904 plus 3.35% of excess over $30,000** |
| **Over $60,000** | **$1,909 plus 3.4% of excess over $60,000** |

**(B) For taxable years beginning after two thousand fourteen and before two thousand seventeen:**

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $14,400 | 2.55% of the city taxable income |
| Over $14,400 but not over $30,000 | $367 plus 3.1% of excess over $14,400 |
| Over $30,000 but not over $60,000 | $851 plus 3.15% of excess over $30,000 |
| Over $60,000 but not over $500,000 | $1,796 plus 3.2% of excess over $60,000 |
| Over $500,000 | $16,869 plus 3.4% of excess over $500,000 |

[~~(B)~~] **(C)** For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $14,400 | 2.55% of the city taxable income |
| Over $14,400 but not over $30,000 | $367 plus 3.1% of excess over $14,400 |
| Over $30,000 but not over $60,000 | $851 plus 3.15% of excess over $30,000 |
| Over $60,000 but not over $500,000 | $1,796 plus 3.2% of excess over $60,000 |
| Over $500,000 | $15,876 plus 3.4% of excess Over $500,000 |

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under this section for each taxable year on the city taxable income of every city resident individual who is not a city resident married individual who makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article or a city resident head of household or a city resident surviving spouse, and on the city taxable income of every city resident estate and trust shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~fourteen~~] **sixteen:**

| **If the city taxable income is:** | **The tax is:** |
|---|---|
| **Not over $12,000** | **2.7% of the city taxable income** |

| | |
|---|---|
| Over $12,000 but not over $25,000 | $324 plus 3.3% of excess over $12,000 |
| Over $25,000 but not over $50,000 | $753 plus 3.35% of excess over $25,000 |
| Over $50,000 | $1,591 plus 3.4% of excess over $50,000 |

(B) For taxable years beginning after two thousand fourteen and before two thousand seventeen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $12,000 | 2.55% of the city taxable income |
| Over $12,000 but not over $25,000 | $306 plus 3.1% of excess over $12,000 |
| Over $25,000 but not over $50,000 | $709 plus 3.15% of excess over $25,000 |
| Over $50,000 but not over $500,000 | $1,497 plus 3.2% of excess over $50,000 |
| Over $500,000 | $16,891 plus 3.4% of excess over $500,000 |

[~~(B)~~] (C) For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $12,000 | 2.55% of the city taxable income |
| Over $12,000 but not over $25,000 | $306 plus 3.1% of excess over $12,000 |
| Over $25,000 but not over $50,000 | $709 plus 3.15% of excess over $25,000 |
| Over $50,000 but not over $500,000 | $1,497 plus 3.2% of excess over $50,000 |
| Over $500,000 | $15,897 plus 3.4% of excess over $500,000 |

§ 4. Paragraphs 1, 2 and 3 of subsection (a) of section 11-1701 of the administrative code of the city of New York, as amended by section 3 of part B of chapter 59 of the laws of 2015, are amended to read as follows:

(1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on the city taxable income of every city resident married individual who makes a single return jointly with his or her spouse under subdivision (b) of section 11-1751 of this chapter and on the city taxable income of every city resident surviving spouse shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~fourteen~~] sixteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.7% of the city taxable income |
| Over $21,600 but not over $45,000 | $583 plus 3.3% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,355 plus 3.35% of excess over $45,000 |
| Over $90,000 | $2,863 plus 3.4% of excess over $90,000 |

**(B) For taxable years beginning after two thousand fourteen and before two thousand seventeen:**

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.55% of the city taxable income |
| Over $21,600 but not over $45,000 | $551 plus 3.1% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,276 plus 3.15% of excess over $45,000 |
| Over $90,000 but not over $500,000 | $2,694 plus 3.2% of excess over $90,000 |
| Over $500,000 | $16,803 plus 3.4% of excess over $500,000 |

[~~(B)~~] **(C)** For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $21,600 | 2.55% of the city taxable income |
| Over $21,600 but not over $45,000 | $551 plus 3.1% of excess over $21,600 |
| Over $45,000 but not over $90,000 | $1,276 plus 3.15% of excess over $45,000 |
| Over $90,000 but not over $500,000 | $2,694 plus 3.2% of excess over $90,000 |
| Over $500,000 | $15,814 plus 3.4% of excess over $500,000 |

(2) Resident heads of households. The tax under this section for each taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~fourteen~~] **sixteen**:

| **If the city taxable income is:** | **The tax is:** |
|---|---|
| **Not over $14,400** | **2.7% of the city taxable income** |
| **Over $14,400 but not over $30,000** | **$389 plus 3.3% of excess over $14,400** |
| **Over $30,000 but not over $60,000** | **$904 plus 3.35% of excess over $30,000** |
| **Over $60,000** | **$1,909 plus 3.4% of excess over $60,000** |

**(B) For taxable years beginning after two thousand fourteen and before two thousand seventeen:**

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $14,400 | 2.55% of the city taxable income |
| Over $14,400 but not over $30,000 | $367 plus 3.1% of excess over $14,400 |
| Over $30,000 but not over $60,000 | $851 plus 3.15% of excess over $30,000 |
| Over $60,000 but not over $500,000 | $1,796 plus 3.2% of excess over $60,000 |
| Over $500,000 | $16,869 plus 3.4% of excess over $500,000 |

[~~(B)~~] **(C)** For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $14,400 | 2.55% of the city taxable income |
| Over $14,400 but not over $30,000 | $367 plus 3.1% of excess over $14,400 |
| Over $30,000 but not over $60,000 | $851 plus 3.15% of excess over $30,000 |
| Over $60,000 but not over $500,000 | $1,796 plus 3.2% of excess over $60,000 |
| Over $500,000 | $15,876 plus 3.4% of excess over $500,000 |

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under this section for each taxable year on the city taxable income of every city resident individual who is not a married individual who makes a single return jointly with his or her spouse under subdivision (b) of section 11-1751 of this chapter or a city resident head of a household or a city resident surviving spouse, and on the city taxable income of every city resident estate and trust shall be determined in accordance with the following tables:

(A) For taxable years beginning after two thousand [~~**fourteen**~~] **sixteen**:

| **If the city taxable income is:** | **The tax is:** |
|---|---|
| **Not over $12,000** | **2.7% of the city taxable income** |
| **Over $12,000 but not over $25,000** | **$324 plus 3.3% of excess over $12,000** |
| **Over $25,000 but not over $50,000** | **$753 plus 3.35% of excess over $25,000** |
| **Over $50,000** | **$1,591 plus 3.4% of excess over $50,000** |

**(B) For taxable years beginning after two thousand fourteen and before two thousand seventeen:**

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $12,000 | 2.55% of the city taxable income |
| Over $12,000 but not over $25,000 | $306 plus 3.1% of excess over $12,000 |
| Over $25,000 but not over $50,000 | $709 plus 3.15% of excess over $25,000 |
| Over $50,000 but not over $500,000 | $1,497 plus 3.2% of excess over $50,000 |
| Over $500,000 | $16,891 plus 3.4% of excess over $500,000 |

[~~**(B)**~~] **(C)** For taxable years beginning after two thousand nine and before two thousand fifteen:

| If the city taxable income is: | The tax is: |
|---|---|
| Not over $12,000 | 2.55% of the city taxable income |
| Over $12,000 but not over $25,000 | $306 plus 3.1% of excess over $12,000 |
| Over $25,000 but not over $50,000 | $709 plus 3.15% of excess over $25,000 |
| Over $50,000 but not over $500,000 | $1,497 plus 3.2% of excess over $50,000 |
| Over $500,000 | $15,897 plus 3.4% of excess |

over $500,000

§ 5. Notwithstanding any provision of law to the contrary, the method of determining the amount to be deducted and withheld from wages on account of taxes imposed by or pursuant to the authority of article 30 of the tax law in connection with the implementation of the provisions of this act shall be prescribed by the commissioner of taxation and finance with due consideration to the effect such withholding tables and methods would have on the receipt and amount of revenue. The commissioner of taxation and finance shall adjust such withholding tables and methods in regard to taxable years beginning in 2017 and after in such manner as to result, so far as practicable, in withholding from an employee's wages an amount substantially equivalent to the tax reasonably estimated to be due for such taxable years as a result of the provisions of this act. Provided, however, for tax year 2017 the withholding tables shall reflect as accurately as practicable the full amount of tax year 2017 liability so that such amount is withheld by December 31, 2017. In carrying out his or her duties and responsibilities under this section, the commissioner of taxation and finance may prescribe a similar procedure with respect to the taxes required to be deducted and withheld by local laws imposing taxes pursuant to the authority of articles 30, 30-A and 30-B of the tax law, the provisions of any other law in relation to such a procedure to the contrary notwithstanding.

§ 6. 1. Notwithstanding any provision of law to the contrary, no addition to tax shall be imposed for failure to pay the estimated tax in subsection (c) of section 685 of the tax law and subdivision (c) of section 11-1785 of the administrative code of the city of New York with respect to any underpayment of a required installment due prior to, or within thirty days of, the effective date of this act to the extent that such underpayment was created or increased by the amendments made by this act, provided, however, that the taxpayer remits the amount of any underpayment prior to or with his or her next quarterly estimated tax payment.

2. The commissioner of taxation and finance shall take steps to publicize the necessary adjustments to estimated tax and, to the extent reasonably possible, to inform the taxpayer of the tax liability changes made by this act.

§ 7. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2017.

## PART D

Intentionally Omitted

## PART E

Intentionally Omitted

## PART F

Section 1. Section 928-a of the real property tax law, as added by chapter 680 of the laws of 1994, subdivision 1 as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010 and subdivision 2 as amended by chapter 199 of the laws of 1997, is amended to read as follows:

§ 928-a. Partial payment of taxes. 1. (a) Notwithstanding the provisions of any general or special law to the contrary, [~~the board of supervisors or the county legislature of any county may by resolution authorize the collecting officers in one or more of the classes of municipal corporations described herein~~] each collecting officer is hereby authorized to accept from any taxpayer at any time partial payments for or on account of taxes, special ad valorem levies or special assessments [~~in such amount or manner~~] and apply such payments on the account [~~thereof in such manner as may be prescribed by such resolution; provided, however, that such resolution~~], following the adoption of a resolution by the governing body of the municipal corporation that employs the collecting officer allowing partial payments. Such resolution may limit the conditions under which partial payments will be accepted, in which case partial payments shall be accepted in accordance with the conditions set forth in the resolution.

(b) Such resolution may require a service charge not to exceed ten dollars to be paid with each partial payment. Such service charge shall belong to the municipal corporation that employs the collecting officer.

(c) Where school district taxes are payable to the collecting officer of a city or town that has acted to allow partial payments, the governing body of the school district may pass a resolution allowing partial payments for school district purposes. Such resolution may limit the conditions under which partial payments may be accepted. Where a school district has passed a resolution allowing partial payments, and has provided a copy to the collecting officer at least sixty days before the last date set by law for the delivery of the tax roll to the collecting officer, the collecting officer shall be authorized to accept partial payments of school district taxes under the conditions specified in the school district's resolution, subject to the following:

(i) If the conditions set by the school district upon partial payments differ from those set by the city or town, and in the judgment of the collecting officer it would be burdensome to administer them, the collecting officer may notify the school district that the school district's conditions are not acceptable. Such notice shall be provided no later than fifteen days after the date on which the collecting officer received a copy of the school district resolution, or forty-five days before the last date set by law for the delivery of the tax roll to the collecting officer, whichever is later.

(ii) Where such notice has been provided, the collecting officer shall be authorized to accept partial payments of school district taxes under the same conditions as may apply to city or town taxes, unless the school district notifies the collecting officer that the city or town's conditions are not acceptable. Such notice shall be provided no later than fifteen days after the date on which the school district received the collecting officer's notice, or thirty days before that last date set by law for the delivery of the tax roll to the collecting officer, whichever is later.

(iii) Where such notice has been provided, the collecting officer shall not be authorized to accept partial payments of school district taxes.

(d) Any resolution adopted pursuant to this section shall be adopted at least sixty days prior to the preparation and delivery of the tax rolls to the appropriate collecting officers. A copy of any resolution [~~enacting, amending or repealing any such partial payment program~~] adopted pursuant to this section, or amending or repealing a resolution adopted pursuant to this section, shall be filed with the commissioner

and, in the case of a resolution adopted by a school district, with the city or town clerk, no later than thirty days after the adoption thereof.

2. [~~Such resolution shall apply to one or more of the following classes of municipal corporations: (a) all towns within the county; (b) all cities for which the county enforces the collection of delinquent taxes; or (c) all villages for which the county enforces the collection of delinquent taxes. If the resolution does not specify the class or classes of municipal corporations to which it applies, it shall be deemed to apply only to the towns in the county.~~

~~3.~~] After any partial payment authorized pursuant to this section has been paid, interest and penalties shall be charged against the unpaid balance only. The acceptance of a partial payment by any official pursuant to this section shall not be deemed to affect any liens and powers of any [~~county~~] municipal corporation conferred in any general or special act, but such rights and powers shall remain in full force and effect to enforce collection of the unpaid balance of such tax or tax liens together with interest, penalties and other lawful charges.

3. A collecting officer who is authorized to accept partial payments pursuant to this section may not decline to do so.

4. Nothing contained herein shall be construed to authorize a collecting officer to accept a partial payment after the expiration of his or her warrant, or at any other time that such collecting officer is not authorized to accept tax payments.

5. Nothing contained herein shall limit the ability of a collecting officer to accept partial payments of taxes authorized under any other general or special law.

§ 2. This act shall take effect immediately, provided, however, that in the case of a county that had adopted a resolution pursuant to section 928-a of the real property tax law as such section read on the date immediately preceding the effective date of this act, the former provisions of such section 928-a shall remain in effect until such resolution shall be repealed by the county.

PART G

Section 1. Paragraph 7 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(7) Disclosure of incomes and other information. (A) Where the commissioner has denied a taxpayer's claim for the credit authorized by this subsection in whole or in part on the grounds that the affiliated income of the parcel in question exceeds the applicable limit, the commissioner shall have the authority to reveal to that taxpayer the names and incomes of the other taxpayers whose incomes were included in the computation of such affiliated income.

(B) Notwithstanding any provision of law to the contrary, the names and addresses of individuals who have applied for or are receiving the credit authorized by this subsection may be disclosed to assessors and county directors of real property tax services. In addition, where an agreement is in place between the commissioner and the head of the tax department of another state, such information may be disclosed to such official or his or her designees. Such information shall be considered confidential and shall not be subject to further disclosure pursuant to the freedom of information law or otherwise.

§ 2. This act shall take effect immediately.

PART H

Section 1. Subparagraph (ii) of paragraph (k) of subdivision 2 of section 425 of the real property tax law, as amended by section 2 of part A of chapter 405 of the laws of 1999, is amended to read as follows:

(ii) That proportion of the assessment of such real property owned by a cooperative apartment corporation determined by the relationship of such real property vested in such tenant-stockholder to such entire parcel and the buildings thereon owned by such cooperative apartment corporation in which such tenant-stockholder resides shall be subject to exemption from taxation pursuant to this section and any exemption so granted shall be credited by the appropriate taxing authority against the assessed valuation of such real property. Upon the completion of the final assessment roll, or as soon thereafter as is practicable, the assessor shall forward to the cooperative apartment corporation a statement setting forth the exemption attributable to each eligible tenant-stockholder. The reduction in real property taxes attributable to each eligible tenant-stockholder shall be credited by the cooperative apartment corporation against the amount of such taxes otherwise payable by or chargeable to such tenant-stockholder. **The assessor shall also forward to the commissioner, at the time and in the manner prescribed by the commissioner, a statement setting forth the taxable assessed value attributable to each tenant-stockholder, without regard to the exemption, and such other information as the commissioner shall deem necessary to properly calculate the STAR credit authorized by subsection (eee) of section six hundred six of the tax law for those tenant-stockholders who qualify for it.**

§ 2. Subparagraph (E) of paragraph 1 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(E) "Qualifying taxes" means the school district taxes that were levied upon the taxpayer's primary residence for the associated fiscal year that were actually paid by the taxpayer during the taxable year; or, in the case of a city school district that is subject to article fifty-two of the education law, the combined city and school district taxes that were levied upon the taxpayer's primary residence for the associated fiscal year that were actually paid by the taxpayer during the taxable year. **Provided, however, that in the case of a cooperative apartment, "qualifying taxes" means the school district taxes that would have been levied upon the tenant-stockholder's primary residence if it were separately assessed, as determined by the commissioner based on the statement provided by the assessor pursuant to subparagraph (ii) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, or in the case of a cooperative apartment corporation that is described in subparagraph (iv) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, one third of such amount.** In no case shall the term "qualifying taxes" be construed to include penalties or interest.

§ 3. Subparagraph (A) of paragraph 6 of subsection (eee) of section 606 of the tax law is REPEALED.

§ 4. This act shall take effect immediately, provided that section one of this act shall apply to final assessment rolls used to levy school taxes for school years beginning on and after July 1, 2017, and provided further that sections two and three of this act shall apply to taxable years beginning on and after January 1, 2017.

PART I

Section 1. Section 2 of chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, as amended by section 1 of part C of chapter 59 of the laws of 2014, is amended to read as follows:

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 1992; provided, however that any charges imposed by section 593 of the real property tax law as added by section one of this act shall first be due for values for assessment rolls with tentative completion dates after July 1, 1992, and provided further, that this act shall remain in full force and effect until March 31, [~~2018~~] 2021, at which time section 593 of the real property tax law as added by section one of this act shall be repealed.

§ 2. This act shall take effect immediately.

PART J

Section 1. Subdivision 5 of section 81 of the state finance law, as added by chapter 432 of the laws of 2016, is amended to read as follows:

5. Moneys shall be payable from the fund on the audit and warrant of the comptroller on vouchers approved and certified by the commissioner of health, for veterans' homes operated by the department of health, and by the [~~commissioner of education~~] chancellor of the state university of New York, for the veterans' home operated by the state university of New York.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after November 14, 2016.

PART K

Section 1. Section 352 of the economic development law, as added by section 1 of part MM of chapter 59 of the laws of 2010, subdivisions 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 as amended and subdivision 11 as added by section 1 of part K of chapter 59 of the laws of 2015, is amended to read as follows:

§ 352. Definitions. For the purposes of this article:

1. "Agriculture" means both agricultural production (establishments performing the complete farm or ranch operation, such as farm owner-operators, tenant farm operators, and sharecroppers) and agricultural support (establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis).

2. "Back office operations" means a business function that may include one or more of the following activities: customer service, information technology and data processing, human resources, accounting and related administrative functions.

3. "Benefit-cost ratio" means the following calculation: the numerator is the sum of (i) the value of all remuneration projected to be paid for all net new jobs during the period of participation in the program, and (ii) the value of capital investments to be made by the business enterprise during the period of participation in the program, and the denominator is the amount of total tax benefits under this article that will be used and refunded.

4. "Certificate of eligibility" means the document issued by the department to an applicant that has completed an application to be admitted into the excelsior jobs program and has been accepted into the program by the department. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

5. "Certificate of tax credit" means the document issued to a participant by the department, after the department has verified that the participant has met all applicable eligibility criteria in this article. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of each of the tax credit components under this article that a participant may claim, pursuant to section three hundred fifty-five of this article, and shall specify the taxable year in which such credit may be claimed.

6. "Distribution center" means a large scale facility involving processing, repackaging and/or movement of finished or semi-finished goods to retail locations across a multi-state area.

7. "Entertainment company" means a corporation, partnership, limited partnership, or other entity principally engaged in the production or post production of (i) motion pictures, which shall include feature-length films and television films, (ii) instructional videos, (iii) televised commercial advertisements, (iv) animated films or cartoons, (v) music videos, (vi) television programs, which shall include, but not be limited to, television series, television pilots, and single television episodes, or (vii) programs primarily intended for radio broadcast. "Entertainment company" shall not include an entity (i) principally engaged in the live performance of events, including, but not limited to, theatrical productions, concerts, circuses, and sporting events, (ii) principally engaged in the production of content intended primarily for industrial, corporate or institutional end-users, (iii) principally engaged in the production of fundraising films or programs, or (iv) engaged in the production of content for which records are required under section 2257 of title 18, United States code, to be maintained with respect to any performer in such production.

8. "Financial services data centers or financial services customer back office operations" means operations that manage the data or accounts of existing customers or provide product or service information and support to customers of financial services companies, including banks, other lenders, securities and commodities brokers and dealers, investment banks, portfolio managers, trust offices, and insurance companies.

9. "Investment zone" shall mean an area within the state that had been designated under paragraph (i) of subdivision (a) and subdivision (d) of section nine hundred fifty-eight of the general municipal law that was wholly contained within up to four distinct and separate contiguous areas as of the date immediately preceding the date the designation of such area expired pursuant to section nine hundred sixty-nine of the general municipal law.

10. **"Life sciences" means agricultural biotechnology, biogenerics, bioinformatics, biomedical engineering, biopharmaceuticals, academic medical centers, biotechnology, chemical synthesis, chemistry technology, medical diagnostics, genomics, medical image analysis, marine biology, medical devices, medical nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, medical and neurological clinical trials, health robotics and veterinary science.**

**11. "Life sciences company" means a business entity or an organization or institution that devotes the majority of its efforts in the various stages of research, development, technology transfer and commercialization related to any life sciences field.**

**12.** "Manufacturing" means the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, the assembly of motor vehicles or other high value-added products shall be considered manufacturing.

[~~11.~~] **13.** "Music production" means the process of creating sound recordings of at least eight minutes, recorded in professional sound studios, intended for commercial release. "Music production" does not include recording of live concerts, or recordings that are primarily spoken word or wildlife or nature sounds, or produced for instructional use or advertising or promotional purposes.

[~~12.~~] **14.** "Net new jobs" means:

(a) jobs created in this state that (i) are new to the state,

(ii) have not been transferred from employment with another business located in this state including from a related person in this state,

(iii) are either full-time wage-paying jobs or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week, and

(iv) are filled for more than six months; or

(b) jobs obtained by an entertainment company in this state (i) as a result of the termination of a licensing agreement with another entertainment company, (ii) that the commissioner determines to be at risk of leaving the state as a direct result of the termination, (iii) that are either full-time wage-paying jobs or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week, and (iv) that are filled for more than six months.

[~~13.~~] **15.** "Participant" means a business entity that:

(a) has completed an application prescribed by the department to be admitted into the program;

(b) has been issued a certificate of eligibility by the department;

(c) has demonstrated that it meets the eligibility criteria in section three hundred fifty-three and subdivision two of section three hundred fifty-four of this article; and

(d) has been certified as a participant by the commissioner.

[~~14.~~] **16.** "Preliminary schedule of benefits" means the maximum aggregate amount of each component of the tax credit that a participant in the excelsior jobs program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of each component of the credit a participant may claim in each of its ten years of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this article.

[~~15.~~] **17.** "Qualified investment" means an investment in tangible property (including a building or a structural component of a building) owned by a business enterprise which:

(a) is depreciable pursuant to section one hundred sixty-seven of the internal revenue code;

(b) has a useful life of four years or more;

(c) is acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code;

(d) has a situs in this state; and

(e) is placed in service in the state on or after the date the certificate of eligibility is issued to the business enterprise.

[~~16.~~] **18.** "Regionally significant project" means (a) a manufacturer creating at least fifty net new jobs in the state and making significant capital investment in the state; (b) a business creating at least twenty net new jobs in agriculture in the state and making significant capital investment in the state, (c) a financial services firm, distribution center, or back office operation creating at least three hundred net new jobs in the state and making significant capital investment in the state, (d) a scientific research and development firm creating at least twenty net new jobs in the state, and making significant capital investment in the state**, (e) a life sciences company creating at least twenty net new jobs in the state and making significant capital investment in the state** or [~~(e)~~] **(f)** an entertainment company creating or obtaining at least two hundred net new jobs in the state and making significant capital investment in the state. Other businesses creating three hundred or more net new jobs in the state and making significant capital investment in the state may be considered eligible as a regionally significant project by the commissioner as well. The commissioner shall promulgate regulations pursuant to section three hundred fifty-six of this article to determine what constitutes significant capital investment for each of the project categories indicated in this subdivision and what additional criteria a business must meet to be eligible as a regionally significant project, including, but not limited to, whether a business exports a substantial portion of its products or services outside of the state or outside of a metropolitan statistical area or county within the state.

[~~17.~~] **19.** "Related person" means a "related person" pursuant to subparagraph (c) of paragraph three of subsection (b) of section four hundred sixty-five of the internal revenue code.

[~~18.~~] **20.** "Remuneration" means wages and benefits paid to an employee by a participant in the excelsior jobs program.

[~~19.~~] **21.** "Research and development expenditures" mean the expenses of the business enterprise that are qualified research expenses under the federal research and development credit under section forty-one of the internal revenue code and are attributable to activities conducted in the state. If the federal research and development credit has expired, then the research and development expenditures shall be calculated as if the federal research and development credit structure and definition in effect in federal tax year two thousand nine were still in effect.

[~~20.~~] **22.** "Scientific research and development" means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects. For the purposes of this article, scientific research and development does not include medical or veterinary laboratory testing facilities.

[~~21.~~] **23.** "Software development" means the creation of coded computer instructions or production or post-production of video games, as defined in subdivision one-a of section six hundred eleven of the general business law, other than those embedded and used exclusively in advertising, promotional websites or microsites, and also includes new media as defined by the commissioner in regulations.

§ 2. Subdivisions 1 and 3 of section 353 of the economic development law, as amended by section 2 of part K of chapter 59 of the laws of 2015, are amended to read as follows:

1. To be a participant in the excelsior jobs program, a business entity shall operate in New York state predominantly:

(a) as a financial services data center or a financial services back office operation;

(b) in manufacturing;

(c) in software development and new media;

(d) in scientific research and development;

(e) in agriculture;

(f) in the creation or expansion of back office operations in the state;

(g) in a distribution center;

(h) in an industry with significant potential for private-sector economic growth and development in this state as established by the commissioner in regulations promulgated pursuant to this article. In promulgating such regulations the commissioner shall include job and investment criteria;

(i) as an entertainment company; [~~or~~]

(j) in music production**; or**

**(k) as a life sciences company**.

3. For the purposes of this article, in order to participate in the excelsior jobs program, a business entity operating predominantly in manufacturing must create at least ten net new jobs; a business entity operating predominately in agriculture must create at least five net new jobs; a business entity operating predominantly as a financial service data center or financial services customer back office operation must create at least fifty net new jobs; a business entity operating predominantly in scientific research and development must create at least five net new jobs; a business entity operating predominantly in software development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least fifty net new jobs; a business entity operating predominately in music production must create at least five net new jobs; a business entity operating predominantly as an entertainment company must create or obtain at least one hundred net new jobs; or a business entity operating predominantly as a distribution center in the state must create at least seventy-five net new jobs, notwithstanding subdivision five of this section; **or a business entity operating predominately as a life sciences company must create at least five net new jobs;** or a business entity must be a regionally significant project as defined in this article; or

§ 3. Subdivision 4 of section 353 of the economic development law, as amended by section 1 of part C of chapter 68 of the laws of 2013, is amended to read as follows:

4. A business entity operating predominantly in one of the industries referenced in paragraphs (a) through (h) **or in paragraph (k)** of subdivision one of this section but which does not meet the job requirements of subdivision three of this section must have at least twenty-five full-time job equivalents unless such business is a business entity operating predominantly in manufacturing then it must have at least ten full-time job equivalents and must demonstrate that its benefit-cost ratio is at least ten to one.

§ 4. Subdivision 5 of section 354 of the economic development law, as amended by section 2 of part O of chapter 60 of the laws of 2016, is amended to read as follows:

5. A participant may claim tax benefits commencing in the first taxable year that the business enterprise receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later. A participant may claim such benefits for the next nine consecutive taxable years, provided that the participant demonstrates to the department that it continues to satisfy the eligibility criteria specified in section three hundred fifty-three of this article and subdivision two of this section in each of those taxable years, and provided that no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] **thirty**. If, in any given year, a participant who has satisfied the eligibility criteria specified in section three hundred fifty-three of this article realizes job creation less than the estimated amount, the credit shall be reduced by the proportion of actual job creation to the estimated amount, provided the proportion is at least seventy-five percent of the jobs estimated.

§ 5. Section 359 of the economic development law, as amended by section 1 of part O of chapter 60 of the laws of 2016, is amended to read as follows:

§ 359. Cap on tax credit. The total amount of tax credits listed on certificates of tax credit issued by the commissioner for any taxable year may not exceed the limitations set forth in this section. One-half of any amount of tax credits not awarded for a particular taxable year in years two thousand eleven through two thousand twenty-four may be used by the commissioner to award tax credits in another taxable year.

| Credit components in the aggregate shall not exceed: | With respect to taxable years beginning in: |
|---|---|
| $ 50 million | 2011 |
| $ 100 million | 2012 |
| $ 150 million | 2013 |
| $ 200 million | 2014 |
| $ 250 million | 2015 |
| $ 183 million | 2016 |
| $ 183 million | 2017 |
| $ 183 million | 2018 |
| $ 183 million | 2019 |
| $ 183 million | 2020 |
| $ 183 million | 2021 |
| $ 133 million | 2022 |
| $ 83 million | 2023 |
| $ 36 million | 2024 |

Twenty-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision four of section three hundred fifty-three of this article and seventy-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision three of section three hundred fifty-three of this article.

Provided, however, if by September thirtieth of a calendar year, the department has not allocated the full amount of credits available in that year to either: (i) businesses accepted into the program under subdivision four of section three hundred fifty-three of this article or (ii) businesses accepted into the program under subdivision three of section three hundred fifty-three of this article, the commissioner may allocate any remaining tax credits to businesses referenced in this

paragraph as needed; provided, however, that under no circumstances may the aggregate statutory cap for all program years be exceeded. One hundred percent of the unawarded amounts remaining at the end of two thousand twenty-four may be allocated in subsequent years, notwithstanding the fifty percent limitation on any amounts of tax credits not awarded in taxable years two thousand eleven through two thousand twenty-four. Provided, however, no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] thirty.

§ 6. Subdivision (b) of section 31 of the tax law, as amended by section 3 of part O of chapter 60 of the laws of 2016, is amended to read as follows:

(b) To be eligible for the excelsior jobs program credit, the taxpayer shall have been issued a "certificate of tax credit" by the department of economic development pursuant to subdivision four of section three hundred fifty-four of the economic development law, which certificate shall set forth the amount of each credit component that may be claimed for the taxable year. A taxpayer may claim such credit for ten consecutive taxable years commencing in the first taxable year that the taxpayer receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later, provided that no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] thirty. The taxpayer shall be allowed to claim only the amount listed on the certificate of tax credit for that taxable year. Such certificate must be attached to the taxpayer's return. No cost or expense paid or incurred by the taxpayer shall be the basis for more than one component of this credit or any other tax credit, except as provided in section three hundred fifty-five of the economic development law.

§ 7. The tax law is amended by adding a new section 43 to read as follows:

§ 43. Life sciences research and development tax credit. (a) Allowance of credit. (1) A taxpayer that is a qualified life sciences company, or that is a sole proprietor of or a partner in a partnership that is a qualified life sciences company or a shareholder of a New York S corporation that is a qualified life sciences company, and is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referred to in subdivision (e) of this section, for a period of three years, as provided in subparagraph (ii) of paragraph two of this subdivision, to be computed as provided in this section, provided that no credit shall be allowed for taxable years beginning on or after January first, two thousand twenty-eight. Such credit may be claimed in the taxable year specified on the certificate of tax credit issued to the qualified life sciences company.

(2)(i) For a qualified life sciences company that employs ten or more persons during the taxable year, the amount of the credit shall be equal to fifteen percent of such qualified life sciences company's research and development expenditures in this state for the taxable year. For a qualified life sciences company that employs less than ten persons during the taxable year, the amount of the credit shall be equal to twenty percent of such qualified life sciences company's research and development expenditures in this state for the taxable year.

(ii) The credit shall be allowed only with respect to the first taxable year during which the criteria set forth in this subdivision are satisfied, and with respect to each of the two taxable years next

following (but only, with respect to each of such years, if such criteria are satisfied). Subsequent certifications of the life sciences company by the department of economic development pursuant to this section shall not extend the three taxable year time limitation on the allowance of the credit set forth in the preceding sentence.

(3) The total amount of credit allowable to a qualified life sciences company, or, if the life sciences company is properly included or required to be included in a combined report, to the combined group, taken in the aggregate, shall not exceed five hundred thousand dollars in any taxable year. If the life sciences company is a partner in a partnership or shareholder of a New York S corporation, then the total amount of credit allowable shall be applied at the entity level, so that the total amount of credit allowable to all the partners or shareholders of each such entity, taken in the aggregate, does not exceed five hundred thousand dollars in any taxable year.

(4) No research and development expenditures made by the life sciences company and used either as the basis for the allowance of the credit provided for pursuant to this section or used in the calculation of the credit provided pursuant to this section shall be used to claim any other credit allowed pursuant to this chapter or be used in the calculation of any other credit allowed pursuant to this chapter.

(b) Maximum amount of credits. The aggregate amount of tax credits allowed under this section to taxpayers subject to tax under articles nine-A and twenty-two of this chapter in any taxable year shall be ten million dollars, and shall be allotted from the funds available for tax credits under article seventeen of the economic development law. Such aggregate amount of credits shall be allocated by the department of economic development among taxpayers in order of priority based upon the date of filing an application for allocation of life sciences research and development tax credit with such department. If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be treated as having been applied for on the first day of the subsequent year.

(c) Definitions. As used in this section the following terms shall have the following meanings:

(1) "Certificate of tax credit" means the document issued to a qualified life sciences company by the department of economic development, after the department of economic development has verified that such life sciences company has met all applicable criteria in this section to be eligible for the life sciences research and development tax credit allowed under this section, including but not limited to verifying that the life sciences company is a new business. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of the life sciences research and development tax credit that may be claimed by such qualified life sciences company, pursuant to this section, and shall specify the taxable year in which such credit may be claimed.

(2) "New business" means any business that qualifies as a new business under either paragraph (f) of subdivision one of section two hundred ten-B or paragraph ten of subsection one of section six hundred six of this chapter.

(3) "Qualified life sciences company" means a life sciences company, as defined in subdivision eleven of section three hundred fifty-two of the economic development law, that has been certified by the department of economic development as a life sciences company and is a new busi-

ness. Provided however, for purposes of the credit authorized under this section, the department of economic development shall not certify as a life sciences company any corporation, partnership, limited partnership, or other entity that has been within the immediately preceding sixty months a related person to an entity that is a life sciences company or an entity that is engaged in scientific research and development as defined in subdivision twenty-two of section three hundred fifty-two of the economic development law.

(4) "Research and development expenditures" means qualified research expenses as defined in subsection (b) of section 41 of the internal revenue code, provided, however, that such qualified research expenses shall not include amounts under subparagraph (B) of paragraph 1 of subsection (b) of section 41 of the internal revenue code and as further described in paragraph 3 of subsection (b) of section 41 of the internal revenue code. If section 41 of the internal revenue code has expired, then the research and development expenses shall be calculated as if the federal research and development credit structure and definition in effect in section 41 in federal tax year two thousand nine were still in effect.

(5) "Related person" means a related person as defined in subparagraph (c) of paragraph three of subsection (b) of section 465 of the internal revenue code. For this purpose, a "related person" shall include an entity that would have qualified as a "related person" if it had not been dissolved, liquidated, merged with another entity or otherwise ceased to exist or operate.

(d)(1) For purposes of this section, in order to be eligible for the life sciences research and development tax credit allowed under this section, a life sciences company must be issued a certificate of tax credit by the department of economic development. The department of economic development shall verify that such life sciences company has met all applicable eligibility criteria in this section before issuing a certificate of tax credit, including but not limited to verifying that the life sciences company is a new business.

(2) The commissioner of economic development, after consulting with the commissioner, shall promulgate regulations by October thirty-first, two thousand seventeen to establish procedures for the allocation of tax credits allowed under this section. Such rules and regulations shall include provisions describing the application process for the credit allowed under this section, the due dates for such applications, the eligibility standards for qualified life sciences companies, the standards which shall be used to evaluate the applications, the documentation that will be provided to taxpayers to substantiate to the department the amount of tax credits allocated to such taxpayers, and such other provisions as deemed necessary and appropriate. Notwithstanding any other provisions to the contrary in the state administrative procedure act, such rules and regulations may be adopted on an emergency basis if necessary to meet such October thirty-first, two thousand seventeen deadline.

(e) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) article 9-A: section 210-B: subdivision 52.

(2) article 22: section 606: subsection (hhh).

(f) Notwithstanding any provision of this chapter, (i) employees and officers of the department of economic development and the department shall be allowed and are directed to share and exchange information regarding the credits applied for, allowed, or claimed pursuant to this

section and taxpayers who are applying for credits or who are claiming credits, including information contained in or derived from credit claim forms submitted to the department and applications for certification submitted to the department of economic development, and (ii) the commissioner and the commissioner of the department of economic development may release the names and addresses of any taxpayer claiming the credit allowed under this section and the amount of the credit earned by the taxpayer. Provided, however, if a taxpayer claims such credit because it is a member of a limited liability company or a partner in a partnership, only the amount of credit earned by the entity and not the amount of credit claimed by the taxpayer may be released.

(g) For purposes of the credit allowed under this section, the number of persons employed by a qualified life sciences company during the taxable year shall be determined by ascertaining the number of such individuals employed full-time by such company, excluding general executive officers, on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September and the thirty-first day of December during each taxable year, by adding together the number of such individuals ascertained on each of such dates and dividing the sum so obtained by the number of such dates occurring within such taxable year. An individual employed full-time means an employee in a job consisting of at least thirty-five hours per week, or two or more employees who are in jobs that together constitute the equivalent of a job of at least thirty-five hours per week (full-time equivalent).

§ 8. Section 210-B of the tax law is amended by adding a new subdivision 52 to read as follows:

52. Life sciences research and development tax credit. (a) Allowance of credit. A taxpayer that is eligible pursuant to section forty-three of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, further, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

§ 9. Section 606 of the tax law is amended by adding a new subsection (hhh) to read as follows:

(hhh) Life sciences research and development tax credit. (1) Allowance of credit. A taxpayer who is eligible pursuant to section forty-three of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowable under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 10. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

| | |
|---|---|
| **(xliii) Life sciences research and development tax credit under subsection (hhh)** | **Amount of credit under subdivision fifty-two of section two hundred ten-B** |

§ 11. This act shall take effect immediately, and shall apply to taxable years beginning on or after January 1, 2018.

PART L

Section 1. Section 441 of the economic development law, as added by section 1 of part O of chapter 59 of the laws of 2015, is amended to read as follows:

§ 441. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Approved provider" means an entity meeting such criteria as shall be established by the commissioner in rules and regulations promulgated pursuant to this article, that may provide eligible training to employees of a business entity participating in the employee training incentive program; provided that, for internship programs, the business entity shall be an approved provider or an approved provider in contract with such business entity. Such criteria shall ensure that any approved provider possess adequate credentials to provide the training described in an application by a business entity to the commissioner to participate in the employee training incentive program.

2. "Commissioner" means the commissioner of economic development.

3. "Eligible training" means (a) training provided by an approved provider that is:

(i) to upgrade, retrain or improve the productivity of employees;

(ii) provided to employees [~~filling net new jobs, or to existing employees~~] in connection with a significant capital investment by a participating business entity;

(iii) determined by the commissioner to satisfy a business need on the part of a participating business entity;

(iv) not designed to train or upgrade skills as required by a federal or state entity;

(v) not training the completion of which may result in the awarding of a license or certificate required by law in order to perform a job function; and

(vi) not culturally focused training; or

(b) an internship program in advanced technology **or life sciences** approved by the commissioner and provided by an approved provider, on or after August first, two thousand fifteen, to provide employment and experience opportunities for current students, recent graduates, and recent members of the armed forces.

4.[~~**"Net new job" means a job created in this state that:**~~

~~**(a) is new to the state;**~~

~~**(b) has not been transferred from employment with another business located in this state through an acquisition, merger, consolidation or other reorganization of businesses or the acquisition of assets of another business, and has not been transferred from employment with a related person in this state;**~~

~~**(c) is either a full-time wage-paying job or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week;**~~

~~**(d) is filled for more than six months;**~~

~~**(e) is filled by a person who has received eligible training; and**~~

~~(f) is comprised of tasks the performance of which required the person filling the job to undergo eligible training.~~] "Life sciences" means agricultural biotechnology, biogenerics, bioinformatics, biomedical engineering, biopharmaceuticals, academic medical centers, biotechnology, chemical synthesis, chemistry technology, medical diagnostics, genomics, medical image analysis, marine biology, medical devices, medical nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, medical and neurological clinical trials, health robotics and veterinary science. "Life sciences company" is a business entity or an organization or institution that devotes the majority of its efforts in the various stages of research, development, technology transfer and commercialization related to any life sciences field.

5. "Significant capital investment" means a capital investment [~~of at least one million dollars~~] in new business processes or equipment, the cost of which is equal to or exceeds ten dollars for every one dollar of tax credit allowed to an eligible business entity under this program pursuant to subdivision fifty of section two hundred ten-B or subsection (ddd) of section six hundred six of the tax law.

6. "Strategic industry" means an industry in this state, as established by the commissioner in regulations promulgated pursuant to this article, based upon the following criteria:

(a) shortages of workers trained to work within the industry;

(b) technological disruption in the industry, requiring significant capital investment for existing businesses to remain competitive;

(c) the ability of businesses in the industry to relocate outside of the state in order to attract talent;

(d) the potential to recruit minorities and women to be trained to work in the industry in which they are traditionally underrepresented;

(e) the potential to create jobs in economically distressed areas, which shall be based on criteria indicative of economic distress, including poverty rates, numbers of persons receiving public assistance, and unemployment rates; or

(f) such other criteria as shall be developed by the commissioner in consultation with the commissioner of labor.

§ 2. Section 442 of the economic development law, as added by section 1 of part O of chapter 59 of the laws of 2015, is amended to read as follows:

§ 442. Eligibility criteria. In order to participate in the employee training incentive program, a business entity must satisfy the following criteria:

1. (a) The business entity must operate in the state predominantly in a strategic industry;

(b) The business entity must demonstrate that it is obtaining eligible training from an approved provider;

(c) The business entity must [~~create at least ten net new jobs or~~] make a significant capital investment in connection with the eligible training; and

(d) The business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, the business entity may not owe past due state taxes or local property taxes; or

2. (a) The business entity, or an approved provider in contract with such business entity, must be approved by the commissioner to provide eligible training in the form of an internship program in advanced tech-

nology **or at a life sciences company** pursuant to paragraph (b) of subdivision three of section four hundred forty-one of this article;

(b) The business entity must be located in the state;

(c) The business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, the business entity must not have past due state taxes or local property taxes;

(d) The internship program shall not displace regular employees;

(e) The business entity must have less than one hundred employees; and

(f) Participation of an individual in an internship program shall not last more than a total of twelve months.

§ 3. This act shall take effect immediately.

PART M

Section 1. Paragraph 5 of subdivision (a) of section 24 of the tax law, as amended by chapter 420 of the laws of 2016, is amended to read as follows:

(5) For the period two thousand fifteen through two thousand [~~nineteen~~] **twenty-two**, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, music directors, producers and performers, including background actors with no scripted lines) by a qualified film production company or a qualified independent film production company for services performed by those individuals in one of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, [~~Suffolk,~~] Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant to the authority of this paragraph shall be five million dollars each year during the period two thousand fifteen through two thousand [~~nineteen~~] **twenty-two** of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. Such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing an application for allocation of film production credit with such office. If the total amount of allocated credits applied for under this paragraph in any year exceeds the aggregate amount of tax credits allowed for such year under this paragraph, such excess shall be treated as having been applied for on the first day of the next year. If the total amount of allocated tax credits applied for under this paragraph at the conclusion of any year is less than five million dollars, the remainder shall be treated as part of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. However, in no event may the total of the credits allocated under this paragraph and the credits

allocated under paragraph five of subdivision (a) of section thirty-one of this article exceed five million dollars in any year during the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two.

§ 2. Paragraph 4 of subdivision (e) of section 24 of the tax law, as amended by section 1-a of part P of chapter 60 of the laws of 2016, is amended to read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand [~~nineteen~~] twenty-two provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen and twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand [~~nineteen~~] twenty-two. This amount shall be allocated by the governor's office for motion picture and television development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The governor's office for motion picture and television development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2, no empire state film production credit shall be claimed before the later of the taxable year the production of the qualified film is complete, or the taxable year immediately following the allocation year for which the film has been allocated credit by the governor's office for motion picture and television development.

§ 3. Paragraph 6 of subdivision (a) of section 31 of the tax law, as amended by section 2 of part JJ of chapter 59 of the laws of 2014, is amended to read as follows:

(6) For the period two thousand fifteen through two thousand [~~nine-teen~~] twenty-two, in addition to the amount of credit established in paragraph two of subdivision (a) of this section, a taxpayer shall be allowed a credit equal to the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, music directors, producers and performers, including background actors with no scripted lines) for services performed by those individuals in one of the counties specified in this paragraph in connection with the post production work on a qualified film with a minimum budget of five hundred thousand dollars at a qualified post production facility in one of the counties listed in this paragraph. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins, Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant to the authority of this paragraph shall be five million dollars each year during the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two of the annual allocation made available to the empire state film post production credit pursuant to paragraph four of subdivision (e) of section twenty-four of this article. Such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing an application for allocation of post production credit with such office. If the total amount of allocated credits applied for under this paragraph in any year exceeds the aggregate amount of tax credits allowed for such year under this paragraph, such excess shall be treated as having been applied for on the first day of the next year. If the total amount of allocated tax credits applied for under this paragraph at the conclusion of any year is less than five million dollars, the remainder shall be treated as part of the annual allocation for two thousand seventeen made available to the empire state film post production credit pursuant to paragraph four of subdivision (e) of section twenty-four of this article. However, in no event may the total of the credits allocated under this paragraph and the credits allocated under paragraph five of subdivision (a) of section twenty-four of this article exceed five million dollars in any year during the period two thousand fifteen through two thousand [~~nineteen~~] twenty-two.

§ 4. This act shall take effect immediately.

## PART N

Section 1. This part enacts into law major components of legislation relating to the New York youth jobs program tax credit and the empire state apprenticeship tax credit program. Each component is wholly contained within a Subpart identified as Subparts A through B. The effective date for each particular provision contained within a 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 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 part sets forth the general effective date of this part.

SUBPART A

Section 1. The section heading and subdivisions (a), (d) and (e) of section 25-a of the labor law, the section heading and subdivisions (d) and (e) as amended by section 1 of part AA of chapter 56 of the laws of 2015, and subdivision (a) as amended by section 1 of part VV of chapter 60 of the laws of 2016 are amended to read as follows:

Power to administer the [~~urban~~] New York youth jobs program tax credit.

(a) The commissioner is authorized to establish and administer the program established under this section to provide tax incentives to employers for employing at risk youth in part-time and full-time positions. There will be [~~five~~] ten distinct pools of tax incentives. Program one will cover tax incentives allocated for two thousand twelve and two thousand thirteen. Program two will cover tax incentives allocated in two thousand fourteen. Program three will cover tax incentives allocated in two thousand fifteen. Program four will cover tax incentives allocated in two thousand sixteen. Program five will cover tax incentives allocated in two thousand seventeen. Program six will cover tax incentives allocated in two thousand eighteen. Program seven will cover tax incentives allocated in two thousand nineteen. Program eight will cover tax incentives allocated in two thousand twenty. Program nine will cover tax incentives allocated in two thousand twenty-one. Program ten will cover tax incentives allocated in two thousand twenty-two. The commissioner is authorized to allocate up to twenty-five million dollars of tax credits under program one, ten million dollars of tax credits under program two, twenty million dollars of tax credits under program three, [~~and~~] fifty million dollars of tax credits under each of programs four and five, and forty million dollars of tax credits under programs six, seven, eight, nine and ten.

(d) To participate in the program established under this section, an employer must submit an application (in a form prescribed by the commissioner) to the commissioner after January first, two thousand twelve but no later than November thirtieth, two thousand twelve for program one, after January first, two thousand fourteen but no later than November thirtieth, two thousand fourteen for program two, after January first, two thousand fifteen but no later than November thirtieth, two thousand fifteen for program three, after January first, two thousand sixteen but no later than November thirtieth, two thousand sixteen for program four, [~~and~~] after January first, two thousand seventeen but no later than November thirtieth, two thousand seventeen for program five, after January first, two thousand eighteen but no later than November thirtieth, two thousand eighteen for program six, after January first, two thousand nineteen but no later than November thirtieth, two thousand nineteen for program seven, after January first, two thousand twenty but no later than November thirtieth, two thousand twenty for program eight, after January first, two thousand twenty-one but no later than November thirtieth, two thousand twenty-one for program nine, and after January first, two thousand twenty-two but no later than November thirtieth, two thousand twenty-two for program ten. The qualified employees must start their employment on or after January first, two thousand twelve but no later than December thirty-first, two thousand twelve for program one,

on or after January first, two thousand fourteen but no later than December thirty-first, two thousand fourteen for program two, on or after January first, two thousand fifteen but no later than December thirty-first, two thousand fifteen for program three, on or after January first, two thousand sixteen but no later than December thirty-first, two thousand sixteen for program four, [~~and~~] on or after January first, two thousand seventeen but no later than December thirty-first, two thousand seventeen for program five**, on or after January first, two thousand eighteen but no later than December thirty-first, two thousand eighteen for program six, on or after January first, two thousand nineteen but no later than December thirty-first, two thousand nineteen for program seven, on or after January first, two thousand twenty but no later than December thirty-first, two thousand twenty for program eight, on or after January first, two thousand twenty-one but no later than December thirty-first, two thousand twenty-one for program nine, and on or after January first, two thousand twenty-two but no later than December thirty-first, two thousand twenty-two for program ten**. The commissioner shall establish guidelines and criteria that specify requirements for employers to participate in the program including criteria for certifying qualified employees**, ensuring that the process established will minimize any undue delay in issuing the certificate of eligibility**. Any regulations that the commissioner determines are necessary may be adopted on an emergency basis notwithstanding anything to the contrary in section two hundred two of the state administrative procedure act. Such requirements may include the types of industries that the employers are engaged in. The commissioner may give preference to employers that are engaged in demand occupations or industries, or in regional growth sectors, including **but not limited to** those identified by the regional economic development councils, such as clean energy, healthcare, advanced manufacturing and conservation. In addition, the commissioner shall give preference to employers who offer advancement and employee benefit packages to the qualified individuals.

(e) If, after reviewing the application submitted by an employer, the commissioner determines that such employer is eligible to participate in the program established under this section, the commissioner shall issue the employer a certificate of eligibility that establishes the employer as a qualified employer. The certificate of eligibility shall specify the maximum amount of tax credit that the employer will be allowed to claim **and the program year under which it can be claimed**.

§ 1-a. Subdivision (b) of section 25-a of the labor law is amended by adding a new paragraph 4 to read as follows:

**(4) For programs six, seven, eight, nine and ten, the tax credit under each program shall be allocated as follows: (i) twenty million dollars of tax credit for qualified employees; and (ii) twenty million dollars of tax credit for individuals who meet all of the requirements for a qualified employee except for the residency requirement of subparagraph (ii) of paragraph two of this subdivision, which individuals shall be deemed to meet the residency requirements of subparagraph (ii) of paragraph two of this subdivision if they reside in New York state.**

§ 2. The subdivision heading of subdivision 36 of section 210-B of the tax law, as amended by section 2 of part AA of chapter 56 of the laws of 2015, is amended to read as follows:

[~~Urban~~] **New York** youth jobs program tax credit.

§ 3. The subsection heading of subsection (tt) of section 606 of the tax law, as amended by section 3 of part AA of chapter 56 of the laws of 2015, is amended to read as follows:

[~~Urban~~] New York youth jobs program tax credit.

§ 4. Clause (xxxiii) of subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, as amended by section 4 of part AA of chapter 56 of the laws of 2015, is amended to read as follows:

| | |
|---|---|
| (xxxiii) [~~Urban~~] New York youth jobs program tax credit | Amount of credit under subdivision thirty-six of section two hundred ten-B |

§ 5. This act shall take effect immediately.

SUBPART B

Section 1. The labor law is amended by adding a new section 25-c to read as follows:

§ 25-c. Power to administer the empire state apprenticeship tax credit program. (a) The commissioner is authorized to establish and administer the empire state apprenticeship tax credit program to provide tax incentives to certified employers for employing qualified apprentices pursuant to an apprenticeship agreement registered with the department pursuant to paragraph (d) of subdivision one of section eight hundred eleven of this chapter. The commissioner is authorized to allocate up to ten million dollars of tax credits annually, beginning in two thousand eighteen and ending before two thousand twenty-three. Any unused annual allocation of the credit shall be made available in each of the subsequent years before two thousand twenty-three.

(b) Definitions. (1) The term "qualified apprenticeship agreement" means an apprenticeship agreement as defined by section eight hundred sixteen of this chapter that has been registered with, and approved by, the commissioner, for a trade other than a construction trade.

(2) The term "qualified employer" means an employer that has or participates in a commissioner approved registered apprenticeship program.

(3) The term "construction" means constructing, reconstructing, altering, maintaining, moving, rehabilitating, repairing, renovating, fabricating, servicing, or demolition of any building, structure, or improvement, or component, or relating to the excavation of or other development or improvement to land.

(4) The term "participating employer" means a qualified employer that has applied to participate in the empire state apprenticeship tax credit program and received a preliminary certificate of tax credit from the commissioner. The preliminary certificate shall state the maximum amount of the tax credit that the employer may be able to claim if the applicant becomes a "certified employer."

(5) The term "certified employer" means a qualified employer that has received a final certificate of eligibility from the commissioner after the commissioner has determined that the qualified employer has fulfilled all the requisite eligibility criteria to participate in the empire state apprenticeship tax credit program established in this section. The final certificate of eligibility shall state the actual amount of tax credit that a certified employer is entitled to claim and the allocation year of the credit.

(6) The term "qualified apprentice" means an individual employed by a participating employer in a full time position for at least six months of a calendar year pursuant to a qualified apprenticeship agreement with a qualified employer. No individual employed by a qualified employer shall be deemed a qualified apprentice if such individual has not

completed their apprenticeship training program within one year of their expected date of completion of their program.

(7) The term "disadvantaged youth" means an individual:

(i) who is between the ages of sixteen and twenty-four when the youth begins the apprenticeship; and

(ii) who is low-income or at-risk, as those terms are defined by the commissioner.

(8) The term "mentor" means an individual who provides instruction, guidance, and support to the apprentice on a regular basis throughout the apprentice's completion of the apprenticeship as the apprentice seeks employment in the field or industry of the apprenticeship. The goal of the mentor is to help train the apprentice in his or her trade and to help the apprentice successfully complete the apprenticeship and to secure and retain employment.

(c)(1) A certified employer shall be entitled to a tax credit against income or franchise tax for each qualified apprentice. The base credit allowed under this program shall be computed as follows:

(A) (1) two thousand dollars for each first year apprentice; (2) three thousand dollars for each second year apprentice;(3) four thousand dollars for each third year apprentice; (4) five thousand dollars for each fourth year apprentice; and (5) six thousand dollars for each fifth year apprentice. The apprentice's status as a first, second, third, fourth or fifth year apprentice will be determined on the last day of the calendar year, or if the apprentice is no longer employed by the participating employer on the last day of the calendar year, on the last day of the apprentice's employment with the participating employer; or

(B) in lieu of the credit specified in subparagraph (A) of this paragraph, for each qualified apprentice who is considered a disadvantaged youth for each tax year: (1) five thousand dollars for each first year apprentice; (2) six thousand dollars for each second year apprentice; and (3) seven thousand dollars for each third, fourth, or fifth year apprentice. The apprentice's status as a first, second, third, fourth or fifth year apprentice will be determined on the last day of the calendar year, or if the apprentice is no longer employed by the participating employer on the last day of the calendar year, on the last day of the apprentice's employment with the participating employer. If a disadvantaged youth begins an apprenticeship before the age of twenty-five, a certified employer shall be eligible to continue to receive the tax credit for such youth under this subparagraph until that apprentice completes the apprenticeship.

(2) If an apprentice has been trained in his or her trade by a mentor for the entirety of the calendar year, the base credit amounts described in paragraph one of this subdivision shall be increased by five hundred dollars.

(3) The certified employer shall not be allowed a tax credit under this program for any apprentice, if that apprentice is the basis for any other state tax credit.

(d) Application and approval process. (1) To participate in the program established under this section, a qualified employer must submit to the commissioner an application in a form prescribed by the commissioner. As part of such application, a qualified employer must:

(A) Agree to allow the department of taxation and finance to share its tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(B) Allow the department and its agents access to any and all books and records the department may require to monitor compliance.

(2) After reviewing a qualified employer's completed application and determining that the qualified employer will meet the eligibility conditions set forth under this section and any applicable regulations promulgated by the commissioner, the commissioner may admit the applicant into the program as a participating employer and provide the applicant with a preliminary certificate of eligibility establishing the qualified employer as a participating employer and stating the maximum amount of credit for which the applicant may be eligible.

(3) To receive a final certificate of tax credit, the participating employer must annually submit a final report to the commissioner, in a form prescribed by the commissioner. The report must demonstrate that the applicant has satisfied all eligibility requirements and provided all the information necessary for the commissioner to compute an actual amount of credit allowed for that calendar year, notwithstanding the fact that a participating employer's taxable year may be a fiscal year, as defined in subdivision ten of section two hundred eight of the tax law.

(4) After reviewing the final report and finding it sufficient, the commissioner shall certify the participating employer as a certified employer and issue a final certificate of tax credit. Such certificate shall include, but not be limited to, the following information:

(A) The name and employer identification number of the certified employer;

(B) The actual amount of credit to which the certified employer is entitled for that calendar year, which actual amount cannot exceed the amount of credit listed on the preliminary certificate but may be less than such amount;

(C) The allocation year of the credit.

(5) If a certified employer's taxable year is a fiscal year, it shall be entitled to claim the credit on the return for the fiscal year that includes the last day of the calendar year covered by the final certificate of tax credit.

(e) The commissioner shall establish guidelines and criteria that specify requirements for qualified employers to participate in the program including criteria for certifying qualified apprentices. Any regulations that the commissioner determines are necessary and are consistent with the purpose of this article may be adopted on an emergency basis notwithstanding any provisions to the contrary in the state administrative procedure act. The commissioner may give preference to qualified employers that hire and train disadvantaged youth through qualified apprenticeship agreements, and qualified employers that are engaged in demand occupations or industries, or in regional growth sectors, including those identified by the department, such as clean energy, health care, technology, including software engineering and web development, advanced manufacturing and conservation. In addition, the commissioner may give preference to employers that employ apprentices in newly established apprenticeship programs. The commissioner also may take the following factors into consideration when evaluating whether to approve an application in a year subsequent to the year in which a qualified employer was determined to be a certified employer:

(1) the length of the qualified apprenticeship agreement the employer has entered into;

(2) how many apprentices have graduated from the apprenticeship program to which the qualified apprentice employed by the employer belongs;

(3) how many apprentices in the apprenticeship program the qualified employer has hired; and

(4) any other factors the commissioner deems relevant.

(f) The commissioner shall annually publish a report. Such report must contain the names and addresses of any certified employer issued a final certificate of eligibility under this section, the work location of each apprentice generating credit, the amount of empire state apprenticeship tax credit allowed to the certified employer as specified on such final certificate of eligibility, and the number of each of the first year apprentices, second year apprentices, third year apprentices, fourth year apprentices, and fifth year apprentices, and how many of each of those types are considered disadvantaged youth. The commissioner shall include in such report the relevant industries of certified employers and recommendations for legislative or other action to further the intent and purpose of the empire state apprenticeship tax credit program.

(g) The commissioner shall promote, publish and disseminate information concerning the empire state apprenticeship tax credit and other available funding, particularly targeting industries and fields of business not currently taking advantage of apprenticeships.

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. Empire state apprenticeship tax credit. (a) A taxpayer that has been certified by the commissioner of labor as a certified employer pursuant to section twenty-five-c of the labor law shall be allowed a credit against the tax imposed by this article equal to the amount specified under subdivision (c) of section twenty-five-c of the labor law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the final certificate of eligibility.

(b) The credit allowed under this subdivision for any taxable year may not reduce the tax due for that year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the tax to that amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit not deductible in that taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, no interest will be paid thereon.

§ 3. Section 606 of the tax law is amended by adding a new subsection (vvv) to read as follows:

(vvv) Empire state apprenticeship tax credit. (1)(A) A taxpayer that has been certified by the commissioner of labor as a certified employer pursuant to section twenty-five-c of the labor law shall be allowed a credit against the tax imposed by this article equal to the amount specified under subdivision (c) of section twenty-five-c of the labor law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the final certificate of tax credit.

(B) A taxpayer that is a partner in a partnership, member of a limited liability company or shareholder in an S corporation that has been certified by the commissioner of labor as a certified employer pursuant to section twenty-five-c of the labor law shall be allowed its pro rata

share of the credit earned by the partnership, limited liability company or S corporation.

(2) If the amount of the credit allowed under this subsection exceeds the taxpayer's tax for the taxable year, any amount of credit not deductible in that taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article. Provided, however, no interest will be paid thereon.

§ 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

| | |
|---|---|
| (xliii) Empire state apprenticeship tax credit under subsection (vvv) | Amount of credit under subdivision forty-nine of section two hundred ten-B |

§ 5. This act shall take effect immediately and shall apply to taxable years commencing on or after January 1, 2018.

§ 2. Severability. If any clause, sentence, paragraph, subdivision or section of this part 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 or section 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 part would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately; provided, however, that the applicable effective date of Subparts A and B of this part shall be as specifically set forth in the last section of such Subparts.

## PART O

Section 1. Subdivision 6 of section 187-b of the tax law, as amended by section 1 of part G of chapter 59 of the laws of 2013, is amended to read as follows:

6. Termination. The credit allowed by subdivision two of this section shall not apply in taxable years beginning after December thirty-first, two thousand [~~seventeen~~] twenty-two.

§ 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(f) Termination. The credit allowed by paragraph (b) of this subdivision shall not apply in taxable years beginning after December thirty-first, two thousand [~~seventeen~~] twenty-two.

§ 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as amended by section 3 of part G of chapter 59 of the laws of 2013, is amended to read as follows:

(6) Termination. The credit allowed by this subsection shall not apply in taxable years beginning after December thirty-first, two thousand [~~seventeen~~] twenty-two.

§ 4. This act shall take effect immediately.

## PART P

Section 1. Legislative findings. The legislature finds and declares that this act does not alter the meaning of the statutes amended herein; instead, it is the intent of the legislature to confirm the long-stand-

ing position of the department of taxation and finance interpreting these statutes, as well as relevant prior statutes, as not allowing the investment tax credit where tangible personal property and other tangible property is principally used by the taxpayer in the production or distribution of electricity or steam, the delivery of natural gas after extraction from wells and the production and delivery of water through pipes and mains.

§ 2. Subparagraph (i) of paragraph (b) of subdivision 1 of section 210-B of the tax law, as amended by section 31 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(i) A credit shall be allowed under this subdivision with respect to tangible personal property and other tangible property, including buildings and structural components of buildings, which are: depreciable pursuant to section one hundred sixty-seven of the internal revenue code, have a useful life of four years or more, are acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code, have a situs in this state and are (A) principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (B) industrial waste treatment facilities or air pollution control facilities, used in the taxpayer's trade or business, (C) research and development property, or (D) principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of stocks, bonds or other securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or of commodities as defined in section four hundred seventy-five (e) of the Internal Revenue Code, (E) principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan origination services to customers in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, (F) principally used in the ordinary course of the taxpayer's business as an exchange registered as a national securities exchange within the meaning of sections 3(a)(1) and 6(a) of the Securities Exchange Act of 1934 or a board of trade as defined in subparagraph one of paragraph (a) of section fourteen hundred ten of the not-for-profit corporation law or as an entity that is wholly owned by one or more such national securities exchanges or boards of trade and that provides automation or technical services thereto, or (G) principally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated as such pursuant to article eighteen-B of the general municipal law, where the taxpayer is providing three or more services to any qualified film production company using the facility, including such services as a studio lighting grid, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning. For purposes of clauses (D), (E) and (F) of this subparagraph, property purchased by a taxpayer affiliated with a regulated broker, dealer, registered investment advisor, national securities

exchange or board of trade, is allowed a credit under this subdivision if the property is used by its affiliated regulated broker, dealer, registered investment advisor, national securities exchange or board of trade in accordance with this subdivision. For purposes of determining if the property is principally used in qualifying uses, the uses by the taxpayer described in clauses (D) and (E) of this subparagraph may be aggregated. In addition, the uses by the taxpayer, its affiliated regulated broker, dealer and registered investment advisor under either or both of those clauses may be aggregated. Provided, however, a taxpayer shall not be allowed the credit provided by clauses (D), (E) and (F) of this subparagraph unless the property is first placed in service before October first, two thousand fifteen and (i) eighty percent or more of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such equipment are located in this state or (ii) the average number of employees that perform the administrative and support functions resulting from or related to the qualifying uses of such equipment and are located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety-five percent of the average number of employees that perform these functions and are located in this state during the thirty-six months immediately preceding the year for which the credit is claimed, or (iii) the number of employees located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety percent of the number of employees located in this state on December thirty-first, nineteen hundred ninety-eight or, if the taxpayer was not a calendar year taxpayer in nineteen hundred ninety-eight, the last day of its first taxable year ending after December thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes subject to tax in this state after the taxable year beginning in nineteen hundred ninety-eight, then the taxpayer is not required to satisfy the employment test provided in the preceding sentence of this subparagraph for its first taxable year. For purposes of clause (iii) of this subparagraph the employment test will be based on the number of employees located in this state on the last day of the first taxable year the taxpayer is subject to tax in this state. If the uses of the property must be aggregated to determine whether the property is principally used in qualifying uses, then either each affiliate using the property must satisfy this employment test or this employment test must be satisfied through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the property. For purposes of [~~this subdivision, the term "goods" shall not include electricity~~] **clause (A) of this subparagraph, tangible personal property and other tangible property shall not include property principally used by the taxpayer in the production or distribution of electricity, natural gas after extraction from wells, steam, or water delivered through pipes and mains**.

§ 3. Subparagraph (A) of paragraph 2 of subsection (a) of section 606 of the tax law, as amended by chapter 637 of the laws of 2008, is amended to read as follows:

(A) A credit shall be allowed under this subsection with respect to tangible personal property and other tangible property, including buildings and structural components of buildings, which are: depreciable pursuant to section one hundred sixty-seven of the internal revenue code, have a useful life of four years or more, are acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code, have a situs in this state and are (i) principally used by

the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (ii) industrial waste treatment facilities or air pollution control facilities, used in the taxpayer's trade or business, (iii) research and development property, (iv) principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of stocks, bonds or other securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or of commodities as defined in section 475(e) of the Internal Revenue Code, (v) principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan origination services to customers in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or (vi) principally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated as such pursuant to article eighteen-B of the general municipal law, where the taxpayer is providing three or more services to any qualified film production company using the facility, including such services as a studio lighting grid, lighting and grip equipment, multiline phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning. For purposes of clauses (iv) and (v) of this subparagraph, property purchased by a taxpayer affiliated with a regulated broker, dealer, or registered investment adviser is allowed a credit under this subsection if the property is used by its affiliated regulated broker, dealer or registered investment adviser in accordance with this subsection. For purposes of determining if the property is principally used in qualifying uses, the uses by the taxpayer described in clauses (iv) and (v) of this subparagraph may be aggregated. In addition, the uses by the taxpayer, its affiliated regulated broker, dealer and registered investment adviser under either or both of those clauses may be aggregated. Provided, however, a taxpayer shall not be allowed the credit provided by clauses (iv) and (v) of this subparagraph unless (I) eighty percent or more of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such equipment are located in this state, or (II) the average number of employees that perform the administrative and support functions resulting from or related to the qualifying uses of such equipment and are located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety-five percent of the average number of employees that perform these functions and are located in this state during the thirty-six months immediately preceding the year for which the credit is claimed, or (III) the number of employees located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety percent of the number of employees located in this state on December thirty-first, nineteen hundred ninety-eight or, if the taxpayer was not a calendar year taxpayer in nineteen hundred ninety-eight, the last day of its first taxable year ending after December thirty-first, nineteen hundred

ninety-eight. If the taxpayer becomes subject to tax in this state after the taxable year beginning in nineteen hundred ninety-eight, then the taxpayer is not required to satisfy the employment test provided in the preceding sentence of this subparagraph for its first taxable year. For the purposes of clause (III) of this subparagraph the employment test will be based on the number of employees located in this state on the last day of the first taxable year the taxpayer is subject to tax in this state. If the uses of the property must be aggregated to determine whether the property is principally used in qualifying uses, then either each affiliate using the property must satisfy this employment test or this employment test must be satisfied through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the property. For purposes of [~~this subsection, the term "goods" shall not include electricity~~] clause (i) of this subparagraph, tangible personal property and other tangible property shall not include property principally used by the taxpayer in the production or distribution of electricity, natural gas after extraction from wells, steam, or water delivered through pipes and mains.

§ 4. This act shall take effect immediately.

PART Q

Section 1. Legislative findings. The legislature finds it necessary to revise a decision of the tax appeals tribunal that disturbed the long-standing policy of the department of taxation and finance that single member limited liability companies that are treated as disregarded entities for federal income tax purposes also would be treated as disregarded entities for purposes of determining eligibility of the owners of such entities for tax credits allowed under article 9, 9-A, 22, 32 (prior to its repeal) or 33 of the tax law. The decision of the tax appeals tribunal, if allowed to stand, will result in the denial of tax credits, such as empire zone tax credits, to taxpayers who in prior years received those credits.

§ 2. The tax law is amended by adding a new section 43 to read as follows:

§ 43. Single member limited liability companies and eligibility for tax credits. A limited liability company that has a single member and is disregarded as an entity separate from its owner for federal income tax purposes (without reference to any special rules related to the imposition of certain federal taxes, including but not limited to certain employment and excise taxes) shall be disregarded as an entity separate from its owner for purposes of determining whether or not the taxpayer that is the single member of such limited liability company satisfies the requirements to be eligible for any tax credit allowed under article nine, nine-A, twenty-two or thirty-three of this chapter or allowed under article thirty-two of this chapter prior to the repeal of such article. Such requirements, including but not limited to any necessary certification, employment or investment thresholds, payment obligations, and any time period for eligibility, shall be imposed on the taxpayer and the determination of whether or not such requirements have been satisfied and the computation of the credit shall be made by deeming such taxpayer and such limited liability company to be a single entity. If the taxpayer is the single member of more than one limited liability company that is disregarded as an entity separate from its owner, the determination of whether or not the requirements to be eligible for any

tax credit allowed under article nine, nine-A, twenty-two or thirty-three of this chapter or allowed under article thirty-two of this chapter prior to the repeal of such article have been satisfied and the computation of the credit shall be made by deeming such taxpayer and such limited liability companies to be a single entity.

§ 3. This act shall take effect immediately; provided however, that section 43 of the tax law, as added by section two of this act, shall apply to all taxable years for which the statute of limitations for seeking a refund or assessing additional tax is still open.

PART R

Section 1. Subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law is REPEALED and a new subparagraph (B) is added to read as follows:

(B)(i) For taxable years beginning in two thousand eighteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $43,000 | $1,202 plus 5.9% of excess over $27,900 |
| Over $43,000 but not over $161,550 | $2,093 plus 6.33% of excess over $43,000 |
| Over $161,550 but not over $323,200 | $9,597 plus 6.57% of excess over $161,550 |
| Over $323,200 but not over $2,155,350 | $20,218 plus 6.85% of excess over $323,200 |
| Over $2,155,350 | $145,720 plus 8.82% of excess over $2,155,350 |

(ii) For taxable years beginning in two thousand nineteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $43,000 | $1,202 plus 5.9% of excess over $27,900 |
| Over $43,000 but not over $161,550 | $2,093 plus 6.21% of excess over $43,000 |
| Over $161,550 but not over $323,200 | $9,455 plus 6.49% of excess over $161,550 |
| Over $323,200 but not over $2,155,350 | $19,946 plus 6.85% of excess over $323,200 |
| Over $2,155,350 | $145,448 plus 8.82% of excess over $2,155,350 |

(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $43,000 | $1,202 plus 5.9% of excess over $27,900 |
| Over $43,000 but not over $161,550 | $2,093 plus 6.09% of excess over $43,000 |
| Over $161,550 but not over $323,200 | $9,313 plus 6.41% of excess over $161,550 |
| Over $323,200 | $19,674 plus 6.85% of excess over $323,200 |

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $43,000 | $1,202 plus 5.9% of excess over $27,900 |
| Over $43,000 but not over $161,550 | $2,093 plus 5.97% of excess over $43,000 |
| Over $161,550 but not over $323,200 | $9,170 plus 6.33% of excess over $161,550 |
| Over $323,200 | $19,403 plus 6.85% of excess over $323,200 |

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $161,550 | $1,202 plus 5.85% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $9,021 plus 6.25% of excess over $161,550 |
| Over $323,200 | $19,124 plus 6.85% of excess over $323,200 |

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $161,550 | $1,202 plus 5.73% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,860 plus 6.17% of excess over |

| | |
|---|---|
| | $161,550 |
| Over $323,200 | $18,834 plus 6.85% of excess over $323,200 |

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $161,550 | $1,202 plus 5.61% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,700 plus 6.09% of excess over $161,550 |
| Over $323,200 | $18,544 plus 6.85% of excess over $323,200 |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $17,150 | 4% of the New York taxable income |
| Over $17,150 but not over $23,600 | $686 plus 4.5% of excess over $17,150 |
| Over $23,600 but not over $27,900 | $976 plus 5.25% of excess over $23,600 |
| Over $27,900 but not over $161,550 | $1,202 plus 5.5% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,553 plus 6.00% of excess over $161,550 |
| Over $323,200 | $18,252 plus 6.85% of excess over $323,200 |

§ 2. Subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law is REPEALED and a new subparagraph (B) is added to read as follows:

(B)(i) For taxable years beginning in two thousand eighteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $32,200 | $901 plus 5.9% of excess over $20,900 |
| Over $32,200 but not over $107,650 | $1,568 plus 6.33% of excess over $32,200 |
| Over $107,650 but not over $269,300 | $6,344 plus 6.57% of excess over $107,650 |
| Over $269,300 but not over $1,616,450 | $16,964 plus 6.85% of excess over $269,300 |
| Over $1,616,450 | $109,244 plus 8.82% of excess over $1,616,450 |

(ii) For taxable years beginning in two thousand nineteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over |

| | |
|---|---|
| | $17,650 |
| Over $20,900 but not over $32,200 | $901 plus 5.9% of excess over $20,900 |
| Over $32,200 but not over $107,650 | $1,568 plus 6.21% of excess over $32,200 |
| Over $107,650 but not over $269,300 | $6,253 plus 6.49% of excess over $107,650 |
| Over $269,300 but not over $1,616,450 | $16,744 plus 6.85% of excess over $269,300 |
| Over $1,616,450 | $109,024 plus 8.82% of excess over $1,616,450 |

(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $32,200 | $901 plus 5.9% of excess over $20,900 |
| Over $32,200 but not over $107,650 | $1,568 plus 6.09% of excess over $32,200 |
| Over $107,650 but not over $269,300 | $6,162 plus 6.41% of excess over $107,650 |
| Over $269,300 | $16,524 plus 6.85% of excess over $269,300 |

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $32,200 | $901 plus 5.9% of excess over $20,900 |
| Over $32,200 but not over $107,650 | $1,568 plus 5.97% of excess over $32,200 |
| Over $107,650 but not over $269,300 | $6,072 plus 6.33% of excess over $107,650 |
| Over $269,300 | $16,304 plus 6.85% of excess over $269,300 |

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.85% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,976 plus 6.25% of excess over $107,650 |
| Over $269,300 | $16,079 plus 6.85% of excess over $269,300 |

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.73% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,872 plus 6.17% of excess over $107,650 |
| Over $269,300 | $15,845 plus 6.85% of excess over $269,300 |

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.61% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,768 plus 6.09% of excess over $107,650 |
| Over $269,300 | $15,612 plus 6.85% of excess over $269,300 |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.5% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,672 plus 6.00% of excess over $107,650 |
| Over $269,300 | $15,371 plus 6.85% of excess over $269,300 |

§ 3. Subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law is REPEALED and a new subparagraph (B) is added to read as follows:

(B)(i) For taxable years beginning in two thousand eighteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $21,400 | $600 plus 5.9% of excess over $13,900 |
| Over $21,400 but not over $80,650 | $1,042 plus 6.33% of excess over $21,400 |
| Over $80,650 but not over $215,400 | $4,793 plus 6.57% of excess over |

| | |
|---|---|
| | $80,650 |
| Over $215,400 but not over $1,077,550 | $13,646 plus 6.85% of excess over $215,400 |
| Over $1,077,550 | $72,703 plus 8.82% of excess over $1,077,550 |

(ii) For taxable years beginning in two thousand nineteen the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $21,400 | $600 plus 5.9% of excess over $13,900 |
| Over $21,400 but not over $80,650 | $1,042 plus 6.21% of excess over $21,400 |
| Over $80,650 but not over $215,400 | $4,721 plus 6.49% of excess over $80,650 |
| Over $215,400 but not over $1,077,550 | $13,467 plus 6.85% of excess over $215,400 |
| Over $1,077,550 | $72,524 plus 8.82% of excess over $1,077,550 |

(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $21,400 | $600 plus 5.9% of excess over $13,900 |
| Over $21,400 but not over $80,650 | $1,042 plus 6.09% of excess over $21,400 |
| Over $80,650 but not over $215,400 | $4,650 plus 6.41% of excess over $80,650 |
| Over $215,400 | $13,288 plus 6.85% of excess over $215,400 |

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $21,400 | $600 plus 5.9% of excess over $13,900 |
| Over $21,400 but not over $80,650 | $1,042 plus 5.97% of excess over $21,400 |
| Over $80,650 but not over $215,400 | $4,579 plus 6.33% of excess over $80,650 |
| Over $215,400 | $13,109 plus 6.85% of excess over $215,400 |

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $80,650 | $600 plus 5.85% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,504 plus 6.25% of excess over $80,650 |
| Over $215,400 | $12,926 plus 6.85% of excess over $215,400 |

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $80,650 | $600 plus 5.73% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,424 plus 6.17% of excess over $80,650 |
| Over $215,400 | $12,738 plus 6.85% of excess over $215,400 |

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $80,650 | $600 plus 5.61% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,344 plus 6.09% of excess over $80,650 |
| Over $215,400 | $12,550 plus 6.85% of excess over $215,400 |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $8,500 | 4% of the New York taxable income |
| Over $8,500 but not over $11,700 | $340 plus 4.5% of excess over $8,500 |
| Over $11,700 but not over $13,900 | $484 plus 5.25% of excess over $11,700 |
| Over $13,900 but not over $80,650 | $600 plus 5.50% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,271 plus 6.00% of excess over $80,650 |
| Over $215,400 | $12,356 plus 6.85% of excess over $215,400 |

§ 4. Subparagraph (D) of paragraph 1 of subsection (d-1) of section 601 of the tax law, as amended by section 5 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(D) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax table benefits in subparagraphs (A), (B) and (C) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over two million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand [~~eighteen~~] **twenty**.

§ 5. Subparagraph (C) of paragraph 2 of subsection (d-1) of section 601 of the tax law, as amended by section 6 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million five hundred thousand dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand [~~eighteen~~] **twenty**.

§ 6. Subparagraph (C) of paragraph 3 of subsection (d-1) of section 601 of the tax law, as amended by section 7 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (c) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand [~~eighteen~~] **twenty**.

§ 7. This act shall take effect immediately.

PART S

Section 1. Subsection (g) of section 615 of the tax law, as amended by section 1 of part H of chapter 59 of the laws of 2015, is amended to read as follows:

(g)(1) With respect to an individual whose New York adjusted gross income is over one million dollars and no more than ten million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and before two thousand [~~eighteen~~] **twenty**. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning in two thousand nine or after two thousand [~~seventeen~~] **nineteen**.

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and ending before two thousand [~~eighteen~~] **twenty**.

§ 2. Subdivision (g) of section 11-1715 of the administrative code of the city of New York, as amended by section 2 of part H of chapter 59 of the laws of 2015, is amended to read as follows:

(g) (1) With respect to an individual whose New York adjusted gross income is over one million dollars but no more than ten million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and before two thousand [~~eighteen~~] **twenty**. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning in two thousand nine or after two thousand [~~seventeen~~] **nineteen**.

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and ending before two thousand [~~eighteen~~] **twenty**.

§ 3. This act shall take effect immediately.

## PART T

Section 1. Subsection (c) of section 606 of the tax law is amended by adding a new paragraph 1-a to read as follows:

**(1-a) For taxable years beginning after two thousand seventeen, for a taxpayer with New York adjusted gross income of at least fifty thousand dollars but less than one hundred fifty thousand dollars, the applicable percentage shall be the applicable percentage otherwise computed under paragraph one of this subsection multiplied by a factor as follows:**

| **If New York adjusted gross income is:** | **The factor is:** |
|---|---|
| **At least $50,000 and less** | |

| | |
|---|---|
| than $55,000 | 1.1682 |
| At least $55,000 and less than $60,000 | 1.2733 |
| At least $60,000 and less than $65,000 | 2.322 |
| At least $65,000 and less than $150,000 | 3.000 |

§ 2. Subsection (c) of section 606 of the tax law is amended by adding a new paragraph 1-b to read as follows:

(1-b) Notwithstanding anything in this subsection to the contrary, a taxpayer shall be allowed a credit as provided in this subsection equal to the applicable percentage of the credit allowable under section twenty-one of the internal revenue code for the same taxable year (without regard to whether the taxpayer in fact claimed the credit under such section twenty-one for such taxable year) that would have been allowed absent the application of section 21(c) of such code for taxpayers with more than two qualifying individuals, provided however, that the credit shall be calculated as if the dollar limit on amount creditable shall not exceed seven thousand five hundred dollars if there are three qualifying individuals, eight thousand five hundred dollars if there are four qualifying individuals, and nine thousand dollars if there are five or more qualifying individuals.

§ 3. This act shall take effect immediately; provided, however, that section two of this act shall apply to taxable years beginning on or after January 1, 2018.

PART U

Section 1. Paragraph (a) of subdivision 1 and paragraph (a) of subdivision 2 of section 1701 of the tax law, as added by section 1 of part CC-1 of chapter 57 of the laws of 2008, are amended to read as follows:

(a) "Debt" means [~~all~~] past-due tax liabilities, including unpaid tax, interest, and penalty, that the commissioner is required by law to collect and that have [~~been reduced to judgment by the docketing of a New York state tax warrant in the office of a county clerk located in the state of New York or by the filing of a copy of the warrant in the office of the department of state~~] become fixed and final such that the taxpayer no longer has any right to administrative or judicial review.

(a) To assist the commissioner in the collection of debts, the department must develop and operate a financial institution data match system for the purpose of identifying and seizing the non-exempt assets of tax debtors as identified by the commissioner. The commissioner is authorized to designate a third party to develop and operate this system. Notwithstanding any other provisions of this chapter, the commissioner is authorized to disclose the debt and the debtor information to such third party and to financial institutions for purposes of this system. Any third party designated by the commissioner to develop and operate a financial data match system must keep all information it obtains from both the department and the financial institution confidential, and any employee, agent or representative of that third party is prohibited from disclosing that information to anyone other than the department or the financial institution.

§ 2. This act shall take effect immediately and shall expire April 1, 2020 when upon such date the provisions of this act shall be deemed repealed.

PART V

Intentionally Omitted

PART W

Intentionally Omitted

PART X

Section 1. Section 2 of part Q of chapter 59 of the laws of 2013, amending the tax law, relating to serving an income execution with respect to individual tax debtors without filing a warrant, as amended by section 1 of part DD of chapter 59 of the laws of 2015, is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire and be deemed repealed on and after April 1, [~~2017~~] 2020.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART Y

Intentionally Omitted

PART Z

Section 1. Clause 1 of subparagraph (A) of paragraph 1 of subsection (b) of section 631 of the tax law, as added by section 1 of part F-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(1) For purposes of this subparagraph, the term "real property located in this state" includes an interest in a partnership, limited liability corporation, S corporation, or non-publicly traded C corporation with one hundred or fewer shareholders (hereinafter the "entity") that owns real property that is located in New York [~~and has a fair market value that~~] or owns shares of stock in a cooperative housing corporation where the cooperative units relating to the shares are located in New York; provided, that the sum of the fair market values of such real property, cooperative shares, and related cooperative units equals or exceeds fifty percent of all the assets of the entity on the date of sale or exchange of the taxpayer's interest in the entity. Only those assets that the entity owned for at least two years before the date of the sale or exchange of the taxpayer's interest in the entity are to be used in determining the fair market value of all the assets of the entity on the date of sale or exchange. The gain or loss derived from New York sources from the taxpayer's sale or exchange of an interest in an entity that is subject to the provisions of this subparagraph is the total gain or loss for federal income tax purposes from that sale or exchange multiplied by a fraction, the numerator of which is the fair market value of the real property, and the cooperative housing corporation stock and related cooperative units located in New York on the date of sale or exchange and the denominator of which is the fair market value of all the assets of the entity on the date of sale or exchange.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2017.

PART AA

Section 1. Paragraph 1 of subsection (a) of section 632 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(1) In determining New York source income of a nonresident partner of any partnership, there shall be included only the portion derived from or connected with New York sources of such partner's distributive share of items of partnership income, gain, loss and deduction entering into his federal adjusted gross income, as such portion shall be determined under regulations of the tax commission consistent with the applicable rules of section six hundred thirty-one **of this part**. **If a nonresident is a partner in a partnership where a sale or transfer of the membership interest of the partner is subject to the provisions of section one-thousand sixty of the internal revenue code, then any gain recognized on the sale or transfer for federal income tax purposes shall be treated as New York source income allocated in a manner consistent with the applicable methods and rules for allocation under this article in the year that the assets were sold or transferred.**

§ 2. This act shall take effect immediately.

## PART BB

Intentionally Omitted

## PART CC

Section 1. Paragraph 4 of subdivision (b) of section 1101 of the tax law is amended by adding a new subparagraph (v) to read as follows:

**(v) Notwithstanding the provisions of subparagraph (i) of this paragraph, the following sales of tangible personal property shall be deemed to be retail sales: (A) a sale to a single member limited liability company or a subsidiary for resale to its member or owner, where such single member limited liability company or subsidiary is disregarded as an entity separate from its owner for federal income tax purposes (without reference to any special rules related to the imposition of certain federal taxes), including but not limited to certain employment and excise taxes; (B) a sale to a partnership for resale to one or more of its partners; or (C) a sale to a trustee of a trust for resale to one or more beneficiaries of such trust.**

§ 2. Subdivision 2 of section 1118 of the tax law, as amended by section 4 of subpart B of part S of chapter 57 of the laws of 2010, is amended to read as follows:

(2)**(a)** In respect to the use of property or services purchased by the user while a nonresident of this state, except in the case of tangible personal property or services which the user, in the performance of a contract, incorporates into real property located in the state. A person while engaged in any manner in carrying on in this state any employment, trade, business or profession, shall not be deemed a nonresident with respect to the use in this state of property or services in such employment, trade, business or profession. This exemption does not apply to the use of qualified property where the qualified property is purchased primarily to carry individuals, whether or not for hire, who are agents, employees, officers, shareholders, members, managers, partners, or directors of (A) the purchaser, where any of those individuals was a resident of this state when the qualified property was purchased or (B) any affiliated person that was a resident when the qualified property was purchased. For purposes of this subdivision: (i) persons are affil-

iated persons with respect to each other where one of the persons has an ownership interest of more than five percent, whether direct or indirect, in the other, or where an ownership interest of more than five percent, whether direct or indirect, is held in each of the persons by another person or by a group of other persons that are affiliated persons with respect to each other; (ii) "qualified property" means [~~aircraft,~~] vessels and motor vehicles; and (iii) "carry" means to take any person from one point to another, whether for the business purposes or pleasure of that person. For an exception to the exclusions from the definition of "retail sale" applicable to [~~aircraft and~~] vessels, see subdivision (q) of section eleven hundred eleven of this article.

**(b) Notwithstanding any provision of this article to the contrary, the exclusion in paragraph (a) of this subdivision shall not apply to the use within the state of property or a service purchased outside this state by a nonresident that is not an individual, unless such nonresident has been doing business outside the state for at least six months prior to the date such nonresident brought such property or service into this state.**

§ 3. This act shall take effect immediately.

PART DD

Section 1. Section 1105-C of the tax law, as added by section 24-a of part Y of chapter 63 of the laws of 2000, and subdivision (d) as added by section 1 of part B of chapter 85 of the laws of 2002, is amended to read as follows:

§ 1105-C. Reduced tax rates with respect to certain gas service and electric service. Notwithstanding any other provisions of this article or article twenty-nine of this chapter:

(a) The rates of taxes imposed by this article and pursuant to the authority of article twenty-nine of this chapter on receipts from every sale of gas service or electric service of whatever nature (including the transportation, transmission or distribution of gas or electricity, but not including gas or electricity) shall be [~~reduced each year on September first, beginning in the year two thousand, and each year thereafter, at the rate per year of twenty-five percent of the rates in effect on September first, two thousand, so that the rates of such taxes on such receipts shall be~~] zero percent [~~on and after September first, two thousand three~~] **unless the charge is by the vendor for transportation, transmission or distribution, regardless of whether such charges are separately stated in the written contract, if any, or on the bill rendered to such purchaser and regardless of whether such transportation, transmission, or distribution is provided by such vendor or a third party**.

(b) [~~The provisions of subdivision (b) of section eleven hundred six of this article shall apply to the reduced rates described in subdivision (a) of this section, as if such section referred to this section, provided that any reference in subdivision (b) of such section eleven hundred six to the date August first, nineteen hundred sixty-five, shall be deemed to refer, respectively, to September first of the applicable years described in subdivision (a) of this section, and any reference in subdivision (b) of such section eleven hundred six to July thirty-first, nineteen hundred sixty-five, shall be deemed to refer to the day immediately preceding each such September first, respectively.~~

~~(c) Nothing in this section shall be deemed to exempt from the taxes imposed under this article or pursuant to the authority of article twen-~~

~~ty-nine of this chapter any transaction which may not be subject to the reduced rates of such taxes, each year, as set forth in subdivision (a) of this section in effect on the respective September first.~~

~~(d)~~] For [~~the purpose~~] **purposes** of [~~the reduced rate of tax provided by~~] subdivision (a) of this section, [~~the following shall apply to a sale, other than a sale for resale, of the~~] **where the** transportation, transmission or distribution of gas or electricity [~~by a vendor not subject to the supervision of the public service commission where such transportation, transmission or distribution service being~~] **is** sold [~~is~~] wholly within a service area of the state wherein the public service commission [~~shall have~~] **has** approved by formal order a single retailer model for the regulated utility which has the responsibility to serve that area[~~. Where such a vendor makes a sale, other than a sale for resale, of gas or electricity to be delivered to a customer within such service area and, for the purpose of transporting, transmitting or distributing such gas or electricity, also makes a sale of transportation, transmission or distribution service to such customer~~], the charge for [~~the~~] **such** transportation, transmission or distribution [~~of gas or electricity wholly within such service area made by such vendor, notwithstanding paragraph three of subdivision (b) of section eleven hundred one of this article, shall not be included in the receipt for such gas or electricity, and, therefore,~~] **when made by the provider who also sells, other than as a sale for resale, the gas or electricity,** shall qualify for such reduced rate.

§ 2. This act shall take effect immediately.

PART EE

Intentionally Omitted

PART FF

Intentionally Omitted

PART GG

Intentionally Omitted

PART HH

Intentionally Omitted

PART II

Intentionally Omitted

PART JJ

Intentionally Omitted

PART KK

Intentionally Omitted

PART LL

Section 1. Subdivision 2 of section 902 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended and four new subdivisions 3, 4, 5 and 6 are added to read as follows:

2. Notwithstanding any inconsistent provision of the law, all costs and expenses of the [~~state racing and wagering board~~] gaming commission for equine drug testing and research shall be paid from an appropriation from the state treasury, on the certification of the [~~chairman of the state racing and wagering board~~] executive director of the commission, upon the audit and warrant of the comptroller and pursuant to a plan developed by the [~~state racing and wagering board~~] commission as approved by the director of the budget; provided, however, the commission may direct the assessment imposed pursuant to subdivision three of this section to be paid directly to the laboratory authorized to conduct equine drug testing pursuant to subdivision one of this section, provided however, upon direction of the commission, any amounts directly paid to such laboratory shall constitute an encumbrance of appropriation.

3. (a) The commission may impose an assessment on each race track licensed or franchised pursuant to this chapter, and an additional per start fee, for any additional costs and expenses of equine drug testing and research conducted at a laboratory authorized pursuant to subdivision one of this section, after all other funds for such purpose have been expended.

(b) (i) The commission shall establish an assessable amount by May first of each year based on the projected deficit of revenues deposited into the racing regulation account established by section ninety-nine-i of the state finance law, including funds deposited pursuant to sections one hundred fifteen, two hundred thirty-six, two hundred thirty-eight, three hundred seven, three hundred eight, three hundred eighteen, five hundred twenty-seven, one thousand seven, one thousand eight, one thousand nine, one thousand fourteen, one thousand fifteen, one thousand sixteen, and one thousand eighteen of this chapter in relation to the conduct of racing, the amount of funds paid for equipment pursuant to subdivision two of section two hundred twenty-eight of this chapter, the amount of funds received by the commission from the purse enhancement account for equine health and safety pursuant to paragraph two of subdivision b of section sixteen hundred twelve of the tax law in relation to video lottery terminal facilities at race tracks licensed pursuant to articles two and three of this chapter, and by the amount of funds generated by any other existing fees, taxes and assessments paid by race tracks or owners licensed pursuant to articles two and three of this chapter for the purpose of equine drug testing, compared to expenses in the racing regulation account. The commission shall impose the assessable amount as an assessment upon each race track, and as an additional per start fee on each owner. In no event shall the total assessable amount exceed the total expense projected by the commission for equine drug testing and research conducted at a laboratory authorized pursuant to subdivision one of this section during that year.

(ii) The total value of the assessment imposed upon all race tracks shall be fifty percent of the assessable amount calculated by subparagraph (i) of this paragraph, and shall be assessed in a manner that is proportional to the number of starts at each race track during the previous year. In no event shall any race track impose the cost of such assessment, in part or in whole, on any owner or trainer.

(iii) The total value of the additional per start fee imposed on owners licensed pursuant to this chapter as an additional per start fee shall be fifty percent of the assessable amount calculated by subparagraph (i) of this paragraph divided by the total number of starts in the previous year, and shall be assessed and paid in the same manner, and in addition to, the fee for the start of a horse in New York state pari-mutuel races provided by section one hundred fifteen-a of this chapter.

4. Payment of the assessment imposed by this section shall be made to the commission, or to the laboratory authorized to conduct equine drug testing if directed by the commission, by each entity required to make such payments. Payments of such assessment shall be made on the last business day of each month and shall cover one-twelfth of the annual assessment, provided however that all such payments required to be made on the last day of April shall be due with the May payment. A penalty of five percent, and interest at the rate of one percent per month from the date the assessment, is due to the date of the payment of the assessment, and shall be payable in case any assessment imposed by this chapter is not paid when due. If the commission determines that any payment received under this section was paid in error, the commission may cause the same to be refunded without interest out of any monies collected thereunder, provided an application therefor is filed with the commission within one year from the time the erroneous payment is made.

5. Any deficit in the racing regulation account on March thirty-first of each year, excluding any deficit attributed to the negative fund balance as of March thirty-first, two thousand seventeen, shall be added to the assessable amount for the following year. Fifty percent of any surplus in such account as of March thirty-first of each year, not to exceed the amount of the assessment imposed on race tracks in that year, shall be used to reduce the assessment imposed on each race track in the following year in proportion to the amount paid by each race track in the year of the surplus. Fifty percent of any surplus in such account as of March thirty-first of each year, not to exceed the total amount of the additional start fees in that year, shall be used to reduce the additional per start fee in the following year. Such reduction shall be calculated in the same manner as the additional per start fee.

6. Not later than May first, each year, the commission shall submit to the director of the budget, the temporary president of the senate and the speaker of the assembly a report on the revenue generated by the assessment, the total cost of equine drug testing, and any projected deficit or surplus in the racing regulation account. The commission shall also publish such report on the commission's website as soon as practicable.

§ 2. This act shall take effect immediately.

## PART MM

Section 1. Paragraph (b) of subdivision 2 of section 435 of the executive law, as amended by chapter 164 of the laws of 2003, is amended to read as follows:

(b) No person, firm or corporation, other than an organization [~~which~~] that is or has been during the preceding twelve months duly licensed to conduct bingo games, shall sell or distribute bingo supplies or equipment without having first obtained a license therefor upon a written or electronic application made, verified and filed with the commission in the form prescribed by the rules and regulations of the commission. As a part of its determination concerning the applicant's suitability for

licensing as a bingo supplier, the [~~New York state racing and wagering board~~] commission shall require the applicant to furnish to such board two sets of fingerprints. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. In each such application for a license under this section shall be stated the name and address of the applicant; the names and addresses of its officers, directors, shareholders or partners; the amount of gross receipts realized on the sale or distribution of bingo supplies and equipment to duly licensed organizations during the last preceding calendar or fiscal year, and such other information as shall be prescribed by such rules and regulations. The fee for such license shall be a sum equal to twenty-five dollars plus an amount based upon the gross sales, if any, of bingo equipment and supplies to authorized organizations by the applicant during the preceding calendar year, or fiscal year if the applicant maintains his or her accounts on a fiscal year basis, and determined in accordance with the following schedule:

gross sales of $1,000 to $4,999.....$10.00
gross sales of $5,000 to $19,999.....$50.00
gross sales of $20,000 to $49,999.....$200.00
gross sales of $50,000 to $100,000.....$500.00
gross sales in excess of $100,000.....$1,000.00

§ 2. Section 476 of the general municipal law is amended by adding a new subdivision 13 to read as follows:

13. "Ancillary non-gaming activity" shall mean any activity not directly related to the conduct or outcome of any game of bingo, and shall include assisting at any food concession, cleaning, maintenance and site preparation at the location where games of bingo are conducted.

§ 3. Subdivisions 5 and 6 of section 479 of the general municipal law, as amended by chapter 328 of the laws of 1994, are amended to read as follows:

5. No prize shall exceed the sum or value of [~~one~~] five thousand dollars in any single game of bingo.

6. No series of prizes on any one bingo occasion shall aggregate more than [~~three~~] fifteen thousand dollars.

§ 4. Section 480 of the general municipal law, as amended by chapter 438 of the laws of 1962, paragraph (a) of subdivision 1 as amended by chapter 611 of the laws of 1963, paragraph (b) of subdivision 2 as amended by chapter 413 of the laws of 1963, is amended to read as follows:

§ 480. Application for license. 1. To conduct bingo. (a) Each applicant for a license to conduct bingo shall, after obtaining an identification number from the control commission, file with the clerk of the municipality a written or electronic application therefor in the form prescribed in the rules and regulations of the control commission, duly executed and verified, in which such applicant shall [~~be stated~~] state:

(1) the name and address of the applicant together with sufficient facts relating to [~~its~~] such applicant's incorporation and organization to enable the governing body of the municipality to determine whether or not [~~it~~] the applicant is a bona fide authorized organization;

(2) the names and addresses of [~~its~~] the applicant's officers; the place or places where, and the date or dates and the time or times when, the applicant intends to conduct bingo under the license applied for;

(3) in case the applicant intends to lease premises for this purpose from other than an authorized organization, the name and address of the licensed commercial lessor of such premises, and the capacity or potential capacity for public assembly purposes of space in any premises presently owned or occupied by the applicant;

(4) the amount of rent to be paid or other consideration to be given directly or indirectly for each occasion for use of the premises of another authorized organization licensed under this article to conduct bingo or for use of the premises of a licensed commercial lessor;

(5) all other items of expense intended to be incurred or paid in connection with the holding, operating and conducting of such games of bingo and the names and addresses of the persons to whom, and the purposes for which, they are to be paid;

(6) the specific purposes to which the entire net proceeds of such games **of bingo** are to be devoted and in what manner; that no commission, salary, compensation, reward or recompense will be paid to any person for conducting such bingo game or games or for assisting therein except as in this article otherwise provided; and such other information as shall be prescribed by [~~such~~] **the** rules and regulations **of the commission**.

(b) In each application there shall be designated an active member or members of the applicant organization under whom the game or games of bingo will be conducted and to the application shall be appended a statement executed by the member or members so designated, that he**, she** or they will be responsible for the conduct of such bingo games in accordance with the terms of the license, [~~and~~] the rules and regulations of the commission and [~~of~~] this article.

2. Commercial lessor. (a) Each applicant for a license to lease premises to a licensed organization for the purposes of conducting bingo therein shall file with the clerk of the municipality [~~a written~~] **an** application therefor in a form prescribed in the rules and regulations of the control commission duly executed and verified, which shall set forth the name and address of the applicant; designation and address of the premises intended to be covered by the license sought; lawful capacity for public assembly purposes; cost of premises and assessed valuation for real estate tax purposes, or annual net lease rent, whichever is applicable; gross rentals received and itemized expenses for the immediately preceding calendar or fiscal year, if any; gross rentals, if any, derived from bingo during the last preceding calendar or fiscal year; computation by which proposed rental schedule was determined; number of occasions on which applicant anticipates receiving rent for bingo during the ensuing year or shorter period if applicable; proposed rent for each such occasion; estimated gross rental income from all other sources during the ensuing year; estimated expenses itemized for ensuing year and amount of each item allocated to bingo rentals; a statement that the applicant in all respects conforms with the specifications contained in the definition of "authorized commercial lessor" set forth in section four hundred seventy-six of this article, and such other information as shall be prescribed by [~~such~~] **the** rules and regulations **of the commission**.

(b) At the end of the license period, a recapitulation, in a manner prescribed in the rules and regulations of the commission, shall be made as between the licensee and the municipal governing body in respect of the gross rental actually received during the license period and the fee paid therefor[~~, and any~~]**. The licensee shall pay any** deficiency of fee thereby shown to be due [~~shall be paid by the licensee~~] and any excess

of fee thereby shown to have been paid shall be credited to [~~said~~] **such** licensee, in such manner as the commission by rules and regulations shall prescribe.

§ 5. Paragraph (a) of subdivision 1 of section 481 of the general municipal law, as amended by section 17 of part LL of chapter 56 of the laws of 2010, is amended to read as follows:

(a) Issuance of licenses to conduct bingo. If the governing body of the municipality [~~shall determine~~] **determines** that the applicant is duly qualified to be licensed to conduct bingo under this article; that the member or members of the applicant designated in the application to conduct bingo are bona fide active members of the applicant and are persons of good moral character and have never been convicted of a crime or, if convicted, have received a pardon or a certificate of good conduct or a certificate of relief from disabilities pursuant to article twenty-three of the correction law; that such games **of bingo** are to be conducted in accordance with the provisions of this article and in accordance with the rules and regulations of the commission, and that the proceeds thereof are to be disposed of as provided by this article, and if the governing body is satisfied that no commission, salary, compensation, reward or recompense [~~whatever~~] **what so ever** will be paid or given to any person holding, operating or conducting or assisting in the holding, operation and conduct of any such games **of bingo** except as in this article otherwise provided; and that no prize will be offered and given in excess of the sum or value of [~~one~~] **five** thousand dollars in any single game and that the aggregate of all prizes offered and given in all of such games conducted on a single occasion, under said license shall not exceed the sum or value of [~~three~~] **fifteen** thousand dollars, [~~it~~] **then the municipality** shall issue a license to the applicant for the conduct of bingo upon payment of a license fee of eighteen dollars and seventy-five cents for each bingo occasion; provided, however, that the governing body shall refuse to issue a license to an applicant seeking to conduct bingo in premises of a licensed commercial lessor where [~~it~~] **such governing body** determines that the premises presently owned or occupied by [~~said~~] **such** applicant are in every respect adequate and suitable for conducting bingo games.

§ 6. Section 486 of the general municipal law, as amended by chapter 438 of the laws of 1962, is amended to read as follow:

§ 486. Participation by persons under **the age of** eighteen. No person under the age of eighteen years shall be permitted to play any game or games of bingo conducted pursuant to any license issued under this article [~~unless accompanied by an adult~~]. No person under the age of eighteen years shall be permitted to conduct**, operate** or assist in the conduct of any game of bingo conducted pursuant to any license issued [~~under~~] **pursuant to** this article**. Nothing in this section shall prevent a person sixteen years of age or older from performing ancillary non-gaming activities conducted in conjunction with any game of bingo conducted pursuant to any license pursuant to this article**.

§ 7. Intentionally omitted.

§ 8. Section 490 of the general municipal law, as amended by chapter 99 of the laws of 1988, is amended to read as follows:

§ 490. Advertising of bingo games. A licensee may advertise the conduct of an occasion of bingo to the general public by means of newspaper, radio, circular, handbill and poster, [~~and~~] by one sign not exceeding sixty square feet in area, which may be displayed on or adjacent to the premises owned or occupied by a licensed authorized organization, [~~and when~~] **and through the internet or television as may be**

regulated by the rules and regulations of the commission. When an organization is licensed to conduct bingo occasions on the premises of another licensed authorized organization or of a licensed commercial lessor, one additional such sign may be displayed on or adjacent to the premises in which the occasions are to be conducted. Additional signs may be displayed upon any firefighting or ambulance equipment belonging to any licensed authorized organization which is a volunteer fire company, volunteer ambulance corps or upon any equipment of a first aid or rescue squad in and throughout the community served by such volunteer fire company, volunteer ambulance corps or such first aid or rescue squad, as the case may be. All advertisements shall be limited to the description of such event as "bingo", the name of the licensed authorized organization conducting such bingo occasions, the license number of the authorized organization as assigned by the clerk; the prizes offered and the date, location and time of the bingo occasion.

§ 9. Subdivision 1 of section 491 of the general municipal law, as amended by chapter 667 of the laws of 1980, is amended to read as follows:

1. Within seven days after the conclusion of any occasion of bingo, the authorized organization [~~which~~] that conducted the same, and [~~its~~] such authorized organization's members who were in charge thereof, and when applicable the authorized organization [~~which~~] that rented its premises therefor, shall each furnish to the clerk of the municipality a statement subscribed by the member in charge and affirmed by [~~him~~] such person as true, under the penalties of perjury, showing the amount of the gross receipts derived therefrom and each item of expense incurred, or paid, and each item of expenditure made or to be made, the name and address of each person to whom each such item has been paid, or is to be paid, with a detailed description of the merchandise purchased or the services rendered therefor, the net proceeds derived from such game or rental, as the case may be, and the use to which such proceeds have been or are to be applied and a list of prizes offered and given, with the respective values thereof[~~, and it~~]. A clerk may make provisions for the option for the electronic filing of such statement. It shall be the duty of each licensee to maintain and keep such books and records as may be necessary to substantiate the particulars of each such statement and within fifteen days after the end of each calendar quarter during which there has been any occasion of bingo, a summary statement of such information, in form prescribed by the [~~state~~] commission, shall be furnished in the same manner to the [~~state racing and wagering board~~] commission.

§ 10. Subdivision 3-b and paragraph (c) of subdivision 5 of section 186 of the general municipal law, as amended by subdivision 3-b as added by chapter 550 of the laws of 1994, paragraph (c) of subdivision 5 as amended by chapter 881 of the laws of 1981, are amended to read as follows:

3-b. "Raffle" shall mean and include those games of chance in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as a result of:

(a) a drawing from among those tickets or receipts previously sold; or

(b) a random event, the results of which correspond with tickets or receipts previously sold.

(c) Those [~~which shall~~] that otherwise lessen the burdens borne by government or [~~which~~] that are voluntarily undertaken by an authorized organization to augment or supplement services which government would

normally render to the people, including, in the case of volunteer [~~firemen's~~] **firefighters or voluntary emergency medical service** activities, the purchase, erection or maintenance of a building for a firehouse **or a volunteer ambulance corps building**, activities open to the public for the enhancement of membership[~~,~~] and the purchase of equipment [~~which~~] **that** can reasonably be expected to increase the efficiency of response to fires, accidents, **medical emergencies,** public calamities and other emergencies.

§ 11. Subdivisions 5, 6 and 13 of section 189 of the general municipal law, subdivision 5 as amended by chapter 434 of the laws of 2016, subdivision 6 as amended by chapter 302 of the laws of 2010, and subdivision 13 as amended by chapter 252 of the laws of 1998, are amended to read as follows:

5. **(a)** No single prize awarded by games of chance other than raffle shall exceed the sum or value of three hundred dollars, except that for merchandise wheels, no single prize shall exceed the sum or value of two hundred fifty dollars**, and for bell jar, no single prize shall exceed the sum or value of one thousand dollars**.

**(b)** No single prize awarded by raffle shall exceed the sum or value of three hundred thousand dollars.

**(c)** No single wager shall exceed six dollars and for bell jars, coin boards[~~,~~] or merchandise boards, no single prize shall exceed [~~five hundred~~] **one thousand** dollars**,** provided, however, that such limitation shall not apply to the amount of money or value paid by the participant in a raffle in return for a ticket or other receipt.

**(d)** For coin boards and merchandise boards, the value of a prize shall be determined by [~~its costs~~] **the cost of such prize** to the authorized organization or, if donated, [~~its~~] **the** fair market value **of such prize**.

6. **(a)** No authorized organization shall award a series of prizes consisting of cash or of merchandise with an aggregate value in excess of**:**

**(1)** ten thousand dollars during the successive operations of any one merchandise wheel[~~,~~] **;** and

**(2)** [~~three~~] **six** thousand dollars during the successive operations of any bell jar, coin board[~~,~~] or merchandise board.

**(b)** No series of prizes awarded by raffle shall have an aggregate value in excess of five hundred thousand dollars.

**(c)** For coin boards and merchandise boards, the value of a prize shall be determined by [~~its cost~~] **the cost of such prize** to the authorized organization or, if donated, [~~its~~] **the** fair market value **of such prize**.

13. **(a)** No game of chance**, other than a raffle that complies with paragraph (b) of this subdivision,** shall be conducted on other than the premises of an authorized organization or an authorized games of chance lessor. [~~Nothing herein shall prohibit the sale of raffle~~]

**(b) Raffle** tickets **may be sold** to the public**, and a raffle drawing may occur,** outside the premises of an authorized organization or an authorized games of chance lessor[~~; or in municipalities which have~~] **if such sales occur, or such drawing occurs, in a municipality that:**

**(1) has** passed a local law, ordinance or resolution in accordance with sections one hundred eighty-seven and one hundred eighty-eight of this article approving the conduct of games of chance**;**

**(2)** [~~that are~~] **is** located in the county in which the municipality issuing the **raffle** license is located [~~and~~] **or** in [~~the counties which are~~] **a county that is** contiguous to the county in which the municipality issuing the raffle license is located[~~, provided those municipalities~~

~~have authorized the licensee, in writing, to sell such raffle tickets therein and provided, however, that no~~];

(3) has not objected to such sales after the gaming commission gives notice to such municipality of an authorized organization's request to sell such raffle tickets in such municipality; and

(4) has not objected to the location in such municipality that such drawing is proposed to occur, after the commission gives notice to such municipality of an authorized organization's request to conduct such drawing in such municipality. A location of a drawing may be on state-owned property so long as the authorized organization conducting the raffle obtains all required authorizations to do so and complies with this paragraph.

(c) The gaming commission may by regulation prescribe the advance notice an authorized organization must provide to the gaming commission in order to take advantage of the provisions of paragraph (b) of this subdivision, forms in which such a request shall be made and the time period in which a municipality must communicate an objection to the gaming commission.

(d) No sale of raffle tickets shall be made more than one hundred eighty days prior to the date scheduled for the occasion at which the raffle will be conducted.

(e) The winner of any single prize in a raffle shall not be required to be present at the time such raffle is conducted.

§ 12. Subdivisions 1 and 2 of section 190-a of the general municipal law, as amended by chapter 400 of the laws of 2005, are amended to read as follows:

1. Notwithstanding the licensing requirements set forth in this article and their filing requirements set forth in subdivision four of section one hundred ninety of this article, an authorized organization may conduct a raffle without complying with such licensing requirements or such filing requirements, provided, that such organization shall derive net proceeds from raffles in an amount less than five thousand dollars during the conduct of one raffle and shall derive net proceeds from raffles in an amount less than [~~twenty~~] thirty thousand dollars during one calendar year.

2. (a) For the purposes of this section, "authorized organization" shall mean and include any bona fide religious or charitable organization or bona fide educational, fraternal or service organization or bona fide organization of veterans [~~or~~], volunteer [~~firefighter, which~~] firefighters or volunteer ambulance workers that by its charter, certificate of incorporation, constitution, or act of the legislature, [~~shall have~~] has among its dominant purposes one or more of the lawful purposes as defined in this article, provided that each shall operate without profit to its members[~~,~~] and provided that each such organization has engaged in serving one or more of the lawful purposes as defined in this article for a period of [~~three years~~] one year immediately prior to being granted the filing requirement exemption contained in subdivision one of this section.

(b) No organization shall be deemed an authorized organization [~~which~~] that is formed primarily for the purpose of conducting games of chance and [~~which~~] that does not devote at least seventy-five percent of its activities to other than conducting games of chance. No political party shall be deemed an authorized organization.

§ 13. Section 195-d of the general municipal law, as amended by chapter 637 of the laws of 1999, is amended to read as follows:

§ 195-d. Charge for admission and participation; amount of prizes; award of prizes. 1. A fee may be charged by any licensee for admission to any game or games of chance conducted under any license issued under this article. The clerk or department may in its discretion fix a minimum fee.

2. With the exception of bell jars, coin boards, seal cards, merchandise boards[~~,~~] and raffles, every winner shall be determined and every prize shall be awarded and delivered within the same calendar day as that upon which the game was played. No alcoholic beverage shall be offered or given as a prize in any game of chance.

**3. A player may purchase a chance with cash or, if the authorized organization wishes, with a personal check.**

§ 14. Section 195-e of the general municipal law, as amended by section 94 of the laws of 1981, is amended to read as follows:

§ 195-e. Advertising games. A licensee may advertise the conduct of games of chance to the general public by means of newspaper, circular, handbill and poster, and by one sign not exceeding sixty square feet in area, which may be displayed on or adjacent to the premises owned or occupied by a licensed authorized organization, [~~and when~~] **through the internet or television as may be regulated by the rules and regulations of the commission. When** an organization is licensed **or authorized** to conduct games of chance on **the** premises of an authorized games of chance lessor, one additional such sign may be displayed on or adjacent to the premises in which the games are to be conducted. Additional signs may be displayed upon any [~~fire fighting~~] **firefighting or ambulance** equipment belonging to any licensed authorized organization [~~which~~] **that** is a volunteer fire company, **volunteer ambulance corps** or upon any equipment of a first aid or rescue squad in and throughout the community served by such volunteer fire company**, volunteer ambulance corps** or such first aid or rescue squad, as the case may be. All advertisements shall be limited to the description of such event as "Games of chance" or "Las Vegas Night", the name of the authorized organization conducting such games, the license number of the authorized organization as assigned by the clerk or department**, the prizes offered** and the date, location and time of the event.

§ 15. Subdivision 2 of section 195-f of the general municipal law, as amended by chapter 678 of the laws of 2004, is amended to read as follows:

2. Within thirty days after the conclusion of an occasion during which a raffle was conducted, the authorized organization conducting such raffle and the members in charge of such raffle, and, when applicable, the authorized games of chance lessor [~~which~~] **that** rented its premises therefor, shall each furnish to the clerk or department a statement on a form prescribed by the [~~board~~] **gaming commission**, subscribed by the member in charge and affirmed by him **or her** as true, under the penalties of perjury, showing the number of tickets printed, the number of tickets sold, the price, and the number of tickets returned to or retained by the authorized organization as unsold, a description and statement of the fair market value for each prize actually awarded, the amount of the gross receipts derived therefrom, each item of expenditure made or to be made other than prizes, the name and address of each person to whom each such item of expense has been paid, or is to be paid, a detailed description of the merchandise purchased or the services rendered therefor, the net proceeds derived from the raffle at such occasion, the use to which the proceeds have been or are to be applied [~~and~~]**. It** shall be the duty of each licensee to maintain and keep such books and records as

may be necessary to substantiate the particulars of each such statement, provided, however, where the cumulative net proceeds or net profits derived from the conduct of a raffle or raffles are less than thirty thousand dollars during any one occasion, in such case, the reporting requirement shall be satisfied by the filing within thirty days of the conclusion of such occasion a verified statement prescribed by the [~~board~~] gaming commission attesting to the amount of such net proceeds or net profits and the distribution thereof for lawful purposes with the clerk or department and a copy with the [~~board~~] gaming commission, and provided further, however, where the cumulative net proceeds derived from the conduct of a raffle or raffles are less than five thousand dollars during any one occasion and less than [~~twenty~~] thirty thousand dollars during one calendar year, no reporting shall be required.

§ 16. Subdivision 5 of section 195-o of the general municipal law, as amended by section 637 of the laws of 1999, is amended to read as follows:

5. Reports. A distributor shall report quarterly to the [~~board~~] gaming commission, on a form prescribed by the [~~board~~] gaming commission, its sales of each type of bell jar deal or tickets. This report shall be filed quarterly on or before the twentieth day of the month succeeding the end of the quarter in which the sale was made. The [~~board~~] gaming commission may require that a distributor submit the quarterly report and invoices required by this section via [~~magnetic~~] electronic media or electronic data transfer.

§ 17. This act shall take effect on the ninetieth day after it shall have become a law.

## PART NN

Section 1. Section 207 of the racing, pari-mutuel wagering and breeding law, as added by chapter 18 of the laws of 2008, paragraphs a, b and c of subdivision 1 as added by section 4, paragraph c of subdivision 1 as added by section 5 and subdivision 5 as added by section 6 of chapter 457 of the laws of 2012, and paragraph d of subdivision 1 as amended by section 1 of part C of chapter 73 of the laws of 2016, is amended to read as follows:

§ 207. Board of directors of a franchised corporation. 1. a. The board of directors, to be called the New York racing association [~~reorganization~~] board, shall consist of seventeen members[~~, five of whom shall be elected by the present class A directors of The New York Racing Association, Inc., eight to be~~] who shall have equal voting rights: two appointed by the governor, two [~~to be~~] appointed by the temporary president of the senate and two [~~to be~~] appointed by the speaker of the assembly; eight appointed by the executive committee of the New York racing association reorganization board of directors constituted pursuant to chapter four hundred fifty-seven of the laws of two thousand twelve, which shall continue to exist until such time as the appointments required hereunder are made. The New York racing association will include knowledge of the marketplace and communities in which the New York racing association operates as a factor in board selection; one who shall be the president and chief executive officer of the franchised corporation, ex officio and without term limitation; one appointed by the New York Thoroughbred Breeders, Inc.; and one appointed by the New York thoroughbred horsemen's association representing at least fifty-one percent of the horsemen using the facilities of the franchised corporation. The New York racing association board may include additional ex

officio, non-voting members as appointed pursuant to a majority vote of the board. All public appointed members of the board shall be a resident of New York state.

(i) The governor shall nominate a member to serve as chair for an initial term of three years, who shall serve at the pleasure of the governor, subject to confirmation by majority vote of the board [~~of directors. All non-ex officio members shall have equal voting rights~~]. Thereafter, the board shall elect its chair, who shall serve at the pleasure of the board, from among its members.

(ii) The term of voting membership on the New York racing association board shall be three years. Individual appointees shall be limited to serving as a voting member the lesser of three terms or nine years. Notwithstanding the foregoing, the initial term of one member appointed by each of the governor, temporary president of the senate, and speaker of the assembly, the member appointed by the New York thoroughbred horsemen's association, and the member appointed by the New York Thoroughbred Breeders, Inc. shall expire March thirty-first, two thousand eighteen; the initial term of the remaining members appointed by each of the governor, temporary president of the senate, and speaker of the assembly and two members appointed by the New York racing association reorganization board shall expire on March thirty-first, two thousand nineteen; and the remaining members shall serve full three-year terms.

(iii) In the event of a member vacancy occurring by death, resignation or otherwise, the respective appointing [~~officer or officers~~] authority shall appoint a successor who shall hold office for the unexpired portion of the term. [~~A vacancy from the members appointed from the present board of The New York Racing Association, Inc., shall be filled by the remaining such members~~] In the case of vacancies among members appointed by the executive committee of the New York racing association reorganization board of directors constituted pursuant to chapter four hundred fifty-seven of the laws of two thousand twelve, appointments thereafter shall be made by the executive committee of the New York racing association board as constituted by the chapter of the laws of two thousand seventeen that amended this section.

b. The franchised corporation shall establish a compensation committee to fix salary guidelines, such guidelines to be consistent with an operation of other first class thoroughbred racing operations in the United States; a finance and audit committee, to review annual operating and capital budgets for each of the three racetracks; a nominating and governance committee, to nominate any new directors to be designated by the franchised corporation to replace its existing directors and be responsible for all issues affecting the governance of the franchised corporation; an equine safety committee to review industry best practices to improve the safety of horse racing of the three racetracks; a racing committee to address all issues related to racing operations; and an executive committee. Each of the compensation, finance, nominating and executive committees shall include at least one [~~of~~] public member from among the directors appointed by the governor[~~, and the executive committee shall include at least one of the directors appointed by the temporary president of the senate and at least one of the directors appointed by the speaker of the assembly~~].

[~~b. In addition to these voting members, the board shall have two ex officio members to advise on critical economic and equine health concerns of the racing industry, one appointed by the New York Thoroughbred Breeders Inc., and one appointed by the New York thoroughbred~~

~~horsemen's association (or such other entity as is certified and approved pursuant to section two hundred twenty-eight of this article).~~

~~c. All directors shall serve at the pleasure of their appointing authority.~~]

c. Upon the effective date of this paragraph, the structure of the **New York racing association** board [~~of the franchised corporation~~] shall be deemed to be incorporated within and made part of the certificate of incorporation of the franchised corporation, and no amendment to such certificate of incorporation shall be necessary to give effect to any such provision, and any provision contained within such certificate inconsistent in any manner shall be superseded by the provisions of this section. Such board shall, however, make appropriate conforming changes to all governing documents of the franchised corporation including but not limited to corporate by-laws. Following such conforming changes, amendments to the by-laws of the franchised corporation shall [~~only~~] be made **only** by unanimous vote of the board.

[~~d. The board, which shall become effective upon appointment of a majority of public members, shall terminate five years from its date of creation.~~]

2. Members of the **New York racing association** board [~~of directors~~] shall serve without compensation for their services, but [~~publicly appointed members of the board~~] shall be entitled to reimbursement from the franchised corporation for actual and necessary expenses incurred in the performance of their [~~official~~] duties **for the board**.

3. Members of the **New York racing association** board [~~of directors~~], except as otherwise provided by law, may engage in private employment, or in a profession or business, however no member shall have any direct or indirect economic interest in any video lottery gaming facility, excluding incidental benefits based on purses or awards won in the ordinary conduct of racing operations, or any direct or indirect interest in any development undertaken at the racetracks of the state racing franchise **including real estate development parcels as defined in the franchise agreement**.

4. The affirmative vote of a majority of members of the **New York racing association** board [~~of directors~~] shall be necessary for the transaction of any business or the exercise of any power or function of the franchised corporation. The franchised corporation may delegate on an annual basis to one or more of its members, or its officers, agents or employees, such powers and duties as it may deem proper.

5. Each voting member of the **New York racing association** board [~~of directors~~] of the franchised corporation shall annually make a written disclosure to [~~the~~] **such** board of any interest held by the director, such director's spouse or unemancipated child, in any entity undertaking business in the racing or breeding industry. Such interest disclosure shall be promptly updated, in writing, in the event of any material change.

The **New York racing association** board shall establish parameters for the reporting and disclosure of such director interests.

**6. Each voting member of the New York racing association board appointed by the executive committee of the New York racing association reorganization board of directors shall seek a racetrack management license issued by the gaming commission, any fees for which shall be waived by the commission. No voting member of the board required by the foregoing to seek a racetrack management license may vote on any board matter until such license is issued.**

**7. For purposes of section two hundred twelve of this article, the establishment of The New York Racing Association, Inc. board of directors under this section shall not constitute the assumption of the franchise by a successor entity.**

**8. The franchise corporation shall not have any direct or indirect ownership, control, influence, or investment, in any franchise oversight board approved development or such alternative use as may be approved by the franchise oversight board conducted on the real estate development parcels as defined in the franchise agreement.**

§ 2. Subparagraphs (ii), (iii), (vii) and (xvii) of paragraph a of subdivision 8 of section 212 of the racing, pari-mutuel wagering and breeding law, as added by chapter 18 of the laws of 2008, are amended, subparagraph (xviii) is renumbered subparagraph (xx) and two new subparagraphs (xviii) and (xix) are added to read as follows:

(ii) monitor and enforce compliance with definitive documents that comprise the franchise agreement between the franchised corporation and the state of New York governing the franchised corporation's operation of thoroughbred racing and pari-mutuel wagering at the racetracks. The franchise agreement shall contain objective performance standards that shall allow contract review in a manner consistent with this chapter. The franchise oversight board shall notify the franchised corporation authorized by this chapter in writing of any material breach of the performance standards or repeated non-material breaches which the franchise oversight board may determine collectively constitute a material breach of the performance standards. Prior to taking any action against such franchised corporation, the franchise oversight board shall provide the franchised corporation with the reasonable opportunity to cure any material breach of the performance standards or repeated non-material breaches which the franchise oversight board may determine collectively constitute a material breach of the performance standards. Upon a written finding of a material breach of the performance standards or repeated non-material breaches which the franchise oversight board may determine collectively constitute a material breach of the performance standards, the franchise oversight board may recommend that the franchise agreement be terminated. The franchise oversight board shall refer such recommendation to the [~~racing and wagering board~~] **commission** for a hearing conducted pursuant to section two hundred forty-five of this article for a determination of whether to terminate the franchise agreement with the franchised corporation;

(iii) oversee, monitor and review all significant transactions and operations of the franchised corporation authorized by this chapter; provided, however, that nothing in this section shall be deemed to reduce, diminish or impede the authority of the [~~state racing and wagering board~~] **commission** to, pursuant to article one of this chapter, determine and enforce compliance by the franchised corporation with terms of racing laws and regulations. Such oversight shall include, but not be limited to:

(A) review and make recommendations concerning the annual operating budgets of such franchised corporation;

(B) review and make recommendations concerning operating revenues and the establishment of a financial plan;

(C) review and make recommendations concerning accounting, internal control systems and security procedures;

(D) review such franchised corporation's revenue and expenditure [~~polices~~] **policies** which shall include collective bargaining agreements

management and employee compensation plans, vendor contracts and capital improvement plans;

(E) review such franchise corporation's compliance with the laws, rules and regulations applicable to its activities;

(F) make recommendations for establishing model governance principles to improve accountability and transparency; and

(G) receive, review, approve or disapprove capital expense plans submitted annually by the franchised corporation.

(vii) review and provide any recommendations on all simulcasting contracts (buy and sell) that are also subject to prior approval of the [~~racing and wagering board~~] commission;

(xvii) request and accept the assistance of any state agency, including but not limited to, the [~~racing and wagering board, the division of the lottery~~] commission, office of parks, recreation and historic preservation, the department of environmental conservation and the department of taxation and finance, in obtaining information related to the franchised corporation's compliance with the terms of the franchise agreement;[~~and~~]

(xviii) when the franchise oversight board determines the financial position of the franchised corporation has deviated materially from the franchised corporation's financial plan, or other such related documents provided to the franchise oversight board, and such deviation is not mitigated by the franchised corporation within one hundred eighty days of the franchise oversight board providing notice of such determination to the franchised corporation, or when the implementation of such plan would, in the opinion of the franchise oversight board, pose a significant risk to the liquidity of the franchised corporation, in any order or combination:

(A) hire, at the expense of the franchised corporation, an independent financial adviser to evaluate the financial position of the franchised corporation and report on such to the franchise oversight board; and

(B) require the franchised corporation to submit for the franchise oversight board's approval a corrective action plan addressing any concerns identified as risks by the franchise oversight board.

(xix) when the franchise oversight board finds the franchised corporation has experienced two consecutive years of material losses due to circumstances within the control of the franchised corporation, as determined by the franchise oversight board, and when the franchised corporation has failed to address concerns identified by the franchise oversight board pursuant to subparagraph (xviii) of this paragraph, the board may by unanimous vote request the director of the budget to impound and escrow racing support payments accruing to the benefit of the franchised corporation pursuant to paragraphs three and four of subdivision f of section sixteen hundred twelve of the tax law. The director of the budget shall release such impounded and escrowed racing support payments upon notice from the franchise oversight board that the franchised corporation has achieved the goals of a new corrective action plan approved by the board.

The director of the budget shall, upon warrant of the franchise oversight board, approve the use of withheld racing support payments necessary to satisfy financial instruments used to fund board-approved capital investments, as approved by the franchise oversight board.

§ 3. Subparagraph (i) of paragraph (d) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part BB of chapter 60 of the laws of 2016, is amended to read as follows:

(i) The pari-mutuel tax rate authorized by paragraph (a) of this subdivision shall be effective so long as a franchised corporation notifies the gaming commission by August fifteenth of each year that such pari-mutuel tax rate is effective of its intent to conduct a race meeting at Aqueduct racetrack during the months of December, January, February, March and April. For purposes of this paragraph such race meeting shall consist of not less than ninety-five days of racing **unless otherwise agreed to in writing by the New York Thoroughbred Breeders Inc., the New York thoroughbred horsemen's association (or such other entity as is certified and approved pursuant to section two hundred twenty-eight of this article) and approved by the commission**. Not later than May first of each year that such pari-mutuel tax rate is effective, the gaming commission shall determine whether a race meeting at Aqueduct racetrack consisted of the number of days as required by this paragraph. In determining the number of race days, cancellation of a race day because of an act of God that the gaming commission approves or because of weather conditions that are unsafe or hazardous which the gaming commission approves shall not be construed as a failure to conduct a race day. Additionally, cancellation of a race day because of circumstances beyond the control of such franchised corporation for which the gaming commission gives approval shall not be construed as a failure to conduct a race day. If the gaming commission determines that the number of days of racing as required by this paragraph have not occurred then the pari-mutuel tax rate in paragraph (a) of this subdivision shall revert to the pari-mutuel tax rates in effect prior to January first, nineteen hundred ninety-five.

§ 4. This act shall take effect April 1, 2017; provided, however, that section one of this act shall take effect upon the appointment of a majority of board members; provided, further, that the state franchise oversight board shall notify the legislative bill drafting commission upon the occurrence of such appointments in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law; provided further that the amendments to section 212 of the racing, pari-mutuel wagering and breeding law made by section two of this act shall not affect the repeal of such section and shall be deemed repealed therewith.

## PART OO

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility

and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [~~seventeen~~] **eighteen**; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [~~seventeen~~] **eighteen**; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

(iii) Of the sums retained by a receiving track located in Westchester county on races received from a franchised corporation, for the period commencing January first, two thousand eight and continuing through June thirtieth, two thousand [~~seventeen~~] **eighteen**, the amount used exclusively for purses to be awarded at races conducted by such receiving track shall be computed as follows: of the sums so retained, two and one-half percent of the total pools. Such amount shall be increased or decreased in the amount of fifty percent of the difference in total commissions determined by comparing the total commissions available after July twen-

ty-first, nineteen hundred ninety-five to the total commissions that would have been available to such track prior to July twenty-first, nineteen hundred ninety-five.

§ 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~seventeen~~] **eighteen** and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [~~seventeen~~] **eighteen**. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that have entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

§ 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

1. The provisions of this section shall govern the simulcasting of races conducted at harness tracks located in another state or country during the period July first, nineteen hundred ninety-four through June thirtieth, two thousand [~~seventeen~~] **eighteen**. This section shall supersede all inconsistent provisions of this chapter.

§ 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~seventeen~~] **eighteen**. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article:

§ 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

Notwithstanding any other provision of this chapter, for the period July twenty-fifth, two thousand one through September eighth, two thousand [~~sixteen~~] **seventeen**, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races run at all in-state thoroughbred tracks which are conducting racing programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article.

§ 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, [~~2017~~] **2018**; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

§ 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, [~~2017~~] **2018**; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

§ 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part FF of chapter 60 of the laws of 2016, is amended to read as follows:

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less an amount which shall be established and retained by such franchised corporation of between twelve to seventeen per centum of the

total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one per centum of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five per centum of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six per centum of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the gaming commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [~~seventeen~~] **eighteen**, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April first, two thousand one through December thirty-first, two thousand [~~seventeen~~] **eighteen**, such payment shall be seven-tenths of one per centum of such pools.

§ 10. This act shall take effect immediately.

## PART PP

Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part EE of chapter 60 of the laws of 2016, is amended to read as follows:

(F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subparagraph, when a vendor track, is located in Sullivan county and within sixty miles from any gaming facility in a contiguous state such vendor fee shall, for a period of [~~nine~~] **ten** years commencing April first, two thousand eight, be at a rate of forty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, after which time such rate shall be as for all tracks in clause (C) of this subparagraph.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

## PART QQ

Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as separately amended by section 1 of part GG and section 2 of part SS of chapter 60 of the laws of 2016, is amended to read as follows:

(H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of this subparagraph, the track operator of a vendor track and in the case of Aqueduct, the video lottery terminal facility operator, shall be eligible for a vendor's capital award of up to four percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which shall be used exclusively for capital project investments to improve the facilities of the vendor track which promote or encourage increased attendance at the video lottery gaming facility including, but not limited to hotels, other lodging facilities, entertainment facilities, retail facilities, dining facilities, events arenas, parking garages and other improvements that enhance facility amenities; provided that such capital investments shall be approved by the division, in consultation with the state racing and wagering board, and that such vendor track demonstrates that such capital expenditures will increase patronage at such vendor track's facilities and increase the amount of revenue generated to support state education programs. The annual amount of such vendor's capital awards that a vendor track shall be eligible to receive shall be limited to two million five hundred thousand dollars, except for Aqueduct racetrack, for which there shall be no annual limit, provided, however, that any such capital award for the Aqueduct video lottery terminal facility operator shall be one percent of the total revenue wagered at the video lottery terminal facility after payout for prizes pursuant to this chapter until the earlier of the designation of one thousand video lottery devices as hosted pursuant to paragraph four of subdivision a of section sixteen hundred seventeen-a of this chapter or April first, two thousand nineteen and shall then be four percent of the total revenue wagered at the video lottery terminal facility after payout for prizes pursuant to this chapter, provided, further, that such capital award shall only be provided pursuant to an agreement with the operator to construct an expansion of the facility, hotel, and convention and exhibition space requiring a minimum capital investment of three hundred million dollars. Except for tracks having less than one thousand one hundred video gaming machines, and except for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania border within New York, and except for Aqueduct racetrack each track operator shall be required to co-invest an amount of capital expenditure equal to its cumulative vendor's capital award. For all tracks, except for Aqueduct racetrack, the amount of any vendor's capital award that is not used during any one year peri-

od may be carried over into subsequent years ending before April first, two thousand [~~seventeen~~] **eighteen**. Any amount attributable to a capital expenditure approved prior to April first, two thousand [~~seventeen~~] **eighteen** and completed before April first, two thousand [~~nineteen~~] **twenty**; or approved prior to April first, two thousand [~~twenty-one~~] **twenty-two** and completed before April first, two thousand [~~twenty-three~~] **twenty-four** for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania border within New York, shall be eligible to receive the vendor's capital award. In the event that a vendor track's capital expenditures, approved by the division prior to April first, two thousand [~~seventeen~~] **eighteen** and completed prior to April first, two thousand [~~nineteen~~] **twenty**, exceed the vendor track's cumulative capital award during the five year period ending April first, two thousand [~~seventeen~~] **eighteen**, the vendor shall continue to receive the capital award after April first, two thousand [~~seventeen~~] **eighteen** until such approved capital expenditures are paid to the vendor track subject to any required co-investment. In no event shall any vendor track that receives a vendor fee pursuant to clause (F) or (G) of this subparagraph be eligible for a vendor's capital award under this section. Any operator of a vendor track which has received a vendor's capital award, choosing to divest the capital improvement toward which the award was applied, prior to the full depreciation of the capital improvement in accordance with generally accepted accounting principles, shall reimburse the state in amounts equal to the total of any such awards. Any capital award not approved for a capital expenditure at a video lottery gaming facility by April first, two thousand [~~seventeen~~] **eighteen** shall be deposited into the state lottery fund for education aid; and

§ 2. This act shall take effect immediately.

## PART RR

Intentionally Omitted

## PART SS

Section 1. Subdivision 6 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 325 of the laws of 2004 and such section as renumbered by chapter 18 of the laws of 2008, is amended to read as follows:

6. **(a)** The fund shall secure workers' compensation insurance coverage on a blanket basis for the benefit of all jockeys, apprentice jockeys and exercise persons licensed pursuant to this article or article four of this chapter who are employees under section two of the workers' compensation law**, and may elect, with the approval of the gaming commission, to secure workers' compensation insurance for employees of licensed trainers or owners. In the event the fund elects, with the approval of the gaming commission, to secure workers' compensation insurance for employees of licensed trainers or owners, the fund may discontinue to secure workers' compensation insurance for employees of licensed trainers or owners only upon prior approval of the gaming commission.**

**(b) The fund may elect, with the approval of the gaming commission, to secure workers' compensation insurance coverage through a form of self-insurance, provided that the fund has met the requirements of the workers' compensation board, including, without limitation, subdivision three of section fifty of the workers' compensation law**.

§ 2. Subdivision 7 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008 and the opening paragraph as amended by section 1 of part PP of chapter 60 of the laws of 2016, is amended to read as follows:

7. In order to pay the costs of the insurance required by this section and by the workers' compensation law and to carry out its other powers and duties and to pay for any of its liabilities under section fourteen-a of the workers' compensation law, the New York Jockey Injury Compensation Fund, Inc. shall ascertain the total funding necessary and establish the sums that are to be paid by all owners and trainers licensed or required to be licensed under section two hundred twenty of this article, to obtain the total funding amount required annually. In order to provide that any sum required to be paid by an owner or trainer is equitable, the fund shall establish payment schedules which reflect such factors as are appropriate, including where applicable, the geographic location of the racing corporation at which the owner or trainer participates, the duration of such participation, the amount of any purse earnings, the number of horses involved, or such other factors as the fund shall determine to be fair, equitable and in the best interests of racing. In no event shall the amount deducted from an owner's share of purses exceed two per centum; provided, however, for two thousand [~~sixteen~~] **seventeen** the New York Jockey Injury Compensation Fund, Inc. may use up to two million dollars from the account established pursuant to subdivision nine of section two hundred eight of this article to pay the annual costs required by this section and the funds from such account shall not count against the two per centum of purses deducted from an owner's share of purses. The amount deducted from an owner's share of purses shall not exceed one per centum after April first, two thousand [~~seventeen~~] **twenty**. In the cases of multiple ownerships and limited racing appearances, the fund shall equitably adjust the sum required.

The [~~state racing and wagering board~~] **gaming commission** shall, as a condition of racing, require any racing corporation or any quarterhorse racing association or corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat, to require that each trainer utilizing the facilities of such association or corporation and each owner racing a horse shall place or have placed on deposit with the horsemen's bookkeeper of such racing association or corporation, an amount to be established and paid in a manner to be determined by the fund.

Should the fund determine that the amount which has been collected in the manner prescribed is inadequate to pay the annual costs required by this section, it shall notify the [~~state racing and wagering board~~] **gaming commission** of the deficiency and the amount of the additional sum or sums necessary to be paid by each owner and/or trainer in order to cover such deficiency. The [~~state racing and wagering board~~] **gaming commission** shall, as an additional condition of racing, direct any racing corporation or any quarterhorse racing association or corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat, to require each trainer and owner to place such additional sum or sums on deposit with the respective horsemen's bookkeeper.

All amounts collected by a horsemen's bookkeeper pursuant to this section shall be transferred to the fund created under this section and shall be used by the fund to purchase workers' compensation insurance for jockeys, apprentice jockeys and exercise persons licensed pursuant

to this article or article four of this chapter who are employees under section two of the workers' compensation law, and at the election of the fund, with the approval of the gaming commission, to secure workers' compensation insurance for employees of licensed trainers or owners to pay for any of its liabilities under section fourteen-a of the workers' compensation law and to administer the workers' compensation program for such jockeys, apprentice jockeys and exercise persons and, if approved by the gaming commission, employees of licensed trainers or owners required by this section and the workers' compensation law.

In the event the fund elects, with the approval of the gaming commission, to secure workers' compensation insurance for employees of licensed trainers or owners, the fund may elect to have the sum required to be paid by an owner or trainer pursuant to this section be subject to an examination of workers' compensation claims attributable under the fund to each such owner or trainer, including the frequency and severity of accidents and injuries.

§ 3. Subdivision 12 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 325 of the laws of 2004 and such section as renumbered by chapter 18 of the laws of 2008, is amended and two new subdivisions 13 and 14 are added to read as follows:

12. [~~The fund and the state racing and wagering board shall have such power as is necessary to implement the provisions of this section.~~] For purposes of this section, the term "employees of licensed trainers or owners" shall have the same meaning as subdivision twenty-four of section two of the workers' compensation law.

13. a. There is created a racing safety committee to review the risk management report submitted to the commission by the fund on or about September thirtieth, two thousand sixteen and to make non-binding recommendations for the implementation of the safety proposals and initiatives set forth in such report. Such committee shall consist of seven members, each to serve a term of three years, with one member each appointed by:

(i) the fund;

(ii) the gaming commission;

(iii) the franchised corporation;

(iv) the racing association or corporation licensed pursuant to this article or article four of this chapter to operate the racing and training facilities at Finger Lakes racetrack;

(v) the horsemen's organization representing at least fifty-one percent of the owners and trainers using the facilities of the franchised corporation;

(vi) the horsemen's organization representing at least fifty-one percent of the owners and trainers using the facilities of the Finger Lakes racetrack; and

(vii) the Jockeys' Guild.

The member of the racing safety committee appointed by the fund shall serve as chairperson and the member of the racing safety committee appointed by the commission shall serve as vice-chairperson. Members of the racing safety committee shall have equal voting rights.

b. The racing safety committee shall meet within ninety days following the effective date of this subdivision to review and discuss the implementation of the recommendations contained in the risk management report submitted to the gaming commission by the fund on or about September thirtieth, two thousand sixteen. The racing safety committee shall meet on or after July first, two thousand seventeen, and at least annually thereafter, to review the workers' compensation loss information and the

status of safety-related findings and recommendations and to develop an annual strategic plan to address identified safety issues.

c. The members appointed pursuant to subparagraph (iii) and (iv) of paragraph a of this subdivision, in consultation with the other members of the racing safety committee, shall:

(i) Within one hundred eighty days following the effective date of this subdivision, for each track, develop safety rules for training activities to be documented and communicated, in both English and Spanish, to jockeys, apprentice jockeys, and exercise persons licensed pursuant to this article or article four of this chapter who are employees under section two of the workers' compensation law, and at the election of the fund, with the approval of the gaming commission, employees of licensed trainers or owners. Such safety rules shall include, but not be limited to, proper usage of personal protective equipment, required response to loose horses, prohibition of cell phone use while mounted on a horse, general requirements for jogging, galloping, breezing, ponying a horse, and starting gate safety protocols. Refresher training related to such safety rules shall be required at the start of each meet.

(ii) Prior to the start of each meet, following the effective date of this subdivision, meet with trainers or their representatives to discuss and address identified safety issues.

(iii) Within one hundred eighty days following the effective date of this subdivision, for each track, develop a written, documented emergency response plan to address response protocols to on-track accidents and incidents, which, at a minimum, shall include detailed information regarding roles and responsibilities for individuals who are responsible for track-related accidents and incidents, including, but not limited to, outriders, emergency medical technicians/paramedics, ambulance drivers, security, and veterinary staff and clockers.

(iv) Within two hundred ten days following the effective date of this subdivision, communicate the emergency response plan to all on-track personnel as part of new hire orientation and job assignment.

(v) Within two hundred ten days following the effective date of this subdivision, and at least once annually thereafter, for each track, conduct a mock emergency response drill for on-track accidents prior to the opening of each race meet. Such emergency response drill shall be filmed and used for education and training purposes for personnel, including in new hire orientation, and to assess the performance of individuals involved in the emergency response.

(vi) Within one hundred eighty days following the effective date of this subdivision, upgrade the current level of emergency medical responders from emergency medical technicians to paramedics.

14. The fund and the gaming commission shall have such power as is necessary to implement the provisions of this section.

§ 4. Section 2 of the workers' compensation law is amended by adding a new subdivision 24 to read as follows:

24. "Employees of licensed trainers or owners" means assistant trainers, foremen, watchmen and stable employees, including grooms and hotwalkers, employed by a trainer or owner licensed pursuant to article two or four of the racing, pari-mutuel wagering and breeding law.

§ 5. The second undesignated paragraph of subdivision 3 of section 2 of the workers' compensation law, as amended by chapter 392 of the laws of 2008, is amended to read as follows:

Notwithstanding any other provision of this chapter and for purposes of this chapter only, "employer" shall mean, with respect to a jockey,

apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, employees of licensed trainers or owners, performing services for an owner or trainer in connection with the training or racing of a horse at a facility of a racing association or corporation subject to article two or four of the racing, pari-mutuel wagering and breeding law and subject to the jurisdiction of the New York state [racing and wagering board] gaming commission, The New York Jockey Injury Compensation Fund, Inc. and all owners and trainers who are licensed or required to be licensed under article two or four of the racing, pari-mutuel wagering and breeding law at the time of any occurrence for which benefits are payable pursuant to this chapter in respect to the injury or death of such jockey, apprentice jockey [or], exercise person or, if approved by the New York state gaming commission, employee of a licensed trainer or owner.

§ 6. The fifth undesignated paragraph of subdivision 4 of section 2 of the workers' compensation law, as amended by chapter 169 of the laws of 2007, is amended to read as follows:

Notwithstanding any other provision of this chapter, and for purposes of this chapter only, a jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, employees of licensed trainers or owners, performing services for an owner or trainer in connection with the training or racing of a horse at a facility of a racing association or corporation subject to article two or four of the racing, pari-mutuel wagering and breeding law and subject to the jurisdiction of the New York state [racing and wagering board] gaming commission shall be regarded as the "employee" not solely of such owner or trainer, but shall instead be conclusively presumed to be the "employee" of The New York Jockey Injury Compensation Fund, Inc. and also of all owners and trainers who are licensed or required to be licensed under article two or four of the racing, pari-mutuel wagering and breeding law at the time of any occurrence for which benefits are payable pursuant to this chapter in respect of the injury or death of such jockey, apprentice jockey [or], exercise person or, if approved by the New York state gaming commission, employee of a licensed trainer or owner.

§ 7. The third undesignated paragraph of subdivision 5 of section 2 of the workers' compensation law, as amended by chapter 392 of the laws of 2008, is amended to read as follows:

Notwithstanding any other provision of this chapter, and for purposes of this chapter only, a jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, employees of licensed trainers or owners, performing services for an owner or trainer in connection with the training or racing of a horse at a facility of a racing association or corporation subject to article two or four of the racing, pari-mutuel wagering and breeding law and subject to the jurisdiction of the New York state [racing and wagering board] gaming commission shall be regarded as in the "employment" not solely of such owner and trainer, but shall instead be conclusively presumed to be in the "employment" of The New York Jockey Injury Compensation Fund, Inc. and of all owners and trainers who are

licensed or required to be licensed under article two or four of the racing, pari-mutuel wagering and breeding law, at the time of any occurrence for which benefits are payable pursuant to this chapter in respect of the injury or death of such jockey, apprentice jockey [~~or~~], exercise person **or, if approved by the New York state gaming commission, employee of a licensed trainer or owner**. For the purpose of this chapter only, whether a livery driver's performance of covered services, as those terms are defined in article six-G of the executive law, constitutes "employment" shall be determined in accordance with section eighteen-c of this chapter.

§ 8. The opening paragraph of section 11 of the workers' compensation law, as amended by chapter 169 of the laws of 2007, is amended to read as follows:

The liability of an employer prescribed by the last preceding section shall be exclusive and in place of any other liability whatsoever, to such employee, his or her personal representatives, spouse, parents, dependents, distributees, or any person otherwise entitled to recover damages, contribution or indemnity, at common law or otherwise, on account of such injury or death or liability arising therefrom, except that if an employer fails to secure the payment of compensation for his or her injured employees and their dependents as provided in section fifty of this chapter, an injured employee, or his or her legal representative in case of death results from the injury, may, at his or her option, elect to claim compensation under this chapter, or to maintain an action in the courts for damages on account of such injury; and in such an action it shall not be necessary to plead or prove freedom from contributory negligence nor may the defendant plead as a defense that the injury was caused by the negligence of a fellow servant nor that the employee assumed the risk of his or her employment, nor that the injury was due to the contributory negligence of the employee. The liability under this chapter of The New York Jockey Injury Compensation Fund, Inc. created under section two hundred [~~thirteen-a~~] **twenty-one** of the racing, pari-mutuel wagering and breeding law shall be limited to the provision of workers' compensation coverage to jockeys, apprentice jockeys [~~and~~], exercise persons**, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, employees of licensed trainers or owners** licensed under article two or four of the racing, pari-mutuel wagering and breeding law and any statutory penalties resulting from the failure to provide such coverage.

§ 9. Subdivision 4 of section 14-a of the workers' compensation law, as amended by chapter 169 of the laws of 2007, is amended to read as follows:

4. With respect to a jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law**, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, an employee of a licensed trainer or owner,** who, pursuant to section two of this chapter, is an employee of all owners and trainers licensed or required to be licensed under article two or four of the racing, pari-mutuel wagering and breeding law and The New York Jockey Injury Compensation Fund, Inc., the owner or trainer for whom such jockey, apprentice jockey [~~or~~], exercise person **or, if approved by the New York state gaming commission, employee of a licensed trainer or owner** was performing services at the time of the accident shall be solely responsible for the double payments described in subdivision one of this

section, to the extent that such payments exceed any amounts otherwise payable with respect to such jockey, apprentice jockey [~~or~~], exercise person **or, if approved by the New York state gaming commission, employee of a licensed trainer or owner** under any other section of this chapter, and the New York Jockey Injury Compensation Fund, Inc. shall have no responsibility for such excess payments, unless there shall be a failure of the responsible owner or trainer to pay such award within the time provided under this chapter. In the event of such failure to pay and the board requires the fund to pay the award on behalf of such owner or trainer who has been found to have violated this section, the fund shall be entitled to an award against such owner or trainer for the amount so paid which shall be collected in the same manner as an award of compensation.

§ 10. Section 18-a of the workers' compensation law, as amended by chapter 169 of the laws of 2007, is amended to read as follows:

§ 18-a. Notice: The New York Jockey Injury Compensation Fund, Inc. Wherever in this chapter it shall be required that notice be given to an employer, except for claims involving section fourteen-a of the workers' compensation law such notice requirement shall be deemed satisfied by giving notice to the New York Jockey Injury Compensation Fund, Inc., in connection with an injury to a jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law**, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, an employee of a licensed trainer or owner,** who, pursuant to section two of this chapter, is an employee of all owners and trainers licensed or required to be licensed under article two or four of the racing, pari-mutuel wagering and breeding law and of the fund. In a claim involving section fourteen-a of the workers' compensation law such required notice shall be given to the employing owner and/or trainer of the fund.

§ 11. Subdivision 8 of section 50 of the workers' compensation law, as amended by chapter 169 of the laws of 2007, is amended to read as follows:

8. The requirements of section ten of this chapter regarding the provision of workers' compensation insurance as to owners and trainers governed by the racing, pari-mutuel wagering and breeding law who are employers under section two of this chapter are satisfied in full by compliance with the requirements imposed upon owners and trainers by section two hundred [~~thirteen-a~~] **twenty-one** of the racing, pari-mutuel wagering and breeding law, provided that in the event double compensation, death benefits, or awards are payable with respect to an injured employee under section fourteen-a of this chapter, the owner or trainer for whom the injured jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law**, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, employee of a licensed trainer or owner,** is performing services as a jockey, apprentice jockey or exercise person so licensed at the time of the accident **or, if approved by the New York state gaming commission, an employee of a licensed trainer or owner** shall bear the sole responsibility for the amount payable pursuant to such section fourteen-a in excess of the amount otherwise payable under this chapter, unless there shall be a failure of the responsible owner or trainer to pay such award within the time provided under this chapter. In the event of such failure to pay and the board requires the fund to pay the award

on behalf of such owner or trainer who has been found to have violated section fourteen-a **of this chapter**, the fund shall be entitled to an award against such owner or trainer for the amount so paid which shall be collected in the same manner as an award of compensation. Coverage directly procured by any owner or trainer for the purpose of satisfying the requirements of this chapter with respect to employees of the owner or trainer shall not include coverage on any jockey, apprentice jockey or exercise person licensed under article two or four of the racing, pari-mutuel wagering and breeding law**, and at the election of the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York state gaming commission, any employee of a licensed trainer or owner,** to the extent that such jockey, apprentice jockey [~~or~~]**,** exercise person **or, if approved by the New York state gaming commission, employee of a licensed trainer or owner** is also covered under coverage procured by The New York Jockey Injury Compensation Fund, Inc. pursuant to the requirements of section two hundred [~~thirteen-a~~] **twenty-one** of the racing, pari-mutuel wagering and breeding law, and to that extent, coverage procured by the fund pursuant to the requirements of the racing, pari-mutuel wagering and breeding law shall be considered primary.

§ 12. This act shall take effect immediately.

## PART TT

Section 1. Subsection (eee) of section 606 of the tax law is amended by adding a new paragraph 13 to read as follows:

**(13) (A) Nothing herein shall be construed to preclude the commissioner from making a preliminary advance payment of the credit based upon an estimate of the STAR tax savings applicable to a school district portion, where he or she finds that attempting to ascertain the actual STAR tax savings applicable to the school district portion would jeopardize the timely issuance of the payment. When making such an estimate, the commissioner shall consider the STAR tax savings applicable in the school district fiscal year preceding the associated fiscal year, the allowable levy growth factor applicable to the calculation of the tax levy limit for the associated fiscal year pursuant to paragraph a of subdivision two of section two thousand twenty-three-a of the education law, taxable assessed value where appropriate, and such other information that in his or her judgment will help make the estimate as accurate as possible.**

**(B) Nothing herein shall be construed to preclude the commissioner from making a preliminary advance payment of the credit without attempting to ascertain the taxpayer's qualifying taxes, where he or she finds that attempting to ascertain the taxpayer's qualifying taxes would jeopardize the timely issuance of the payment.**

**(C) If the commissioner determines that a taxpayer received a preliminary advance payment that is above or below the advance payment to which he or she was entitled under this subsection, the commissioner shall provide notice to such taxpayer that the next advance payment due to such taxpayer under this subsection shall be adjusted to reconcile such underpayment or overpayment; provided, however, the commissioner shall permit a taxpayer to request that such adjustment be made on an originally filed timely income tax return for the tax year in which such overpayment or underpayment occurred, provided such return is filed on or before the due date for such return, determined without regard to extensions.**

(D) A taxpayer who received a preliminary advance payment that constitutes an overpayment shall not be required to pay interest on the amount of the overpayment.

§ 2. Subparagraph (B) of paragraph 10 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(B) On or before [~~September fifteenth of each year~~] the date specified below, or as soon thereafter as practicable, the commissioner shall determine the eligibility of taxpayers for this credit utilizing the information available to him or her as obtained from the applications submitted on or before July first of that year, or such later date as may have been prescribed by the commissioner for that purpose, and from such other sources as the commissioner deems reliable and appropriate. For those taxpayers whom the commissioner has determined eligible for this credit, the commissioner shall advance a payment in the amount specified in paragraph three, four or six of this subsection, whichever is applicable. Such payment shall be issued by [~~September thirtieth of the year the credit is allowed~~] the date specified below, or as soon thereafter as is practicable; provided that if such payment is issued after such date, it shall be subject to interest at the rate prescribed by subparagraph (A) of paragraph two of subsection (j) of section six hundred ninety-seven of this article. Nothing contained herein shall be deemed to preclude the commissioner from issuing payments after [~~September thirtieth~~] such date to qualified taxpayers whose applications were made after July first of that year, or such later date as may have been prescribed by the commissioner for such purpose.

(i) The applicable dates for this purpose are as follows:

(I) If the school district tax roll is filed with the commissioner on or before July first, the determination of eligibility shall be made by July fifteenth, or as soon thereafter as is practicable, and the advance payment shall be issued by July thirtieth, or as soon thereafter as is practicable.

(II) If the school district tax roll is filed with the commissioner after July first and on or before September first, the determination of eligibility shall be made by September fifteenth, or as soon thereafter as is practicable, and the advance payment shall be issued by September thirtieth, or as soon thereafter as is practicable.

(III) If the school district tax roll is filed with the commissioner after September first, the determination of eligibility shall be made by the fifteenth day after such filing, or as soon thereafter as is practicable, and the advance payment shall be issued by the thirtieth day after such filing, or as soon thereafter as is practicable.

(ii) Notwithstanding the foregoing provisions of this subparagraph, in the case of taxpayers whose primary residence is a cooperative apartment or a mobile home that is subject to the provisions of subparagraph (A) or (B) of paragraph six of this subsection, the payment shall be issued by the sixtieth day following receipt of all of the data needed to properly calculate the credit, or as soon thereafter as is practicable.

§ 3. Subdivision 6 of section 1306-a of the real property tax law, as amended by section 7 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

6. When the commissioner determines, at least [~~thirty~~] twenty days prior to the levy of school district taxes, that an advance credit of the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law will be provided to the owners of a parcel in that school district, he or she shall so notify the assessor,

the county director of real property tax services, and the authorities of the school district, who shall cause a statement to be placed on the tax bill for the parcel in substantially the following form: [~~"A STAR check of $ will be mailed to you upon issuance by the NYS Tax Department". The commissioner shall advise such officials of the amount to be entered therein.~~] "An estimated STAR check will be mailed to you upon issuance by the NYS Tax Department. Any overpayment or underpayment can be reconciled on your next tax return or STAR credit check."

Notwithstanding any provision of law to the contrary, in the event that the parcel in question had been granted a STAR exemption on the assessment roll upon which school district taxes are to be levied, such exemption shall be deemed null and void, shall be removed from the assessment roll, and shall be disregarded when the parcel's tax liability is determined. The assessor or other local official or officials having custody and control of the data file used to generate school district tax rolls and tax bills shall be authorized and directed to change such file as necessary to enable the school district authorities to discharge the duties imposed upon them by this subdivision.

§ 4. This act shall take effect immediately.

## PART UU

Section 1. Paragraph 2 of subdivision (e) of section 1111 of the tax law, as amended by section 1 of part LL of chapter 59 of the laws of 2014, is amended to read as follows:

(2) (i) Where the motor fuel is imported, manufactured or sold in, or diesel motor fuel is sold or used in the region referred to in subparagraph (i) of paragraph one of this subdivision, the tax required to be prepaid pursuant to section eleven hundred two of this article on each gallon of such fuel shall be [~~seventeen and one-half~~] sixteen cents.

(ii) Where motor fuel is imported, manufactured or sold in, or diesel motor fuel is sold or used in the region referred to in subparagraph (ii) of paragraph one of this subdivision, the tax required to be prepaid pursuant to section eleven hundred two of this article on each gallon of such fuel shall be [~~twenty-one~~] sixteen cents.

(iii) Where motor fuel is imported, manufactured or sold in, or diesel motor fuel is sold or used in the region referred to in subparagraph (iii) of paragraph one of this subdivision, the tax required to be prepaid pursuant to section eleven hundred two of this article on each gallon of such fuel shall be [~~sixteen~~] fifteen cents.

§ 2. Subdivision (e) of section 1111 of the tax law is amended by adding two new paragraphs 4 and 5 to read as follows:

(4) The commissioner is authorized to adjust the rates in paragraph two of this subdivision and shall prescribe a schedule of such rates for each region described in paragraph one of this subdivision as provided in this paragraph.

(i) The schedule required by this paragraph shall be reviewed semiannually during the months of April and October of each year, beginning in October, two thousand seventeen. The commissioner shall determine a tentative rate of tax that would be required to be prepaid pursuant to section eleven hundred two of this article on each gallon of motor fuel or diesel motor fuel sold or used by multiplying the regional average retail sales prices for such fuel for each region described in paragraph one of this subdivision by a number that is seventy-five percent of the average local sales tax rate in each such region and adding to the product thereof the taxes imposed by paragraphs one and two of subdivision

(m) of this section. The regional average retail sales price shall be determined for purposes of this subdivision using data regarding sales prices, which shall include, but not be limited to, sales prices as compiled by government or industry surveys and sources, taking into consideration with respect to motor fuel, the volumes and prices of unleaded motor fuels, including reformulated or like motor fuels, sold in this state and with respect to both motor fuel and diesel motor fuel, the volume and prices of such fuels sold at full service and self-service pumps for such fuels, during an immediately preceding period of up to twelve months ending the last day of March in the case of the April semiannual review and ending the last day of September in the case of the October semiannual review; provided, however, that the regional average retail sales prices for both motor fuel and diesel motor fuel shall represent the retail sales prices upon which the tax under this article and pursuant to the authority of article twenty-nine of this chapter is computed (including all federal and state and any local taxes included in such price) for such period.

(ii) If upon such review, it is determined that the tentative rate of tax that would be required to be prepaid for motor fuel or diesel motor fuel in any of the regions described in paragraph one of this subdivision would increase or decrease the rate for such region then in effect by two or more cents per gallon, the commissioner shall adjust such rate to be equal to the tentative rate, which shall take effect on the first day of June or the first day of December, respectively. Provided, however, the commissioner shall set the rate of tax required to be prepaid in the region described in subparagraph (ii) of paragraph one of this subdivision equal to the rate set forth in subparagraph (i) of such paragraph, unless the regional average retail sales price in the metropolitan commuter transportation district exceeds four dollars per gallon. In such event, the commissioner is authorized to establish a separate rate in the region described in such subparagraph (ii) and shall compute such rate by multiplying the regional average retail sales prices for motor fuel and diesel motor fuel in such region by a number that is eighty-five percent of the average local sales tax rate in such region and adding to the product thereof the taxes imposed by paragraphs one and two of subdivision (m) of this section.

(iii) The commissioner shall cause to be published on the department's website the schedule of rates and the regional average retail sales prices of motor fuel and diesel motor fuel fixed by this section, no later than ten days prior to the effective date of such rates. Notwithstanding any other provision of law, the calculation and publication of the rates so fixed by the provisions of this section shall not be included within paragraph (a) of subdivision two of section one hundred two of the state administrative procedure act relating to the definition of a rule.

(5) Where a new rate of tax required to be prepaid for motor fuel or diesel motor fuel is determined by the commissioner, (i) if such new rate is less than the rate then in effect, on the date the rate becomes effective (A) a registered distributor shall be entitled to a credit in an amount equal to the difference between the amount of the prepaid tax paid or incurred by him or her with respect to motor fuel which he or she imported and which he or she has in inventory at the time such new rate becomes effective and the amount of tax which would be due on such inventory if the prepaid tax were calculated based on such new average price for the region in which such motor fuel was imported and (B) such inventory shall then be deemed to have been taxed based on the rate and

all certifications of tax payment given by the distributor with respect to motor fuel in such inventory shall indicate a pass through of the prepaid tax based on such new price, (ii) if such new rate is greater than the existing rate, on the date such new rate becomes effective (A) such distributor shall become liable to pay an additional tax equal to the difference between the amount of tax which would be due with respect to motor fuel which he or she imported and which he or she has in inventory at the time such new rate becomes effective if the prepaid tax on such motor fuel were calculated based on such new average price for the region in which such motor fuel was imported and the amount of prepaid tax paid or actually incurred by such distributor with respect to such motor fuel and (B) such inventory shall then be deemed to have been taxed based on the new rate and all certifications of tax payment given by the distributor with respect to motor fuel in such inventory shall indicate a pass through of the prepaid tax based on such new rate. Such credit shall be allowed with respect to or such tax shall be paid with the return covering the month immediately preceding the month in which such new rate becomes effective. Any carryover credit may be applied to subsequent periods. The amount to be reported as additional tax shall be paid and disposed of in the same manner as the tax required to be prepaid by section eleven hundred two of this article. Such additional tax shall be determined, assessed, collected and enforced in the same manner as the tax required to be prepaid by section eleven hundred two of this article.

§ 3. This act shall take effect September 1, 2017.

PART VV

Section 1. The opening paragraph of paragraph (a) of subdivision 5 of section 210-A of the tax law, as amended by section 4 of part P of chapter 60 of the laws of 2016, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of the clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, (iii) stock that is investment capital as defined in paragraph (a) of subdivision five of section two hundred eight of this article shall not be a qualified financial instrument, and (iv) stock that generates other exempt income as defined in subdivision six-a of section two hundred eight of this article and that is not marked to market under section 475 or section 1256 of the internal revenue code shall not constitute a qualified financial instrument with respect to the income from that stock that is

described in such subdivision six-a. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis. **In the case of a RIC or a REIT that is not a captive RIC or a captive REIT, a qualified financial instrument means a financial instrument that is of a type described in any of clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph, other than (i) a loan secured by real property, (ii) stock that is investment capital as defined in paragraph (a) of subdivision five of section two hundred eight of this article, and (iii) stock that generates other exempt income as defined in subdivision six-a of section two hundred eight of this article with respect to the income from that stock that is described in such subdivision six-a.**

§ 2. Clause (D) of subparagraph 1 of paragraph (d) of subdivision 1 of section 210 of the tax law, as amended by section 19 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(D) Otherwise, for all other taxpayers not covered by clauses (A), (B) [~~and~~], (C) **and (D-1)** of this subparagraph, the amount prescribed by this paragraph will be determined in accordance with the following table:

| If New York receipts are: | The fixed dollar minimum tax is: |
|---|---|
| not more than $100,000 | $ 25 |
| more than $100,000 but not over $250,000 | $ 75 |
| more than $250,000 but not over $500,000 | $ 175 |
| more than $500,000 but not over $1,000,000 | $ 500 |
| more than $1,000,000 but not over $5,000,000 | $1,500 |
| more than $5,000,000 but not over $25,000,000 | $3,500 |
| more than $25,000,000 but not over $50,000,000 | $5,000 |
| more than $50,000,000 but not over $100,000,000 | $10,000 |
| more than $100,000,000 but not over $250,000,000 | $20,000 |
| more than $250,000,000 but not over $500,000,000 | $50,000 |
| more than $500,000,000 but not over $1,000,000,000 | $100,000 |
| Over $1,000,000,000 | $200,000 |

§ 3. Subparagraph 1 of paragraph (d) of subdivision 1 of section 210 of the tax law is amended by adding a new clause (D-1) to read as follows:

**(D-1) In the case of a REIT or a RIC that is not a captive REIT or captive RIC, the amount prescribed by this paragraph will be determined in accordance with the following table:**

| **If New York receipts are:** | **The fixed dollar minimum tax is:** |
|---|---|
| **not more than $100,000** | **$ 25** |
| **more than $100,000 but not over $250,000** | **$ 75** |
| **more than $250,000 but not over $500,000** | **$ 175** |
| **more than $500,000** | **$ 500** |

§ 4. The opening paragraph of paragraph (a) of subdivision 5 of section 11-654.2 of the administrative code of the city of New York, as amended by section 16 of part P of chapter 60 of the laws of 2016, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of [~~clause~~] **clauses** (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of

the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of [~~clause~~] clauses (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, (iii) stock that is investment capital as defined in paragraph (a) of subdivision four of section 11-652 of this subchapter shall not be a qualified financial instrument, and (iv) stock that generates other exempt income as defined in subdivision five-a of section 11-652 of this subchapter and that is not marked to market under section 475 or section 1256 of the internal revenue code shall not constitute a qualified financial instrument with respect to the income from that stock that is described in such subdivision five-a. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis. **In the case of a RIC or a REIT that is not a captive RIC or a captive REIT, a qualified financial instrument means a financial instrument that is of a type described in any of clauses (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, other than (i) a loan secured by real property, (ii) stock that is investment capital as defined in paragraph (a) of subdivision four of section 11-652 of this subchapter, and (iii) stock that generates other exempt income as defined in subdivision five-a of section 11-652 of this subchapter with respect to the income from that stock that is described in such subdivision five-a.**

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2016.

PART WW

Section 1. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 44 to read as follows:

**(44) monuments as that term is defined in subdivision (f) of section fifteen hundred two of the not-for-profit corporation law.**

§ 2. This act shall take effect on the first day of a sales tax quarterly period, as described in subdivision (b) of section 1136 of the tax law, beginning at least ninety days after the date this act shall have become a law and shall apply to sales made on or after such date.

PART XX

Section 1. Subdivision 3 of section 16-v of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new paragraph (e) to read as follows:

**(e) Notwithstanding any other provision of law to the contrary, a qualified entity that has previously been designated as a New York state incubator and has not fully disbursed any grants awarded pursuant to**

this section, shall continue being designated as such by the corporation for an additional three years.

§ 2. This act shall take effect immediately.

PART YY

Section 1. Subdivision 3 of section 355 of the economic development law, as amended by section 4 of part G of chapter 61 of the laws of 2011, is amended to read as follows:

3. Excelsior research and development tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit equal to fifty percent of the portion of the participant's federal research and development tax credit that relates to the participant's research and development expenditures in New York state during the taxable year; provided however, the excelsior research and development tax credit shall not exceed [~~three~~] six percent of the qualified research and development expenditures attributable to activities conducted in New York state. If the federal research and development credit has expired, then the research and development expenditures relating to the federal research and development credit shall be calculated as if the federal research and development credit structure and definition in effect in two thousand nine were still in effect. Notwithstanding any other provision of this chapter to the contrary, research and development expenditures in this state, including salary or wage expenses for jobs related to research and development activities in this state, may be used as the basis for the excelsior research and development tax credit component and the qualified emerging technology company facilities, operations and training credit under the tax law.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2018.

PART ZZ

Section 1. Subdivision 16 of section 352 of the economic development law, as amended by section 1 of part K of chapter 59 of the laws of 2015, is amended and a new subdivision 20-a is added to read as follows:

16. "Regionally significant project" means (a) a manufacturer creating at least [~~fifty~~] ten net new jobs in the state and making significant capital investment in the state; (b) a business creating at least [~~twenty~~] ten net new jobs in agriculture in the state and making significant capital investment in the state, (c) a financial services firm, distribution center, or back office operation creating at least [~~three~~] one hundred net new jobs in the state and making significant capital investment in the state, (d) a scientific research and development firm creating at least [~~twenty~~] ten net new jobs in the state, and making significant capital investment in the state or (e) an entertainment company creating or obtaining at least two hundred net new jobs in the state and making significant capital investment in the state. Other businesses creating [~~three~~] one hundred fifty or more net new jobs in the state and making significant capital investment in the state may be considered eligible as a regionally significant project by the commissioner as well. The commissioner shall promulgate regulations pursuant to section three hundred fifty-six of this article to determine [~~what constitutes significant capital investment for each of the project categories indicated in this subdivision and~~] what additional criteria a business must meet to be eligible as a regionally significant project, including, but

not limited to, whether a business exports a substantial portion of its products or services outside of the state or outside of a metropolitan statistical area or county within the state.

**20-a. "Significant capital investment" means a project which will be either a newly constructed facility or a newly constructed addition to, expansion of or improvement of a facility, consisting of tangible personal property and other tangible property, including buildings and structural components of buildings, that are depreciable pursuant to section one hundred sixty-seven of the internal revenue code, have a useful life of four years or more, are acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code, and that is equal to or exceeds (a) one million dollars for a manufacturer; (b) two hundred fifty thousand dollars for an agriculture business; (c) three million dollars for a financial services firm or back office operation; (d) fifteen million dollars for a distribution center; (e) three million dollars for a scientific research and development firm; or (f) three million dollars for other businesses.**

§ 2. Subdivisions 3 and 4 of section 353 of the economic development law, subdivision 3 as amended by section 2 of part K of chapter 59 of the laws of 2015 and subdivision 4 as amended by section 1 of part C of chapter 68 of the laws of 2013, are amended to read as follows:

3. For the purposes of this article, in order to participate in the excelsior jobs program, a business entity operating predominantly in manufacturing must create at least [~~ten~~] **five** net new jobs; a business entity operating predominately in agriculture must create at least five net new jobs; a business entity operating predominantly as a financial service data center or financial services customer back office operation must create at least [~~fifty~~] **twenty-five** net new jobs; a business entity operating predominantly in scientific research and development must create at least five net new jobs; a business entity operating predominantly in software development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least [~~fifty~~] **twenty-five** net new jobs; a business entity operating predominately in music production must create at least five net new jobs; a business entity operating predominantly as an entertainment company must create or obtain at least one hundred net new jobs; or a business entity operating predominantly as a distribution center in the state must create at least [~~seventy-five~~] **fifty** net new jobs, notwithstanding subdivision five of this section; or a business entity must be a regionally significant project as defined in this article; or

4. A business entity operating predominantly in one of the industries referenced in paragraphs (a) through (h) of subdivision one of this section but which does not meet the job requirements of subdivision three of this section must have at least twenty-five full-time job equivalents unless such business is a business entity operating predominantly in manufacturing then it must have at least [~~ten~~] **five** full-time job equivalents and must demonstrate that its benefit-cost ratio is at least ten to one.

§ 3. This act shall take effect immediately.

## PART AAA

Section 1. Legislative intent. The purpose of this act is to ensure the safety, reliability, and cost-effectiveness of transportation network company (TNC) services within the state of New York and to

preserve and enhance access to these important transportation options for residents and visitors to the state.

§ 2. The vehicle and traffic law is amended by adding a new article 44-B to read as follows:

ARTICLE 44-B

TRANSPORTATION NETWORK COMPANY SERVICES

Section 1691. Definitions.
1692. General provisions.
1693. Financial responsibility of transportation network companies.
1694. Disclosures.
1695. Insurance provisions.
1696. Driver and vehicle requirements.
1697. Maintenance of records.
1698. Audit procedures; confidentiality of records.
1699. Criminal history background check of transportation network company drivers.
1700. Controlling authority.

§ 1691. Definitions. As used in this article: 1. "Transportation network company vehicle" or "TNC vehicle" means a vehicle that is:

(a) used by a transportation network company driver to provide a TNC prearranged trip originating within the state of New York; and

(b) owned, leased or otherwise authorized for use by the transportation network company driver;

(c) such term shall not include:

(i) a taxicab, as defined in section one hundred forty-eight-a of this chapter and section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law;

(ii) a livery vehicle, as defined in section one hundred twenty-one-e of this chapter, or as otherwise defined in local law;

(iii) a black car, limousine, or luxury limousine, as defined in section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law;

(iv) a for-hire vehicle, as defined in section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law;

(v) a bus, as defined in section one hundred four of this chapter;

(vi) any motor vehicle weighing more than six thousand five hundred pounds unloaded;

(vii) any motor vehicle having a seating capacity of more than seven passengers; and

(viii) any motor vehicle subject to section three hundred seventy of this chapter.

2. "Digital network" means any system or service offered or utilized by a transportation network company that enables TNC prearranged trips with transportation network company drivers.

3. "Transportation network company" or "TNC" means a person, corporation, partnership, sole proprietorship, or other entity that is licensed pursuant to this article and is operating in New York state exclusively using a digital network to connect transportation network company passengers to transportation network company drivers who provide TNC prearranged trips.

4. "Transportation network company driver" or "TNC driver" means an individual who:

(a) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(b) Uses a TNC vehicle to offer or provide a TNC prearranged trip to transportation network company passengers upon connection through a digital network controlled by a transportation network company in exchange for compensation or payment of a fee.

5. "Transportation network company passenger" or "passenger" means a person or persons who use a transportation network company's digital network to connect with a transportation network company driver who provides TNC prearranged trips to the passenger in the TNC vehicle between points chosen by the passenger.

6. (a) "TNC prearranged trip" or "trip" means the provision of transportation by a transportation network company driver to a passenger provided through the use of a TNC's digital network:

(i) beginning when a transportation network company driver accepts a passenger's request for a trip through a digital network controlled by a transportation network company;

(ii) continuing while the transportation network company driver transports the requesting passenger in a TNC vehicle; and

(iii) ending when the last requesting passenger departs from the TNC vehicle.

(b) The term "TNC prearranged trip" does not include transportation provided through any of the following:

(i) shared expense carpool or vanpool arrangements, including those as defined in section one hundred fifty-eight-b of this chapter; and

(ii) use of a taxicab, livery, luxury limousine, or other for-hire vehicle, as defined in this chapter, section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law.

7. "Group policy" means an insurance policy issued pursuant to section three thousand four hundred fifty-five of the insurance law.

§ 1692. General provisions. 1. A TNC or a TNC driver shall not be deemed a common carrier, as defined in subdivision six of section two of the transportation law; a contract carrier of passengers by motor vehicle, as defined in subdivision nine of section two of the transportation law; or a motor carrier, as defined in subdivision seventeen of section two of the transportation law. Neither a TNC nor a TNC driver shall be deemed to provide taxicab or for-hire vehicle service while operating as a TNC or TNC driver pursuant to this article. Moreover, a TNC driver shall not be required to register the TNC vehicle such TNC driver uses for TNC prearranged trips as a commercial or for-hire vehicle, as set forth in article fourteen of this chapter.

2. (a) A TNC may not operate in the state of New York without first having obtained a license issued by the department in a form and manner and with applicable fees as provided for by regulations promulgated by the commissioner. As a condition of obtaining a license, a TNC shall be required to submit to the department proof of a group policy issued pursuant to section three thousand four hundred fifty-five of the insurance law. Failure of a TNC to comply with the provisions of this article may result in applicable penalties, which may include, but are not limited to fines, suspension or revocation of license or a combination thereof as otherwise provided by law. No license shall be suspended or revoked except upon notice to the TNC and after an opportunity to be heard.

(b) Failure of a TNC to obtain a license before operation, pursuant to this subdivision shall constitute a misdemeanor.

3. A TNC must maintain an agent for service of process in the state of New York.

4. On behalf of a TNC driver, a TNC may charge a fare for the services rendered to passengers; provided that, if a fare is collected from a passenger, the TNC shall disclose to such passenger the fare within the TNC's digital network. The TNC shall also provide passengers, before such passengers enter a TNC vehicle, the actual fare or an estimated fare for such TNC prearranged trip through the TNC's digital network. The TNC shall also post the fair calculation method on its website.

5. A TNC's digital network shall display a picture of the TNC driver, and provide the make, model, color and license plate number of the TNC vehicle utilized for providing the TNC prearranged trip before the passenger enters the TNC vehicle.

6. Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger on behalf of the TNC driver that lists:

(a) The origin and destination of the trip;

(b) The total time and distance of the trip;

(c) An itemization of the total fare paid, if any;

(d) A separate statement of the applicable assessment fee and surcharge; and

(e) The TNC name and operating license number.

7. A TNC driver shall not solicit or accept street hails.

8. A TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments for the fares charged to passengers for TNC prearranged trips and notify TNC drivers of such policy. TNC drivers shall not solicit or accept cash payments from passengers.

9. A TNC shall prevent a TNC driver from accepting TNC prearranged trips within a city of a population of one million or more and any county or city that has enacted a local law or ordinance pursuant to section one hundred eighty-two of the general municipal law and has not repealed such local law or ordinance, except where the acceptance of a prearranged trip is authorized pursuant to an existing reciprocity agreement.

10. Nothing in this article shall apply to cities with a population of one million or more.

§ 1693. Financial responsibility of transportation network companies. 1. A TNC driver, or TNC on the TNC driver's behalf through a group policy, shall maintain insurance that recognizes that the driver is a TNC driver and provides financial responsibility coverage:

(a) while the TNC driver is logged onto the TNC's digital network; and

(b) while the TNC driver is engaged in a TNC prearranged trip.

2. (a) The following automobile financial responsibility insurance requirements shall apply while a TNC driver is logged onto the TNC's digital network but is not engaged in a TNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use or operation of a personal vehicle or vehicles within this state, or elsewhere in the United States in North America or Canada, subject to a limit, exclusive of interest and costs, with respect to each such occurrence, of at least seventy-five thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of at least one hundred fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and to a limit of at least twenty-five thousand dollars because of injury to or

destruction of property of others in any one accident, provided however, that such policy need not be for a period coterminous with the registration period of the personal vehicle insured, and coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of the insurance law, article fifty-one of the insurance law, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

(b) The coverage requirements of paragraph (a) of this subdivision may be satisfied by any of the following:

(i) insurance maintained by the TNC driver; or

(ii) insurance provided through a group policy maintained by the TNC; or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

3. (a) The following automobile financial responsibility insurance requirements shall apply while a TNC driver is engaged in a TNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use, or operation of a specific personal vehicle or vehicles within this state, or elsewhere in the United States in North America or Canada, subject to a limit, exclusive of interest and costs, with respect to each such occurrence, of at least one million two hundred fifty thousand dollars because of bodily injury to or death of any person, and injury to or destruction of property provided however, that such policy need not be for a period coterminous with the registration period of the personal vehicle insured, and coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of the insurance law, article fifty-one of the insurance law; coverage provided in accordance with subsection (f) of section three thousand four hundred twenty of the insurance law, providing supplementary uninsured/underinsured motorist insurance for bodily injury, in the amount of one million two hundred fifty thousand dollars because of bodily injury to or death of any person in any one accident; and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

(b) The coverage requirements of paragraph (a) of this subdivision may be satisfied by any of the following:

(i) insurance maintained by the TNC driver; or

(ii) insurance provided through a group policy maintained by the TNC; or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

4. A TNC shall, upon entering into a contractual agreement with a TNC driver, provide notice to the TNC driver that he or she may need additional insurance coverage including motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of the insurance law if the TNC vehicle being used by the TNC driver is subject to a lease or loan. A TNC shall also post this notice on its website in a prominent place, and provide contact information for the department of financial services.

5. If insurance maintained by a TNC driver pursuant to subdivisions two and three of this section has lapsed or does not provide the required coverage, then the group policy maintained by a TNC shall

provide the coverage required by this section beginning with the first dollar of a claim and have the duty to defend such claim.

6. Coverage under a group policy maintained by the TNC shall not be dependent on the denial of a claim by the insurer that issued the insurance policy used to register the TNC vehicle, nor shall that insurer be required to first deny a claim.

7. (a) Except as provided in paragraph (b) of this subdivision, a group policy maintained by a TNC pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section shall be placed with an insurer authorized to write insurance in this state.

(b) If a TNC is unable to purchase a group policy pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section because such insurance is unavailable from authorized insurers the TNC may acquire such group insurance with an excess line broker pursuant to section two thousand one hundred eighteen of the insurance law.

(c) The obligation to determine whether the insurance required by this section is unavailable from insurers authorized to write insurance in this state shall be made prior to the initial placement and at each renewal of a policy.

8. A TNC driver who, while operating a TNC vehicle was logged on to the TNC's digital network but not engaged in a TNC prearranged trip or was engaged in a TNC prearranged trip, and has in effect the insurance required pursuant to this article, shall not be deemed to be in violation of article six of this chapter during such time that he or she was logged on to the TNC's digital network but not engaged in a TNC prearranged trip or was engaged in a TNC prearranged trip.

9. A TNC driver shall carry proof of coverage satisfying subdivisions two and three of this section with him or her at all times during his or her use or operation of a TNC vehicle in connection with a TNC's digital network. Such proof of coverage shall be in such form as the commissioner shall prescribe, which may be in the form of an insurance identification card as defined in section three hundred eleven of this chapter. Any insurance identification card issued pursuant to the provisions of this article shall be in addition to the insurance identification card required pursuant to article six of this chapter, and nothing contained in this article shall be deemed to supersede the requirements of such article six. Whenever the production of an insurance identification card is required by law, a TNC driver shall (a) produce the insurance identification card issued pursuant to article six of this chapter and, (b) if such driver (i) was logged onto the TNC's digital network but not engaged in a TNC prearranged trip or (ii) was engaged in a TNC prearranged trip, such driver shall also produce the insurance identification card required pursuant to this article.

10. The superintendent of financial services is authorized to issue such rules and regulations necessary to implement this section.

11. The superintendent of financial services may promulgate regulations to address insurance coverage under this section and section sixteen hundred ninety-five of this article when a TNC driver uses multiple digital networks simultaneously.

12. Nothing in this section shall impose financial responsibility requirements upon any entities operating as vehicles for hire in a city with a population of one million or more.

13. An insurer shall not include a mandatory arbitration clause in a policy issued pursuant to this section. Nothing in this section supercedes the mandatory arbitration requirements contained in section five thousand one hundred five of the insurance law.

§ 1694. Disclosures. A TNC shall disclose in writing to TNC drivers the following before they are allowed to accept a request for a TNC prearranged trip on the TNC's digital network:

1. The insurance coverage, including the types of coverage and the limits for each coverage, that the TNC provides while the TNC driver uses a TNC vehicle in connection with a TNC's digital network;

2. That the TNC driver's own automobile insurance policy might not provide any coverage while the TNC driver is logged on to the TNC's digital network or is engaged in a TNC prearranged trip, depending on its terms; and

3. That, if a TNC vehicle has a lien against it, then the continued use of such TNC vehicle by its TNC driver without physical damage coverage may violate the terms of the contract with the lienholder.

§ 1695. Insurance provisions. 1. Insurers that write motor vehicle insurance in this state may, in the insurance policy, exclude any and all coverage afforded under the policy issued to an owner or operator of a TNC vehicle for any loss or injury that occurs while a TNC driver is logged on to a TNC's digital network or while a driver provides a TNC prearranged trip, including:

(a) liability coverage for bodily injury and property damage;

(b) coverage provided pursuant to article fifty-one of the insurance law;

(c) uninsured motorist coverage;

(d) supplementary uninsured/underinsured motorist coverage; and

(e) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of the insurance law.

2. Such exclusions shall apply notwithstanding any requirement under the law to the contrary. Nothing in this section implies or requires that an owner's policy of liability insurance or other motor vehicle insurance policy provide coverage while the TNC driver is logged on to the TNC's digital network, while the TNC driver is engaged in a TNC prearranged trip or while the TNC driver otherwise uses or operates a TNC vehicle to transport passengers for compensation.

3. Nothing shall be deemed to preclude an insurer from providing primary, excess, or umbrella coverage for the TNC driver's TNC vehicle, if it chose to do so by contract or endorsement.

4. Motor vehicle insurers that exclude the coverage described in this article shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this article shall be deemed to invalidate or limit an exclusion contained in a policy including any policy in use or approved for use in this state prior to the effective date of this section.

5. A motor vehicle insurer that defends or indemnifies a claim against a TNC driver that is excluded under the terms of its policy shall have a right of contribution against other insurers that provide motor vehicle insurance to the same driver in satisfaction of the coverage requirements of the provisions of this article.

6. In a claims coverage investigation, a TNC and any insurer providing coverage under this article shall, within fifteen days after a claim has been filed, facilitate the exchange of relevant information with directly involved parties and any insurer of the TNC driver if applicable, including the precise times that a TNC driver logged on and off of the TNC's digital network in the twelve hour period immediately preceding and in the twelve hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions

and limits provided under any motor vehicle insurance maintained under this article.

7. The superintendent of financial services may promulgate such rules and regulations that the superintendent deems necessary to facilitate the sharing of information between insurers, when a motor vehicle accident occurs and at least one of the insurers is providing financial responsibility coverage to a TNC vehicle pursuant to this article.

8. The commissioner shall provide relevant insurance coverage information required by this article to the following persons upon request:

(a) a person to whom an accident report pertains or who is named in such report, or his or her authorized representative; and

(b) any other person or his or her authorized representative who has demonstrated to the satisfaction of the commissioner that such person is or may be a party to a civil action arising out of the conduct described in such accident report.

§ 1696. Driver and vehicle requirements. 1. (a) At all times, an individual acting as a TNC driver shall be permitted by the TNC as follows:

(i) The individual shall submit an application to the TNC, which shall include information regarding his or her address, age, driver's license, motor vehicle registration, automobile liability insurance, and other information required by the TNC;

(ii) The TNC shall conduct, or have a third party conduct, a criminal background check for each applicant in accordance with section sixteen hundred ninety-nine of this article and that shall review whether the applicant:

(A) is listed on the New York state sex offender registry pursuant to article six-C of the correction law; and

(B) is a match in the United States Department of Justice National Sex Offender Public Website;

(iii) The TNC shall obtain and review, or have a third party obtain and review, a driving history research report for such individual.

(b) The TNC shall not permit an applicant where such applicant:

(i) fails to meet all qualifications pursuant to section sixteen hundred ninety-nine of this article;

(ii) is a match in the United States Department of Justice National Sex Offender Public Website;

(iii) does not possess a valid New York driver's license;

(iv) does not possess proof of registration for the motor vehicles used to provide TNC prearranged trips;

(v) does not possess proof of automobile liability insurance for the motor vehicles used to provide TNC prearranged trips as a TNC vehicle; or

(vi) is not at least nineteen years of age.

(c) Upon review of all information received and retained by the TNC and upon verifying that the individual is not disqualified pursuant to this section from receiving a TNC driver permit, a TNC may issue a TNC driver permit to the applicant. The TNC shall review all information received relating to such applicant and hold such information for six years along with a certification that such applicant qualifies to receive a TNC driver permit.

(d) (i) A TNC that issues a TNC driver's permit pursuant to this section shall participate in the New York License Event Notification Service (LENS) established by the department to obtain timely notice when any of the following violations are added to a TNC driver's driving record:

(A) unlawfully fleeing a police officer in a motor vehicle in violation of sections 270.25, 270.30 or 270.35 of the penal law;

(B) reckless driving in violation of section one thousand two hundred twelve of this chapter;

(C) operating while license or privilege is suspended or revoked in violation of section five hundred eleven of this chapter, excluding subdivision seven of such section;

(D) operating a motor vehicle under the influence of alcohol or drugs in violation of section one thousand one hundred ninety-two of this chapter; and

(E) leaving the scene of an incident without reporting in violation of subdivision two of section six hundred of this chapter.

(ii) The department may promulgate regulations authorizing additional LENS notifications as the commissioner deems necessary to protect public health and safety.

(iii) Upon such notice, a TNC may suspend or revoke any TNC driver's permit and revoke access to the TNC digital network, only after considering the number or severity of any such violations, including such factors as required by this article for obtaining a TNC permit, when necessary to protect public health and safety. If, however, such a notice provides that an applicant has been convicted of a disqualifying crime pursuant to section sixteen hundred ninety-nine of this article such TNC driver's access to the TNC digital network and such TNC driver's permit shall both immediately be suspended or revoked. Upon such revocation or suspension pursuant to this section, the TNC shall provide the driver with a copy of the LENS record used to make such determination.

(e) No person shall operate a TNC vehicle or operate as a TNC driver unless such person holds a valid TNC driver permit issued pursuant to this section. A violation of this paragraph shall be a traffic infraction punishable by a fine of not less than seventy-five nor more than three hundred dollars, or by imprisonment for not more than fifteen days, or by both such fine and imprisonment.

(f) The names and identifying information of TNC drivers provided pursuant to paragraph (d) of this subdivision shall be considered information, which if disclosed, would constitute an unwarranted invasion of personal privacy under the provisions of article six of the public officers law.

2. A TNC shall implement a zero-tolerance policy regarding a TNC driver's activities while accessing the TNC's digital network. Such policy shall address the issue of operating a vehicle under the influence of alcohol or drugs while a TNC driver is providing TNC prearranged trips or is logged onto the TNC's digital network but is not providing TNC prearranged trips, and the TNC shall provide notice of this policy on its digital network, as well as procedures to report a complaint about a TNC driver with whom a TNC prearranged trip was commenced and whom the passenger reasonably suspects was operating a vehicle under the influence of alcohol or drugs during the course of the TNC prearranged trip.

3. (a) A TNC shall adopt a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief, practice or affiliation, sex, disability, age, sexual orientation, or genetic predisposition with respect to passengers and potential passengers and notify TNC drivers of such policy.

(b) TNC drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief, practice

or affiliation, sex, disability, age, sexual orientation, or genetic predisposition with respect to passengers and potential passengers and notify TNC drivers of such policy.

(c) TNC drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall implement and maintain a policy and an oversight process of providing accessibility to passengers or potential passengers with a disability and accommodation of service animals as such term is defined in section one hundred twenty-three-b of the agriculture and markets law and shall to the extent practicable adopt findings established by the New York state TNC accessibility task force adopted pursuant to section twenty-one of the chapter of the laws of two thousand seventeen that added this section. A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) The New York state division of human rights shall be authorized to accept, review and investigate any potential or actual violations of this subdivision in a form and manner consistent with authority under article fifteen of the executive law and shall notify the department, upon a finding of a violation, for purposes of permit suspension.

4. A TNC shall require that any or all motor vehicles that a TNC driver will use as a TNC vehicle to provide TNC prearranged trips meets applicable New York state vehicle safety and emissions requirements, as set forth in section three hundred one of this chapter, or the vehicle safety and emissions requirements of the state in which the vehicle is registered.

5. The department shall promulgate regulations to ensure that each TNC vehicle is easily identified as such and that the TNC for which the TNC driver is providing the TNC service or TNC prearranged trip is distinguishable. Such marking shall be in such form as is approved by the commissioner, and shall be attached, affixed or displayed in such manner as he or she may prescribe by regulation.

§ 1697. Maintenance of records. A TNC shall maintain the following records:

1. individual trip records for at least six years from the date each trip was provided; and

2. individual records of TNC drivers at least until the six year anniversary of the date on which a TNC driver's relationship with the TNC has ended.

§ 1698. Audit procedures; confidentiality of records. 1. For the purpose of verifying that a TNC is in compliance with the licensing requirements of the department, the department shall reserve the right to audit a sample of records that the TNC is required to maintain, upon request by the department that shall be fulfilled in no fewer than ten business days by the TNC. The sample shall be chosen randomly by the department in a manner agreeable to both parties. The audit shall take place at a mutually agreed location in New York state. Any record furnished to the department may exclude information that would tend to identify specific drivers or passengers.

2. The names and identifying information of TNC drivers that are received pursuant to this section shall be considered information which, if disclosed, would constitute an unwarranted invasion of personal privacy under the provisions of article six of the public officers law.

3. The department shall establish regulations for the filing of complaints against any TNC driver or TNC pursuant to this section.

§ 1699. Criminal history background check of transportation network company drivers. 1. A TNC shall conduct, or have a third party conduct, a criminal history background check using a lawful method approved by the department pursuant to paragraph (a) of subdivision two of this section for persons applying to drive for such company.

2. (a) The method used to conduct a criminal history background check pursuant to subdivision one of this section shall be established in regulations adopted by the department within thirty days of the effective date of this subdivision. To ensure safety of the passengers and the public such regulations shall establish the method used to conduct such background checks and any processes and operations necessary to complete such checks. The review of criminal history information and determinations about whether or not an applicant is issued a TNC driver permit shall be controlled by paragraphs (b), (c) and (d) of this subdivision.

(b) An applicant shall be disqualified to receive a TNC driver permit where he or she:

(i) stands convicted in the last three years of: unlawful fleeing a police officer in a motor vehicle in violation of sections 270.35, 270.30 or 270.25 of the penal law, reckless driving in violation of section twelve hundred twelve of this chapter, operating while license or privilege is suspended or revoked in violation of section five hundred eleven of this chapter, excluding subdivision seven of such section, a misdemeanor offense of operating a motor vehicle while under the influence of alcohol or drugs in violation of section eleven hundred ninety-two of this chapter, or leaving the scene of an accident in violation of subdivision two of section six hundred of this chapter. In calculating the three year period under this subparagraph, any period of time during which the person was incarcerated after the commission of such offense shall be excluded and such three year period shall be extended by a period or periods equal to the time spent incarcerated; or

(ii) stands convicted in the last seven years of: a sex offense defined in subdivision two of section one hundred sixty-eight-a of the correction law, a felony offense defined in article one hundred twenty-five of the penal law, a violent felony offense defined in section 70.02 of the penal law, a class A felony offense defined in the penal law, a felony offense defined in section eleven hundred ninety-two of this chapter, an offense for which registration as a sex offender is required pursuant to article six-C of the correction law, or any conviction of an offense in any other jurisdiction that has all the essential elements of an offense listed in this subparagraph. In calculating the seven year period under this subparagraph, any period of time during which the person was incarcerated after the commission of such offense shall be excluded and such seven year period shall be extended by a period or periods equal to the time spent incarcerated.

(c) A criminal history record that contains criminal conviction information that does not disqualify an applicant pursuant to subparagraphs (i) or (ii) of paragraph (b) of this subdivision, shall be reviewed and considered according to the provisions of article twenty-three-A of the correction law and subdivisions fifteen and sixteen of section two hundred ninety-six of the executive law in determining whether or not the applicant should be issued a TNC driver's permit.

(d) Upon receipt of criminal conviction information pursuant to this section for any applicant, such applicant shall promptly be provided with a copy of such information as well as a copy of article twenty-three-A of the correction law. Such applicant shall also be

informed of his or her right to seek correction of any incorrect information contained in such criminal history information pursuant to the regulations and procedures established by the division of criminal justice services.

(e) The department shall promulgate regulations for the purpose of implementing the provisions of this subdivision.

3. A TNC shall update the criminal history background check yearly during the period in which the person is authorized to drive for the company, however, the commissioner may require, pursuant to regulation, more frequent criminal history background checks.

4. To ensure safety of the passengers and the public a TNC shall be responsible for all fees associated with the criminal history check pursuant to subdivision one of this section.

5. Any TNC found to have violated any requirements established pursuant to this section, shall on the first instance, be subject to a civil penalty of not more than ten thousand dollars. For any subsequent instance within the period of two years from any initial violation, such TNC shall be subject to a civil penalty of not more than fifty thousand dollars, or the suspension or revocation of its TNC license or both.

§ 1700. Controlling authority. 1. Notwithstanding any other provision of law, the regulation of TNCs and TNC drivers is governed exclusively by the provisions of the chapter of the laws of two thousand seventeen which added this section and any rules promulgated by the state through its agencies consistent with such chapter. No county, town, city or village may enact a tax or any fee or other surcharge on a TNC, a TNC driver, or a TNC vehicle used by a TNC driver or require a license, permit, or additional insurance coverage or any other limitations or restrictions, except for a prohibition on pick-up pursuant to section one hundred eighty-two of the general municipal law, for a TNC, a TNC driver, or a TNC vehicle used by a TNC driver, where such fee, surcharge, unauthorized tax, license, permit, insurance coverage, limitation or restriction, relates to facilitating or providing TNC prearranged trips, or subjects a TNC, a TNC driver, or a TNC vehicle used by a TNC driver to operational, or other requirements.

2. Nothing in this article shall authorize any TNC driver to pick-up a passenger for purposes of a TNC prearranged trip in a city with a population of one million or more or where a county or city has opted to prohibit the same pursuant to authority consistent with section one hundred eighty-two of the general municipal law, except where the acceptance of a prearranged trip is authorized pursuant to an existing reciprocity agreement.

3. Nothing in this article shall: (a) limit the ability of a county, town, city or village to adopt or amend generally applicable limitations or restrictions relating to local traffic or parking control as authorized by state law; or (b) preempt any reciprocity agreements, including agreements entered into pursuant to section four hundred ninety-eight of this chapter, between a county, town, city or village that relates to services regulated by section one hundred eighty-one of the general municipal law.

4. Nothing in this article shall be construed to limit the ability of a municipality or other governing authority that owns or operates an airport located outside of a city with a population of one million or more from adopting regulations and entering into contracts or other agreements relating to the duties and responsibilities on airport property of a transportation network company, which may include the imposition and payment of reasonable fees, provided that any such contracts,

**agreements, or regulations shall not impose any license or other operational requirement on a transportation network company driver or transportation network company vehicle that is inconsistent with or additional to the requirements of this article.**

§ 3. Section 370 of the vehicle and traffic law is amended by adding a new subdivision 8 to read as follows:

**8. Notwithstanding any other provision of this article, an individual shall not be deemed to be engaged in the business of carrying or transporting passengers for hire if the individual does so solely as a transportation network company driver in accordance with article forty-four-B of this chapter.**

§ 4. Section 600 of the vehicle and traffic law, as amended by chapter 49 of the laws of 2005, is amended to read as follows:

§ 600. Leaving scene of an incident without reporting. 1. Property damage. a. Any person operating a motor vehicle who, knowing or having cause to know that damage has been caused to the real property or to the personal property, not including animals, of another, due to an incident involving the motor vehicle operated by such person shall, before leaving the place where the damage occurred, stop, exhibit his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, and give his or her name, residence, including street and number, insurance carrier and insurance identification information including but not limited to the number and effective dates of said individual's insurance policy, and license number to the party sustaining the damage, or in case the person sustaining the damage is not present at the place where the damage occurred then he or she shall report the same as soon as physically able to the nearest police station, or judicial officer. **In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of this chapter if such person is a TNC driver operating a TNC vehicle while the incident occurred who was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip; and (ii) disclose whether he or she, at the time such incident occurred, was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip.**

b. It shall be the duty of any member of a law enforcement agency who is at the scene of the accident to request the said operator or operators of the motor vehicles, when physically capable of doing so, to exchange the information required hereinabove and such member of a law enforcement agency shall assist such operator or operators in making such exchange of information in a reasonable and harmonious manner.

A violation of the provisions of paragraph a of this subdivision shall constitute a traffic infraction punishable by a fine of up to two hundred fifty dollars or a sentence of imprisonment for up to fifteen days or both such fine and imprisonment.

2. Personal injury. a. Any person operating a motor vehicle who, knowing or having cause to know that personal injury has been caused to another person, due to an incident involving the motor vehicle operated by such person shall, before leaving the place where the said personal injury occurred, stop, exhibit his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, and give his or her name, residence, including street and street number, insurance carrier and insurance identification information including but not limited to the number

and effective dates of said individual's insurance policy and license number, to the injured party, if practical, and also to a police officer, or in the event that no police officer is in the vicinity of the place of said injury, then, he or she shall report said incident as soon as physically able to the nearest police station or judicial officer. **In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of this chapter if such person is a TNC driver operating a TNC vehicle at the time of the incident who was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip; and (ii) disclose whether he or she, at the time such incident occurred, was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip.**

b. It shall be the duty of any member of a law enforcement agency who is at the scene of the accident to request the said operator or operators of the motor vehicles, when physically capable of doing so, to exchange the information required hereinabove and such member of a law enforcement agency shall assist such operator or operators in making such exchange of information in a reasonable and harmonious manner.

c. A violation of the provisions of paragraph a of this subdivision resulting solely from the failure of an operator to exhibit his or her license and insurance identification card for the vehicle or exchange the information required in such paragraph shall constitute a class B misdemeanor punishable by a fine of not less than two hundred fifty nor more than five hundred dollars in addition to any other penalties provided by law. Any subsequent such violation shall constitute a class A misdemeanor punishable by a fine of not less than five hundred nor more than one thousand dollars in addition to any other penalties provided by law. Any violation of the provisions of paragraph a of this subdivision, other than for the mere failure of an operator to exhibit his or her license and insurance identification card for such vehicle or exchange the information required in such paragraph, shall constitute a class A misdemeanor, punishable by a fine of not less than five hundred dollars nor more than one thousand dollars in addition to any other penalties provided by law. Any such violation committed by a person after such person has previously been convicted of such a violation shall constitute a class E felony, punishable by a fine of not less than one thousand nor more than two thousand five hundred dollars in addition to any other penalties provided by law. Any violation of the provisions of paragraph a of this subdivision, other than for the mere failure of an operator to exhibit his or her license and insurance identification card for such vehicle or exchange the information required in such paragraph, where the personal injury involved (i) results in serious physical injury, as defined in section 10.00 of the penal law, shall constitute a class E felony, punishable by a fine of not less than one thousand nor more than five thousand dollars in addition to any other penalties provided by law, or (ii) results in death shall constitute a class D felony punishable by a fine of not less than two thousand nor more than five thousand dollars in addition to any other penalties provided by law.

**3. For the purposes of this article, the terms "TNC", "TNC driver", "TNC vehicle", "TNC prearranged trip" and "digital network" shall have the same meanings as such terms are defined in article forty-four-B of this chapter.**

§ 5. Section 601 of the vehicle and traffic law, as amended by chapter 672 of the laws of 2004, is amended to read as follows:

§ 601. Leaving scene of injury to certain animals without reporting. Any person operating a motor vehicle which shall strike and injure any horse, dog, cat or animal classified as cattle shall stop and endeavor to locate the owner or custodian of such animal or a police, peace or judicial officer of the vicinity, and take any other reasonable and appropriate action so that the animal may have necessary attention, and shall also promptly report the matter to such owner, custodian or officer (or if no one of such has been located, then to a police officer of some other nearby community), exhibiting his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, giving his or her name and residence, including street and street number, insurance carrier and insurance identification information and license number. **In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of this chapter if such person is a TNC driver operating a TNC vehicle at the time of the incident who was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip; and (ii) disclose whether he or she, at the time such incident occurred, was (A) logged on to the TNC's digital network but not engaged in a TNC prearranged trip or (B) was engaged in a TNC prearranged trip.** Violation of this section shall be punishable by a fine of not more than one hundred dollars for a first offense and by a fine of not less than fifty nor more than one hundred fifty dollars for a second offense and each subsequent offense; provided, however where the animal that has been struck and injured is a guide dog, hearing dog or service dog, as such terms are defined in section forty-seven-b of the civil rights law which is actually engaged in aiding or guiding a person with a disability, a violation of this section shall be [~~**publishable**~~] **punishable** by a fine of not less than fifty nor more than one hundred fifty dollars for a first offense and by a fine of not less than one hundred fifty dollars nor more than three hundred dollars for a second offense and each subsequent offense.

§ 6. The insurance law is amended by adding two new sections 3455 and 3456 to read as follows:

**§ 3455. Transportation network company group insurance policies. (a) For purposes of this section, the following definitions shall apply:**

**(1) "Transportation network company" shall have the same meaning as set forth in article forty-four-B of the vehicle and traffic law.**

**(2) "Certificate" or "certificate of insurance" means any policy, contract or other evidence of insurance, or endorsement thereto, issued to a group member under a transportation network company group policy.**

**(3) "Transportation network company group policy" or "group policy" means a group policy, including certificates issued to the group members, where the group policyholder is a transportation network company and the policy provides insurance to the transportation network company and to group members:**

**(A) in accordance with the requirements of article forty-four-B of the vehicle and traffic law;**

**(B) of the type described in paragraph thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter; and**

**(C) in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of this article,**

subdivision four of section three hundred eleven of the vehicle and traffic law, article fifty-one of this chapter, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

(4) "Group member" means a transportation network company driver as defined in article forty-four-B of the vehicle and traffic law.

(5) "Group policyholder" means a transportation network company.

(6) "TNC vehicle" shall have the meaning set forth in article forty-four-B of the vehicle and traffic law.

(b) An insurer may issue or issue for delivery in this state a transportation network company group policy to a transportation network company as a group policyholder only in accordance with the provisions of this section.

(c)(1) A transportation network company group policy shall provide coverage for a TNC vehicle in accordance with the requirements of article forty-four-B of the vehicle and traffic law.

(2) A transportation network company group policy may provide:

(A) coverage for limits higher than the minimum limits required pursuant to article forty-four-B of the vehicle and traffic law.

(B) supplementary uninsured/underinsured motorists insurance for bodily injury pursuant to paragraph two of subsection (f) of section three thousand four hundred twenty of this article;

(C) supplemental spousal liability insurance pursuant to subsection (g) of section three thousand four hundred twenty of this chapter; and

(D) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter.

(3) The coverage described in paragraphs one and two of this subsection may be provided in one group policy or in separate group policies.

(4) A transportation network company group policy, including certificates, shall be issued by authorized insurers or from excess line brokers pursuant to section sixteen six hundred ninety-three of the vehicle and traffic law.

(5) A policyholder also may be an insured under a group policy.

(d) The premium for the transportation network company group policy, including certificates may be paid by the group policyholder from the funds contributed:

(1) wholly by the group policyholder;

(2) wholly by the group members; or

(3) jointly by the group policyholder and the group members.

(e) (1) Any policy dividend, retrospective premium credit, or retrospective premium refund in respect of premiums paid by the group policyholder may:

(A) be applied to reduce the premium contribution of the group policyholder, but not in excess of the proportion to its contribution; or

(B) be retained by the group policyholder.

(2) Any policy dividend, retrospective premium credit, or retrospective premium refund not distributed under paragraph one of this subsection shall be:

(A) applied to reduce future premiums and, accordingly, future contributions, of existing or future group members, or both; or

(B) paid or refunded to those group members insured on the date the payment or refund is made to the group policyholder, if distributed by

the group policyholder, or on the date of mailing, if distributed directly by the insurer, subject to the following requirements:

(i) The insurer shall be responsible for determining the allocation of the payment of refund to the group members;

(ii) If the group policyholder distributes the payment or refund, the insurer shall be responsible for audit to ascertain that the payment or refund is actually made in accordance with the allocation procedure; and

(iii) If the group policyholder fails to make the payment or refund, the insurer shall make the payment or refund directly or use the method provided in subparagraph (A) of this paragraph.

(3) Notwithstanding paragraphs one and two of this subsection, if a dividend accrues upon termination of coverage under a transportation network company group policy, the premium for which was paid out of funds contributed by group members specifically for the coverage, the dividend shall be paid or refunded by the group policyholder to the group members insured on the date the payment or refund is made to the group policyholder, net of reasonable expenses incurred by the group policyholder in paying or refunding the dividend to such group members.

(4) For the purposes of this subsection, "dividend" means a return by the insurer of a transportation network company group policy of excess premiums to the group policyholder in light of favorable loss experience, including retrospective premium credits or retrospective premium refunds. The term "dividend" does not include reimbursements or fees received by a group policyholder in connection with the operation or administration of a transportation network company group policy, including administrative reimbursements, fees for services provided by the group policyholder, or transactional service fees.

(f) The insurer shall treat in like manner all eligible group members of the same class and status.

(g) Each policy written pursuant to this section shall provide per occurrence limits of coverage for each group member in an amount not less than that required by this article, and may provide coverage for limits higher than the minimum limits required under the law.

(h) (1) The insurer shall be responsible for mailing or delivery of a certificate of insurance to each group member insured under the transportation network company group policy, provided, however, that the insurer may delegate the mailing or delivery to the transportation network company. The insurer shall also be responsible for the mailing or delivery to each group member of an amended certificate of insurance or endorsement to the certificate, whenever there is a change in limits; change in type of coverage; addition, reduction, or elimination of coverage; or addition of exclusion, under the transportation network company group policy or certificate.

(2) The certificate shall contain in substance all material terms and conditions of coverage afforded to group members, unless the transportation network company group policy is incorporated by reference and a copy of the group policy accompanies the certificate.

(3) If any coverage afforded to the group member is excess of applicable insurance coverage, the certificate shall contain a notice advising the group members that, if the member has other insurance coverage, specified coverages under the transportation network company group policy will be excess over the other insurance.

(i) A group policyholder shall comply with the provisions of section two thousand one hundred twenty-two of this chapter, in the same manner as an agent or broker, in any advertisement, sign, pamphlet, circular,

card, or other public announcement referring to coverage under a transportation network company group policy or certificate.

(j) A transportation network company group policy shall not be subject to section three thousand four hundred twenty-five or section three thousand four hundred twenty-six of this article; provided that the following requirements shall apply with regard to termination of coverage:

(1)(A) An insurer may terminate a group policy or certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (A) through (D) or (F) through (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article; provided, however, that an act or omission by a group member that would constitute the basis for cancellation of an individual certificate shall not constitute the basis for cancellation of the group policy.

(B) Where the premium is derived wholly from funds contributed by the group policyholder, an insurer may cancel an individual certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (B), (C) or (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article.

(2) (A) An insurer's cancellation of a group policy, including all certificates, shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group policyholder at the mailing address shown in the policy.

(i) Where all or part of the premium is derived from funds contributed by the group member specifically for the coverage, the insurer shall also mail or deliver written notice of cancellation of the group policy to the group member at the group member's mailing address. Such cancellation shall not become effective until thirty days after the insurer mails or delivers the written notice to the group member.

(ii) Where none of the premium is derived from funds contributed by a group member specifically for the coverage, the group policy holder shall mail or deliver written notice to the group member advising the group member of the cancellation of the group policy and the effective date of cancellation. The group policy holder shall mail or deliver the written notice within ninety days after receiving notice of cancellation from the insurer.

(B) An insurer's cancellation of an individual certificate shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group member at the group member's mailing address and to the group policyholder at the mailing address shown in the group policy.

(3) (A) A group policyholder may cancel a group policy, including all certificates, or any individual certificate, for any reason upon thirty days written notice to the insurer and each group member; and

(B) The group policyholder shall mail or deliver written notice to each affected group member of the group policyholder's cancellation of the group policy or certificate and the effective date of cancellation. The group policyholder shall mail or deliver the written notice to the group member's mailing address at least thirty days prior to the effective date of cancellation.

(4) (A) Unless a group policy provides for a longer policy period, the policy and all certificates shall be issued or renewed for a one-year policy period.

(B) The group policyholder shall be entitled to renew the group policy and all certificates upon timely payment of the premium billed to the group policyholder for the renewal, unless:

(i) the insurer mails or delivers to the group policyholder and all group members written notice of nonrenewal, or conditional renewal; and

(ii) the insurer mails or delivers the written notice at least thirty, but not more than one hundred twenty days prior to the expiration date specified in the policy or, if no date is specified, the next anniversary date of the policy.

(5) Where the group policyholder nonrenews the group policy, the group policyholder shall mail or deliver written notice to each group member advising the group member of nonrenewal of the group policy and the effective date of nonrenewal. The group policyholder shall mail or deliver written notice at least thirty days prior to the nonrenewal.

(6) Every notice of cancellation, nonrenewal, or conditional renewal shall set forth the specific reason or reasons for cancellation, nonrenewal, or conditional renewal.

(7) (A) An insurer shall not be required under this subsection to give notice to a group member if the insurer has been advised by either the group policyholder or another insurer that substantially similar coverage has been obtained from the other insurer without lapse of coverage.

(B) A group policyholder shall not be required under this subsection to give notice to a group member if substantially similar coverage has been obtained from another insurer without lapse of coverage.

(8) (A) If, prior to the effective date of cancellation, nonrenewal, or conditional renewal of the group policy, or a certificate, whether initiated by the insurer, group policyholder or by the group member in regard to the group member's certificate, coverage attaches pursuant to the terms of a group policy, then the coverage shall be effective until expiration of the applicable period of coverage provided in the group policy notwithstanding the cancellation, nonrenewal or conditional nonrenewal of the group policy.

(B) Notwithstanding subparagraph (A) of this paragraph, an insurer may terminate coverage under an individual certificate on the effective date of cancellation, if the certificate is cancelled in accordance with the provisions of subparagraph (B) of paragraph one of this subsection.

(k) Any mailing or delivery to a group member required or permitted under this section may be made by electronic mail if consent to such method of delivery has been previously received from such group member.

(l) An insurer may issue a transportation network company group policy to a transportation network company, notwithstanding that it may be a condition of operating a vehicle on the transportation network company's digital network for the TNC driver to participate in such group policy.

(m) An insurer shall not include a mandatory arbitration clause in a policy that provides financial responsibility coverage under this section except as permitted in section five thousand one hundred five of the insurance law.

§ 3456. Prohibition against cancellation of policy when motor vehicle is used or operated through a transportation network company program. (a) An insurer shall not cancel an existing motor vehicle insurance policy solely on the basis that the motor vehicle covered by the insurance has been made available pursuant to a transportation network company program in compliance with article forty-four-B of the vehicle and traffic law.

(b) The definitions set forth in section three thousand four hundred fifty-five of this article shall apply to this section.

§ 6-a. Subsection (g) of section 5102 of the insurance law is amended to read as follows:

(g) "Insurer" means the insurance company or self-insurer, as the case may be, which provides the financial security required by article six [~~or~~], eight, or forty-four-B of the vehicle and traffic law.

§ 7. Subsection (b) of section 5103 of the insurance law is amended by adding a new paragraph 4 to read as follows:

**(4) Is injured while a motor vehicle is being used or operated by a TNC driver pursuant to article forty-four-B of the vehicle and traffic law, provided, however, that only the insurer issuing the owner's policy of liability insurance providing coverage for the motor vehicle being operated by a TNC driver may exclude such coverage and an insurer may not include this exclusion in a policy used to satisfy the requirements under article forty-four-B of the vehicle and traffic law.**

§ 8. Subsection (d) of section 5106 of the insurance law, as added by chapter 452 of the laws of 2005, is amended to read as follows:

(d) [~~Where~~] **(1) Except as provided in paragraph two of this subsection, where** there is reasonable belief more than one insurer would be the source of first party benefits, the insurers may agree among themselves, if there is a valid basis therefor, that one of them will accept and pay the claim initially. If there is no such agreement, then the first insurer to whom notice of claim is given shall be responsible for payment. Any such dispute shall be resolved in accordance with the arbitration procedures established pursuant to section five thousand one hundred five of this article and [~~regulation~~] **regulations** as promulgated by the superintendent, and any insurer paying first-party benefits shall be reimbursed by other insurers for their proportionate share of the costs of the claim and the allocated expenses of processing the claim, in accordance with the provisions entitled "other coverage" contained in regulation and the provisions entitled "other sources of first-party benefits" contained in regulation. If there is no such insurer and the motor vehicle accident occurs in this state, then an applicant who is a qualified person as defined in article fifty-two of this chapter shall institute the claim against **the** motor vehicle accident indemnification corporation.

**(2) A group policy issued pursuant to section three thousand four hundred fifty-five of this chapter shall provide first party benefits when a dispute exists as to whether a driver was using or operating a motor vehicle in connection with a transportation network company when loss, damage, injury, or death occurs. A transportation network company shall notify the insurer that issued the owner's policy of liability insurance of the dispute within ten business days of becoming aware that the dispute exists. When there is a dispute, the group insurer liable for the payment of first party benefits under a group policy shall have the right to recover the amount paid from the driver's insurer to the extent that the driver would have been liable to pay damages in an action at law.**

§ 9. Subsection (b) of section 2305 of the insurance law, as amended by chapter 11 of the laws of 2008, paragraph 13 as amended by chapter 136 of the laws of 2008, is amended to read as follows:

(b) rate filings for:

(1) workers' compensation insurance;

(2) motor vehicle insurance, or surety bonds, required by section three hundred seventy of the vehicle and traffic law **or article forty-four-B of the vehicle and traffic law**;

(3) joint underwriting;

(4) motor vehicle assigned risk insurance;

(5) insurance issued by the New York Property Insurance Underwriting Association;

(6) risk sharing plans authorized by section two thousand three hundred eighteen of this article;

(7) title insurance;

(8) medical malpractice liability insurance;

(9) insurance issued by the Medical Malpractice Insurance Association;

(10) mortgage guaranty insurance;

(11) credit property insurance, as defined in section two thousand three hundred forty of this article; [~~and~~]

(12) gap insurance**; and**

(13) [~~Private~~] **private** passenger automobile insurance, except as provided in section two thousand three hundred fifty of this article[~~.~~]**,** shall be filed with the superintendent and shall not become effective unless either the filing has been approved or thirty days, which the superintendent may with cause extend an additional thirty days and with further cause extend an additional fifteen days, have elapsed and the filing has not been disapproved as failing to meet the requirements of this article, including the standard that rates be not otherwise unreasonable. After a rate filing becomes effective, the filing and supporting information shall be open to public inspection. If a filing is disapproved, **then** notice of such disapproval order shall be given, specifying in what respects such filing fails to meet the requirements of this article. Upon his or her request, the superintendent shall be provided with support and assistance from the workers' compensation board and other state agencies and departments with appropriate jurisdiction. The loss cost multiplier for each insurer providing coverage for workers' compensation, as defined by regulation promulgated by the superintendent, shall be promptly displayed on the department's website and updated in the event of any change.

§ 10. Paragraph 1 of subsection (a) of section 3425 of the insurance law, as amended by chapter 235 of the laws of 1989, is amended to read as follows:

(1) "Covered policy" means a contract of insurance, referred to in this section as "automobile insurance", issued or issued for delivery in this state, on a risk located or resident in this state, insuring against losses or liabilities arising out of the ownership, operation, or use of a motor vehicle, predominantly used for non-business purposes, when a natural person is the named insured under the policy of automobile insurance**; provided, however, that the use or operation of the motor vehicle by a transportation network driver as a TNC vehicle in accordance with article forty-four-B of the vehicle and traffic law shall not be included in determining whether the motor vehicle is being used predominantly for non-business purposes**.

§ 11. Subdivisions 1 and 3 of section 160-cc of the executive law, as added by chapter 49 of the laws of 1999, are amended and a new subdivision 10 is added to read as follows:

1. "Black car operator" means the registered owner of a for-hire vehicle, or a driver designated by such registered owner to operate the registered owner's for-hire vehicle as the registered owner's authorized designee, whose injury arose out of and in the course of providing covered services to a central dispatch facility that is a registered member of the New York black car operators' injury compensation fund, inc.

**(a) For the purposes of the administration of this article, a black car operator shall include a TNC driver that is engaged in a TNC prear-**

ranged trip. For the purposes of this article, the terms "TNC driver", "TNC prearranged trip" and "digital network" shall have the same meanings as such terms are defined in article forty-four-B of the vehicle and traffic law.

(b) For the purposes of the administration of this article, a black car operator shall include a TNC driver that is logged onto a TNC digital network and is not engaged in a TNC prearranged trip but is engaged in an activity reasonably related to driving as a TNC driver taking into consideration the time, place and manner of such activity, however, that this paragraph shall only apply to a TNC driver permitted pursuant to article forty-four-B of the vehicle and traffic law within twelve months of the effective date of this paragraph.

3. "Central dispatch facility" means a central facility, wherever located, including a transportation network company, that (a) dispatches the registered owners of for-hire vehicles, or drivers acting as the designated agent of such registered owners, to both pick-up and discharge passengers in the state, and (b) has certified to the satisfaction of the department of state that more than ninety percent of its for-hire business is on a payment basis other than direct cash payment by a passenger; provided, however, that a central dispatch facility shall not include any such central facility that owns fifty percent or more of the cars it dispatches. For the purposes of administration of this article, central dispatch facility shall include TNC prearranged trip as defined in article forty-four-B of the vehicle and traffic law.

10. "Transportation network company" or "TNC" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.

§ 12. Subdivision 1 of section 160-ff of the executive law, as added by chapter 49 of the laws of 1999, is amended to read as follows:

1. [~~Within thirty days of the effective date of this article, there~~] There shall be appointed a board of directors of the fund, consisting of [~~nine~~] eleven directors, [~~five~~] six of whom shall be selected by the black car assistance corporation; [~~three~~] four of whom shall be chosen by the governor, including one chosen upon the recommendation of the temporary president of the senate and one chosen upon the recommendation of the speaker of the assembly; one chosen to represent a transportation network company as defined by article forty-four-B of the vehicle and traffic law; and one of whom shall be the secretary, who shall serve ex officio. [~~The initial terms of directors other than the secretary shall be staggered, the three directors appointed by the governor serving for initial terms of three years from the effective date of this article, three of the remaining five directors serving for initial terms of two years from the effective date of this article and two directors serving for initial terms of one year from the effective date of this article~~] The governor shall appoint the director chosen to represent a transportation network company no later than December thirty-first, two thousand seventeen. The [~~subsequent~~] terms of all directors other than the secretary shall be three years. The board shall have the power to remove for cause any director other than the secretary.

§ 13. Subdivision 3 of section 160-jj of the executive law, as added by chapter 49 of the laws of 1999, is amended to read as follows:

3. No local licensing authority or the department or the New York state department of motor vehicles shall issue, continue or renew any license or registration certificate, or permit for the operation of any central dispatch facility unless such central dispatch facility, as a condition of maintaining its license and/or registration certificate,

adds the surcharge required by this section to every invoice and billing for covered services sent to, and every credit payment for covered services received from, its customers and pays to the fund no later than the fifteenth day of each month the total surcharges due pursuant to this article.

§ 14. The general municipal law is amended by adding a new section 182 to read as follows:

**§ 182. Local regulation of transportation network companies. 1. Every county, and any city with a population of one hundred thousand or more as of the last decennial census, may prohibit the pick-up of any person by a transportation network company as defined by article forty-four-B of the vehicle and traffic law within their geographic boundaries pursuant to the enactment of a local law or ordinance, except that any county that contains a city with a population of one hundred thousand or more as of the last decennial census shall only be authorized to prohibit the pick-up of any person by a transportation network company as defined by article forty-four-B of the vehicle and traffic law outside of the geographic boundaries of such city.**

**2. Any county or city that enacts a local law or ordinance pursuant to this section or repeals such local law or ordinance shall notify the department of motor vehicles. Such department shall maintain on its public website a list of all counties and cities that have enacted a local law or ordinance pursuant to this section and shall remove from such list any county or city that repeals such local law or ordinance.**

**3. This section shall not apply to a city with a population of one million or more.**

§ 15. Subdivision 1 of section 171-a of the tax law, as amended by chapter 90 of the laws of 2014, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-B, twenty-one, twenty-two, twenty-six, [~~**twenty-six-B,**~~] twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, **twenty-nine-B,** thirty-one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under such articles of this chapter, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such articles of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under the provisions of such articles of this chapter. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such articles. The comptroller, after reserving

the amount to pay such refunds or reimbursements, shall, on or before the tenth day of each month, pay into the state treasury to the credit of the general fund all revenue deposited under this section during the preceding calendar month and remaining to the comptroller's credit on the last day of such preceding month, (i) except that the comptroller shall pay to the state department of social services that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against past-due support pursuant to subdivision six of section one hundred seventy-one-c of this article, (ii) and except that the comptroller shall pay to the New York state higher education services corporation and the state university of New York or the city university of New York respectively that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against the amount of defaults in repayment of guaranteed student loans and state university loans or city university loans pursuant to subdivision five of section one hundred seventy-one-d and subdivision six of section one hundred seventy-one-e of this article, (iii) and except further that, notwithstanding any law, the comptroller shall credit to the revenue arrearage account, pursuant to section ninety-one-a of the state finance law, that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section

one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 16. Subdivision 1 of section 171-a of the tax law, as amended by section 54 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-one, twenty-two, twenty-six, [~~twenty-six-B,~~] twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, **twenty-nine-B,** thirty-one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under such articles of this chapter, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such articles of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under the provisions of such articles of this chapter. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such articles. The comptroller, after reserving the amount to pay such refunds or reimbursements, shall, on or before the tenth day of each month, pay into the state treasury to the credit of the general fund all revenue deposited under this section during the preceding calendar month and remaining to the comptroller's credit on the last day of such preceding month, (i) except that the comptroller shall pay to the state department of social services that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against past-due support pursuant to subdivision six of section one hundred seventy-one-c of this article, (ii) and except that the comptroller shall pay to the New York state higher education services corporation and the state university of New York or the city university of New York respectively that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against the amount of defaults in repayment of guaranteed student loans and state university loans or city university loans pursuant to subdivision five of section one hundred seventy-one-d and subdivision six of section one hundred seventy-one-e of this article, (iii) and except further that, notwithstanding any law, the comptroller shall credit to the revenue arrearage account, pursuant to section ninety-one-a of the state finance law, that amount

of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 17. Paragraph 34 of subdivision (b) of section 1101 of the tax law, as amended by section 1 of part WW of chapter 57 of the laws of 2010, is amended to read as follows:

(34) Transportation service. The service of transporting, carrying or conveying a person or persons by livery service; whether to a single destination or to multiple destinations; and whether the compensation paid by or on behalf of the passenger is based on mileage, trip, time consumed or any other basis. A service that begins and ends in this state is deemed intra-state even if it passes outside this state during a portion of the trip. However, transportation service does not include transportation of persons in connection with funerals. Transportation service includes transporting, carrying, or conveying property of the person being transported, whether owned by or in the care of such person. **Notwithstanding the foregoing, transportation service shall not include a TNC prearranged trip, as that term is defined in article forty-four-B of the vehicle and traffic law, that is subject to tax under article twenty-nine-B of this chapter.** In addition to what is included in the definition of "receipt" in paragraph three of this subdivision, receipts from the sale of transportation service subject to

tax include any handling, carrying, baggage, booking service, administrative, mark-up, additional, or other charge, of any nature, made in conjunction with the transportation service. Livery service means service provided by limousine, black car or other motor vehicle, with a driver, but excluding (i) a taxicab, (ii) a bus, and (iii), in a city of one million or more in this state, an affiliated livery vehicle, and excluding any scheduled public service. Limousine means a vehicle with a seating capacity of up to fourteen persons, excluding the driver. Black car means a for-hire vehicle dispatched from a central facility. "Affiliated livery vehicle" means a for-hire motor vehicle with a seating capacity of up to six persons, including the driver, other than a black car or luxury limousine, that is authorized and licensed by the taxi and limousine commission of a city of one million or more to be dispatched by a base station located in such a city and regulated by such taxi and limousine commission; and the charges for service provided by an affiliated livery vehicle are on the basis of flat rate, time, mileage, or zones and not on a garage to garage basis.

§ 18. The tax law is amended by adding a new article 29-B to read as follows:

**ARTICLE 29-B**

**STATE ASSESSMENT FEE ON TRANSPORTATION NETWORK COMPANY PREARRANGED TRIPS**

**Section 1291. Definitions.**
**1292. Imposition.**
**1293. Presumption.**
**1294. Returns and payment of state assessment fee.**
**1295. Records to be kept.**
**1296. Secrecy of returns and reports.**
**1297. Practice and procedure.**
**1298. Deposit and disposition of revenue.**

**§ 1291. Definitions. (a) "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals and any other form of unincorporated enterprise owned or conducted by two or more persons.**

**(b) "City" means a city of a million or more located in the metropolitan commuter transportation district established by section twelve hundred sixty-two of the public authorities law.**

**(c) "Transportation network company" or "TNC" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.**

**(d) "TNC prearranged trip" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.**

**(e) "TNC driver" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.**

**(f) "TNC vehicle" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.**

**(g) "Gross trip fare" means the sum of the base fare charge, distance charge and time charge for a complete TNC prearranged trip at the applicable rate charged by the TNC at the time such trip is arranged.**

**§ 1292. Imposition. There is hereby imposed on every TNC a state assessment fee of 4% of the gross trip fare of every TNC prearranged trip provided by such TNC that originates anywhere in the state outside the city and terminates anywhere in this state.**

§ 1293. Presumption. For the purpose of the proper administration of this article and to prevent evasion of the state assessment fee imposed by this article, it shall be presumed that every TNC prearranged trip that originates anywhere in the state outside the city is subject to the state assessment fee. This presumption shall prevail until the contrary is proven by the person liable for the fee.

§ 1294. Returns and payment of state assessment fee. (a) Every person liable for the state assessment fee imposed by this article shall file a return on a calendar-quarterly basis with the commissioner. Each return shall show the number of TNC prearranged trips, the total gross trip fares and the amount of fees due thereon in the quarter for which the return is filed, together with such other information as the commissioner may require. The returns required by this section shall be filed within thirty days after the end of the quarterly period covered thereby. If the commissioner deems it necessary in order to ensure the payment of the state assessment fee imposed by this article, the commissioner may require returns to be made for shorter periods than prescribed by the foregoing provisions of this section, and upon such dates as the commissioner may specify. The form of returns shall be prescribed by the commissioner and shall contain such information as the commissioner may deem necessary for the proper administration of this article. The commissioner may require amended returns to be filed within thirty days after notice and to contain the information specified in the notice. The commissioner may require that the returns be filed electronically.

(b) Every person required to file a return under this article shall, at the time of filing such return, pay to the commissioner the total of all state assessment fees on the correct number of trips subject to such fee under this article. The amount so payable to the commissioner for the period for which a return is required to be filed shall be due and payable to the commissioner on the date specified for the filing of the return for such period, without regard to whether a return is filed or whether the return that is filed correctly shows the correct number of trips, gross trip fares or amount of fees due thereon. The commissioner may require that the fee be paid electronically.

§ 1295. Records to be kept. Every person liable for the state assessment fee imposed by this article shall keep:

(a) records of every TNC prearranged trip subject to the state assessment fee under this article, and of all amounts paid, charged or due thereon, in such form as the commissioner may require;

(b) true and complete copies, including electronic copies, of any records required to be kept by a state agency that is authorized to permit or regulate a TNC; and

(c) such other records and information as the commissioner may require to perform his or her duties under this article.

§ 1296. Secrecy of returns and reports. (a) Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the commissioner, any officer or employee of the department, any person engaged or retained by the department on an independent contract basis, or any person who in any manner may acquire knowledge of the contents of a return or report filed with the commissioner pursuant to this article, to divulge or make known in any manner any particulars set forth or disclosed in any such return or report. The officers charged with the custody of such returns and reports shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the

commissioner in an action or proceeding under the provisions of this chapter or in any other action or proceeding involving the collection of a state assessment fee due under this article to which the state or the commissioner is a party or a claimant, or on behalf of any party to any action, proceeding or hearing under the provisions of this article when the returns, reports or facts shown thereby are directly involved in such action, proceeding or hearing, in any of which events the court, or in the case of a hearing, the division of tax appeals may require the production of, and may admit into evidence, so much of said returns, reports or of the facts shown thereby, as are pertinent to the action, proceeding or hearing and no more. The commissioner or the division of tax appeals may, nevertheless, publish a copy or a summary of any decision rendered after a hearing required by this article. Nothing in this section shall be construed to prohibit the delivery to a person who has filed a return or report or to such person's duly authorized representative of a certified copy of any return or report filed in connection with such person's state assessment fee. Nor shall anything in this section be construed to prohibit the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the inspection by the attorney general or other legal representatives of the state of the return or report of any person required to pay the state assessment fee who shall bring action to review the state assessment fee based thereon, or against whom an action or proceeding under this chapter has been recommended by the commissioner or the attorney general or has been instituted, or the inspection of the returns or reports required under this article by the comptroller or duly designated officer or employee of the state department of audit and control, for purposes of the audit of a refund of any state assessment fee paid by a person required to pay the state assessment fee under this article. Provided, further, nothing in this section shall be construed to prohibit the disclosure, in such manner as the commissioner deems appropriate, of the names and other appropriate identifying information of those persons required to pay state assessment fee under this article.

(b) Notwithstanding the provisions of subdivision (a) of this section, the commissioner, in his or her discretion, may require or permit any or all persons liable for any state assessment fee imposed by this article, to make payment to banks, banking houses or trust companies designated by the commissioner and to file returns with such banks, banking houses or trust companies as agents of the commissioner, in lieu of paying any such state assessment fee directly to the commissioner. However, the commissioner shall designate only such banks, banking houses or trust companies as are already designated by the comptroller as depositories pursuant to section twelve hundred eighty-eight of this chapter.

(c) Notwithstanding the provisions of subdivision (a) of this section, the commissioner may permit the secretary of the treasury of the United States or such secretary's delegate, or the authorized representative of either such officer, to inspect any return filed under this article, or may furnish to such officer or such officer's authorized representative an abstract of any such return or supply such person with information concerning an item contained in any such return, or disclosed by any investigation of liability under this article, but such permission shall be granted or such information furnished only if the laws of the United States grant substantially similar privileges to the commissioner or officer of this state charged with the administration of the state assessment fee imposed by this article, and only if such information is

to be used for purposes of tax administration only; and provided further the commissioner may furnish to the commissioner of internal revenue or such commissioner's authorized representative such returns filed under this article and other tax information, as such commissioner may consider proper, for use in court actions or proceedings under the internal revenue code, whether civil or criminal, where a written request therefor has been made to the commissioner by the secretary of the treasury of the United States or such secretary's delegate, provided the laws of the United States grant substantially similar powers to the secretary of the treasury of the United States or his or her delegate. Where the commissioner has so authorized use of returns and other information in such actions or proceedings, officers and employees of the department may testify in such actions or proceedings in respect to such returns or other information.

(d) Returns and reports filed under this article shall be preserved for three years and thereafter until the commissioner orders them to be destroyed.

(e) (1) Any officer or employee of the state who willfully violates the provisions of subdivision (a) of this section shall be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(2) Cross-reference: For criminal penalties, see article thirty-seven of this chapter.

§ 1297. Practice and procedure. The provisions of article twenty-seven of this chapter shall apply with respect to the administration of and procedure with respect to the state assessment fee imposed by this article in the same manner and with the same force and effect as if the language of such article twenty-seven had been incorporated in full into this article and had expressly referred to the state assessment fee under this article, except to the extent that any such provision is either inconsistent with a provision of this article or is not relevant to this article.

§ 1298. Deposit and disposition of revenue. All taxes, fees, interest and penalties collected or received by the commissioner under this article shall be deposited and disposed of pursuant to the provisions of section one hundred seventy-one-a of this chapter.

§ 19. The tax law is amended by adding a new section 1822 to read as follows:

§ 1822. Violation of the state assessment fee on transportation network company prearranged trips. Any willful act or omission by any person that constitutes a violation of any provision of article twenty-nine-B of this chapter shall constitute a misdemeanor.

§ 20. Section 1825 of the tax law, as amended by section 89 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

§ 1825. Violation of secrecy provisions of the tax law.--Any person who violates the provisions of subdivision (b) of section twenty-one, subdivision one of section two hundred two, subdivision eight of section two hundred eleven, subdivision (a) of section three hundred fourteen, subdivision one or two of section four hundred thirty-seven, section four hundred eighty-seven, subdivision one or two of section five hundred fourteen, subsection (e) of section six hundred ninety-seven, subsection (a) of section nine hundred ninety-four, subdivision (a) of section eleven hundred forty-six, section twelve hundred eighty-seven, section twelve hundred ninety-six, subdivision (a) of section fourteen hundred eighteen, subdivision (a) of section fifteen hundred eighteen, subdivision (a) of section fifteen hundred fifty-five of this chapter,

and subdivision (e) of section 11-1797 of the administrative code of the city of New York shall be guilty of a misdemeanor.

§ 21. 1. For purposes of this section, transportation network company shall mean a transportation network company as defined by article forty-four-B of the vehicle and traffic law.

2. There is hereby established the New York State Transportation Network Company Accessibility Task Force to analyze and advise on how to maximize effective and integrated transportation services for persons with disabilities in the transportation network company market. The New York State Transportation Network Company Accessibility Task Force shall consist of eleven members. Two members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the speaker of the assembly. Two members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the temporary president of the senate. Seven members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the governor and shall include, but not be limited to, two representatives of groups who serve persons with disabilities and two representatives from a transportation network company. The governor shall designate two chairpersons to the New York State Transportation Network Company Accessibility Task Force.

3. The New York State Transportation Network Company Accessibility Task Force shall study the demand responsive transportation marketplace and shall, in addition to any responsibilities assigned by the governor: (a) conduct a needs assessment concerning the demand for demand responsive accessible transportation; (b) conduct a resource assessment concerning the availability of accessible demand responsive transportation services for persons with disabilities; (c) identify opportunities for, and barriers to, increasing accessible demand responsive transportation service for persons with mobility disabilities; (d) propose strategies for increasing accessible demand responsive transportation service for persons with disabilities; and (e) any other issues determined important to the task force in establishing a recommendation pursuant to subdivision five of this section.

4. The New York State Transportation Network Company Accessibility Task Force shall hold public hearings and provide an opportunity for public comment on the activities described in subdivision two of this section.

5. The New York State Transportation Network Company Accessibility Task Force shall complete a report addressing the activities described in subdivision two of this section and make a recommendation, supported by such activities, recommending the amount of accessibility necessary for adequate transportation for disabled passengers in order to utilize such services and present such findings at a public meeting where its members shall accept such report, pursuant to majority vote of the task force, and present such report to the governor, the speaker of the assembly and the temporary president of the senate, and make such report publicly available for review on or before January first, two thousand nineteen.

6. Upon making the report described in subdivision five of this section, the New York State Transportation Network Company Accessibility Task Force shall be deemed dissolved.

§ 22. 1. For purposes of this section, transportation network company ("TNC") and TNC driver shall have the same meaning as such terms are defined by article 44-B of the vehicle and traffic law. Region shall

mean one or more of the following named areas comprised of the counties indicated:

(a) Western New York: Allegany, Cattaraugus, Chautauqua, Erie, and Niagara counties;

(b) Finger Lakes: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, and Yates counties;

(c) Southern Tier: Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, and Tompkins counties;

(d) Central New York: Cayuga, Cortland, Madison, Onondaga, and Oswego counties;

(e) Mohawk Valley: Fulton, Herkimer, Montgomery, Oneida, Otsego, and Schoharie counties;

(f) North Country: Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, and St. Lawrence counties;

(g) Capital Region: Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren, and Washington counties;

(h) Mid-Hudson: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties; and

(i) Long Island: Nassau, and Suffolk counties.

2. (a) There is hereby established the New York State Transportation Network Company Review Board. The board shall consist of 16 members who shall be selected as follows:

(i) one shall be the commissioner of the department of motor vehicles or his or her designee who shall serve as the chairperson;

(ii) one shall be the superintendent of the department of financial services or his or her designee;

(iii) one shall be the commissioner of the department of labor or his or her designee;

(iv) one shall be the superintendent of the New York state police or his or her designee;

(v) one shall be the commissioner of the New York state department of economic development or his or her designee;

(vi) eleven shall be appointed by the governor; provided, however, that one shall be a representative of the New York black car operators' injury compensation fund inc., one shall be a representative of a transportation network company, and all regions as provided for in subdivision 1 of this section shall be represented;

(vii) three of such representatives of regions shall be appointed upon recommendation of the temporary president of the senate; and

(viii) three of such representatives of regions shall be appointed upon recommendation of the speaker of the assembly.

(b) The regional members appointed shall represent cities with a population over one hundred thousand and a county contained within a region as provided for in subdivision 1 of this section; provided, however, that no two members shall represent the same region. Such cities shall not include a city with a population of one million or more.

3. The New York state transportation network company review board shall review issues related to the general operation of TNCs within the state. Such issues shall include, but not be limited to: (a) TNC licensing; (b) TNC Driver permitting; (c) geographic operation; (d) consumer protection; (e) economic impact; (f) anti-discrimination; (g) workers' compensation; (h) local government related impact; (i) public safety; (j) surge pricing; and (k) any other issue deemed appropriate and proper by the board.

4. The New York state transportation network company review board shall hold no more than four public hearings and provide an opportunity

for the public, local government officials, and other interested parties to comment on areas pertinent to the activities of the board. The New York state transportation network company review board shall complete and submit a comprehensive report addressing the activities described in subdivision three of this section on or before January 1, 2019. Upon formal adoption by the review board, such report shall be presented to the governor, the speaker of the assembly and the temporary president of the senate. Upon the presentation of such report, the New York state transportation network review board shall be deemed dissolved.

§ 23. Severability clause. If any provision of this act or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

§ 24. Each agency that is designated to perform any function or duty pursuant to this act shall be authorized to establish rules and regulations for the administration and execution of such authority in a manner consistent with the provisions of this act and for the protection of the public, health, safety and welfare of persons within this state.

§ 25. The New York black car operators injury compensation fund, inc. shall complete a study on the impact of the inclusion of TNC drivers on such fund no later than ten months from the effective date of this act.

§ 26. This act shall take effect on the ninetieth day after it shall have become a law; provided that the amendments to subdivision 1 of section 171-a of the tax law made by section fifteen of this act shall not affect the expiration of such subdivision and shall expire therewith, when upon such date the provisions of section sixteen of this act shall take effect; provided however that coverage provided pursuant to paragraph (b) of subdivision 1 of section 160-cc of the executive law as added by section eleven of this act shall be deemed repealed one year from the effective date of this act; provided, further, that any TNC driver permitted to operate prior to the repeal of such paragraph shall not see a reduction in coverage.

PART BBB

Section 1. County-wide shared services property tax savings plan. 1. Notwithstanding the provisions of the municipal home rule law, the alternative county government law, or any other general, special or local law to the contrary, the chief executive officer of each county outside of a city of one million or more shall prepare a property tax savings plan for shared, coordinated and efficient services among the county, cities, towns and villages within such county.

Such plan may include school districts, boards of cooperative educational services, and special improvement districts within such county if the school district, board of cooperative educational services, or special improvement district has a representative on the shared services panel.

2. a. There shall be a shared services panel in each county consisting of the chief executive officer of the county, who shall serve as chair, and one representative from each city, town, and village in the county.

b. The chief executive officer of each town, city and village shall be the representative to the shared services panel and shall be the mayor, if a city or a village, or shall be the supervisor, if a town.

c. The chief executive officer of the county may invite any school district, any board of cooperative educational services, and/or any

special improvement district in the county to participate in the county-wide shared services property tax savings plan. Upon such invitation, the governing body of such school district, board of cooperative educational services, and/or a special improvement district may accept such invitation by selecting a representative of such governing body, by majority vote, to serve as a member of the shared services panel.

d. In the development of the county-wide shared services property tax savings plan, the chief executive officer of the county shall regularly consult with, and take recommendations from, all the representatives of the shared services panel, as well as with and from the representative of each collective bargaining unit of the county and the cities, towns, and villages as well as from the representative of each collective bargaining unit of any participating school district, board of cooperative educational services and special improvement district.

3. Public input, as well as input from civic, business, labor, and community leaders, shall be accepted by the chief executive officer, the county legislative body and the shared services panel on the proposed county-wide shared services property tax savings plan. To facilitate such input, three or more public hearings shall be arranged to be held within the county. All such public hearings shall be conducted prior to the submission of the county-wide shared services property tax savings plan to a vote of the shared services panel, and public notice of all such hearings shall be provided at least one week prior in the manner prescribed in subdivision 1 of section 104 of the public officers law. Civic, business, labor, and community leaders, as well as members of the public, shall be permitted to provided public testimony at any such hearings.

4. a. Such property tax savings plan shall contain new recurring property tax savings through actions such as, but not limited to, the elimination of duplicative services; shared services, such as joint purchasing, shared highway equipment, shared storage facilities, shared plowing services, and energy and insurance purchasing cooperatives; reduction in back office administrative overhead; and better coordination of services.

b. The chief executive officer of the county shall submit such property tax savings plan to the county legislative body no later than August first, two thousand seventeen. Such property tax savings plan shall be accompanied by a certification as to the accuracy of the savings contained therein.

c. The county legislative body shall review and consider the county-wide shared services plan submitted to it in accordance with paragraph b of this subdivision. A majority of the members of such body may issue an advisory report making recommendations as deemed necessary. The chief executive officer may make modifications to the plan based on such recommendations. If modifications are made by the chief executive officer, he or she shall produce an updated certification as to the accuracy of the savings contained therein.

d. The county shared services panel shall consider the county-wide shared services tax savings plan. A majority vote of the panel shall be required for approval of such plan, provided however that each member of the panel may, prior to the panel-wide vote, cause to be removed from the plan any proposed action that affects the unit of local government represented by the respective member. Written notice of such removal shall be provided to the chief executive officer of the county prior to the panel-wide vote on the plan.

e. If a county does not achieve an approved county-wide shared services property tax savings plan by the deadlines required for 2017, then it shall release to the public a report on the proposal, the vote of the panel which vote shall require each panel member, in writing to state the reason for such vote. The county shall then follow the same procedures defined in this section to attempt to produce an approved county-wide shared services property tax savings plan by the deadlines required for 2018.

5. a. Upon approval of the shared services panel, the chief executive officer of the county shall finalize the county-wide shared services property tax savings plan and shall transmit to the director of the division of the budget a certification of the plan and its property tax savings plan. The chief executive officer of the county shall finalize any such approved county-wide shared services property tax savings plan no later than September fifteenth, two thousand seventeen, and any such plan shall be publicly disseminated to residents of the county in a concise, clear, and coherent manner using words with common and everyday meanings.

b. The beginning of the plan publicly disseminated shall contain the information and shall be in the form set forth hereinbelow:

County-wide Shared Services Property Tax Savings Plan Summary

| | | |
|---|---|---|
| Row 1 | Participating Cities | (insert number of cities in the county as well as the number and list of such cities with a representative on the panel who voted on such plan) |
| Row 2 | Participating Towns | (insert number of towns in the county as well as the number and list of such towns with a representative on the panel who voted on such plan) |
| Row 3 | Participating Villages | (insert number of villages in the county as well as the number and list of such villages with a representative on the panel who voted on such plan) |
| Row 4 | Participating school districts, BOCES, and special improvement districts | (insert number of school districts, BOCES, and special improvement districts in the county as well as the number and list of such school districts, BOCES, and special improvement districts with a representative on the panel who voted on such plan) |
| Row 5 | 2017 Local Government property taxes | (insert sum total of property taxes levied in the year 2017 by the county, cities, towns, villages, school districts, BOCES, and special improvement districts within such county) |
| Row 6 | 2017 Participating Entities property taxes | (insert sum total of property taxes levied in the year 2017 by the county, any cities, towns, villages, school districts, BOCES, and special improvements districts identified as participating in the panel in rows one through |

| | | |
|---|---|---|
| | | four above) |
| Row 7 | Total Anticipated Savings | (insert sum total of net savings in such plan certified as being anticipated in calendar year 2018, calendar year 2019, and annually thereafter) |
| Row 8 | Anticipated Savings as a Percentage of Participating Entities property taxes | (insert sum total of net savings in such plan certified as being anticipated in calendar year 2018 as a percentage of the sum total in Row 6, calendar year 2019 as a percentage of the sum total in Row 6, and annually thereafter as a percentage of the sum total in Row 6) |
| Row 9 | Anticipated Savings to the Average Taxpayer | (insert the amount of the savings that the average taxpayer in the county will realize in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized) |
| Row 10 | Anticipated Costs/Savings to the Average Homeowner | (insert the percentage amount a homeowner can expect his or her property taxes to increase or decrease in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized) |
| Row 11 | Anticipated Costs/Savings to the Average Business | (insert the percentage amount a business can expect its property taxes to increase or decrease in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized) |

c. The chief executive officer of the county shall conduct a public presentation of the plan no later than October 15, 2017. Public notice of such public presentation shall be provided at least one week prior in the manner prescribed in subdivision 1 of section 104 of the public officers law.

d. Any such finalized property tax savings plan which would have the effect of transferring or abolishing a function or duty of the county or of the cities, towns, villages, districts or other units of government wholly contained in the county, shall not become operative unless and until it is approved in accordance with subdivision (h) of section one of article nine of the state constitution.

6. a. If the county-wide property tax savings plan shall fail to obtain the approval of the shared services panel, voting on the plan in accordance with this section, the chief executive officer of the county shall resubmit such plan to the shared services panel, in accordance with the procedures established for first consideration of the plan

outlined by this section, no later than August first, two thousand eighteen.

b. Any proposed county-wide shared services property tax savings plan prepared for reconsideration by the shared services panel, shall follow the same procedures prescribed in this section for original consideration in two thousand seventeen. No county-wide shared services property tax savings plan shall be deemed approved, or may be finalized, without approval of such plan by the shared services panel.

c. If the shared services panel approves the proposed county-wide shared services property tax savings plan for 2018, the chief executive officer of the county shall finalize any such approved county-wide shared services property tax savings plan no later than September fifteenth, two thousand eighteen, and any such plan shall be publicly disseminated to residents of the county in a concise, clear, and coherent manner using words with common and everyday meanings.

d. The beginning of the plan publicly disseminated shall contain the information and shall be in the form set forth hereinbelow:

County-wide Shared Services Property Tax Savings Plan Summary

| | | |
|---|---|---|
| Row 1 | Participating Cities | (insert number of cities in the county as well as the number and list of such cities with a representative on the panel who voted on such plan) |
| Row 2 | Participating Towns | (insert number of towns in the county as well as the number and list of such towns with a representative on the panel who voted on such plan) |
| Row 3 | Participating Villages | (insert number of villages in the county as well as the number and list of such villages with a representative on the panel who voted on such plan) |
| Row 4 | Participating school districts, BOCES, and special improvement districts | (insert number of school districts, BOCES, and special improvement districts in the county as well as the number and list of such school districts, BOCES, and special improvement districts with a representative one the panel who voted on such plan) |
| Row 5 | 2018 Local Government property taxes | (insert sum total of property taxes levied in the year 2018 by the county, cities, towns, villages, school districts, BOCES, and special improvement districts within such county) |
| Row 6 | 2018 Participating Entities property taxes | (insert sum total of property taxes levied in the year 2018 by the county, any cities, towns, villages, school districts, BOCES, and special improvement districts identified as participating |

| | | |
|---|---|---|
| | | in the panel in rows one through four above) |
| Row 7 | Total Anticipated Savings | (insert sum total of net savings in such plan certified as being anticipated in calendar year 2019, calendar year 2020, and annually thereafter) |
| Row 8 | Anticipated Savings as a Percentage of Participating Entities property taxes | (insert sum total of net savings in such plan certified as being anticipated in calendar year 2019 as a percentage of the sum total in Row 6, calendar year 2020 as a percentage of the sum total in Row 6, and annually thereafter as a percentage of the sum total in Row 6) |
| Row 9 | Anticipated Savings to the Average Taxpayer | (insert the amount of the savings that the average taxpayer in the county will realize in calendar year 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized) |
| Row 10 | Anticipated Costs/Savings to the Average Homeowner | (insert the percentage amount a homeowner can expect his or her property taxes to increase or decrease in calendar year 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized) |
| Row 11 | Anticipated Costs/Savings to the Average Business | (insert the percentage amount a business can expect its property taxes to increase or decrease in calendar year 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized) |

e. The chief executive officer of the county shall conduct a public presentation of the plan no later than October 15, 2018. Public notice of such public presentation shall be provided at least one week prior in the manner prescribed in subdivision 1 of section 104 of the public officers law.

f. Any such finalized property tax savings plan which would have the effect of transferring or abolishing a function or duty of the county or of the cities, towns, villages, districts or other units of government wholly contained in the county, shall not become operative unless and until it is approved in accordance with subdivision (h) of section one of article nine of the state constitution.

7. For the purposes of this part "chief executive officer" means the county executive, county manager or other chief executive of the county, or where none, the chair of the county legislative body.

8. Each county plan may be eligible for one-time funding to match savings in such plan, subject to available appropriation. The secretary of state shall develop an application, approved by the director of the

budget, with any necessary requirements to receive such matching funding. Savings that are actually and demonstrably realized by the participating local governments are eligible for matching funding. For actions that are a part of an approved plan finalized in 2017, savings from new actions implemented on or after January 1, 2018 are eligible for matching funding. For actions that are a part of an approved plan finalized in 2017, savings achieved from January 1, 2018 through December 31, 2018 are eligible for matching funding. For actions that are a part of an approved plan finalized in 2018, savings from new actions implemented on or after January 1, 2019 are eligible for matching funding. For actions that are a part of an approved plan finalized in 2018, savings achieved from January 1, 2019 through December 31, 2019 are eligible for matching funding. Only net savings between local governments for each action would be eligible for matching funding. Savings from internal efficiencies or any other actions taken by a local government without the participation of another local government are not eligible for matching funding. Each county and all of the local governments within the county that are part of any action to be implemented as part of the approved plan must collectively apply for the matching funding and agree on the distribution and use of any matching funding in order to qualify for matching funding.

9. Where the implementation of any component of such finalized property tax savings plan is, by any other general or special law, subject to a public hearing, a mandatory or permissive referendum, consents of governmental agencies, or other requirements applicable to the making of contracts, then implementation of such component shall be conditioned on compliance with such requirements.

10. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court or 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 if such invalid provisions had not been included herein.

§ 2. School district and board of cooperative educational services participation in county-wide shared services property tax savings plans. Notwithstanding any provision of the education law, or any other provision of law, rule or regulation, to the contrary, any school district or board of cooperative educational services may participate in a county-wide shared services property tax savings plan established pursuant to the provisions of this chapter, and may further participate in any of the activities listed in paragraph a of subdivision 4 of section one of this act with any participating county, town, city, village, special improvement district, school district and/or board of cooperative educational services participating in such county-wide shared services property tax saving plan.

§ 3. This act shall take effect immediately.

## PART CCC

Section 1. The opening paragraph of subdivision (h) of section 121 of chapter 261 of the laws of 1988, amending the state finance law and other laws relating to the New York state infrastructure trust fund, as

amended by section 2 of part Q of chapter 58 of the laws of 2015, is amended to read as follows:

The provisions of [~~section~~] sections sixty-two through sixty-six of this act shall expire April fifteenth, two thousand eighteen, provided, however, that if the statewide disparity study regarding the participation of minority and women-owned business enterprises in state contracts required pursuant to subdivision one of section three hundred twelve-a of the executive law is completed and delivered to the governor and the legislature on or before June thirtieth, two thousand seventeen, then the provisions of sections sixty-two through sixty-six of this act shall expire on December thirty-first, two thousand [~~seventeen~~] eighteen, except that:

§ 2. This act shall take effect immediately.

PART DDD

Section 1. Section 606 of the tax law is amended by adding a new subsection (n-2) to read as follows:

(n-2) Credit for farm donations to food pantries. (1) General. In the case of a taxpayer who is an eligible farmer, there shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article for taxable years beginning on and after January first, two thousand eighteen. The amount of the credit shall be twenty-five percent of the fair market value of the taxpayer's qualified donations made to any eligible food pantry during the taxable year, not to exceed five thousand dollars per taxable year. If the taxpayer is a partner in a partnership or a shareholder of a New York S corporation, then the cap imposed by the preceding sentence shall be applied at the entity level, so that the aggregate credit allowed to all partners or shareholders of such entity in the taxable year does not exceed five thousand dollars.

(2) Eligible farmer. For purposes of this subsection, the term "eligible farmer" means a taxpayer whose federal gross income from farming for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year reduced by the sum (not to exceed thirty thousand dollars) of those items included in federal gross income that consist of: (i) earned income, (ii) pension payments, including social security payments, (iii) interest, and (iv) dividends. For purposes of this paragraph, the term "earned income" shall mean wages, salaries, tips and other employee compensation, and those items of gross income that are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers.

(3) Qualified donation. For purposes of this subsection, the term "qualified donation" means a donation of any apparently wholesome food, as defined in section 170(e)(3)(C)(vi) of the internal revenue code, grown or produced within this state, by an eligible farmer to an eligible food pantry.

(4) Eligible food pantry. For purposes of this subsection, the term "eligible food pantry" means any food pantry, food bank, or other emergency food program operating within this state that has qualified for tax exemption under section 501(c)(3) of the internal revenue code.

(5) Determination of fair market value. For purposes of this subsection, to determine the fair market value of apparently wholesome

food donated to an eligible food pantry, the standards set forth under section 170(e)(3)(C)(v) of the internal revenue code shall apply.

(6) Record of donation. To claim a credit under this subsection, a taxpayer must get and keep a receipt from the eligible food pantry showing: (i) the name of the eligible food pantry; (ii) the date and location of the qualified donation; and (iii) a reasonably detailed description of the qualified donation. A letter or other written communication from the eligible food pantry acknowledging receipt of the contribution and containing the information in subparagraphs (i), (ii), and (iii) of this paragraph will serve as a receipt.

(7) Application of credit. A taxpayer shall be allowed a credit under this subsection against the tax imposed by this article. However, if the amount of credit allowed under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article. Provided, however, the provisions of subsection (c) of section six hundred eighty-eight of this article notwithstanding, no interest will be paid thereon.

§ 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliii) to read as follows:

| | |
|---|---|
| (xliii) Farm donations to food pantries credit under subsection (n-2) | Amount of credit under subdivision fifty-two of section two hundred ten-B |

§ 3. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) with respect to a taxpayer who has claimed the farm donations to food pantries credit pursuant to subsection (n-2) of section six hundred six of this article, the taxpayer's New York itemized deductions shall be reduced by any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code with respect to such donations.

§ 4. Section 210-B of the tax law is amended by adding a new subdivision 52 to read as follows:

52. Credit for farm donations to food pantries. (a) General. In the case of a taxpayer that is an eligible farmer, there shall be allowed a credit, to be computed as hereinafter provided against the tax imposed by this article for taxable years beginning on and after January first, two thousand eighteen. The amount of the credit shall be twenty-five percent of the fair market value of the taxpayer's qualified donations made to any eligible food pantry during the taxable year, not to exceed five thousand dollars per taxable year. If the taxpayer is a partner in a partnership, then the cap imposed by the preceding sentence shall be applied at the entity level, so that the aggregate credit allowed to all partners of such entity in the taxable year does not exceed five thousand dollars.

(b) Eligible farmer. For purposes of this subdivision, the term "eligible farmer" means a taxpayer whose federal gross income from farming for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year in excess of thirty thousand dollars. For purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agricul-

ture and markets, shall be included as federal gross income from farming for otherwise eligible farmers.

(c) Qualified donation. For purposes of this subdivision, the term "qualified donation" means a donation of apparently wholesome food, as defined in section 170(e)(3)(C)(vi) of the internal revenue code, grown or produced within this state, by an eligible farmer to an eligible food pantry.

(d) Eligible food pantry. For purposes of this subdivision, the term "eligible food pantry" means any food pantry, food bank, or other emergency food program operating within this state that has qualified for tax exemption under section 501(c)(3) of the internal revenue code.

(e) Determination of fair market value. For purposes of this subdivision, to determine the fair market value of apparently wholesome food donated to an eligible food pantry, the standards set forth under section 170(e)(3)(C)(v) of the internal revenue code shall apply.

(f) Record of donation. To claim a credit under this subdivision, a taxpayer must get and keep a receipt from the eligible food pantry showing: (i) the name of the eligible food pantry; (ii) the date and location of the qualified donation; and (iii) a reasonably detailed description of the qualified donation. A letter or other written communication from the eligible food pantry acknowledging receipt of the contribution and containing the information in subparagraphs (i), (ii), and (iii) of this paragraph will serve as a receipt.

(g) Application of credit. The credit allowed under this subdivision for any taxable year will not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

§ 5. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) the amount of any deduction for charitable contributions allowed under section one hundred seventy of the internal revenue code to the extent such contributions are used as the basis of the calculation of the farm donations to food pantries credit under subdivision fifty-two of section two hundred ten-B of this article.

§ 6. This act shall take effect immediately.

## PART EEE

Section 1. Subdivisions 1, 2, 3 and 4 of section 186-f of the tax law, as added by section 3 of part B of chapter 56 of the laws of 2009, are amended to read as follows:

1. Definitions. As used in this section, where not otherwise specifically defined and unless a different meaning is clearly required:

(a) "Place of primary use" has the same meaning as that term is defined in paragraph twenty-six of subdivision (b) of section eleven hundred one of this chapter.

(b) "Wireless communications customer" means mobile telecommunications customer as defined in subparagraph (i) of paragraph twenty-seven of

subdivision (b) of section eleven hundred one of this chapter, who contracts for or is the end user of wireless communications service.

(c) "Wireless communications device" means any equipment used to access a wireless communications service.

(d) "Wireless communications service" means all commercial mobile services, as that term is defined in section 332(d) of title 47 of the United States Code, as amended from time to time, including, but not limited to, all broadband personal communications services, wireless radio telephone services, geographic area specialized and enhanced specialized mobile radio services, and incumbent-wide area specialized mobile radio licensees, which offer real time, two-way voice or data service that is interconnected with the public switched telephone network or otherwise provides access to emergency communications services.

(e) "Wireless communications service supplier" means a home service provider as defined in subparagraph (ii) of paragraph twenty-seven of subdivision (b) of section eleven hundred one of this chapter, provided that the home service provider provides wireless communications service and has one or more wireless communications customers in New York state.

**(f) "Prepaid wireless communications seller" means a person making a retail sale of prepaid wireless communications service.**

**(g) "Prepaid wireless communications service" means a prepaid mobile calling service as defined in paragraph twenty-two of subdivision (b) of section eleven hundred one of this chapter.**

2. Public safety communications surcharge. (a) **(1)** A surcharge on wireless communications service provided to a wireless communications customer with a place of primary use in this state is imposed at the rate of one dollar and twenty cents per month on each wireless communications device in service during any part of each month. The surcharge must be reflected and made payable on bills rendered to the wireless communications customer for wireless communication service.

**(2) A surcharge is imposed on the retail sale of each prepaid wireless communications service, whether or not any tangible personal property is sold therewith, at the rate of ninety cents per retail sale. A sale of a prepaid wireless communications service occurs in this state if the sale takes place at a seller's business location in the state. If the sale does not take place at the seller's place of business, it shall be conclusively determined to take place at the purchaser's shipping address or, if there is no item shipped, at the purchaser's billing address, or, if the seller does not have that address, at such address as approved by the commissioner that reasonably reflects the customer's location at the time of the sale of the prepaid wireless communications service.**

(b) [~~Each wireless communications service supplier providing wireless communications service in New York state must act as a collection agent for the state for the collection of the surcharge. The wireless communications service supplier has no legal obligation to enforce the collection of the surcharge from its customers. However, each wireless communications service supplier must collect and retain the name and address of any wireless communications customer with a place of primary use in this state that refuses or fails to pay the surcharge, as well as the cumulative amount of the surcharge remaining unpaid, and must provide this information to the commissioner at the time and according to the procedures the commissioner may provide.~~] The [~~surcharge~~] **surcharges** must be reported and paid to the commissioner on a quarterly basis on or before the [~~fifteenth~~] **twentieth** day of the month following

each quarterly period ending on the last day of February, May, August and November, respectively. The payments must be accompanied by a return in the form and containing the information the commissioner may prescribe.

(c) The [~~surcharge~~] surcharges must be added as a separate line item to bills furnished by a wireless communications service supplier to its customers, or must be added as a separate line item to a sales slip, invoice, receipt, or other statement of the price, if any, that is furnished by a prepaid wireless communications seller to a purchaser, and must be identified as the "public safety communications surcharge". [~~Each wireless communications customer who is subject to the provisions of this section remains liable to the state for the surcharge due under this section until it has been paid to the state, except that payment to a wireless communications service supplier is sufficient to relieve the customer from further liability for the surcharge.~~]

(d) Each wireless communications service supplier and prepaid wireless communications seller is entitled to retain, as an administrative fee, an amount equal to [~~two~~] three percent of fifty-eight and three-tenths percent of the total collections of the [~~surcharge~~] surcharges imposed by this section, provided that the supplier or seller files any required return and remits the surcharge due to the commissioner on or before its due date.

3. [~~Applicability of article twenty-seven. For purposes of article twenty-seven of this chapter as applied to this section by section two hundred seven-b of this article, the term "taxpayer" in article twenty-seven refers to a wireless communications service supplier subject to this section or a wireless communications customer subject to this section, as the case may be, and the term "tax" in article twenty-seven refers to the surcharge imposed by this section.~~

~~4. Exemptions. The state of New York and any of its agencies, instrumentalities and political subdivisions are~~] Exemption. Lifeline consumers shall be exempt from the [~~surcharge~~] surcharges imposed by this section.

4. Applicable provisions. (a) Except as otherwise provided in this section, the surcharges imposed under this section shall be administered and collected by the commissioner in a like manner as the taxes imposed by article twenty-eight of this chapter. All the provisions of article twenty-eight of this chapter, including the provisions relating to definitions, exemptions, returns, personal liability for the tax, collection of tax from the customer, payment of tax, and the administration of the taxes imposed by such article, shall apply to the surcharges imposed under the authority of this section so far as those provisions can be made applicable to the surcharges imposed by this section, with such modifications as may be necessary in order to adapt the language of those provisions to the surcharges imposed by this section. Those provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this section, except to the extent that any of those provisions is either inconsistent with a provision of this section or is not relevant to the surcharge imposed by this section. For purposes of this section, any reference in this chapter to a tax or the taxes imposed by article twenty-eight of this chapter shall be deemed also to refer to the surcharges imposed by this section unless a different meaning is clearly required.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision:

(1) the exemptions provided for in section eleven hundred sixteen of this chapter, other than the exemptions in paragraphs one, two and three of subdivision (a) of that section, shall not apply to the surcharges imposed by this section.

(2) the credit provided in subdivision (f) of section eleven hundred thirty-seven of this chapter shall not apply to this section.

§ 2. Sections 308-a, 308-b, 308-c, 309-d, 308-e, 308-f, 308-g, 308-h, 308-k, 308-l, 308-m, 308-n, 308-p, 308-q, 308-r, 308-s, 308-t, 308-u, 308-v, 308-w, 308-x and 308-y of the county law are REPEALED.

§ 3. The tax law is amended by adding a new section 186-g to read as follows:

§ 186-g. Wireless communications surcharge authorized. 1. Definitions. As used in this section, where not otherwise specifically defined and unless a different meaning is clearly required, all of the definitions of section one hundred eighty-six-f of this article shall apply to the surcharges authorized by this section.

2. Imposition of surcharge. (a) Notwithstanding any other provision of law to the contrary, and in addition to any other tax or fee imposed by this chapter or any other law, a city having a population of a million or more, and a county, other than a county wholly within such a city, acting through its local legislative body, is hereby authorized and empowered to adopt and amend local laws, ordinances or resolutions imposing a surcharge within the territorial limits of such city or county to take effect on or after December first, two thousand seventeen that shall include both (i) wireless communications service, as described in paragraph (b) of this subdivision; and (ii) prepaid wireless communications service, as described in paragraph (c) of this subdivision.

(b) Such surcharge on wireless communications service provided to a wireless communications customer with a place of primary use in a city or county authorized to impose the surcharge by this subdivision shall be imposed at the rate of thirty cents per month on each wireless communications device in service during any part of the month. The surcharge must be reflected and made payable on bills rendered to the wireless communications customer for wireless communications service.

(c) Such surcharge on the retail sale of each prepaid wireless communications service, whether or not any tangible personal property is sold therewith, shall be imposed at the rate of thirty cents per retail sale within a city or county authorized to impose the surcharge by this subdivision. A sale of a prepaid wireless communications service occurs in such city or county if the sale takes place at a seller's business location in such city or county. If the sale does not take place at the seller's place of business, it shall be conclusively determined to take place at the purchaser's shipping address in such city or county or, if there is no item shipped, at the purchaser's billing address in such city or county, or, if the seller does not have that address, at such address that reasonably reflects the customer's location at the time of the sale of the prepaid wireless communications service.

3. Any such local law, ordinance or resolution adopted pursuant to this section shall state the amount of the surcharges and the date on which both the wireless communications service supplier shall begin to add such surcharge to the billings of its customers and the prepaid wireless communications seller shall begin to collect such surcharge from its customers. No such local law, ordinance or resolution shall be effective unless a certified copy of such law, ordinance or resolution is mailed by registered or certified mail to the commissioner in accord-

ance with the provisions of subdivisions (d) and (e) of section twelve hundred ten of this chapter.

4. Exemption. Lifeline consumers shall be exempt from the surcharges imposed by this section.

5. The surcharges must be reported and paid to the commissioner on a quarterly basis on or before the twentieth day of the month following each quarterly period ending on the last day of February, May, August and November, respectively. The payments must be accompanied by a return in the form and containing the information the commissioner may prescribe.

6. The surcharges must be added as a separate line item to bills furnished by a wireless communications service supplier to its customers, or must be added as a separate line item to a sales slip, invoice, receipt, or other statement of the price, if any, that is furnished by a prepaid wireless communications seller to a purchaser, and must be identified as the "public safety communications surcharge".

7. Each wireless communications service supplier and prepaid wireless communications seller is entitled to retain, as an administrative fee, an amount equal to three percent of its collections of the surcharges imposed under the authority of this section, provided that the supplier or seller files any required return and remits the surcharge due to the commissioner on or before its due date.

8. Applicable provisions. (a) Except as otherwise provided in this section, any surcharge imposed under the authority of this section shall be administered and collected by the commissioner in a like manner as the taxes imposed by articles twenty-eight and twenty-nine of this chapter. All the provisions of article twenty-eight and twenty-nine of this chapter, including the provisions relating to definitions, exemptions, returns, personal liability for the tax, collection of tax from the customer, payment of tax, and the administration of the taxes imposed by such article, shall apply to the surcharges imposed under the authority of this section so far as those provisions can be made applicable to the surcharges imposed under the authority of this section, with such modifications as may be necessary in order to adapt the language of those provisions to the surcharges imposed under the authority of this section. Those provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this section, except to the extent that any of those provisions is either inconsistent with a provision of this section or is not relevant to the surcharge imposed under the authority of this section. For purposes of this section, any reference in this chapter to a tax or the taxes imposed by articles twenty-eight and twenty-nine of this chapter shall be deemed also to refer to the surcharges imposed under the authority of this section unless a different meaning is clearly required.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision:

(1) the exemptions provided for in section eleven hundred sixteen of this chapter, other than the exemptions in paragraphs one, two and three of subdivision (a) of that section, shall not apply to the surcharges imposed under the authority of this section;

(2) the credit provided in subdivision (f) of section eleven hundred thirty-seven of this chapter shall not apply to this section.

9. All surcharge monies remitted to the commissioner under this section shall be expended only upon authorization of the legislative body of a city or county that imposes the surcharges pursuant to the authority of subdivision two of this section, and only for payment of

system costs, eligible wireless 911 service costs, or other costs associated with the administration, design, installation, construction, operation, or maintenance of public safety communications networks or a system to provide enhanced wireless 911 service serving such city or county, including, but not limited to, hardware, software, consultants, financing and other acquisition costs. Such city or county shall separately account for and keep adequate books and records of the amount and object or purpose of all expenditures of all such monies. If, at the end of any fiscal year, the total amount of all such monies exceeds the amount necessary for payment of the above mentioned costs in such fiscal year, such excess shall be reserved and carried over for the payment of those costs in the following fiscal year.

§ 4. This act shall take effect immediately; provided, however, sections one and two of this act shall take effect December 1, 2017; and section one of this act shall apply to wireless communications service and prepaid wireless communications service provided on and after that date.

PART FFF

Section 1. The public health law is amended by adding a new section 2825-e to read as follows:

§ 2825-e. Health care facility transformation program: statewide II. 1. A statewide health care facility transformation program is hereby established under the joint administration of the commissioner and the president of the dormitory authority of the state of New York for the purpose of strengthening and protecting continued access to health care services in communities. The program shall provide funding in support of capital projects, debt retirement, working capital or other non-capital projects that facilitate health care transformation activities including, but not limited to, merger, consolidation, acquisition or other activities intended to create financially sustainable systems of care or preserve or expand essential health care services. Grants shall not be available to support general operating expenses. The issuance of any bonds or notes hereunder shall be subject to section sixteen hundred eighty-r of the public authorities law and the approval of the director of the division of the budget, and any projects funded through the issuance of bonds or notes hereunder shall be approved by the New York state public authorities control board, as required under section fifty-one of the public authorities law.

2. The commissioner and the president of the dormitory authority shall enter into an agreement, subject to approval by the director of the budget, and subject to section sixteen hundred eighty-r of the public authorities law, for the purposes of awarding, distributing, and administering the funds made available pursuant to this section. Such funds may be distributed by the commissioner for capital grants to general hospitals, residential health care facilities, diagnostic and treatment centers and clinics licensed pursuant to this chapter or the mental hygiene law, and community-based health care providers as defined in subdivision three of this section for works or purposes that support the purposes set forth in this section. A copy of such agreement, and any amendments thereto, shall be provided to the chair of the senate finance committee, the chair of the assembly ways and means committee, and the director of the division of the budget no later than thirty days prior to the release of a request for applications for funding under this program. Priority shall be given to new applications for projects not

funded under section twenty-eight hundred twenty-five-d of this article. Projects awarded, in whole or part, under sections twenty-eight hundred twenty-five-a and twenty-eight hundred twenty-five-b of this article shall not be eligible for grants or awards made available under this section.

3. Notwithstanding section one hundred sixty-three of the state finance law or any inconsistent provision of law to the contrary, up to five hundred million dollars of the funds appropriated for this program shall be awarded without a competitive bid or request for proposal process for grants to health care providers (hereafter "applicants"). Provided, however, that a minimum of seventy-five million dollars of total awarded funds shall be made to community-based health care providers, which for purposes of this section shall be defined as a diagnostic and treatment center licensed or granted an operating certificate under this article; a mental health clinic licensed or granted an operating certificate under article thirty-one of the mental hygiene law; an alcohol and substance abuse treatment clinic licensed or granted an operating certificate under article thirty-two of the mental hygiene law; a primary care provider or a home care provider certified or licensed pursuant to article thirty-six of this chapter; or other purposes and community-based providers designated by the commissioner pursuant to information obtained pursuant to subdivision four-a of this section. Eligible applicants shall be those deemed by the commissioner to be a provider that fulfills or will fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community.

4. Notwithstanding subdivision two of this section or any inconsistent provision of law to the contrary, and upon approval of the director of the budget, the commissioner may award up to three hundred million dollars of the funds made available pursuant to this section for unfunded project applications submitted in response to the request for applications number 1607010255 issued by the department on July twentieth, two thousand sixteen pursuant to section twenty-eight hundred twenty-five-d of this article, provided however that the provisions of subdivision three of this section shall apply.

4-a. Authorized amounts to be awarded pursuant to applications submitted in response to the request for application number 1607010255 shall be awarded no later than May first, two thousand seventeen. The commissioner shall not issue a request for application for the remaining appropriated amounts on or before June first, two thousand seventeen to allow stakeholder, community, and legislative input regarding program eligibility, award criteria and the process by which the remaining funds will be awarded.

5. In determining awards for eligible applicants under this section, the commissioner shall consider stakeholder, community, and legislative input pursuant to subdivision four-a of this section, and other criteria including, but not limited to:

(a) The extent to which the proposed project will contribute to the integration of health care services or the long term sustainability of the applicant or preservation of essential health services in the community or communities served by the applicant;

(b) The extent to which the proposed project or purpose is aligned with delivery system reform incentive payment ("DSRIP") program goals and objectives;

(c) Consideration of geographic distribution of funds;

(d) The relationship between the proposed project and identified community need;

(e) The extent to which the applicant has access to alternative financing;

(f) The extent that the proposed project furthers the development of primary care and other outpatient services;

(g) The extent to which the proposed project benefits Medicaid enrollees and uninsured individuals;

(h) The extent to which the applicant has engaged the community affected by the proposed project and the manner in which community engagement has shaped such project; and

(i) The extent to which the proposed project addresses potential risk to patient safety and welfare.

6. Disbursement of awards made pursuant to this section shall be conditioned on the awardee achieving certain process and performance metrics and milestones as determined in the sole discretion of the commissioner. Such metrics and milestones shall be structured to ensure that the goals of the project are achieved, and such metrics and milestones shall be included in grant disbursement agreements or other contractual documents as required by the commissioner.

7. The department shall provide a report on a quarterly basis to the chairs of the senate finance, assembly ways and means, and senate health and assembly health committees. Such reports shall be submitted no later than sixty days after the close of the quarter, and shall include, for each award, the name of the applicant, a description of the project or purpose, the amount of the award, disbursement date, and status of achievement of process and performance metrics and milestones pursuant to subdivision five of this section.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

## PART GGG

Section 1. Subparagraph (i) of paragraph (g) of subdivision 7 of section 4403-f of the public health law, as amended by section 41-b of part H of chapter 59 of the laws of 2011, is amended to read as follows:

(i) Managed long term care plans and demonstrations may enroll eligible persons in the plan or demonstration upon the completion of a comprehensive assessment that shall include, but not be limited to, an evaluation of the medical, social, cognitive, and environmental needs of each prospective enrollee in such program. This assessment shall also serve as the basis for the development and provision of an appropriate plan of care for the enrollee. Upon approval of federal waivers pursuant to paragraph (b) of this subdivision which require medical assistance recipients who require community-based long term care services to enroll in a plan, and upon approval of the commissioner, a plan may enroll an applicant who is currently receiving home and community-based services and complete the comprehensive assessment within thirty days of enrollment provided that the plan continues to cover transitional care until such time as the assessment is completed.

§ 2. This act shall take effect immediately; provided, however, that the amendments to subparagraph (i) of paragraph (g) of subdivision 7 of section 4403-f of the public health law made by section one of this act shall not affect the expiration and reversion of such subparagraph and shall be deemed to expire therewith; provided, further that the amendments to subparagraph (i) of paragraph (g) of subdivision 7 of section

4403-f of the public health law made by section one of this act shall not affect the repeal of such section and shall be deemed repealed therewith.

PART HHH

Section 1. The education law is amended by adding a new section 669-h to read as follows:

§ 669-h. Excelsior scholarship. 1. Eligibility. An excelsior scholarship award shall be made to an applicant who: (a) is matriculated in an approved program leading to an undergraduate degree at a New York state public institution of higher education; (b) if enrolled in (i) a public institution of higher education prior to application, has completed at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study or (ii) an institution of higher education prior to application, has completed at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study and which were accepted upon transfer to a public institution of higher education; (c) enrolls in at least twelve credits per semester and completes at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study except in limited circumstances as prescribed by the corporation in regulation. Notwithstanding, in the student's last semester, the student may take at least one course needed to meet his or her graduation requirements and enroll in and complete at least twelve credit hours or its equivalent. For students who are disabled as defined by the Americans With Disabilities Act of 1990, 42 USC 12101, the corporation shall prescribe rules and regulations that allow applicants who are disabled to be eligible for an award pursuant to this section based on modified criteria; (d) has an adjusted gross income, as defined in this subdivision, equal to or less than: (i) one hundred thousand dollars for recipients receiving an award in the two thousand seventeen--two thousand eighteen academic year; (ii) one hundred ten thousand dollars for recipients receiving an award in the two thousand eighteen--two thousand nineteen academic year; and (iii) one hundred twenty-five thousand dollars for recipients receiving an award in the two thousand nineteen--two thousand twenty academic year and thereafter; and (e) complies with the applicable provisions of this article and all requirements promulgated by the corporation for the administration of the program. Adjusted gross income shall be the total of the combined adjusted gross income of the applicant and the applicant's parents or the applicant and the applicant's spouse, if married, as reported on the federal income tax return, or as otherwise obtained by the corporation, for the calendar year coinciding with the tax year established by the U.S. department of education to qualify applicants for federal student financial aid programs authorized by Title IV of the Higher Education Act of nineteen hundred sixty-five, as amended, for the school year in which application for assistance is made.

2. Amount. Within amounts appropriated therefor and based on availability of funds, awards shall be granted beginning with the two thousand seventeen--two thousand eighteen academic year and thereafter to applicants that the corporation has determined are eligible to receive such awards. The corporation shall grant such awards in an amount up to five thousand five hundred dollars or actual tuition, whichever is less; provided, however, (a) a student who receives educational grants and/or

scholarships that cover the student's full cost of attendance shall not be eligible for an award under this program; and (b) an award under this program shall be applied to tuition after the application of payments received under the tuition assistance program pursuant to section six hundred sixty-seven of this subpart, tuition credits pursuant to section six hundred eighty-nine-a of this article, federal Pell grant pursuant to section one thousand seventy of title twenty of the United States code, et. seq., and any other program that covers the cost of attendance, and the award under this program shall be reduced in the amount equal to such payments, provided that the combined benefits do not exceed five thousand five hundred dollars. Upon notification of an award under this program, the institution shall defer the amount of tuition. Notwithstanding paragraph h of subdivision two of section three hundred fifty-five and paragraph (a) of subdivision seven of section six thousand two hundred six of this chapter, and any other law, rule or regulation to the contrary, the undergraduate tuition charged by the institution to recipients of an award shall not exceed the tuition rate established by the institution for the two thousand sixteen--two thousand seventeen academic year provided, however, that in the two thousand twenty-one--two thousand twenty-two academic year and every four years thereafter, the undergraduate tuition charged by the institution to recipients of an award shall be reset to equal the tuition rate established by the institution for the forthcoming academic year, provided further that the tuition credit calculated pursuant to section six hundred eighty-nine-a of this article shall be applied toward the tuition rate charged for recipients of an award under this program. Provided further that the state university of New York and the city university of New York shall provide an additional tuition credit to students receiving an award to cover the remaining cost of tuition.

3. Duration. An eligible recipient shall not receive an award for more than four academic years of full-time undergraduate study or five academic years if the program of study normally requires five years. An eligible recipient enrolled in an eligible two year program of study shall not receive an award for more than two academic years. Notwithstanding, such duration may be extended for an allowable interruption of study including, but not limited to, death of a family member, medical leave, military service, and parental leave, as established by the corporation in regulation.

4. Conditions. (a) An applicant who would be eligible for a New York state tuition assistance program award pursuant to section six hundred sixty-seven of this subpart and/or a federal Pell grant pursuant to section one thousand seventy of title twenty of the United States code, et. seq., is required to apply for each such award.

(b) An applicant who has earned a bachelor's degree is ineligible to receive an award pursuant to this section.

(c) An applicant who has earned an associate's degree is ineligible to receive an award for a two year program of study pursuant to this section.

(d) Notwithstanding paragraph c of subdivision four of section six hundred sixty-one of this part, a school shall certify that a recipient has achieved a grade point average necessary for successful completion of his or her coursework to receive payment under the award.

(e) A recipient shall agree to reside exclusively in New York state, and shall not be employed in any other state, for a continuous number of years equal to the duration of the award received within six months of receipt of his or her final award payment, and sign a contract with the

corporation to have his or her full award converted to a student loan according to a schedule to be determined by the corporation if such student fails to fulfill this requirement. The terms and conditions of this paragraph may, as established by the rules and regulations of the corporation, be deferred: (i) to complete undergraduate study; or (ii) to attend graduate school on at least a half-time basis. Any obligation to comply with such provisions as outlined in this paragraph may be cancelled upon the death of the recipient. Notwithstanding any provisions of this paragraph to the contrary, the corporation is authorized to promulgate rules and regulations to provide for the waiver or suspension of any financial obligation which would involve extreme hardship.

(f) Notwithstanding paragraph (c) of subdivision one of this section, a student who otherwise satisfies all of the requirements under this section but fails to complete at least thirty combined credits, or its equivalent, applicable to his or her program or programs of study in any year shall be eligible to receive an award payment for the first semester of such year, provided however, the student shall be ineligible for any further payments under this section.

5. Recipient selection. The president may establish: (a) an application deadline and (b) a method of selecting recipients if in any given year there are insufficient funds to cover the needs of all the applicants provided that priority shall be given to eligible applicants who are currently in attendance at a public institution of higher education.

6. Rules and regulations. The corporation is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section including, but not limited to, the criteria for distributing the awards, which may include a lottery or other form of random selection.

§ 2. This act shall take effect immediately.

PART III

Section 1. The education law is amended by adding a new section 667-d to read as follows:

§ 667-d. Enhanced tuition awards. 1. Recipient qualifications. a. Establishment. Enhanced tuition awards are available for students who are enrolled in approved programs in private not-for-profit degree granting institutions except those institutions set forth in paragraph b of subdivision four of section six hundred sixty-one of this part and who demonstrate the ability to complete such courses, in accordance with standards established by the commissioner; provided, that, no award shall exceed one hundred percent of the amount of tuition charged.

b. Application for other awards. A student who would be eligible for a tuition assistance program award pursuant to section six hundred sixty-seven of this subpart and/or a federal Pell grant pursuant to section one thousand seventy of title twenty of the United States code, et. seq., is required to apply for each such award. Any award shall be applied to tuition after the application of payments received under the tuition assistance program pursuant to section six hundred sixty-seven of this subpart.

c. GPA requirements. Notwithstanding paragraph c of subdivision four of section six hundred sixty-one of this part, a school shall certify that a recipient has achieved a grade point average necessary for successful completion of his or her coursework to receive payment under the award.

d. Credit requirements. An award shall be made to an applicant who: (i) if enrolled in (A) a private institution of higher education prior to application, has completed at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study or (B) a public institution of higher education prior to application, has completed at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study and which were accepted upon transfer to a private institution of higher education; (ii) enrolls in at least twelve credits per semester and completes at least thirty combined credits per year following the student's start date, or its equivalent, applicable to his or her program or programs of study except in limited circumstances as prescribed by the corporation in regulation. Notwithstanding, in the student's last semester, the student may take at least one course needed to meet his or her graduation requirements and enroll in and complete at least twelve credit hours or its equivalent. For students who are disabled as defined by the Americans With Disabilities Act of 1990, 42 USC 12101, the corporation shall prescribe rules and regulations that allow applicants who are disabled to be eligible for an award pursuant to this section based on modified criteria.

e. Notwithstanding paragraph d of this subdivision, a student who otherwise satisfies all of the requirements under this section but fails to complete at least thirty combined credits, or its equivalent, applicable to his or her program or programs of study in any year shall be eligible to receive an award payment for the first semester of such year, provided however, the student shall be ineligible for any further payments under this section.

f. Additional requirements. A recipient shall agree to reside exclusively in New York state, and shall not be employed in any other state, for a continuous number of years equal to the duration of the award received within six months of receipt of his or her final award payment, and sign a contract with the corporation to have his or her full award converted to a student loan according to a schedule to be determined by the corporation if such student fails to fulfill this requirement. The terms and conditions of this paragraph may, as established by the rules and regulations of the corporation, be deferred: (i) to complete undergraduate study; or (ii) to attend graduate school on at least a half-time basis. Any obligation to comply with such provisions as outlined in this paragraph may be cancelled upon the death of the recipient. Notwithstanding any provisions of this paragraph to the contrary, the corporation is authorized to promulgate rules and regulations to provide for the waiver or suspension of any financial obligation which would involve extreme hardship.

g. Failure to meet the conditions of the award shall not otherwise disqualify a student's eligibility to receive an award under section six hundred sixty-seven of this subpart.

2. Duration. No undergraduate shall be eligible for more than four academic years of study, or five academic years if the program of study normally requires five years. An undergraduate student enrolled in an eligible two-year program approved by the commissioner shall be eligible for no more than two academic years. Under no circumstances shall a student receive an award for a two-year program for more than two consecutive years of academic study or four consecutive semesters of academic study; or at a four or five-year program, for more than four consecutive years or eight consecutive semesters of academic study or

five consecutive years, or ten consecutive semesters of study if the program normally requires five years. Notwithstanding, such duration may be extended for an allowable interruption of study including, but not limited to, death of a family member, medical leave, military service, and parental leave, as established by the corporation in regulation.

3. Income. An award shall be made to an applicant who has an adjusted gross income, as defined in this subdivision, equal to or less than: (i) one hundred thousand dollars for recipients receiving an award in the two thousand seventeen--two thousand eighteen academic year; (ii) one hundred ten thousand dollars for recipients receiving an award in the two thousand eighteen--two thousand nineteen academic year; and (iii) one hundred twenty-five thousand dollars for recipients receiving an award in the two thousand nineteen--two thousand twenty academic year and thereafter. Adjusted gross income shall be the total of the combined adjusted gross income of the applicant and the applicant's parents or the applicant and the applicant's spouse, if married, as reported on the federal income tax return, or as otherwise obtained by the corporation, for the calendar year coinciding with the tax year established by the U.S. department of education to qualify applicants for federal student financial aid programs authorized by Title IV of the Higher Education Act of nineteen hundred sixty-five, as amended, for the school year in which application for assistance is made.

4. Amount. Within the amounts appropriated therefor and based on availability of funds, awards shall be granted beginning with the two thousand seventeen--two thousand eighteen academic year and thereafter to applicants that the corporation has determined are eligible to receive such awards. The amount of the award under this program shall be such that the sum of the award plus a student's tuition assistance program award pursuant to section six hundred sixty-seven of this subpart plus the institution's matching award pursuant to subdivision five of this section shall equal six thousand dollars.

5. Matching awards. Commencing with the two thousand seventeen--two thousand eighteen academic year and thereafter, participating institutions shall credit each recipient's remaining tuition expenses in an amount equal to the recipient's award under this section. Such credit shall be applied after the recipient has received an institutional aid package, if any, to ensure that this program does not reduce institutional aid that would otherwise be granted.

6. Tuition. The rate of tuition charged to an individual receiving an award shall not be increased for the duration of time that such individual receives an award.

7. College option. An institution may choose not to participate in the program and students attending any non-participating college may still be eligible to receive an award pursuant to section six hundred sixty-seven of this subpart.

8. Recipient selection. The president may establish: a. an application deadline and b. a method of selecting recipients if in any given year there are insufficient funds to cover the needs of all the applicants provided that priority shall be given to eligible applicants who are currently in attendance at an institution of higher education.

9. Rules and regulations. The corporation is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section including, but not limited to, the criteria for distributing the awards, which may include a lottery or other form of random selection.

§ 2. This act shall take effect immediately.

PART JJJ

Section 1. Subparagraph 4 of paragraph h of subdivision 2 of section 355 of the education law, as amended by section 1 of part D of chapter 54 of the laws of 2016, is amended to read as follows:

(4) The trustees shall not impose a differential tuition charge based upon need or income. Except as hereinafter provided, all students enrolled in programs leading to like degrees at state-operated institutions of the state university shall be charged a uniform rate of tuition except for differential tuition rates based on state residency. Provided, however, that the trustees may authorize the presidents of the colleges of technology and the colleges of agriculture and technology to set differing rates of tuition for each of the colleges for students enrolled in degree-granting programs leading to an associate degree and non-degree granting programs so long as such tuition rate does not exceed the tuition rate charged to students who are enrolled in like degree programs or degree-granting undergraduate programs leading to a baccalaureate degree at other state-operated institutions of the state university of New York. Notwithstanding any other provision of this subparagraph, the trustees may authorize the setting of a separate category of tuition rate, that shall be greater than the tuition rate for resident students and less than the tuition rate for non-resident students, only for students enrolled in distance learning courses who are not residents of the state. Except as otherwise authorized in this subparagraph, the trustees shall not adopt changes affecting tuition charges prior to the enactment of the annual budget, provided however that:

(i) Commencing with the two thousand eleven--two thousand twelve academic year and ending in the two thousand fifteen--two thousand sixteen academic year the state university of New York board of trustees shall be empowered to increase the resident undergraduate rate of tuition by not more than three hundred dollars over the resident undergraduate rate of tuition adopted by the board of trustees in the prior academic year, provided however that commencing with the two thousand eleven--two thousand twelve academic year [~~and each year thereafter~~] and ending in the two thousand sixteen--two thousand seventeen academic year if the annual resident undergraduate rate of tuition would exceed five thousand dollars, then a tuition credit for each eligible student, as determined and calculated by the New York state higher education services corporation pursuant to section six hundred eighty-nine-a of this title, shall be applied toward the tuition charged for each semester, quarter or term of study. Tuition for each semester, quarter or term of study shall not be due for any student eligible to receive such tuition credit until the tuition credit is calculated and applied against the tuition charged for the corresponding semester, quarter or term.

(ii) Commencing with the two thousand seventeen--two thousand eighteen academic year and ending in the two thousand twenty--two thousand twenty-one academic year the state university of New York board of trustees shall be empowered to increase the resident undergraduate rate of tuition by not more than two hundred dollars over the resident undergraduate rate of tuition adopted by the board of trustees in the prior academic year, provided, however that if the annual resident undergraduate rate of tuition would exceed five thousand dollars, then a tuition

credit for each eligible student, as determined and calculated by the New York state higher education services corporation pursuant to section six hundred eighty-nine-a of this title, shall be applied toward the tuition charged for each semester, quarter or term of study. Tuition for each semester, quarter or term of study shall not be due for any student eligible to receive such tuition credit until the tuition credit is calculated and applied against the tuition charged for the corresponding semester, quarter or term. Provided, further that the revenue resulting from an increase in the rate of tuition shall be allocated to each campus pursuant to a plan approved by the board of trustees to support investments in new classroom faculty, instruction, initiatives to improve student success and on-time completion and a tuition credit for each eligible student.

(iii) On or before November thirtieth, two thousand [~~eleven~~] seventeen, the trustees shall approve and submit to the chairs of the assembly ways and means committee and the senate finance committee and to the director of the budget a master tuition plan setting forth the tuition rates that the trustees propose for resident undergraduate students for the [~~five~~] four year period commencing with the two thousand [~~eleven~~] seventeen--two thousand [~~twelve~~] eighteen academic year and ending in the two thousand [~~fifteen~~] twenty--two thousand [~~sixteen~~] twenty-one academic year, and shall submit any proposed amendments to such plan by November thirtieth of each subsequent year thereafter through November thirtieth, two thousand [~~fifteen~~] twenty, and provided further, that with the approval of the board of trustees, each university center may increase non-resident undergraduate tuition rates each year by not more than ten percent over the tuition rates of the prior academic year for a six year period commencing with the two thousand eleven--two thousand twelve academic year and ending in the two thousand sixteen--two thousand seventeen academic year.

[~~(iii)~~] (iv) Beginning in state fiscal year two thousand twelve-two thousand thirteen and ending in state fiscal year two thousand fifteen--two thousand sixteen, the state shall appropriate and make available general fund operating support, including fringe benefits, for the state university in an amount not less than the amount appropriated and made available in the prior state fiscal year; provided, however, that if the governor declares a fiscal emergency, and communicates such emergency to the temporary president of the senate and speaker of the assembly, state support for operating expenses at the state university and city university may be reduced in a manner proportionate to one another, and the aforementioned provisions shall not apply.

(v) Beginning in state fiscal year two thousand seventeen--two thousand eighteen and ending in state fiscal year two thousand twenty--two thousand twenty-one, the state shall appropriate and make available general fund operating support, including fringe benefits, for the state university in an amount not less than the amount appropriated and made available in the prior state fiscal year; provided, however, that if the governor declares a fiscal emergency, and communicates such emergency to the temporary president of the senate and speaker of the assembly, state support for operating expenses at the state university and city university may be reduced in a manner proportionate to one another, and the aforementioned provisions shall not apply; provided further, the state shall appropriate and make available general fund support to fully fund the tuition credit pursuant to subdivision two of section six hundred sixty-nine-h of this title.

[~~(iv)~~] **(vi)** For the state university fiscal years commencing two thousand eleven--two thousand twelve and ending two thousand fifteen--two thousand sixteen, each university center may set aside a portion of its tuition revenues derived from tuition increases to provide increased financial aid for New York state resident undergraduate students whose net taxable income is eighty thousand dollars or more subject to the approval of a NY-SUNY 2020 proposal by the governor and the chancellor of the state university of New York. Nothing in this paragraph shall be construed as to authorize that students whose net taxable income is eighty thousand dollars or more are eligible for tuition assistance program awards pursuant to section six hundred sixty-seven of this chapter.

§ 2. Paragraph (a) of subdivision 7 of section 6206 of the education law, as amended by section 2 of part D of chapter 54 of the laws of 2016, is amended to read as follows:

(a) The board of trustees shall establish positions, departments, divisions and faculties; appoint and in accordance with the provisions of law fix salaries of instructional and non-instructional employees therein; establish and conduct courses and curricula; prescribe conditions of student admission, attendance and discharge; and shall have the power to determine in its discretion whether tuition shall be charged and to regulate tuition charges, and other instructional and non-instructional fees and other fees and charges at the educational units of the city university. The trustees shall review any proposed community college tuition increase and the justification for such increase. The justification provided by the community college for such increase shall include a detailed analysis of ongoing operating costs, capital, debt service expenditures, and all revenues. The trustees shall not impose a differential tuition charge based upon need or income. All students enrolled in programs leading to like degrees at the senior colleges shall be charged a uniform rate of tuition, except for differential tuition rates based on state residency. Notwithstanding any other provision of this paragraph, the trustees may authorize the setting of a separate category of tuition rate, that shall be greater than the tuition rate for resident students and less than the tuition rate for non-resident students, only for students enrolled in distance learning courses who are not residents of the state; provided, however, that:

(i) Commencing with the two thousand eleven--two thousand twelve academic year and ending in the two thousand fifteen--two thousand sixteen academic year, the city university of New York board of trustees shall be empowered to increase the resident undergraduate rate of tuition by not more than three hundred dollars over the resident undergraduate rate of tuition adopted by the board of trustees in the prior academic year, provided however that commencing with the two thousand eleven--two thousand twelve academic year and [~~each year thereafter~~] **ending with the two thousand sixteen--two thousand seventeen academic year** if the annual resident undergraduate rate of tuition would exceed five thousand dollars, then a tuition credit for each eligible student, as determined and calculated by the New York state higher education services corporation pursuant to section six hundred eighty-nine-a of this chapter, shall be applied toward the tuition charged for each semester, quarter or term of study. Tuition for each semester, quarter or term of study shall not be due for any student eligible to receive such tuition credit until the tuition credit is calculated and applied against the tuition charged for the corresponding semester, quarter or term.

(ii) **Commencing with the two thousand seventeen--two thousand eighteen academic year and ending in the two thousand twenty--two thousand twenty-one academic year the city university of New York board of trustees shall be empowered to increase the resident undergraduate rate of tuition by not more than two hundred dollars over the resident undergraduate rate of tuition adopted by the board of trustees in the prior academic year, provided however that if the annual resident undergraduate rate of tuition would exceed five thousand dollars, then a tuition credit for each eligible student, as determined and calculated by the New York state higher education services corporation pursuant to section six hundred eighty-nine-a of this title, shall be applied toward the tuition charged for each semester, quarter or term of study. Tuition for each semester, quarter or term of study shall not be due for any student eligible to receive such tuition credit until the tuition credit is calculated and applied against the tuition charged for the corresponding semester, quarter or term. Provided, further that the revenue resulting from an increase in the rate of tuition shall be allocated to each campus pursuant to a plan approved by the board of trustees to support investments in new classroom faculty, instruction, initiatives to improve student success and on-time completion and a tuition credit for each eligible student.**

**(iii)** On or before November thirtieth, two thousand [~~eleven~~] **seventeen**, the trustees shall approve and submit to the chairs of the assembly ways and means committee and the senate finance committee and to the director of the budget a master tuition plan setting forth the tuition rates that the trustees propose for resident undergraduate students for the [~~five~~] **four** year period commencing with the two thousand [~~eleven~~] **seventeen**--two thousand [~~twelve~~] **eighteen** academic year and ending in the two thousand [~~fifteen~~] **twenty**--two thousand [~~sixteen~~] **twenty-one** academic year, and shall submit any proposed amendments to such plan by November thirtieth of each subsequent year thereafter through November thirtieth, two thousand [~~fifteen~~] **twenty**.

[~~(iii)~~] **(iv)** Beginning in state fiscal year two thousand twelve--two thousand thirteen and ending in state fiscal year two thousand fifteen--two thousand sixteen, the state shall appropriate and make available state support for operating expenses, including fringe benefits, for the city university in an amount not less than the amount appropriated and made available in the prior state fiscal year; provided, however, that if the governor declares a fiscal emergency, and communicates such emergency to the temporary president of the senate and speaker of the assembly, state support for operating expenses of the state university and city university may be reduced in a manner proportionate to one another, and the aforementioned provisions shall not apply.

**(v) Beginning in state fiscal year two thousand seventeen--two thousand eighteen and ending in state fiscal year two thousand twenty--two thousand twenty-one, the state shall appropriate and make available general fund operating support, including fringe benefits, for the city university in an amount not less than the amount appropriated and made available in the prior state fiscal year; provided, however, that if the governor declares a fiscal emergency, and communicates such emergency to the temporary president of the senate and speaker of the assembly, state support for operating expenses at the state university and city university may be reduced in a manner proportionate to one another, and the aforementioned provisions shall not apply; provided further, the state shall appropriate and make available general fund support to fully fund**

the tuition credit pursuant to subdivision two of section six hundred sixty-nine-h of this chapter.

§ 3. Section 359 of the education law is amended by adding a new subdivision 6 to read as follows:

6. The state university trustees shall annually report on how the revenue generated has been invested in faculty, instruction, initiatives to improve student success and on-time completion and student financial assistance for the duration of the four year tuition plan. The trustees shall submit the report by September first of each subsequent year.

§ 4. Section 6206 of the education law is amended by adding a new subdivision 19 to read as follows:

19. The city university trustees shall annually report on how the revenue generated has been invested in faculty, instruction, initiatives to improve student success and on-time completion and student financial assistance for the duration of the four year tuition plan. The trustees shall submit the report by September first of each subsequent year.

§ 5. Section 16 of chapter 260 of the laws of 2011 amending the education law and the New York state urban development corporation act relating to establishing components of the NY-SUNY 2020 challenge grant program, as amended by section 5 of part D of chapter 54 of the laws of 2016, is amended to read as follows:

§ 16. This act shall take effect July 1, 2011; provided that sections one, two, three, four, five, six, eight, nine, ten, eleven, twelve and thirteen of this act shall expire [~~6~~] 10 years after such effective date when upon such date the provisions of this act shall be deemed repealed; and provided further that sections fourteen and fifteen of this act shall expire 5 years after such effective date when upon such date the provisions of this act shall be deemed repealed.

§ 6. This act shall take effect immediately; provided that the amendments to subparagraph 4 of paragraph h of subdivision 2 of section 355 of the education law made by section one of this act and the amendments to paragraph (a) of subdivision 7 of section 6206 of the education law made by section two of this act shall not affect the expiration of such provisions and shall be deemed to expire therewith.

PART KKK

Section 1. The education law is amended by adding a new section 667-c-1 to read as follows:

§ 667-c-1. New York state part-time scholarship (PTS) award program. 1. The New York state part-time scholarship (PTS) award program is hereby established for the purpose of providing scholarship awards to students who attend a community college at the state university of New York (SUNY) or the city University of New York (CUNY) on a part-time basis.

2. To be eligible, an applicant must meet the qualifications of subdivisions three and five of section six hundred sixty-one of this article, enroll in at least six but less then twelve credit hours at a SUNY or CUNY community college in the 2017-2018 academic year, or thereafter, and maintain a grade point average of 2.0.

3. a. Such awards shall be made to eligible applicants in the following priority:

(i) first, to applicants who have received payment of an award pursuant to this section in a prior year and remain in good academic standing; and

(ii) second, to applicants in descending order based on financial need as determined by the corporation and; provided that awards made shall be proportionate to the total applications received for students accepted for undergraduate study at SUNY and CUNY respectively. Provided, however, in the program's first year, first priority shall be in accordance with this subparagraph.

b. In the event that there are more applicants who have the same priority than there are remaining scholarships, the president shall distribute the remaining number of such scholarships by means of a lottery or other form of random selection.

4. Within amounts appropriated therefor, the president shall grant awards to eligible applicants to cover the cost of six credit hours per semester at a SUNY or CUNY community college, provided however, that no such award shall exceed fifteen hundred dollars per semester.

5. PTS awards shall be granted pursuant to this section for no more than four consecutive academic semesters pursuant to future appropriations for the continuation of this program.

6. The corporation is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section.

§ 2. This act shall take effect immediately.

PART LLL

Section 1. On or before June 30, 2018, the president of the higher education services corporation shall report on options to make college more affordable for New York students and their families and shall issue such report to the governor, the temporary president of the senate, the speaker of the assembly, the senate finance committee, the assembly ways and means committee and the higher education committees of the legislature.

§ 2. The report shall, at a minimum: (1) explore options for a program to allow qualified residents to refinance student loan debt at favorable interest rates including options to refinance student loan debt for individuals who have been out of college for at least ten years; (2) analyze alternative methods to provide student loan debt relief which shall include a review of other states' policies on minimizing such debt; (3) review student housing at the state university of New York and city university of New York which shall include a comparison of student charges and facility operational costs, as well as occupancy policies and requirements; (4) review programs and options to enable families to prepare for college costs through various programs including pre-paid tuition programs and other college savings programs; (5) examine affordability initiatives at public and private colleges which may include but not be limited to textbook affordability, reducing the cost of student housing, student transportation, reduction of administrative costs, and the creation of on-campus or community job opportunity for students; (6) and in consultation with the chancellor of the state university of New York and the chancellor of the city university of New York examine the process by which students, who are receiving support through opportunity programs or other programs that provide additional academic support, are able to maintain such support when such students transfer to a different campus or transfer from a community college to a senior or state operated college. Information presented in the report will allow colleges to explore opportunities to implement college affordability options.

§ 3. This act shall take effect immediately and shall expire and be deemed repealed January 1, 2019.

PART MMM

Section 1. Legislative intent. The legislature hereby recognizes the need to invest in individuals committed to working in the field of child welfare by providing higher education incentives for current and prospective employees. This workforce is in charge of ensuring the health, safety, and well-being of our state's most vulnerable children and families. By providing current and prospective employees the opportunity for affordable higher education, we are enhancing their ability to meet the needs of the children and youth in care, many of whom have experienced profound trauma, as well as providing the skills needed to operate in today's changing health landscape.

§ 2. The education law is amended by adding a new section 679-h to read as follows:

**§ 679-h. New York state child welfare worker incentive scholarship program. 1. Purpose. The president shall grant scholarship awards for the purpose of enhancing the proficiency of current child welfare workers in New York state. Such awards shall be made on a competitive basis to applicants who are currently employed at a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services, or employed within such state agency as a child welfare worker, with at least two years' experience and are enrolling in an approved program to obtain a degree that will enhance their ability to work in such agency.**

**2. Eligibility. To be eligible for an award pursuant to this section, applicants shall: a. be currently employed at a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services, with at least two years of qualified experience;**

**b. be matriculated in an undergraduate or graduate degree program at an institution of higher education located within New York state in a program of study that would enhance their ability to work in such agency as determined by the president;**

**c. agree to work in a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services as a child welfare worker on a full time basis for a period of no less than five continuous years upon completion of such degree program within a reasonable period of time and maintain residency in New York state for such period of employment; and**

**d. comply with subdivisions three and five of section six hundred sixty-one of this part.**

**3. Award conditions and requirements. a. Within amounts appropriated therefore and based on availability of funds, scholarships shall be granted beginning with the two thousand seventeen -- two thousand eighteen academic year and thereafter on a competitive basis to applicants whom the corporation has certified are eligible to receive such awards; and who agree to work in a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services as a child welfare worker on a full time basis for a period of no less than five continuous years upon completion of such degree within a reasonable period of time and maintain residency in New York state for such period of employment.**

b. An applicant must make every reasonable effort to obtain employment in a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services as a child welfare worker upon graduation.

4. Amount. The corporation shall grant such awards within the amounts appropriated for such purpose and based on availability of funds according to a schedule to be determined by the corporation in an amount:

a. equal to the tuition charged to state resident students attending an undergraduate or graduate degree program, as applicable, at the state university of New York; the average mandatory fees charged at the state university of New York, or the actual tuition and fees charged to the recipient, whichever is less; and the average non-tuition cost of attendance, as determined by the corporation and as approved by the director of the budget, for a student at the state university of New York or actual non-tuition cost of attendance at such institution, whichever is less provided that the scholarship shall not exceed an amount that is equal to the total cost of attendance determined for federal Title IV student financial aid purposes, less all other scholarships and grants provided by New York state, other states, the federal government, or other governments, and the amount of educational benefits paid under any program that would duplicate the purposes of this program, provided that any scholarships or grants provided to a recipient by the institution which are intended to fund any portion of the difference between the annual state award and the actual costs of attendance at any such institution shall not be considered to duplicate the purposes of this program.

b. not to exceed twenty thousand dollars for a master's degree program at a private institution; the average mandatory fees charged at the private institution, or the actual tuition and fees charged to the recipient, whichever is less; and the average non-tuition cost of attendance, as determined by the corporation and as approved by the director of the budget, for a student at such private institution or actual non-tuition cost of attendance at such institution, whichever is less, provided that the scholarship shall not exceed an amount that is equal to the total cost of attendance determined for federal Title IV student financial aid purposes, less all other scholarships and grants provided by New York state, other states, the federal government, or other governments, and the amount of educational benefits paid under any program that would duplicate the purposes of this program, provided that any scholarships or grants provided to a recipient by the institution which are intended to fund any portion of the difference between the annual state award and the actual costs of attendance at any such institution shall not be considered to duplicate the purposes of this program.

5. Other awards. Award recipients shall be eligible to apply for other awards.

6. Duration. An award shall entitle the recipient to annual payments for either an associate's degree, bachelor's degree, or graduate degree. An eligible recipient enrolled in an eligible two year program of study shall not receive an award for more than two academic years. An eligible recipient enrolled in an eligible undergraduate program of study shall not receive an award for more than four academic years of undergraduate study or five academic years if the program of study normally requires five years. An eligible recipient enrolled in a graduate program of study shall not receive an award for more than two academic years.

Notwithstanding, such duration may be extended for an allowable interruption of study as determined by the corporation.

7. Penalties for noncompliance. a. The corporation may collect the full amount of the award given pursuant to this section, plus interest, according to a schedule to be determined by the corporation, if: (i) the recipient fails to complete their degree program within a reasonable time as determined by the corporation; or (ii) one year after the completion of the degree program it is found that a recipient did not begin full-time employment at a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services as a child welfare worker; or (iii) the recipient fails to complete five continuous years of full-time employment at a voluntary not-for-profit child welfare agency in the state licensed by the office of children and family services as a child welfare worker or maintain residency in New York state for such period of employment; or (iv) the recipient fails to respond to requests by the corporation for the status of his or her academic or professional progress. The terms and conditions of this subdivision shall be deferred for any interruption in an undergraduate or graduate study or employment as established by the rules and regulations of the corporation. Any obligation to comply with such provisions as outlined in this section shall be cancelled upon the death of the recipient. Notwithstanding any provisions of this subdivision to the contrary, the corporation is authorized to promulgate rules and regulations necessary for the waiver of suspension of any financial obligation which would involve extreme hardship.

8. Recipient selection. The president may establish:

a. an application deadline; and

b. a method of selecting recipients if in any given year there are insufficient funds to cover the needs of all applicants and returning recipients.

9. Rules and regulations. The corporation is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section including, but not limited to, the criteria to distributing the awards, which may include a lottery or other form of random selection, and the rate of interest charges for repayment of the student loan.

§ 3. The education law is amended by adding a new section 679-i to read as follows:

§ 679-i. New York state child welfare worker loan forgiveness incentive program. 1. Purpose. the president shall grant student loan forgiveness awards for the purpose of attracting workers to be employed in voluntary not-for-profit child welfare agencies in New York state licensed by the office of children and family services as a child welfare worker. Such awards shall be made on a competitive basis, in accordance with rules and regulations promulgated by the corporation for such purposes, to applicants who meet the eligibility criteria.

2. Eligibility. To be eligible for an award pursuant to this section, applicants shall:

a. have graduated and obtained an undergraduate or graduate degree from a college or university located in New York state;

b. have outstanding student loan debt from obtaining such degree;

c. agree to work in a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services as a child welfare worker, on a full time basis for a period of no less than five years;

d. apply for this program within two years of college graduation; and

e. comply with subdivisions three and five of section six hundred sixty-one of this part.

3. Awards. Awards shall be granted to qualified applicants in the amount of up to ten thousand dollars per year, per applicant, not to exceed a duration of five years and not to exceed the total amount of such applicant's student loan debt. The corporation shall grant such awards within amounts appropriated for such purposes and based on the availability of funds. No one applicant shall receive more than a total of fifty thousand dollars upon the end of a five-year period.

4. Priority. First priority shall be given to applicants who have received payment of an award pursuant to this section in a prior year and remain eligible. Second priority shall be given to applicants who are completing the second, third, fourth or fifth year of full-time employment at a voluntary not-for-profit child welfare agency in New York state licensed by the office of children and family services. Third priority shall be given to an applicant who can demonstrate economic need but did not receive an award during the first year of this program's operation. If larger numbers of applicants are eligible pursuant to this subdivision than funds available, applicants shall be chosen pursuant to rules and regulations promulgated by the corporation; provided, however, that each applicant chosen shall receive an award of up to ten thousand dollars in each year such applicant is accepted into the program.

5. Rules and regulations. The corporation is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section.

§ 4. This act shall take effect immediately.

## PART NNN

Section 1. This act enacts into law components of legislation which are necessary to implement legislation relating to workers' compensation and insurance. Each component is wholly contained within a Subpart identified as Subparts A through J. 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. Paragraph w of subdivision 3 of section 15 of the workers' compensation law, as amended by chapter 6 of the laws of 2007, is amended to read as follows:

w. Other cases. In all other cases of permanent partial disability, the compensation shall be sixty-six and two-thirds percent of the difference between the injured employee's average weekly wages and his or her wage-earning capacity thereafter in the same employment or otherwise. Compensation under this paragraph shall be payable during the continuance of such permanent partial disability, without the necessity for the claimant who is entitled to benefits at the time of classification to demonstrate ongoing attachment to the labor market, but subject to reconsideration of the degree of such impairment by the board on its

own motion or upon application of any party in interest however, all compensation payable under this paragraph shall not exceed (i) five hundred twenty-five weeks in cases in which the loss of wage-earning capacity is greater than ninety-five percent; (ii) five hundred weeks in cases in which the loss of wage-earning capacity is greater than ninety percent but not more than ninety-five percent; (iii) four hundred seventy-five weeks in cases in which the loss of wage-earning capacity is greater than eighty-five percent but not more than ninety percent; (iv) four hundred fifty weeks in cases in which the loss of wage-earning capacity is greater than eighty percent but not more than eighty-five percent; (v) four hundred twenty-five weeks in cases in which the loss of wage-earning capacity is greater than seventy-five percent but not more than eighty percent; (vi) four hundred weeks in cases in which the loss of wage-earning capacity is greater than seventy percent but not more than seventy-five percent; (vii) three hundred seventy-five weeks in cases in which the loss of wage-earning capacity is greater than sixty percent but not more than seventy percent; (viii) three hundred fifty weeks in cases in which the loss of wage-earning capacity is greater than fifty percent but not more than sixty percent; (ix) three hundred weeks in cases in which the loss of wage-earning capacity is greater than forty percent but not more than fifty percent; (x) two hundred seventy-five weeks in cases in which the loss of wage-earning capacity is greater than thirty percent but not more than forty percent; (xi) two hundred fifty weeks in cases in which the loss of wage-earning capacity is greater than fifteen percent but not more than thirty percent; and (xii) two hundred twenty-five weeks in cases in which the loss of wage-earning capacity is fifteen percent or less. **For a claimant with a date of accident or disablement after the effective date of the chapter of the laws of two thousand seventeen that amended this subdivision, where the carrier or employer has provided compensation pursuant to subdivision five of this section beyond one hundred thirty weeks from the date of accident or disablement, all subsequent weeks in which compensation was paid shall be considered to be benefit weeks for purposes of this section, with the carrier or employer receiving credit for all such subsequent weeks against the amount of maximum benefit weeks when permanent partial disability under this section is determined. In the event of payment for intermittent temporary partial disability paid after one hundred thirty weeks from the date of accident or disablement, such time shall be reduced to a number of weeks, for which the carrier will receive a credit against the maximum benefit weeks. For a claimant with a date of accident or disablement after the effective date of the chapter of the laws of two thousand seventeen that amended this subdivision, when permanency is at issue, and a claimant has submitted medical evidence that he or she is not at maximum medical improvement, and the carrier has produced or has had a reasonable opportunity to produce an independent medical examination concerning maximum medical improvement, and the board has determined that the claimant is not yet at maximum medical improvement, the carrier shall not receive a credit for benefit weeks prior to a finding that the claimant has reached maximum medical improvement, at which time the carrier shall receive credit for any weeks of temporary disability paid to claimant after such finding against the maximum benefit weeks awarded under this subdivision.** For those claimants classified as permanently partially disabled who no longer receive indemnity payments because they have surpassed their number of maximum benefit weeks, the following provisions will apply:

(1) There will be a presumption that medical services shall continue notwithstanding the completion of the time period for compensation set forth in this section and the burden of going forward and the burden of proof will lie with the carrier, self-insured employer or state insurance fund in any application before the board to discontinue or suspend such services. Medical services will continue during the pendency of any such application and any appeals thereto.

(2) The board is directed to promulgate regulations that establish an independent review and appeal by an outside agent or entity of the board's choosing of any administrative law judge's determination to discontinue or suspend medical services before a final determination of the board.

§ 2. Subdivisions 3 and 4 of section 35 of the workers' compensation law, as added by chapter 6 of the laws of 2007, the opening paragraph of subdivision 4 as further amended by section 104 of part A of chapter 62 of the laws of 2011, are amended to read as follows:

3. Extreme hardship redetermination. In cases where the loss of wage-earning capacity is greater than [~~eighty~~] **seventy-five** percent, a claimant may request, within the year prior to the scheduled exhaustion of indemnity benefits under paragraph w of subdivision three of section fifteen of this article, that the board reclassify the claimant to permanent total disability or total industrial disability due to factors reflecting extreme hardship.

4. Annual safety net reporting. The [~~commissioner of labor~~] **board**, in conjunction with the [~~board~~] **commissioner of labor** and the superintendent of financial services, shall track all claimants who have been awarded permanent partial disability status and report annually on December first, beginning in two thousand eight, to the governor, the speaker of the assembly, the majority leader of the senate, and the chairs of the labor, ways and means and finance committees of the assembly and senate:

(i) The number of said claimants who have:

(1) returned to gainful employment;

(2) been recategorized as being totally industrially disabled;

(3) remain subject to duration limitations set forth in paragraph w of subdivision three of section fifteen of this article; and

(4) not returned to work, and whose indemnity payments have expired.

(ii) The additional steps the commissioner contemplates are necessary to minimize the number of workers who have neither returned to work nor been recategorized from permanent partial disability.

§ 3. Section 23 of the workers' compensation law, as amended by section 10 of part GG of chapter 57 of the laws of 2013, is amended to read as follows:

§ 23. Appeals. An award or decision of the board shall be final and conclusive upon all questions within its jurisdiction, as against the state fund or between the parties, unless reversed or modified on appeal therefrom as hereinafter provided. Any party may within thirty days after notice of the filing of an award or decision of a referee, file with the board an application in writing for a modification or rescission or review of such award or decision, as provided in this chapter. The board shall render its decision upon such application in writing and shall include in such decision a statement of the facts which formed the basis of its action on the issues raised before it on such application. Within thirty days after notice of the decision of the board upon such application has been served upon the parties, or within thirty days after notice of an administrative redetermination review decision by the

chair pursuant to subdivision five of section fifty-two, section one hundred thirty-one or section one hundred forty-one-a of this chapter has been served upon any party in interest, an appeal may be taken therefrom to the appellate division of the supreme court, third department, by any party in interest, including an employer insured in the state fund; provided, however, that any party in interest may within thirty days after notice of the filing of the board panel's decision with the secretary of the board, make application in writing for review thereof by the full board. If the decision or determination was that of a panel of the board and there was a dissent from such decision or determination other than a dissent the sole basis of which is to refer the case to an impartial specialist, **or if there was a decision or determination by the panel which reduced the loss of wage earning capacity finding made by a compensation claims referee pursuant to subparagraph w of subdivision three of section fifteen of this article from a percentage at or above the percentage set forth in subdivision three of section thirty-five of this article whereby a claimant would be eligible to apply for an extreme hardship redetermination to a percentage below the threshold,** the full board shall review and affirm, modify or rescind such decision or determination in the same manner as herein above provided for an award or decision of a referee. If the decision or determination was that of a unanimous panel of the board, or there was a dissent from such decision or determination the sole basis of which is to refer the case to an impartial specialist, the board may in its sole discretion review and affirm, modify or rescind such decision or determination in the same manner as herein above provided for an award or decision of a referee. Failure to apply for review by the full board shall not bar any party in interest from taking an appeal directly to the court as above provided. The board may also, in its discretion certify to such appellate division of the supreme court, questions of law involved in its decision. Such appeals and the question so certified shall be heard in a summary manner and shall have precedence over all other civil cases in such court. The board shall be deemed a party to every such appeal from its decision upon such application, and the chair shall be deemed a party to every such appeal from an administrative redetermination review decision pursuant to subdivision five of section fifty-two of this chapter. The attorney general shall represent the board and the chair thereon. An appeal may also be taken to the court of appeals in the same manner and subject to the same limitations not inconsistent herewith as is now provided in the civil practice law and rules. It shall not be necessary to file exceptions to the rulings of the board. An appeal to the appellate division of the supreme court, third department, or to the court of appeals, shall not operate as a stay of the payment of compensation required by the terms of the award or of the payment of the cost of such medical, dental, surgical, optometric or other attendance, treatment, devices, apparatus or other necessary items the employer is required to provide pursuant to section thirteen of this article which are found to be fair and reasonable. Where such award is modified or rescinded upon appeal, the appellant shall be entitled to reimbursement in a sum equal to the compensation in dispute paid to the respondent in addition to a sum equal to the cost of such medical, dental, surgical, optometric or other attendance, treatment, devices, apparatus or other necessary items the employer is required to provide pursuant to section thirteen of this article paid by the appellant pending adjudication of the appeal. Such reimbursement shall be paid from administration expenses as provided in section one hundred fifty-one of this chapter upon audit and warrant of

the comptroller upon vouchers approved by the chair. Where such award is subject to the provisions of section twenty-seven of this article, the appellant shall pay directly to the claimant all compensation as it becomes due during the pendency of the appeal, and upon affirmance shall be entitled to credit for such payments. Neither the chair, the board, the commissioners of the state insurance fund nor the claimant shall be required to file a bond upon an appeal to the court of appeals. Upon final determination of such an appeal, the board or chair, as the case may be, shall enter an order in accordance therewith. Whenever a notice of appeal is served or an application made to the board by the employer or insurance carrier for a modification or rescission or review of an award or decision, and the board shall find that such notice of appeal was served or such application was made for the purpose of delay or upon frivolous grounds, the board shall impose a penalty in the amount of five hundred dollars upon the employer or insurance carrier, which penalty shall be added to the compensation and paid to the claimant. The penalties provided herein shall be collected in like manner as compensation. A party against whom an award of compensation shall be made may appeal from a part of such award. In such a case the payment of such part of the award as is not appealed from shall not prejudice any rights of such party on appeal, nor be taken as an admission against such party. Any appeal by an employer from an administrative redetermination review decision pursuant to subdivision five of section fifty-two of this chapter shall in no way serve to relieve the employer from the obligation to timely pay compensation and benefits otherwise payable in accordance with the provisions of this chapter.

Nothing contained in this section shall be construed to inhibit the continuing jurisdiction of the board as provided in section one hundred twenty-three of this chapter.

§ 4. This act shall take effect immediately.

SUBPART B

Section 1. Subdivision 3 of section 15 of the workers' compensation law is amended by adding a new paragraph x to read as follows:

**x. Impairment guidelines. The chair shall consult with representatives of labor, business, medical providers, insurance carriers, and self-insured employers regarding revisions to permanency impairment guidelines, including permitting review and comment by such representatives' chosen medical advisors, and after consultation shall, in accordance with the state administrative procedure act, propose for public comment revised permanency guidelines concerning medical evaluation of impairment and the determination of permanency as set forth in paragraphs a through v of this subdivision by September first, two thousand seventeen, with such guidelines to be adopted by the chair by January first, two thousand eighteen. The permanency impairment guidelines shall be reflective of advances in modern medicine that enhance healing and result in better outcomes. In the event the chair fails to adopt such permanency guidelines to be effective by January first, two thousand eighteen, the chair shall adopt, by emergency regulation, permanency impairment guidelines. The permanency impairment guidelines adopted by emergency regulation shall be either the impairment guidelines proposed by the chair on September first, two thousand seventeen or the permanency impairment guidelines created by the consultant to the board and submitted to representatives of labor, business, medical providers, insurance carriers, and self-insured employers, as voted on in an emergency meeting of**

the board to be held on December twenty-ninth, two thousand seventeen. In the event the board is unable to reach a decision at such meeting, the chair shall select the permanency guidelines to be adopted by emergency regulations. Emergency regulations shall be in effect for ninety days or until such time as permanent regulations are adopted by the chair. As of January first, two thousand eighteen the 2012 permanency impairment guidelines pertaining to paragraphs a through v of subdivision three of section fifteen of this article are repealed, and shall have no effect. The board shall train adjudication and other staff to ensure timely and effective implementation.

§ 2. This act shall take effect immediately.

SUBPART C

Section 1. The workers' compensation law is amended by adding a new section 13-p to read as follows:

§ 13-p. Comprehensive prescription drug formulary. The chair shall establish a comprehensive prescription drug formulary on or before December thirty-first, two thousand seventeen. The prescription drug formulary shall include a tiered list of high-quality, cost-effective medications that are pre-approved to be prescribed and dispensed, as well as additional non-preferred drugs that can be prescribed with prior approval. Such prescription drug formulary, shall include but not be limited to implementation of a pharmacy reimbursement strategy, administration of a prescription drug rebate program for formulary drugs, a pre-approval program, drug utilization review, and limitations on the prescribing of compounded medications and compounded topical preparations. The board shall promulgate regulations to permit an interested party to submit a request to the medical director of the board to alter or amend the formulary to consider changing the status of a drug from non-preferred to preferred. Regulations may include a provision for reasonable costs and fees associated with the review.

§ 2. This act shall take effect immediately.

SUBPART D

Section 1. Paragraph (a) of subdivision 2 of section 25 of the workers' compensation law, as amended by chapter 635 of the laws of 1996, is amended to read as follows:

(a) In case the employer decides to controvert the right to compensation, it shall, either on or before the eighteenth day after disability or within ten days after it has knowledge of the alleged accident, whichever period is the greater, file a notice with the chair, on a form prescribed by the chair, that compensation is not being paid, giving the name of the claimant, name of the employer, date of the alleged accident and the reason why compensation is not being paid. When a claim for compensation is filed with medical evidence of work related injury or illness, and the claimant is disabled and not working, and the claimant is otherwise entitled to compensation, and the employer is not making payment to the claimant as required herein, and the employer has not controverted the claim, and the efforts to resolve the issue with the carrier have not been successful, the claimant may request, in the format prescribed by the chair, a hearing to be held within forty-five days of the board's receipt of such request.

If the insurance carrier shall fail either to file notice of controversy or begin payment of compensation within the prescribed period or

within ten days after receipt of a copy of the notice required in section one hundred ten of this chapter, whichever period is the greater, the board may[~~, after a hearing,~~] impose a penalty in the amount of three hundred dollars, which shall be in addition to all other penalties provided for in this chapter and shall be paid to the claimant. Such penalty shall be collected in like manner as an award of compensation.

§ 2. Subdivision 3 of section 25 of the workers' compensation law is amended by adding a new paragraph (g) to read as follows:

**(g) Notwithstanding any other provision in this chapter, the chair may by regulation elect to establish a performance standard concerning the subject of any penalty or assessment provision applicable to an insurance carrier or self-insured employer, where such penalty or assessment is remittable to the New York state treasury, or chair, but not to claimants or any other payee or fund, and impose a single penalty or assessment upon the failure to meet that promulgated standard, with notice to the carrier or self-insured employer. The penalty or assessment imposed in the aggregate shall be payable to the chair. Such aggregate penalty or assessment shall be based upon the number of violations as multiplied against the applicable penalty or assessment, but may be negotiated by the chair's designee in full satisfaction of the penalty or assessment. A final agreement between the chair's designee and the carrier or self-insured employer may be submitted and approved subject to section thirty-two of this article, without notice to any claimant. Any aggregate penalty or assessment issued herein shall be issued administratively, and the board, and the chair may, by regulation, specify the method of review or redetermination, and the presentment of evidence and objections shall occur solely upon the documentation. The carrier or self-insured employer shall receive credit for any instances in which the aggregate penalty or assessment is inclusive of a penalty or assessment previously issued and paid in an individual claim or proceeding. A final determination is subject to review under section twenty-three of this article, except that no stay in payment of the penalty or assessment shall apply pending the outcome of the application for administrative review. Failure to pay the finally determined penalty or assessment, or the penalty or assessment agreed upon pursuant to section thirty-two of this article, within ten days of filing, shall result in the imposition of a twenty-percent penalty, payable to the chair. In the event of the carrier or self-insured employer instituting or continuing an issue without reasonable grounds, the provisions of subdivision three of section one hundred fourteen-a of this chapter shall be applicable. Aggregate penalties shall be borne exclusively by insurance carriers and licensed representatives pursuant to subdivision three-b of section fifty of this article and the costs shall not be passed to insured employers.**

§ 3. This act shall take effect immediately.

SUBPART E

Section 1. Subdivision 3 of section 50 of the workers' compensation law, as amended by section 3 of part G of chapter 57 of the laws of 2011, the closing paragraph as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

3. By furnishing satisfactory proof to the chair of his financial ability to pay such compensation for himself, or to pay such compensation on behalf of a group of employers in accordance with subdivision ten of this section, in which case the chair shall require the deposit

with the chair of such securities as the chair may deem necessary of the kind prescribed in subdivisions one, two, three, four and five, and subparagraph (a) of paragraph three of subdivision seven of section two hundred thirty-five of the banking law, or the deposit of cash, or the filing of irrevocable letters of credit issued by a qualified banking institution as defined by rules promulgated by the chair or the filing of a bond of a surety company authorized to transact business in this state, in an amount to be determined by the chair, or the posting and filing as aforesaid of a combination of such securities, cash, irrevocable letters of credit and surety bond in an amount to be determined by the chair, to secure his liability to pay the compensation provided in this chapter. Any such surety bond must be approved as to form by the chair. If an employer or group of employers posts and files a combination of securities, cash, irrevocable letters of credit and surety bond as aforesaid, and if it becomes necessary to use the same to pay the compensation provided in this chapter, the chair shall first use such securities or cash or irrevocable letters of credit and, when the full amount thereof has been exhausted, he shall then require the surety to pay forthwith to the chair all or any part of the penal sum of the bond for that purpose. The chair may also require an agreement on the part of the employer or group of employers to pay any awards commuted under section twenty-seven of this chapter, into the special fund of the state fund, as a condition of his being allowed to remain uninsured pursuant to this section. The chair shall have the authority to deny the application of an employer or group of employers to pay such compensation for himself or to revoke his consent furnished, under this section at any time, for good cause shown. The employer or group of employers qualifying under this subdivision shall be known as a self-insurer.

If for any reason the status of an employer or group of employers under this subdivision is terminated, the securities or the surety bond, or the securities, cash, or irrevocable letters of credit and surety bond, on deposit referred to herein shall remain in the custody of the chair for such time as the chair may deem proper and warranted under the circumstances. In lieu thereof, and at the discretion of the chair, the employer, his or her heirs or assigns or others carrying on or liquidating such business, may execute an assumption of workers' compensation liability insurance policy [~~securing~~] **as described herein. Separately, the chair may execute an assumption of workers' compensation liability insurance policy as described herein on behalf of the special funds created under the provisions of subdivisions eight and nine of section fifteen and section twenty-five-a of this chapter, and notwithstanding any provision to the contrary the chair may execute an assumption of workers' compensation liability insurance policy on behalf of the uninsured employers' fund. An assumption of workers' compensation liability policy referred to herein shall secure** such further and future contingent liability as may **directly or indirectly** arise from prior injuries to workers and be incurred by reason of any change in condition of such workers warranting the board making subsequent awards for payment of additional compensation. Such policy shall be in a form approved by the superintendent of financial services and issued by the state fund or any insurance company licensed to issue this class of insurance in this state **or, upon application by the chair, any other insurance company deemed by the superintendent of financial services to be an acceptable issuer**. In the event that such policy is issued by an insurance company other than the state fund, then said policy shall be deemed of the kind specified in paragraph fifteen of subsection (a) of section one thousand

one hundred thirteen of the insurance law and covered by the workers' compensation security fund as created and governed by article six-A of this chapter. It shall only be issued for a single complete premium payment in advance [~~by the employer or group of employers~~] and in an amount deemed acceptable by the chair and the superintendent of financial services. In lieu of the applicable premium charge ordinarily required to be imposed by a carrier, said premium shall include a surcharge in an amount to be determined by the chair to: (i) satisfy all assessment liability due and owing to the board and/or the chair under this chapter; and (ii) satisfy all future assessment liability under this section, and which surcharge shall be adjusted from time to time to reflect any changes to the assessment of group self-insured employers, including any changes enacted by the chapter of the laws of two thousand eleven amending sections fifteen and one hundred fifty-one of this chapter. Said surcharge shall be payable to the board simultaneous to the execution of the assumption of workers' compensation liability insurance policy. However, the payment of said surcharge does not relieve the carrier from any other liability, including liability owed to the superintendent of financial services pursuant to article six-A of this chapter. When issued such policy shall be non-cancellable without recourse for any cause during the continuance of the liability secured and so covered.

§ 1-a. Subparagraph (b) of paragraph 2 of subdivision 3-a of section 50 of the workers' compensation law, as amended by section 4 of part G of chapter 57 of the laws of 2011, is amended to read as follows:

(b) Where such plan is adopted the group self-insurer shall furnish satisfactory proof to the chair of its financial ability to pay such compensation for the members in the industry covered by it, its revenues, their source and assurance of continuance. The chair shall require the deposit with the chair of such securities as may be deemed necessary of the kind prescribed in subdivisions one, two, three, four and five, and subparagraph (a) of paragraph three of subdivision seven of section two hundred thirty-five of the banking law or the deposit of cash or the filing of irrevocable letters of credit issued by a qualified banking institution as defined by rules promulgated by the chair or the filing of a bond of a surety company authorized to transact business in this state, in an amount to be determined to secure its liability to pay the compensation of each employer as above provided. Such surety bond must be approved as to form by the chair. The chair shall require each group self-insurer to provide regular reports no less than annually, which shall include but not be limited to audited financial statements, actuarial opinions and payroll information containing proof that it is fully funded. Such reports shall also include a contribution year analysis detailing contributions and expenses associated with each specific contribution year. For purposes of this paragraph, proof that a group self-insurer is fully funded shall at a minimum include proof of unrestricted cash and investments permitted by regulation of the chair of at least one hundred percent of the total liabilities, including the estimate presented in the actuarial opinion submitted by the group self-insurer in accordance with this chapter. The chair by regulation, may set further financial standards for group self-insurers. Any group self-insurer that fails to show that it is fully funded shall be deemed underfunded, and must submit a plan for achieving fully funded status which may include a deficit assessment on members of such group self-insurer which shall be subject to approval or modification by the chair. **The amount of such under-funding, as measured by the actuarial opinion or**

**assumption of loss policy quotation submitted by the group, shall be considered unfunded claims as set forth in subdivision two of section sixteen hundred eighty-q of the public authorities law as added by section 35 of Part GG of chapter 57 of the laws of 2013.**

§ 2. Subdivision (i) of section 32 of the workers' compensation law, as added by chapter 6 of the laws of 2007, paragraph 5 as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(i) (1) The waiver agreement management office may contract with **an insurance carrier, self-insured employer, state insurance fund or** any third party to **assume liability for,** manage, administer, or settle claims on its behalf, so long as (A) such contract is approved by the special disability fund advisory committee and (B) such [~~third~~] party shall agree to be subject to any guidelines or directives as the chair may issue.

(2) The chair **may**, with approval of the special disability fund advisory committee and on such terms as the committee deems appropriate, [~~shall have discretion to~~] procure one or more private entities to assume the liability for and [~~management, administration or settlement of~~] **manage, administer, or settle** all or a portion of the claims in the special disability fund **including, without limitation, by obtaining "an assumption of workers' compensation liability insurance policy" as defined in subdivision three of section fifty of this chapter. Any such policy shall expressly provide and, notwithstanding any other provision of law, operate to release from any further liability (i) the special disability fund and (ii) the insurance carrier, including as the case may be the state insurance fund, originally liable for any claim covered by the assumption of workers' compensation liability insurance policy securing such further and future contingent liability as may arise from any such claim, including from prior injuries to employees and be incurred by reason of any change in the condition of such employees for payment of additional compensation. Notwithstanding any other provisions of law, no consultation or approval of any employer, insurance carrier, self-insurer or the state insurance fund shall be required before such office may enter into any such policy of waiver agreement, or before the board may approve such waiver agreement**. Any such procurement shall be conducted in accordance with state finance law, except as otherwise set forth below. The chair shall not award any contract that has not been approved by the special disability fund advisory committee. Notwithstanding the foregoing, the chair of the workers' compensation board may, if approved by the special disability fund advisory committee, and on such terms as the committee deems appropriate:

(A) waive any informality in a bid, and either reject all bids and again advertise for bids, or interview at least two responsible qualified bidders and negotiate and enter into a contract with one or more of such bidders; or

(B) group claims to be assigned, in whole or in part, based on the insurance carrier, self-insured employer or state insurance fund that is receiving or will receive reimbursement on those claims from the second disability fund. Such grouping shall be permissible notwithstanding that any insurance carrier may have greater access to information, or may be able to provide better terms, in regard to claims so grouped.

(3) [~~Any such contract shall expressly provide that the special disability fund is no longer liable for the claims covered by the contract, and require security of either cash, an indemnity policy, or such security as is otherwise sufficient to cover any losses incurred as a result~~

~~of the failure or default of the entity or entities awarded any such contract, including as a result of the insolvency of any such entity. The chair may waive all or part of such security, and may impose other reasonable methods of insuring payment, upon approval of the special disability fund advisory committee.~~] Any policy executed by the chair pursuant to this section shall be in the form of an assumption of workers' compensation liability insurance policy securing such further and future contingent liability as may arise from any claim covered by such policy, including prior injuries to workers and be incurred by reason of any change in the condition of such workers warranting the board making subsequent awards for payment of additional compensation. Such policy shall be in a form approved by the superintendent of financial services and issued by the state insurance fund or any insurance company licensed to issue this class of insurance in this state, or deemed acceptable as an issuer upon application by the chair to the superintendent as specified in subdivision three of section fifty of this chapter. In the event that such policy is issued by an insurance company other than the state insurance fund, then said policy shall be deemed of the kind specified in paragraph fifteen of subsection (a) of section one thousand one hundred thirteen of the insurance law and covered by the workers' compensation security fund as created and governed by article six-a of this chapter. Such policy shall only be issued for a single complete premium paid in advance and in an amount deemed acceptable by the chair and the superintendent of financial services. When issued such policy shall be noncancellable without recourse for any cause during the continuance of the liability secured and so covered.

(4) Notwithstanding any other provision of this article, the waiver agreement management office may request in writing any information relevant to its entry into or management of waiver agreements from (A) any insurance carrier, employer, or the state insurance fund, if that entity has submitted a claim for reimbursement from the special disability fund as to the claimant to whom the information relates; or (B) the special funds conservation committee. The party to whom the request is made shall provide the requested information within fourteen days of the request, unless before that date it files an objection with the board to any information which is subject to a recognized privilege or whose production is otherwise barred by law. The objecting party shall provide the requested information within five business days of the board's rejection of its objection.

(5) No carrier, self-insured employer or the state insurance fund shall assume the liability for, or management, administration or settlement of any claims under this section on which it holds reserves, beyond such reserves as are permitted by regulation of the superintendent of financial services for purposes of this provision. No carrier may assume liability for any claims in the special disability fund under this paragraph unless the carrier maintains, on a stand alone basis, separate from its parent or any affiliated entities, an interactive financial strength rating from a nationally recognized statistical rating organization that is considered secure or deemed acceptable by the special disability fund advisory committee.

(6) The director of the budget shall notify in writing the chairs of the senate finance committee and the assembly ways and means committee of any plans to transfer all or a portion of the portfolio of claims determined to be eligible for reimbursement from the special disability fund or to [~~contract with any party to take responsibility in whole or in part for the administration of a material portion of the claims,~~

~~including the procurement process to be used to select parties involved in such transfer or contract,~~] enter into an assumption of workers' compensation liability insurance policy, not less than forty-five days prior to the commencement of such process. At any time borrowing is anticipated to settle claims, the chief executive officer of the dormitory authority of the state of New York and the director of the budget shall provide a report to the chairs of the senate finance committee and the assembly ways and means committee on a planned bond sale of the authority and such report shall include, but not be limited to: (A) the maximum amount of bonds expected to be sold by the authority in connection with a sale agreement; (B) the expected maximum interest rate and maturity date of such bonds; (C) the expected amount of the bonds that will be fixed and/or variable interest rate; (D) the estimated costs of issuance; (E) the estimated level or levels of reserve fund or funds, if any; (F) the estimated cost of bond issuance, if any; (G) the anticipated use or uses of the proceeds; (H) the maximum expected net proceeds that will be paid to the state as a result of the issuance of such bonds; and (I) the process to be used to select parties to the transaction. Any such expectations and estimates in the report shall not be deemed a substantive limitation on the authority of the dormitory authority of the state of New York.

§ 3. This act shall take effect immediately.

SUBPART F

Section 1. Section 16 of chapter 11 of the laws of 2008 amending the workers' compensation law, the insurance law, the volunteer ambulance workers' benefit law and the volunteer firefighters' benefit law, relating to rates for workers' compensation insurance and setting forth conditions for a workers' compensation rate service organization, as amended by chapter 237 of the laws of 2012, is amended to read as follows:

§ 16. This act shall take effect February 1, 2008; provided that the amendments to paragraph 2 of subsection (a) of section 2316 of the insurance law made by section eleven of this act shall take effect on the same date that section 68 of chapter 6 of the laws of 2007 takes effect; provided further that the amendments to section 2316 of the insurance law made by section eleven of this act shall not affect the expiration of such section pursuant to section 2342 of the insurance law and shall be deemed expired therewith; and provided further that section ten of this act shall expire and be deemed repealed June 2, [~~2018~~] 2028.

§ 2. Subsection (e) of section 2305 of the insurance law, as amended by chapter 237 of the laws of 2012, is amended to read as follows:

(e) The superintendent: (1) by regulation may, in lieu of the waiting period set forth in subsection (b) of this section, require workers' compensation insurance rate filings to be specifically approved before they become effective; and (2) shall hold a public hearing if a rate service organization makes a loss cost filing for workers' compensation that is an increase of [~~seven~~] five percent or more over the approved loss costs from the prior year. Until June second, two thousand [~~eighteen~~] twenty-eight, a rate service organization for workers' compensation shall make a loss cost filing every year on or before June first, or such earlier date as is set by the superintendent.

§ 3. Paragraph 4 of subdivision (t) of section 2313 of the insurance law, as added by chapter 11 of the laws of 2008, is amended to read as follows:

(4) A workers' compensation rate service organization shall have an actuarial committee. It shall be the responsibility of the actuarial committee to review methodology and data collection processes used to develop loss costs. The American Federation of Labor - Congress of Industrial Organizations of New York State and the Business Council of New York State, Inc. shall together appoint one independent casualty actuary who is a fellow or associate of the casualty actuarial society to serve as a member of the actuarial committee. The appointment of such actuary, and his or her compensation and terms and conditions of retention, shall be subject to the approval of the superintendent as reasonable and customary for such professional. The actuary shall be paid by the workers' compensation rate service organization. Such actuary shall have the same access to the workers' compensation rate service organization data and documents as the other members of that committee. The governing body of a workers' compensation rate service organization shall select a chief actuary of the actuarial committee, who shall serve at the pleasure of the governing body and whose terms and conditions of employment shall be approved by the governing body. **The public actuary shall issue a report on or before June first, two thousand eighteen and each of the next ten years, indicating the overall savings in the workers' compensation system as a result of the two thousand seventeen reforms.**

§ 4. The New York compensation insurance rating board shall make a filing with the New York state department of financial services requiring that the final premiums charged (i) on workers' compensation policies with an effective date between the effective date of this section and September 30, 2017, and (ii) on the unexpired portion of workers' compensation policies in force after the effective date of this section with an effective date on or after October 1, 2016, shall reflect such cost impact. Differences between premiums charged and the final premium on such policies shall be settled between the insurance carrier and the policyholder by or before December 31, 2018.

§ 5. This act shall take effect immediately; provided, however that the amendments to subdivision (t) of section 2313 of the insurance law made by section three of this act shall not affect the repeal of such subdivision and shall be deemed repealed therewith.

SUBPART G

Section 1. Section 137 of the workers' compensation law is amended by adding a new subdivision 12 to read as follows:

**12. The chair shall conduct a thorough study of the utilization of independent medical examinations under this chapter, to occur within calendar year two thousand eighteen, and shall convene and present a preliminary report based on the study to an advisory committee set to commence on or about January first, two thousand nineteen. The advisory committee is to consist of representatives of organized labor, business, carriers, self-insured employers, medical providers, and other stakeholders and experts as the chair may deem fit to include. The advisory committee shall meet quarterly, or more frequently if directed by the chair. By December thirty-first, two thousand nineteen, the committee shall present detailed recommendations to the governor, speaker of the assembly, and majority leader of the senate, regarding administrative improvements, and regulatory and statutory proposals, that will ensure fairness, and highest medical quality, while improving methods of combatting fraud. The committee shall review and analyze leading**

**studies, both in New York state and nationally. The compensation insurance rating board shall provide data, and cooperate with the chair and committee in identifying potential abuse and fraud. The report shall consider, among other items, the feasibility of new methods of assigning independent medical examinations, such as through rotating providers or panels, statewide networks, or other arrangements.**

§ 2. This act shall take effect immediately.

SUBPART H

Section 1. Subparagraph 1 of paragraph c of subdivision 5 of section 50 of the workers' compensation law, as amended by chapter 139 of the laws of 2008, is amended to read as follows:

(1) The chair and the department of audit and control as soon as practicable after May first, nineteen hundred sixty, and annually thereafter, as soon as practicable after April first in each succeeding year, shall ascertain the total amount of net expenses, including (a) administrative expenses, which shall include the direct costs of personal services, the cost of maintenance and operation, the cost of retirement contributions made and workers' compensation premiums paid by the State for or on account of personnel, rentals for space occupied in state owned or state leased buildings, and (b) all direct or indirect costs incurred by the board during the preceding fiscal year in carrying out the provisions of subdivision three and three-a of this section. Such expenses shall be adjusted [~~quarterly~~] **annually** to reflect any change in circumstances, and shall be assessed against all private self-insured employers, including for this purpose active and terminated group self-insurers, active individual self-insured employers, and individual self-insured employers who have ceased to exercise the privilege of self-insurance.

§ 2. This act shall take effect immediately.

SUBPART I

Section 1. Subdivision 3 of section 10 of the workers' compensation law, as amended by section 173 of subpart B of part C of chapter 62 of the laws of 2011, is amended to read as follows:

3. **(a)** Notwithstanding any other provisions of this chapter, where a public safety worker, including but not limited to a firefighter, emergency medical technician, police officer, correction officer, civilian employee of the department of corrections and community supervision or other person employed by the state to work within a correctional facility maintained by the department of corrections and community supervision, driver and medical observer, in the course of performing his or her duties, is exposed to the blood or other bodily fluids of another individual or individuals, the executive officer of the appropriate ambulance, fire or police district may authorize such public safety worker to obtain the care and treatment, including diagnosis, recommended medicine and other medical care needed to ascertain whether such individual was exposed to or contracted any communicable disease and such care and treatment shall be the responsibility of the insurance carrier of the appropriate ambulance, fire or police district or, if a public safety worker was not so exposed in the course of performing his or her duties for such a district, then such person shall be covered for the treatment provided for in this subdivision by the carrier of his or her employer when such person is acting in the scope of his or her

employment. For the purpose of this subdivision, the term "public safety worker" shall include persons who act for payment or who act as volunteers in an organized group such as a rescue squad, police department, correctional facility, ambulance corps, fire department, or fire company.

**(b) Where a police officer or firefighter subject to section thirty of this article, or emergency medical technician, paramedic, or other person certified to provide medical care in emergencies, or emergency dispatcher files a claim for mental injury premised upon extraordinary work-related stress incurred in a work-related emergency, the board may not disallow the claim, upon a factual finding that the stress was not greater than that which usually occurs in the normal work environment.**

§ 2. This act shall take effect immediately.

SUBPART J

Section 1. Subdivision 3 of section 151 of the workers' compensation law, as added by section 22 of part GG of chapter 57 of the laws of 2013, is amended to read as follows:

3. The chair and department of audit and control annually as soon as practicable after the first of April of each year shall ascertain the actual total amount of expenses, including in addition to the direct costs of personal service, the cost of maintenance and operation, the cost of retirement contributions made and workers' compensation premiums paid by the state for or on account of personnel, rentals for space occupied in state owned or state leased buildings, such additional sum as may be certified to the chair and the department of audit and control as a reasonable compensation for services rendered by the department of law and expenses incurred by such department, for transfer into the training and educational program on occupational safety and health fund created pursuant to chapter eight hundred eighty-six of the laws of nineteen hundred eighty-five and section ninety-seven-c of the state finance law, for the New York state occupational health clinics network, for the department of labor occupational safety and health program and for transfer into the uninsured employers' fund pursuant to subdivision two of section twenty-six-a of this chapter, and all other direct or indirect costs, incurred by the board in connection with the administration of this chapter, except those expenses for which an assessment is authorized for self-insurance pursuant to subdivision five of section fifty of this chapter. Assessments pursuant to subparagraph four of paragraph (h) of subdivision eight of section fifteen of this chapter for the special disability fund, pursuant to section fifty-c of this chapter for the self insurer offset fund, pursuant to subdivision three of section twenty-five-a of this chapter for the fund for reopened cases, and pursuant to section two hundred fourteen of this chapter for the special fund for disability benefits shall be included in the total amount of expenses for the purposes of this subdivision. Any overpayment of annual assessments resulting from the requirements of this subdivision shall be applied as a credit against the future assessment rate provided the fund balance shall not be reduced below [~~ten~~] **five** percent of the total amount assessed.

§ 2. There is hereby created a fiduciary fund, known as the workers' compensation rate stabilization fund, which shall be established in the joint custody of the comptroller and the chair of the workers' compensation board. Such stabilization fund shall serve as the repository for the funds released due to the reduction in the maximum fund balance,

provided pursuant to subdivision 3 of section 151 of the workers' compensation law, from ten percent to five percent. Such funds shall be used by the chair of the workers' compensation board over the next five years to ensure assessment rate stability. The board shall ensure that all funds in the stabilization fund are utilized no later than the 2022 assessment rate year. By April 1, 2018 and by April first in each of the next four years, the chair shall be required to report to the governor, the speaker of the assembly, the majority leader of the senate, the senate coalition leader, the committee chairs of the assembly ways and means committee, the assembly labor committee, the senate labor committee, and the committee chair and vice chair of the senate finance committee on the opening fund balance, amount used to subsidize the current rate year, remaining fund balance, and the impact the subsidy had on the overall assessment rate.

§ 3. This act shall take effect immediately; provided, however, that section two of this act shall expire and be deemed repealed March 31, 2024.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by a 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.

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

## PART OOO

Section 1. Subsection (d) of section 615 of the tax law is amended by adding a new paragraph 5 to read as follows:

**(5) the full amount of union dues paid during the taxable year if the taxpayer was not allowed federal miscellaneous itemized deductions by operation of section 67 of the internal revenue code. If any amount of union dues representing federal miscellaneous itemized deductions was allowed, then the amount allowed as a New York itemized deduction for union dues paid shall be a percentage of the union dues disallowed by the operation of section 67 of the internal revenue code computed as follows. The amount allowed as a New York itemized deduction shall be computed by multiplying the total union dues paid by the taxpayer during the taxable year by a percentage determined by subtracting from one, a fraction where the numerator is the amount of federal miscellaneous deductions allowed and the denominator is the aggregate federal miscellaneous itemized deductions before application of the two-percent floor under section 67 of the internal revenue code. For the purposes of this paragraph, union dues are those amounts that are deductible as union dues and agency shop fees under section 162 of the internal revenue code.**

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2018.

## PART PPP

Section 1. The executive law is amended by adding a new article 4-B to read as follows:

ARTICLE 4-B

OFFICE OF THE INSPECTOR GENERAL OF NEW YORK FOR TRANSPORTATION

Section 56. Jurisdiction.

57. Establishment and organization.

58. Functions and duties.

§ 56. Jurisdiction. 1. This article shall, subject to the limitations contained herein, confer upon the office of the inspector general of New York for transportation investigative and prosecutorial power over criminal and unethical conduct involving individuals serving at a senior level in operations, financing or management of a transportation entity located in a city of a population of one million or more where such action or actions occurred within the state; and investigative and prosecutorial power of criminal and unethical conduct involving managerial appointees or managerial employees of any transportation entity where such action or actions occurred within the state.

2. For the purposes of this article: (a) "transportation entity" shall mean any public entity located within a city of one million or more involved in the transportation of persons, goods or other items within or to and from the state of New York where at least one individual involved at a senior level in operations, financing or management of such entity is appointed by the governor;

(b) "individuals involved at a senior level in operations, financing or management" shall mean individuals that exert full or partial control over formal actions taken by a transportation entity or on behalf of such entity, or exert independent judgment in the fulfillment of their duties and obligations, but shall not include individuals whose actions are of a routine or clerical nature; and

(c) "managerial appointee" or "managerial employee" shall mean any individual who (i) participates directly or as part of a team in formulating policy; (ii) may reasonably be required to assist directly in the preparation for and conduct of negotiations concerning major fiscal matters, procurements or expenditures in excess of one hundred thousand dollars provided that such role is not of a routine or clerical nature and requires the exercise of independent judgment; or (iii) has a major role in the administration of personnel agreements or in personnel administration, provided that such role is not of a routine or clerical nature and requires the exercise of independent judgment.

3. Nothing contained in this section shall replace or diminish the jurisdiction of the attorney general or any district attorney, or the inspector general of any transportation entity.

4. The inspector general shall be authorized to:

(a) receive, investigate and prosecute complaints regarding any individuals involved at a senior level in operations, financing or management or managerial appointee or managerial employee of any transportation entity concerning corruption, conflicts of interest, fraud, waste and abuse, recusals or failure to recuse, or criminal activity in any case where such conduct, action or failure occurred before or after the effective date of the chapter of the laws of two thousand seventeen that added this article and where such conduct, action or failure occurred in New York;

(b) represent the state in any administrative hearing or administrative proceeding involving any criminal or unethical conduct of individuals involved at a senior level in operations, financing or management

or a managerial appointee or managerial employee of a transportation entity where such conduct occurred in New York; and

(c) represent the state in civil actions involving any criminal or unethical conduct of individuals involved at a senior level in operations, financing or management or a managerial appointee or managerial employee of a transportation entity where such conduct occurred in New York.

§ 57. Establishment and organization. 1. There shall be an office of the inspector general of New York for transportation in the executive department. The head of the office shall be the inspector general of New York for transportation.

2. The inspector general shall be appointed by the governor and shall hold office until the end of the term of the governor by whom he or she is appointed and until his or her successor is appointed.

3. The inspector general may appoint a deputy inspector general to serve at his or her pleasure, who shall be responsible for conducting investigations and prosecuting violations of law. The inspector general shall identify a process for a coordinated approach with prosecutors to avoid duplication and provide for a timely response to alleged violations.

4. The salary of the inspector general shall be established by the governor within the limit of funds available therefore.

§ 58. Functions and duties. The inspector general of New York for transportation shall have the following duties and responsibilities:

1. receive, investigate, and prosecute complaints from any source, or upon his or her own initiative, concerning allegations of corruption, conflicts of interest, fraud, waste and abuse, recusals or failure to recuse, or criminal activity regarding any transportation entity, conduct or activity or failure to act by any individuals involved at a senior level in operations, financing or management or managerial appointee or managerial employee of a transportation entity occurring before or after the effective date of the chapter of the laws of two thousand seventeen that added this article, in violation of New York law and occurring in New York;

2. inform the transportation entity of such allegations and the progress of investigations related thereto, unless special circumstances require confidentiality, provided that the inspector general shall maintain a written record that specifies the reason confidentiality is necessary under this paragraph;

3. issue a subpoena or subpoenas requiring a person or persons to appear before the grand jury, trial court, produce documents, provide a sworn statement under oath and be examined in reference to any matter within the jurisdiction of the inspector general. A subpoena issued under this section shall be governed by article twenty-three of the civil practice law and rules or articles one hundred ninety or six hundred ten of the criminal procedure law. The inspector general or his or her deputy or any person designated in writing by them may administer an oath to a witness in any such investigation or prosecution and may seek to confer immunity for compelled testimony pursuant to article fifty of the criminal procedure law;

4. determine with respect to such allegations whether to initiate civil or criminal prosecution, or make a referral for further investigation by an appropriate federal, state or local agency or any other office of inspector general as is warranted, and to assist in such investigations; and

**5. prepare and release to the public written reports of such investigations, as appropriate and to the extent permitted by law, subject to redaction to protect the confidentiality of witnesses. The release of all or portions of such reports may be deferred to protect the confidentiality of ongoing investigations, provided that the inspector general shall maintain a written record that specifies the reason confidentiality is necessary under this subdivision.**

§ 2. Subdivision 32 of section 1.20 of the criminal procedure law, as amended by section 4 of part A of chapter 501 of the laws of 2012, is amended to read as follows:

32. "District attorney" means a district attorney, an assistant district attorney or a special district attorney, and, where appropriate, the attorney general, an assistant attorney general, a deputy attorney general, a special deputy attorney general, or the special prosecutor and inspector general for the protection of people with special needs or his or her assistants when acting pursuant to their duties in matters arising under article twenty of the executive law**, or the inspector general of New York for transportation or his or her deputies when acting pursuant to article four-B of the executive law**.

§ 3. Severability. The provisions of this act shall be severable, and if the application of any clause, sentence, paragraph, subdivision, section or part of this act to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not necessarily affect, impair or invalidate the application of any such clause, sentence, paragraph, subdivision, section, or part of this act or remainder thereof, as the case may be, to any other person or circumstance, 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.

§ 4. This act shall take effect immediately; provided, however, that sections one and two of this act shall take effect on the thirtieth day after it shall have become a law.

## PART QQQ

Section 1. All expenditures and disbursements made against the appropriations contained in the chapter of the laws of 2017 making appropriations for the support of government as proposed in legislative bills numbers S.5492 and A.7068 shall, upon final action by the legislature on appropriation bills submitted by the governor pursuant to article VII of the state constitution for the support of government for the state fiscal year beginning April 1, 2017, as contained in legislative bills numbers S.2000-D/A.3000-D, S.2001/A.3001, S.2003-D/A.3003-D, and S.2004-D/A.3004-D, be transferred by the comptroller as expenditures and disbursements to such appropriations for all state departments, agencies, the legislature and the judiciary, as applicable, in amounts equal to the amounts charged against those appropriations in the chapter of the laws of 2017 making appropriations for the support of government as proposed in legislative bills numbers S.5492 and A.7068 for each such department, agency, the legislature and the judiciary.

§ 2. A chapter of the laws of 2017 making appropriations for the support of government, as proposed in legislative bills numbers S.5492 and A.7068, is REPEALED upon the passage of legislative bills numbers S.2000-D and A.3000-D.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART RRR

Section 1. Subdivision (a) of section 2 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

(a) **(i)** "authorized state entity" shall mean the New York state thruway authority, the department of transportation, the office of parks, recreation and historic preservation, the department of environmental conservation and the New York state bridge authority.

**(ii) Notwithstanding the provisions of subdivision 26 of section 1678 of the public authorities law, section 8 of the public buildings law, sections 8 and 9 of section 1 of chapter 359 of the laws of 1968 as amended, section 103 of the general municipal law, and the provisions of any other law to the contrary, the term "authorized state entity" shall also refer to only those agencies or authorities identified below solely in connection with the following authorized projects, provided that such an authorized state entity may utilize the alternative delivery method referred to as design-build contracts solely in connection with the following authorized projects should the total cost of each such project not be less than five million dollars ($5,000,000):**

| | Authorized Projects | Authorized State Entity |
|---|---|---|
| 1. | Frontier Town | Urban Development Corporation |
| 2. | Life Sciences Laboratory | Dormitory Authority & Urban Development Corporation |
| 3. | Whiteface Transformative Projects | New York State Olympic Regional Development Authority |
| 4. | Gore Transformative Projects | New York State Olympic Regional Development Authority |
| 5. | Belleayre Transformative Projects | New York State Olympic Regional Development Authority |
| 6. | Mt. Van Hoevenberg Transformative Projects | New York State Olympic Regional Development Authority |
| 7. | State Fair Revitalization Projects | Office of General Services |
| 8. | State Police Forensic Laboratory | Office of General Services |

**Notwithstanding any provision of law to the contrary, all rights or benefits, including terms and conditions of employment, and protection of civil service and collective bargaining status of all existing employees of authorized state entities solely in connection with the authorized projects listed above, shall be preserved and protected. Nothing in this section shall result in the: (1) displacement of any currently employed worker or loss of position (including partial displacement such as a reduction in the hours of non-overtime work, wages, or employment benefits) or result in the impairment of existing collective bargaining agreements; and (2) transfer of existing duties and functions related to maintenance and operations currently performed**

by existing employees of authorized state entities to a contracting entity. Nothing contained herein shall be construed to affect (A) the existing rights of employees pursuant to an existing collective bargaining agreement, and (B) the existing representational relationships among employee organizations or the bargaining relationships between the employer and an employee organization.

If otherwise applicable, authorized projects undertaken by the authorized state entities listed above solely in connection with the provisions of this act shall be subject to section 135 of the state finance law, section 101 of the general municipal law, and section 222 of the labor law; provided, however, that an authorized state entity may fulfill its obligations under section 135 of the state finance law or section 101 of the general municipal law by requiring the contractor to prepare separate specifications in accordance with section 135 of the state finance law or section 101 of the general municipal law, as the case may be.

§ 2. Intentionally omitted.

§ 3. Section 3 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 3. Notwithstanding the provisions of section 38 of the highway law, section 136-a of the state finance law, section 359 of the public authorities law, section 7210 of the education law, and the provisions of any other law to the contrary, and in conformity with the requirements of this act, an authorized state entity may utilize the alternative delivery method referred to as design-build contracts, in consultation with relevant local labor organizations and construction industry, for capital projects related to the state's physical infrastructure, including, but not limited to, the state's highways, bridges, dams, flood control projects, canals, and parks, including, but not limited to, to repair damage caused by natural disaster, to correct health and safety defects, to comply with federal and state laws, standards, and regulations, to extend the useful life of or replace the state's highways, bridges, dams, flood control projects, canals, and parks or to improve or add to the state's highways, bridges, dams, flood control projects, canals, and parks; provided that for the contracts executed by the department of transportation, the office of parks, recreation and historic preservation, or the department of environmental conservation, the total cost of each such project shall not be less than [~~one~~] ten million [~~two hundred thousand~~] dollars [~~($1,200,000)~~] ($10,000,000).

§ 4. Section 4 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 4. An entity selected by an authorized state entity to enter into a design-build contract shall be selected through a two-step method, as follows:

(a) Step one. Generation of a list of entities that have demonstrated the general capability to perform the design-build contract. Such list shall consist of a specified number of entities, as determined by an authorized state entity, and shall be generated based upon the authorized state entity's review of responses to a publicly advertised request for qualifications. The authorized state entity's request for qualifications shall include a general description of the project, the maximum number of entities to be included on the list, [~~and~~] the selection criteria to be used and the relative weight of each criteria in generating the list. Such selection criteria shall include the qualifications and experience of the design and construction team, organization, demonstrated responsibility, ability of the team or of a member or members of

the team to comply with applicable requirements, including the provisions of articles 145, 147 and 148 of the education law, past record of compliance with the labor law, and such other qualifications the authorized state entity deems appropriate which may include but are not limited to project understanding, financial capability and record of past performance. The authorized state entity shall evaluate and rate all entities responding to the request for qualifications. Based upon such ratings, the authorized state entity shall list the entities that shall receive a request for proposals in accordance with subdivision (b) of this section. To the extent consistent with applicable federal law, the authorized state entity shall consider, when awarding any contract pursuant to this section, the participation of: (i) firms certified pursuant to article 15-A of the executive law as minority or women-owned businesses and the ability of other businesses under consideration to work with minority and women-owned businesses so as to promote and assist participation by such businesses; and (ii) small business concerns identified pursuant to subdivision (b) of section 139-g of the state finance law.

(b) Step two. Selection of the proposal which is the best value to the [~~state~~] **authorized state entity**. The authorized state entity shall issue a request for proposals to the entities listed pursuant to subdivision (a) of this section. If such an entity consists of a team of separate entities, the entities that comprise such a team must remain unchanged from the entity as listed pursuant to subdivision (a) of this section unless otherwise approved by the authorized state entity. The request for proposals shall set forth the project's scope of work, and other requirements, as determined by the authorized state entity. The request for proposals shall specify the criteria to be used to evaluate the responses and the relative weight of each such criteria. Such criteria shall include the proposal's cost, the quality of the proposal's solution, the qualifications and experience of the design-build entity, and other factors deemed pertinent by the authorized state entity, which may include, but shall not be limited to, the proposal's project implementation, ability to complete the work in a timely and satisfactory manner, maintenance costs of the completed project, maintenance of traffic approach, and community impact. Any contract awarded pursuant to this act shall be awarded to a responsive and responsible entity that submits the proposal, which, in consideration of these and other specified criteria deemed pertinent to the project, offers the best value to the [~~state~~] **authorized state entity**, as determined by the authorized state entity. **The request for proposals shall include a statement that entities shall designate in writing those portions of the proposal that contain trade secrets or other proprietary information that are to remain confidential; that the material designated as confidential shall be readily separable from the entity's proposal.** Nothing herein shall be construed to prohibit the authorized entity from negotiating final contract terms and conditions including cost. **All proposals submitted shall be scored according to the criteria listed in the request for proposals and such final scores shall be published on the authorized state entity's website.**

§ 5. Intentionally omitted.

§ 6. Intentionally omitted.

§ 7. Intentionally omitted.

§ 8. Intentionally omitted.

§ 9. Intentionally omitted.

§ 10. Intentionally omitted.

§ 11. Section 13 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 13. Alternative construction awarding processes. (a) Notwithstanding the provisions of any other law to the contrary, the authorized state entity may award a construction contract:

1. To the contractor offering the best value; or

2. Utilizing a cost-plus not to exceed guaranteed maximum price form of contract in which the authorized state entity shall be entitled to monitor and audit all project costs. In establishing the schedule and process for determining a guaranteed maximum price, the contract between the authorized state entity and the contractor shall:

(i) describe the scope of the work and the cost of performing such work;

(ii) include a detailed line item cost breakdown;

(iii) include a list of all drawings, specifications and other information on which the guaranteed maximum price is based;

(iv) include the dates for substantial and final completion on which the guaranteed maximum price is based; and

(v) include a schedule of unit prices; or

3. Utilizing a lump sum contract in which the contractor agrees to accept a set dollar amount for a contract which comprises a single bid without providing a cost breakdown for all costs such as for equipment, labor, materials, as well as such contractor's profit for completing all items of work comprising the project.

(b) Capital projects undertaken by an authorized state entity may include an incentive clause in the contract for various performance objectives, but the incentive clause shall not include an incentive that exceeds the quantifiable value of the benefit received by the [~~state~~] **authorized state entity**. The authorized state entity shall establish such performance and payment bonds as it deems necessary.

§ 12. Intentionally omitted.

§ 13. Intentionally omitted.

§ 14. Section 17 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 17. This act shall take effect immediately and shall expire and be deemed repealed [~~2~~] **4** years after such date, provided that, projects with requests for qualifications issued prior to such repeal shall be permitted to continue under this act notwithstanding such repeal.

§ 15. This act shall take effect immediately; provided, however that the amendments to the infrastructure investment act made by sections one through thirteen of this act shall not affect the repeal of such act and shall be deemed repealed therewith.

## PART SSS

Section 1. Subdivision 28 of section 501 of the retirement and social security law, as added by chapter 298 of the laws of 2016, is amended to read as follows:

28. "New York city enhanced plan member" shall mean (a) a New York city police/fire revised plan member who becomes subject to the provisions of this article on or after June fifteenth, two thousand sixteen and who is a member of the New York city fire department pension fund, (b) a police/fire member who is a member of the New York city fire department pension fund and who makes an election, which shall be irrevocable and shall be duly executed and filed with the administrative head of such pension fund no later than one hundred twenty days after the

effective date of this subdivision, to be subject to the provisions of this article related to New York city enhanced plan members, [~~or~~] (c) a New York city police/fire revised plan member who became subject to the provisions of this article before June fifteenth, two thousand sixteen, who is a member of the New York city fire department pension fund, and who makes an election, which shall be irrevocable and shall be duly executed and filed with the administrative head of such pension fund no later than one hundred twenty days after the effective date of this subdivision, to be subject to the provisions of this article related to New York city enhanced plan members**, (d) a New York city police/fire revised plan member who becomes subject to the provisions of this article on or after April first, two thousand seventeen and who is a member of the New York city police pension fund, (e) a police/fire member who is a member of the New York city police pension fund and who makes an election, which shall be irrevocable and shall be duly executed and filed with the administrative head of such pension fund no later than one hundred twenty days after the effective date of the chapter of the laws of two thousand seventeen which amended this subdivision, to be subject to the provisions of this article related to New York city enhanced plan members, or (f) a New York city police/fire revised plan member who became subject to the provisions of this article before April first, two thousand seventeen, who is a member of the New York city police pension fund, and who makes an election, which shall be irrevocable and shall be duly executed and filed with the administrative head of such pension fund no later than one hundred twenty days after the effective date of the chapter of the laws of two thousand seventeen which amended this subdivision, to be subject to the provisions of this article related to New York city enhanced plan members**.

§ 2. Subdivision h of section 517 of the retirement and social security law, as added by chapter 298 of the laws of 2016, is amended to read as follows:

h. Notwithstanding any inconsistent provision of subdivision a of this section, New York city enhanced plan members **who are members of the New York city fire department pension fund** shall, as of the effective date of this subdivision **pursuant to chapter two hundred ninety-eight of the laws of two thousand sixteen**, contribute three percent of annual wages to the pension fund in which they have membership, plus an additional percentage of annual wages as set forth in the chapter of the laws of two thousand sixteen which added this subdivision.

§ 3. Section 517 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

**i. Notwithstanding any inconsistent provision of subdivision a of this section, New York city enhanced plan members who are members of the New York city police pension fund shall, as of the effective date of this subdivision, contribute three percent of annual wages to the pension fund in which they have membership, plus an additional percentage of annual wages as set forth in the chapter of the laws of two thousand seventeen which added this subdivision.**

§ 4. New York city enhanced plan members, as defined in section 501 of the retirement and social security law as amended by section one of this act, shall contribute, pursuant to subdivision i of section 517 of the retirement and social security law as added by section three of this act, an additional one percent of annual wages to the pension fund in which they have membership. Every three years from the effective date of this act, the actuary of such pension fund shall prepare an analysis, using current actuarial methods and assumptions in effect as of the date

of such analysis, assessing the total cost of providing the benefits established by this act expressed as an employee contribution of a percentage of annual wages of New York City enhanced plan members which would require no additional employer contribution. On the basis of such analysis, the additional percentage of annual wages provided for herein shall be adjusted to equal one percent of annual wages plus any amount by which the employee contribution calculated in such analysis exceeds 2.2 percent of annual wages, provided, however, that in no event shall the additional percentage of annual wages exceed 3 percent.

§ 5. Section 81 of chapter 18 of the laws of 2012 shall not apply to this act.

§ 6. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

PROVISIONS OF PROPOSED LEGISLATION: The proposed legislation would amend provisions of the Retirement and Social Security Law (RSSL) to permit existing New York City Police Pension Fund (POLICE) Tier 3 and Revised Tier 3 POLICE Members to elect to join the RSSL Article 14 Enhanced Plan, and require participation for those POLICE Members who become subject to Article 14 on or after April 1, 2017. The Enhanced Plan provides changes to Accidental Disability Retirement (ADR) and Ordinary Disability Retirement (ODR) benefits, and includes a formula for adjusting increased contribution rates within defined parameters. The proposed legislation would also allow eligible POLICE Members to utilize applicable statutory presumptions for purposes of ADR.

The Effective Date of the proposed legislation would be the date of enactment.

For purposes of this Fiscal Note, all POLICE members subject to Article 14 of the RSSL will be referred to as "Tier 3 POLICE Members." Tier 3 POLICE Members who have a date of membership prior to April 1, 2012 will be referred to as "Original Tier 3 POLICE Members." Tier 3 POLICE Members who have a date of membership on or after April 1, 2012 will be referred to as "Revised Tier 3 POLICE Members."

Tier 3 POLICE Members who are Members prior to April 1, 2017 would have the option of remaining under the current benefit structure or irrevocably electing, within 120 days of the effective date of the proposed legislation, to be covered under the benefit structure contained in the proposed legislation. Tier 3 POLICE Members who become Members on and after April 1, 2017 would be subject to the benefit structure contained in the proposed legislation. Tier 3 POLICE Members who elect the benefits of this proposed legislation, and Tier 3 POLICE Members who are subject to mandatory participation, are referred to as "POLICE Enhanced Plan Members."

POLICE Enhanced Plan Members would, in addition to paying the current contribution rate of 3% of annual wages, be required to contribute additional contributions initially at 1% of annual wages and, in the future, ranging from 1% to 3% of annual wage depending on specified future cost calculations of providing POLICE Enhanced Plan benefits.

CURRENT ODR BENEFITS PAYABLE: The current ODR benefits for Tier 3 POLICE Members are equal to the greater of:

* 33 1/3% of Final Average Salary (FAS), or

* 2% of FAS multiplied by years of credited service (not in excess of 22 years),

Reduced by:

* 50% of the Primary Social Security Disability benefits (determined under RSSL Section 511), and

* 100% of Workers' Compensation benefits (if any).

FAS is a Three-Year Average (FAS3) for Original Tier 3 POLICE Members and a Five-Year Average (FAS5) for Revised Tier 3 POLICE Members.

It is the understanding of the Actuary that POLICE Members are not covered by Workers' Compensation.

IMPACT ON ODR BENEFITS PAYABLE: Under the proposed legislation, the ODR benefits for POLICE Enhanced Plan Members would be revised to be equal to the greater of:

* 33 1/3% of FAS5, or

* 2% of FAS5 multiplied by years of credited service (not in excess of 22 years).

Reduced by:

* 100% of Workers' Compensation benefits (if any).

It is the understanding of the Actuary that POLICE Members are not covered by Workers' Compensation.

Eligibility for ODR benefits for Enhanced Plan Members would remain the same.

In addition, the proposed legislation would **not** apply the Escalation available under RSSL Section 510 to ODR benefits for POLICE Enhanced Plan Members. However, such ODR benefits would still be eligible for Cost-of-Living Adjustments (COLA) under Chapter 125 of the Laws of 2000.

CURRENT ADR BENEFITS PAYABLE: The current ADR benefits for Tier 3 POLICE Members is equal to:

* 50% multiplied by FAS,

Reduced by:

* 50% of Primary Social Security disability benefit or Primary Social Security benefits, whichever begins first (determined under RSSL Section 511), and

* 100% of Workers' Compensation benefits (if any).

FAS is a FAS3 for Original Tier 3 POLICE Members and a FAS5 for Revised Tier 3 POLICE Members.

It is the understanding of the Actuary that POLICE Members are not covered by Workers' Compensation.

IMPACT ON ADR BENEFITS PAYABLE: Under the proposed legislation, the eligibility requirements for ADR benefits for POLICE Enhanced Plan Members would be the same as current Tier 3 POLICE Members. However, these Members would also become eligible to utilize applicable statutory presumptions (e.g., certain heart conditions) for purposes of ADR.

Under the proposed legislation, the ADR benefits for Enhanced Plan Members would be revised to equal a retirement allowance of:

* 75% multiplied by FAS5,

Reduced by:

* 100% of Workers' Compensation benefits (if any).

It is the understanding of the Actuary that POLICE Members are not covered by Workers' Compensation.

In addition, the proposed legislation would **not** apply the Escalation available under RSSL Section 510 to ADR benefits for Enhanced Plan Members. However, such ADR benefits would still be eligible for COLA under Chapter 125 of the Laws of 2000.

FINANCIAL IMPACT - CHANGES IN PROJECTED ACTUARIAL PRESENT VALUE OF FUTURE EMPLOYER CONTRIBUTIONS AND PROJECTED EMPLOYER CONTRIBUTIONS: For purposes of this Fiscal Note, it is assumed that the changes in the Actuarial Present Value (APV) of benefits (APVB), APV of member contributions, the Unfunded Actuarial Accrued Liability (UAAL) and APV of future employer contributions would be reflected for the first time in the June 30, 2016 actuarial valuation of POLICE. Under the One-Year Lag Methodology (OYLM), the first year in which changes in benefits for

Enhanced Plan Members could impact employer contributions to POLICE would be Fiscal Year 2018.

The estimated increases in employer contributions shown in Table 1 are based upon the following projection assumptions:

* Level workforce (i.e., new employees are hired to replace those who leave active status).

* Salary increases consistent with those used in projections to be presented to the New York City Office of Management and Budget in April, 2017 (Preliminary Projections).

* New entrant salaries consistent with those used in the Preliminary Projections.

OTHER COSTS: Not measured in this Fiscal Note are the following:

* The initial, additional administrative costs of POLICE to implement the proposed legislation.

* The impact of this proposed legislation on Other Postemployment Benefit (OPEB) costs.

CENSUS DATA: The starting census data used for the calculations presented herein is the census data used in the Preliminary June 30, 2016 (Lag) actuarial valuation of POLICE to determine the Preliminary Fiscal Year 2018 employer contributions.

The 3,211 Original Tier 3 POLICE members who have a date of membership prior to April 1, 2012 had an average age of approximately 31.3, average service of approximately 5.2 years and an average salary of approximately $87,300 as of June 30, 2016. The 7,998 Revised Tier 3 POLICE Members who have a date of membership on or after April 1, 2012 had an average age of approximately 28.4, average service of approximately 1.8 years and an average salary of approximately $58,400 as of June 30, 2016.

ACTUARIAL ASSUMPTIONS AND METHODS: The additional employer contributions presented herein have been calculated based on the actuarial assumptions and methods in effect for the Preliminary June 30, 2016 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2018 employer contributions of POLICE.

In determining the change in employer contributions, the probabilities of accidental disability used for Tier 3 POLICE members equal those currently used for Tier 2 POLICE members who are not eligible for World Trade Center benefits.

It has been further assumed that all Tier 3 POLICE members who became members prior to April 1, 2017 will choose the new disability provisions.

The actuarial valuation methodology does not include a calculation of the value of an offset for Workers' Compensation benefits for Tier 3 POLICE members as it is the understanding of the Actuary that these members are not covered by such benefits.

Employer contributions under current methodology have been estimated assuming the additional APVB would be financed through future normal contributions including an amortization of the new UAAL attributable to this proposed legislation over a 15-year period (14 payments under the OYLM Methodology).

New entrants were projected to replace the members expected to leave the active population to maintain a steady-state population.

For purposes of estimating the financial impact of the changes described above, an assumed Escalation rate of 2.5% was used for current Tier 3 Police Member benefits, which is consistent with the underlying Consumer Price Inflation (CPI) assumption of 2.5% per year. Consistent with Chapter 125 of the Laws of 2000, a COLA rate of 1.5% per year (i.e., 50% of CPI adjusted to recognize a 1.0% minimum and 3.0% maximum)

on the first $18,000 of benefit was assumed for purposes of valuing proposed Enhanced Plan benefits.

In accordance with ACNY Section 13.638.2(k-2), new UAAL attributable to benefit changes are to be amortized as determined by the Actuary but generally over the remaining working lifetime of those impacted by the benefit changes. As of June 30, 2016, the remaining working lifetime of the Tier 3 POLICE members is approximately 18 years. Recognizing that this period will decrease over time as the group of Enhanced Plan Members matures, the Actuary would likely choose to amortize the new UAAL attributable to this proposed legislation over a 15-year to 20-year period (between 14 and 19 payments under the OYLM Methodology). For purposes of this Fiscal Note, the Actuary has elected to amortize the change in UAAL over a 15-year period (14 payments).

Table 1 presents an estimate of the increases in the APV of future employer contributions and in employer contributions to POLICE for Fiscal Years 2018 through 2022 due to the changes in ODR and ARD provisions for Enhanced Plan Members based on the applicable actuarial assumptions and methods noted herein:

Table 1

Estimated Financial Impact on POLICE
If certain Revisions are Made to
Provisions for ODR and ADR Benefits for Tier 3 POLICE Members

($ Millions)

| Fiscal Year | Increase in APV of Future Employer Contributions | Increase In Employer Contributions |
|---|---|---|
| 2018 | $69.4 | $13.1 |
| 2019 | 74.2 | 14.1 |
| 2020 | 77.7 | 15.1 |
| 2021 | 79.7 | 15.9 |
| 2022 | 80.7 | 16.3 |

Table 2 presents the total number of active employees of POLICE used in the projections, assuming a level work force, and the cumulative number (i.e., net of withdrawals) of Tier 3 Members as of each June 30 from 2016 thorough 2020.

Table 2

Surviving Actives from Census Data on June 30, 2016
and
Cumulative Tier 3 POLICE Members from 2016
Used in the Projections*

| June 30 | Tier 1 & 2 | Tier 3 | Total |
|---|---|---|---|
| 2016 | 24,752 | 11,209 | 35,961 |
| 2017 | 22,798 | 13,163 | 35,961 |
| 2018 | 20,785 | 15,176 | 35,961 |
| 2019 | 18,976 | 16,985 | 35,961 |
| 2020 | 17,532 | 18,429 | 35,961 |

* Total active members included in the projections assume a level work force based on the June 30, 2016 (Lag) actuarial valuation census data.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Pension Funds and Retirement Systems. I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries. I meet the Qualifications Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2017-04 dated April 3, 2017 was prepared by the Chief Actuary for the New York City POLICE Pension Fund. This estimate is intended for use only during the 2017 Legislative Session.

PART TTT

Section 1. The section heading of section 421-a of the real property tax law, as amended by chapter 857 of the laws of 1975 and such section as renumbered by chapter 110 of the laws of 1977, is amended to read as follows:

[~~Exemption of new multiple dwellings from local taxation.~~] **Affordable New York Housing Program.**

§ 2. Subparagraphs (i) and (iii) of paragraph (a) of subdivision 10 of section 421-a of the real property tax law, as amended by chapter 15 of the laws of 2008, are amended to read as follows:

(i) all rent stabilization registrations required to be filed on or after January first, two thousand eight shall contain a designation which identifies all units that are subject to the provisions of this section as "[~~421-a~~] **Affordable New York Housing Program** units" and specifically identifies affordable units created pursuant to this section and units which are required to be occupied by persons or families who meet specified income limits pursuant to the provisions of a local law enacted pursuant to this section as "[~~421-a~~] **Affordable New York Housing Program** affordable units" and shall contain an explanation of the requirements that apply to all such units. The owner of a unit that is subject to the provisions of this section shall, in addition to complying with the requirements of section 26-517 of the rent stabilization law, file a copy of the rent registration for each such unit with the local housing agency;

(iii) the local housing agency shall create a report which, at a minimum, contains the following information for every building which receives benefits pursuant to this section: address, commencement and termination date of the benefits, total number of residential units, number of "[~~421-a~~] **Affordable New York Housing Program** units" and number of "[~~421-a~~] **Affordable New York Housing Program** affordable units", apartment number or other designation of such units and the rent for each of such units. The local housing agency with the cooperation of the division of housing and community renewal shall maintain, and update such report no less than annually, with information secured from annual registrations. Such reports shall be available for public inspection in a form that assigns a unique designation to each unit other than its actual apartment number to maintain the privacy of such information; and

§ 3. Subdivision 16 of section 421-a of the real property tax law, as added by section 63-c of part A of chapter 20 of the laws of 2015, is amended to read as follows:

16. (a) Definitions. For the purposes of this subdivision:

(i) "[~~421-a~~] **Affordable New York Housing Program** benefits" shall mean exemption from real property taxation pursuant to this subdivision.

(ii) "Affordability option A" shall mean that, within any eligible site: (A) not less than ten percent of the dwelling units are affordable housing forty percent units; (B) not less than an additional ten percent of the dwelling units are affordable housing sixty percent units; (C) not less than an additional five percent of the dwelling units are affordable housing one hundred thirty percent units; and (D) such eligible site is developed without the substantial assistance of grants, loans or subsidies provided by a federal, state or local governmental agency or instrumentality pursuant to a program for the development of affordable housing, except that such eligible site may receive tax exempt bond proceeds and four percent tax credits.

(iii) "Affordability option B" shall mean that, within any eligible site, (A) not less than ten percent of the dwelling units are affordable housing seventy percent units, and (B) not less than an additional twenty percent of the dwelling units are affordable housing one hundred thirty percent units.

(iv) "Affordability option C" shall mean that, within any eligible site excluding the geographic area south of ninety-sixth street in the borough of Manhattan, and all other geographic areas in the city of New York excluded pursuant to local law, (A) not less than thirty percent of the dwelling units are affordable housing one hundred thirty percent units, and (B) such eligible site is developed without the substantial assistance of grants, loans or subsidies provided by a federal, state or local governmental agency or instrumentality pursuant to a program for the development of affordable housing.

(v) "Affordability option D" shall only apply to a homeownership project, of which one hundred percent of the units shall have an average assessed value not to exceed sixty-five thousand dollars upon the first assessment following the completion date and where each owner of any such unit shall agree, in writing, to maintain such unit as their primary residence for no less than five years from the acquisition of such unit**.**

**(vi) "Affordability option E" shall mean that, within any eligible site within the enhanced affordability area, such site must consist of no less than three hundred rental dwelling units of which (A) not less than ten percent of the rental dwelling units are affordable housing forty percent units; (B) not less than an additional ten percent of the rental dwelling units are affordable housing sixty percent units; (C) not less than an additional five percent of the rental dwelling units are affordable housing one hundred twenty percent units; and (D) such eligible site is developed without the substantial assistance of grants, loans or subsidies provided by a federal, state or local governmental agency or instrumentality pursuant to a program for the development of affordable housing, except that such eligible site may receive tax exempt bond proceeds and four percent tax credits.**

**(vii) "Affordability option F" shall mean that, within any eligible site within the enhanced affordability area, such site must consist of no less than three hundred rental dwelling units of which (A) not less than ten percent of the rental dwelling units are affordable housing seventy percent units; and (B) not less than an additional twenty percent of the rental dwelling units are affordable housing one hundred thirty percent units.**

**(viii) "Affordability option G" shall mean that, within any eligible site located within the Brooklyn enhanced affordability area or the**

Queens enhanced affordability area, such site must consist of no less than three hundred rental dwelling units of which (A) not less than thirty percent of the rental dwelling units are affordable housing one-hundred thirty percent units; and (B) such eligible site is developed without the substantial assistance of grants, loans or subsidies provided by a federal, state or local governmental agency or instrumentality pursuant to a program for the development of affordable housing.

[~~(vi)~~] (ix) "Affordability percentage" shall mean a fraction, the numerator of which is the number of affordable housing units in an eligible site and the denominator of which is the total number of dwelling units in such eligible site.

[~~(vii)~~] (x) "Affordable housing forty percent unit" shall mean a dwelling unit that: (A) is situated within the eligible site for which [~~421-a~~] Affordable New York Housing Program benefits are granted; and (B) upon initial rental and upon each subsequent rental following a vacancy during the restriction period or extended restriction period, as applicable, is affordable to and restricted to occupancy by individuals or families whose household income does not exceed forty percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

[~~(viii)~~] (xi) "Affordable housing sixty percent unit" shall mean a dwelling unit that: (A) is situated within the eligible site for which [~~421-a~~] Affordable New York Housing Program benefits are granted; and (B) upon initial rental and upon each subsequent rental following a vacancy during the restriction period or extended restriction period, as applicable, is affordable to and restricted to occupancy by individuals or families whose household income does not exceed sixty percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

[~~(ix)~~] (xii) "Affordable housing seventy percent unit" shall mean a dwelling unit that: (A) is situated within the eligible site for which [~~421-a~~] Affordable New York Housing Program benefits are granted; and (B) upon initial rental and upon each subsequent rental following a vacancy during the restriction period or extended restriction period, as applicable, is affordable to and restricted to occupancy by individuals or families whose household income does not exceed seventy percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

(xiii) "Affordable housing one hundred twenty percent unit" shall mean a dwelling unit that: (A) is situated within the eligible site for which Affordable New York Housing Program benefits are granted; and (B) upon initial rental and upon each subsequent rental following a vacancy during the extended restriction period, is affordable to and restricted to occupancy by individuals or families whose household income does not exceed one hundred twenty percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

[~~(x)~~] (xiv) "Affordable housing one hundred thirty percent unit" shall mean a dwelling unit that: (A) is situated within the eligible site for which [~~421-a~~] Affordable New York Housing Program benefits are granted; and (B) upon initial rental and upon each subsequent rental following a vacancy during the restriction period or extended restriction period, as applicable, is affordable to and restricted to occupancy by individuals or families whose household income does not exceed one hundred thirty percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

[~~(xi)~~] (xv) "Affordable housing unit" shall mean, collectively and individually, affordable housing forty percent units, affordable housing sixty percent units, affordable housing seventy percent units, affordable housing one hundred twenty percent units and affordable housing one hundred thirty percent units.

[~~(xii)~~] (xvi) "Agency" shall mean the department of housing preservation and development.

[~~(xiii)~~] (xvii) "Application" shall mean an application for [~~421-a~~] Affordable New York Housing Program benefits.

[~~(xiv)~~] (xviii) "Average hourly wage" shall mean the amount equal to the aggregate amount of all wages and all employee benefits paid to, or on behalf of, construction workers for construction work divided by the aggregate number of hours of construction work.

(xix) "Brooklyn enhanced affordability area" shall mean any tax lots now existing or hereafter created which are located entirely within community boards one or two of the borough of Brooklyn bounded and described as follows: All that piece or parcel of land situate and being in the boroughs of Queens and Brooklyn, New York. Beginning at the point of intersection of the centerline of Newtown Creek and the westerly bounds of the East River; Thence southeasterly along the centerline of Newtown Creek, said centerline also being the boundary between Queens County to the northeast and Kings County to the southwest, to the point of intersection with Greenpoint Avenue; Thence southwesterly along Greenpoint Avenue, to the intersection with Kings Land Avenue; Thence southerly along Kingsland Avenue to the intersection with Meeker Avenue; Thence southwesterly along Meeker Avenue to the intersection with Leonard Street; Thence southerly along Leonard Street to the intersection with Metropolitan Avenue; Thence westerly along Metropolitan Avenue to the intersection with Lorimer Street; Thence southerly along Lorimer Street to the intersection with Montrose Avenue; Thence westerly along Montrose Avenue to the intersection with Union Avenue; Thence southerly along Union Avenue to the intersection with Johnson Avenue; Thence westerly along Johnson Avenue to the intersection with Broadway; Thence northwesterly along Broadway to the intersection with Rutledge Street; Thence southwesterly along Rutledge Street to the intersection with Kent Avenue and Classon Avenue; Thence southwesterly and southerly along Classon Avenue to the intersection with Dekalb Avenue; Thence westerly along Dekalb Avenue to the intersection with Bond Street; Thence southwesterly along Bond Street to the intersection with Wyckoff Street; Thence northwesterly along Wyckoff Street to the intersection with Hoyt Street; Thence southwesterly along Hoyt Street to the intersection with Warren Street; Thence northwesterly along Warren Street to the intersection with Court Street; Thence northeasterly along Court Street to the intersection with Atlantic Avenue; Thence northwesterly along Atlantic Avenue, crossing under The Brooklyn Queens Expressway (aka Interstate 278), to the terminus of Atlantic Avenue at the Brooklyn Bridge Park/Pier 6; Thence northwesterly passing through the Brooklyn Bridge Park to the bulkhead of the East River at Pier 6; Thence in a general northeasterly direction along the easterly bulkhead or shoreline of the East River to the intersection with the centerline of Newtown Creek, and the point or place of Beginning.

(xx) "Building service employee" shall mean any person who is regularly employed at, and performs work in connection with the care or maintenance of, an eligible site, including, but not limited to, a watchman, guard, doorman, building cleaner, porter, handyman, janitor, gardener, groundskeeper, elevator operator and starter, and window cleaner, but

not including persons regularly scheduled to work fewer than eight hours per week at the eligible site.

[~~(xv)~~] (xxi) "Commencement date" shall mean, with respect to any eligible multiple dwelling, the date upon which excavation and construction of initial footings and foundations lawfully begins in good faith or, for an eligible conversion, the date upon which the actual construction of the conversion, alteration or improvement of the pre-existing building or structure lawfully begins in good faith.

[~~(xvi)~~] (xxii) "Completion date" shall mean, with respect to any eligible multiple dwelling, the date upon which the local department of buildings issues the first temporary or permanent certificate of occupancy covering all residential areas of an eligible multiple dwelling.

[~~(xvii)~~] (xxiii) "Construction period" shall mean, with respect to any eligible multiple dwelling, a period: (A) beginning on the later of the commencement date of such eligible multiple dwelling or three years before the completion date of such eligible multiple dwelling; and (B) ending on the day preceding the completion date of such eligible multiple dwelling.

(xxiv) "Construction work" shall mean the provision of labor performed on an eligible site between the commencement date and the completion date, whereby materials and constituent parts are combined to initially form, make or build an eligible multiple dwelling, including without limitation, painting, or providing of material, articles, supplies or equipment in the eligible multiple dwelling, but excluding security personnel and work related to the fit-out of commercial spaces.

(xxv) "Construction workers" shall mean all persons performing construction work who (A) are paid on an hourly basis and (B) are not in a management or executive role or position.

(xxvi) "Contractor certified payroll report" shall mean an original payroll report submitted by a contractor or sub-contractor to the independent monitor setting forth to the best of the contractor's or sub-contractor's knowledge, the total number of hours of construction work performed by construction workers, the amount of wages and employee benefits paid to construction workers for construction work.

[~~(xviii)~~] (xxvii) "Eligible conversion" shall mean the conversion, alteration or improvement of a pre-existing building or structure resulting in a multiple dwelling in which no more than forty-nine percent of the floor area consists of such pre-existing building or structure.

[~~(xix)~~] (xxviii) "Eligible multiple dwelling" shall mean a multiple dwelling or homeownership project containing six or more dwelling units created through new construction or eligible conversion for which the commencement date is after December thirty-first, two thousand fifteen and on or before June fifteenth, two thousand [~~nineteen~~] twenty-two, and for which the completion date is on or before June fifteenth, two thousand [~~twenty-three~~] twenty-six.

[~~(xx)~~] (xxix) "Eligible site" shall mean either: (A) a tax lot containing an eligible multiple dwelling; or (B) a zoning lot containing two or more eligible multiple dwellings that are part of a single application.

(xxx) "Employee benefits" shall mean all supplemental compensation paid by the employer, on behalf of construction workers, other than wages, including, without limitation, any premiums or contributions made into plans or funds that provide health, welfare, non-occupational disability coverage, retirement, vacation benefits, holiday pay, life insurance and apprenticeship training. The value of any employee benefits

received shall be determined based on the prorated hourly cost to the employer of the employee benefits received by construction workers.

(xxxi) "Enhanced affordability area" shall mean the Manhattan enhanced affordability area, the Brooklyn enhanced affordability area and the Queens enhanced affordability area.

(xxxii) "Enhanced thirty-five year benefit" shall mean: (A) for the construction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements; and (B) for the next thirty-five years of the extended restriction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements.

(xxxiii) "Extended restriction period" shall mean a period commencing on the completion date and expiring on the fortieth anniversary of the completion date, notwithstanding any earlier termination or revocation of Affordable New York Housing Program benefits.

[~~(xxi)~~] (xxxiv) "Fiscal officer" shall mean the comptroller or other analogous officer in a city having a population of one million or more.

[~~(xxii)~~] (xxxv) "Floor area" shall mean the horizontal areas of the several floors, or any portion thereof, of a dwelling or dwellings, and accessory structures on a lot measured from the exterior faces of exterior walls, or from the center line of party walls.

[~~(xxiii)~~] (xxxvi) "Four percent tax credits" shall mean federal low income housing tax credits computed in accordance with clause (ii) of subparagraph (B) of paragraph (1) of subsection (b) of section forty-two of the internal revenue code of nineteen hundred eighty-six, as amended.

[~~(xxiv)~~] (xxxvii) "Homeownership project" shall mean a multiple dwelling or portion thereof operated as condominium or cooperative housing, however, it shall not include a multiple dwelling or portion thereof operated as cooperative or condominium housing located within the borough of Manhattan, and shall not include a multiple dwelling that contains more than thirty-five units.

[~~(xxv)~~] (xxxviii) "Independent monitor" shall mean an accountant licensed and in good standing pursuant to article one hundred forty-nine of the education law.

(xxxix) "Job action" shall mean any delay, interruption or interference with the construction work caused by the actions of any labor organization or concerted action of any employees at the eligible site, including without limitation, strikes, sympathy strikes, work stoppages, walk outs, slowdowns, picketing, bannering, hand billing, demonstrations, sickouts, refusals to cross a picket line, refusals to handle struck business, and use of the rat or other inflatable balloons or similar displays.

(xl) "Market unit" shall mean a dwelling unit in an eligible multiple dwelling other than an affordable housing unit.

[~~(xxvi)~~] (xli) "Multiple dwelling" shall have the meaning set forth in the multiple dwelling law.

[~~(xxvii)~~] (xlii) "Non-residential tax lot" shall mean a tax lot that does not contain any dwelling units.

[~~(xxviii)~~] (xliii) "Manhattan enhanced affordability area" shall mean any tax lots now existing or hereafter created located entirely south of 96th street in the borough of Manhattan.

(xliv) "Project labor agreement" shall mean a pre-hire collective bargaining agreement setting forth the terms and conditions of employment for the construction workers on an eligible site.

(xlv) "Project-wide certified payroll report" shall mean a certified payroll report submitted by the independent monitor to the fiscal offi-

cer based on each contractor certified payroll report which sets forth the total number of hours of construction work performed by construction workers, the aggregate amount of wages and employee benefits paid to construction workers for construction work and the average hourly wage.

(xlvi) "Queens enhanced affordability area" shall mean any tax lots now existing or hereafter created which are located entirely within community boards one or two of the borough of Queens bounded and described as follows: All that piece or parcel of land situate and being in the boroughs of Queens and Brooklyn, New York. Beginning at the point being the intersection of the easterly shore of the East River with a line of prolongation of 20th Avenue projected northwesterly; Thence southeasterly on the line of prolongation of 20th Avenue and along 20th Avenue to the intersection with 31st Street; Thence southwesterly along 31st Street to the intersection with Northern Boulevard; Thence southwesterly along Northern Boulevard to the intersection with Queens Boulevard (aka Route 25); Thence southeasterly along Queens Boulevard to the intersection with Van Dam Street; Thence southerly along Van Dam Street to the intersection with Borden Avenue; Thence southwesterly along Van Dam Street to the intersection with Greenpoint Avenue and Review Avenue; Thence southwesterly along Greenpoint Avenue to the point of intersection with the centerline of Newtown Creek, said centerline of Newtown Creek also being the boundary between Queens County to the north and Kings County to the south; Thence northwesterly along the centerline of Newtown Creek, also being the boundary between Queens County and Kings County to its intersection with the easterly bounds of the East River; Thence in a general northeasterly direction along the easterly bulkhead or shoreline of the East River to the point or place of Beginning.

(xlvii) "Rent stabilization" shall mean, collectively, the rent stabilization law of nineteen hundred sixty-nine, the rent stabilization code, and the emergency tenant protection act of nineteen seventy-four, all as in effect as of the effective date of the chapter of the laws of two thousand fifteen that added this subdivision or as amended thereafter, together with any successor statutes or regulations addressing substantially the same subject matter.

[~~(xxix)~~] (xlviii) "Rental project" shall mean an eligible site in which all dwelling units included in any application are operated as rental housing.

[~~(xxx)~~] (xlix) "Residential tax lot" shall mean a tax lot that contains dwelling units.

[~~(xxxi)~~] (l) "Restriction period" shall mean a period commencing on the completion date and expiring on the thirty-fifth anniversary of the completion date, notwithstanding any earlier termination or revocation of [~~421-a~~] Affordable New York Housing Program benefits.

[~~(xxxii)~~] (li) "Tax exempt bond proceeds" shall mean the proceeds of an exempt facility bond, as defined in paragraph (7) of subsection (a) of section one hundred forty-two of the internal revenue code of nineteen hundred eighty-six, as amended, the interest upon which is exempt from taxation under section one hundred three of the internal revenue code of nineteen hundred eighty-six, as amended.

(lii) "Third party fund administrator" shall be a person or entity that receives funds pursuant to paragraph (c) of this subdivision and oversees and manages the disbursal of such funds to construction workers. The third party fund administrator shall be a person or entity approved by the fiscal officer and recommended by one, or more, representative or representatives of the largest trade association of residential real estate developers, either for profit or not-for-profit, in

New York city and one, or more, representative or representatives of the largest trade labor association representing building and construction workers, with membership in New York city. The third party fund administrator shall be appointed for a term of three years, provided, however, that the administrator in place at the end of a three year term shall continue to serve beyond the end of the term until a replacement administrator is appointed. The fiscal officer after providing notice and after meeting with the third party fund administrator, may remove such administrator for cause upon a fiscal officer determination that the administrator has been ineffective at overseeing or managing the disbursal of funds to the construction workers. The third party fund administrator shall, at the request of the fiscal officer, submit reports to the fiscal officer.

[~~(xxxiii)~~] (liii) "Thirty-five year benefit" shall mean: (A) for the construction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements; (B) for the first twenty-five years of the restriction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements; and (C) for the final ten years of the restriction period, an exemption from real property taxation, other than assessments for local improvements, equal to the affordability percentage.

[~~(xxxiv)~~] (liv) "Twenty year benefit" shall mean: (A) for the construction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements; (B) for the first fourteen years of the restriction period, a one hundred percent exemption from real property taxation, other than assessments for local improvements, provided, however, that no exemption shall be given for any portion of a unit's assessed value that exceeds $65,000; and (C) for the [~~final~~] next six years of the restriction period, a twenty-five percent exemption from real property taxation, other than assessments for local improvements, provided, however, that no exemption shall be given for any portion of a unit's assessed value that exceeds $65,000.

(lv) "Wages" shall mean all compensation, remuneration or payments of any kind paid to, or on behalf of, construction workers, including, without limitation, any hourly compensation paid directly to the construction worker, together with employee benefits, such as health, welfare, non-occupational disability coverage, retirement, vacation benefits, holiday pay, life insurance and apprenticeship training, and payroll taxes, including, to the extent permissible by law, all amounts paid for New York state unemployment insurance, New York state disability insurance, metropolitan commuter transportation mobility tax, federal unemployment insurance and pursuant to the federal insurance contributions act or any other payroll tax that is paid by the employer.

(b) Benefit. In cities having a population of one million or more, notwithstanding the provisions of any other subdivision of this section or of any general, special or local law to the contrary, new eligible sites, except hotels, that comply with the provisions of this subdivision shall be exempt from real property taxation, other than assessments for local improvements, in the amounts and for the periods specified in this paragraph. A rental project that meets all of the requirements of this subdivision shall receive a thirty-five year benefit and a homeownership project that meets all of the requirements of this subdivision shall receive a twenty year benefit. A rental project that also meets all of the requirements of paragraph (c) of this subdivision shall receive an enhanced thirty-five year benefit.

(c) In addition to all other requirements set forth in this subdivision, rental projects containing three hundred or more rental dwelling units located within the enhanced affordability area shall comply with the requirements set forth in this paragraph. For purposes of this paragraph, "contractor" shall mean any entity which by agreement with another party (including subcontractors) undertakes to perform construction work at an eligible site and "applicant" shall mean an applicant for Affordable New York Housing Program benefits and any successor thereto.

(i) Such rental project shall comply with either affordability option E, affordability option F or affordability option G.

(ii) The minimum average hourly wage paid to construction workers on an eligible site within the Manhattan enhanced affordability area shall be no less than sixty dollars per hour. Three years from the effective date of the chapter of the laws of two thousand seventeen that added this paragraph and every three years thereafter, the minimum average hourly wage shall be increased by five percent; provided, however, that any building with a commencement date prior to the date of such increase shall be required to pay the minimum average hourly wage as required on its commencement date.

(iii) The minimum average hourly wage paid to construction workers on an eligible site within the Brooklyn enhanced affordability area or the Queens enhanced affordability area shall be no less than forty-five dollars per hour. Three years from the effective date of the chapter of the laws of two thousand seventeen that added this paragraph and every three years thereafter, the minimum average hourly wage shall be increased by five percent; provided, however, that any building with a commencement date prior to the date of such increase shall be required to pay the minimum average hourly wage as required on its commencement date.

(iv) The requirements of subparagraphs (ii) and (iii) of this paragraph shall not be applicable to:

(A) an eligible multiple dwelling in which at least fifty percent of the dwelling units upon initial rental and upon each subsequent rental following a vacancy during the extended restriction period, are affordable to and restricted to occupancy by individuals or families whose household income does not exceed one hundred twenty-five percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit;

(B) any portion of an eligible multiple dwelling which is owned and operated as a condominium or cooperative; or

(C) at the option of the applicant, to an eligible site subject to a project labor agreement.

(v) The applicant shall contract with an independent monitor. Such independent monitor shall submit to the fiscal officer within one year of the completion date a project-wide certified payroll report. In the event such project-wide certified payroll report is not submitted to the fiscal officer within the requisite time, the applicant shall be subject to a fine of one thousand dollars per week, or any portion thereof; provided that the maximum fine shall be seventy-five thousand dollars. In the event that the average hourly wage is less than the minimum average hourly wage set forth in subparagraph (ii) or (iii) of this paragraph as applicable, the project-wide certified payroll report shall also set forth the aggregate amount of such deficiency.

(vi) The contractor certified payroll report shall be submitted by each contractor and sub-contractor no later than ninety days after the completion of construction work by such contractor or sub-contractor. In

the event that a contractor or sub-contractor fails or refuses to submit the contractor certified payroll report within the time prescribed in this subparagraph, the independent monitor shall notify the fiscal officer and the fiscal officer shall be authorized to fine such contractor or sub-contractor in the amount of one thousand dollars per week, or any portion thereof, provided that the maximum fine shall be seventy-five thousand dollars.

(vii) In the event that the project-wide certified payroll report shows that the average hourly wage as required by subparagraph (ii) or (iii) of this paragraph, as applicable, was not paid, (A) if the average hourly wage is within fifteen percent of the average hourly wage required by subparagraph (i) or (ii) of this paragraph, as applicable, then no later than one hundred twenty days from the date of submission of such project-wide certified payroll report, the applicant shall pay to the third party fund administrator an amount equal to the amount of the deficiency set forth in the project-wide certified payroll report. The third party fund administrator shall distribute such payment to the construction workers who performed construction work on such eligible site. Prior to making such repayment, the third party fund administrator shall submit to the fiscal officer a plan subject to the fiscal officer's approval setting forth the manner in which the third party fund administrator will reach the required average wage within one hundred fifty days of receiving the payment from the applicant and how any remaining funds will be disbursed in the event that the third party fund administrator cannot distribute the funds to the construction workers within one year of receiving fiscal officer approval. In the event that the applicant fails to make such payment within the time period prescribed in this subparagraph, the applicant shall be subject to a fine of one thousand dollars per week provided that the maximum fine shall be seventy-five thousand dollars; or (B) if the average hourly wage is more than fifteen percent below the minimum average hourly wage required by subparagraph (i) or (ii) of this paragraph, as applicable, then no later than one hundred twenty days from the date of submission of such project-wide certified payroll report, the applicant shall pay to the third party fund administrator an amount equal to the amount of the deficiency set forth in the project-wide payroll report. The third party fund administrator shall distribute such payment to the construction workers who performed construction work on such eligible site. Prior to making such repayment, the third party fund administrator shall submit to the fiscal officer a plan subject to the fiscal officer's approval setting forth the manner in which the third party fund administrator will reach the required average wage within one hundred fifty days of receiving the payment from the applicant and how any remaining funds will be disbursed in the event that the third party fund administrator cannot distribute the funds to the construction workers within one year of receiving fiscal officer approval. In addition, the fiscal officer shall impose a penalty on the applicant in an amount equal to twenty-five percent of the amount of the deficiency, provided, however, that the fiscal officer shall not impose such penalty where the eligible multiple dwelling has been the subject of a job action which results in a work delay. In the event that the applicant fails to make such payment within the time period prescribed in this subparagraph, the applicant shall be subject to a fine of one thousand dollars per week, provided that the maximum fine shall be seventy-five thousand dollars. Notwithstanding any provision of this paragraph, the applicant shall not be liable in any respect whatsoever for any payments, fines or penalties

related to or resulting from contractor fraud, mistake, or negligence or for fraudulent or inaccurate contractor certified payroll reports or for fraudulent or inaccurate project-wide certified payroll reports, provided, however, that payment to the third party fund administrator in the amount set forth in the project-wide certified payroll report as described in this subparagraph shall still be made by the contractor or sub-contractor in the event of underpayment resulting from or caused by the contractor or sub-contractor, and that the applicant will be liable for underpayment to the third party fund administrator unless the fiscal officer determines, in its sole discretion, that the underpayment was the result of, or caused by, contractor fraud, mistake or negligence and/or for fraudulent or inaccurate contractor certified payroll reports and/or project-wide certified payroll reports. The applicant shall otherwise not be liable in any way whatsoever once the payment to the third party fund administrator has been made in the amount set forth in the project-wide certified payroll report. Other than the underpayment, which must be paid to the third party fund administrator, all fines and penalties set forth in this paragraph imposed by the fiscal officer shall be paid to the agency and used by the agency to provide affordable housing.

(viii) Nothing in this paragraph shall be construed to confer a private right of action to enforce the provisions of this paragraph, provided, however, that this sentence shall not be construed as a waiver of any existing rights of construction workers or their representatives related to wage and benefit collection, wage theft or other labor protections or rights and provided, further, that nothing in this paragraph relieves any obligations pursuant to a collective bargaining agreement.

(ix) A rental project containing three hundred or more residential dwelling units not located within the enhanced affordability area may elect to comply with the requirements of this paragraph and be eligible to receive an enhanced thirty-five year benefit. Such election shall be made in the application and shall not thereafter be changed. Such rental project shall comply with all of the requirements of this paragraph and shall be deemed to be located within the Brooklyn enhanced affordability area or the Queens enhanced affordability area for the purposes of this paragraph.

(x) The fiscal officer shall have the sole authority to determine and enforce any liability for underpayment owing to the third party fund administrator from the applicant and/or the contractor (as a result of contractor fraud, mistake or negligence and/or for fraudulent or inaccurate contractor certified payroll reports and/or project-wide certified payroll reports), as set forth in subparagraph (vii) of this paragraph. The fiscal officer shall expeditiously conduct an investigation and hearing at the New York City office of administrative trials and hearings, shall determine the issues raised thereon and shall make and file an order in his or her office stating such determination and forthwith serve a copy of such order, either personally or by mail, together with notice of filing, upon the parties to such proceedings. The fiscal officer in such an investigation shall be deemed to be acting in a judicial capacity and shall have the rights to issue subpoenas, administer oaths and examine witnesses. The enforcement of a subpoena issued under this subparagraph shall be regulated by the civil practice law and rules. The filing of such order shall have the full force and effect of a judgment duly docketed in the office of the county clerk. The order may be enforced by and in the name of the fiscal officer in the same

manner, and with like effect, as that prescribed by the civil practice law and rules for the enforcement of a money judgment.

[~~(c)~~] (d) Tax payments. In addition to any other amounts payable pursuant to this subdivision, the owner of any eligible site receiving [~~421-a~~] Affordable New York Housing Program benefits shall pay, in each tax year in which such [~~421-a~~] Affordable New York Housing Program benefits are in effect, real property taxes and assessments as follows:

(i) with respect to each eligible multiple dwelling constructed on such eligible site, real property taxes on the assessed valuation of such land and any improvements thereon in effect during the tax year prior to the commencement date of such eligible multiple dwelling, without regard to any exemption from or abatement of real property taxation in effect during such tax year, which real property taxes shall be calculated using the tax rate in effect at the time such taxes are due; and

(ii) all assessments for local improvements.

[~~(d)~~] (e) Limitation on benefits for non-residential space. If the aggregate floor area of commercial, community facility and accessory use space in an eligible site, other than parking which is located not more than twenty-three feet above the curb level, exceeds twelve percent of the aggregate floor area in such eligible site, any [~~421-a~~] Affordable New York Housing Program benefits shall be reduced by a percentage equal to such excess. If an eligible site contains multiple tax lots, the tax arising out of such reduction in [~~421-a~~] Affordable New York Housing Program benefits shall first be apportioned pro rata among any non-residential tax lots. After any such non-residential tax lots are fully taxable, the remainder of the tax arising out of such reduction in [~~421-a~~] Affordable New York Housing Program benefits, if any, shall be apportioned pro rata among the remaining residential tax lots.

[~~(e)~~] (f) Calculation of benefit. Based on the certification of the agency certifying the applicant's eligibility for [~~421-a~~] Affordable New York Housing Program benefits, the assessors shall certify to the collecting officer the amount of taxes to be exempted.

[~~(f)~~] (g) Affordability requirements. During the restriction period, a rental project shall comply with either affordability option A, affordability option B, or affordability option C or for purposes of a homeownership project, such project shall comply with affordability option D. Such election shall be made in the application and shall not thereafter be changed. The rental project shall also comply with all provisions of this paragraph during the restriction period and with subparagraph (iii) of this paragraph both during and after the restriction period to the extent provided in such subparagraph. A rental project containing three hundred or more rental dwelling units located in the enhanced affordability area or a rental project containing three hundred or more rental dwelling units not located within the enhanced affordability area which elects to comply with the requirements of paragraph (c) of this subdivision shall comply with either affordability option E, affordability option F, or affordability option G. Such election shall be made in the application and shall not thereafter be changed. Such rental project shall also comply with all provisions of this paragraph during the extended restriction period and with subparagraph (iii) of this paragraph both during and after the extended restriction period to the extent provided in such paragraph.

(i) [~~Affordable units~~] All rental dwelling units in an eligible multiple dwelling shall share the same common entrances and common areas as market rate units in such eligible multiple dwelling, and shall not be

isolated to a specific floor or area of [~~a building~~] an eligible multiple dwelling. Common entrances shall mean any area regularly used by any resident of a rental dwelling unit in the eligible multiple dwelling for ingress and egress from [~~a~~] such eligible multiple dwelling; and

(ii) Unless preempted by the requirements of a federal, state or local housing program, either (A) the affordable housing units in an eligible site shall have a unit mix proportional to the market units, or (B) at least fifty percent of the affordable housing units in an eligible site shall have two or more bedrooms and no more than twenty-five percent of the affordable housing units shall have less than one bedroom.

(iii) Notwithstanding any provision of rent stabilization to the contrary, all affordable housing units shall be fully subject to rent stabilization during the restriction period or extended restriction period, as applicable, provided that tenants holding a lease and in occupancy of such affordable housing units at the expiration of the restriction period or extended restriction period, as applicable, shall have the right to remain as rent stabilized tenants for the duration of their occupancy.

(iv) All rent stabilization registrations required to be filed pursuant to subparagraph (iii) of this paragraph shall contain a designation that specifically identifies affordable housing units created pursuant to this subdivision as "[~~421-a~~] Affordable New York Housing Program affordable housing units" and shall contain an explanation of the requirements that apply to all such affordable housing units.

(v) Failure to comply with the provisions of this paragraph that require the creation, maintenance, rent stabilization compliance and occupancy of affordable housing units or for purposes of a homeownership project the failure to comply with affordability option D shall result in revocation of any [~~421-a~~] Affordable New York Housing Program benefits for the period of such non-compliance.

(vi) Nothing in this subdivision shall (A) prohibit the occupancy of an affordable housing unit by individuals or families whose income at any time is less than the maximum percentage of the area median income, adjusted for family size, specified for such affordable housing unit pursuant to this subdivision, or (B) prohibit the owner of an eligible site from requiring, upon initial rental or upon any rental following a vacancy, the occupancy of any affordable housing unit by such lower income individuals or families.

(vii) Following issuance of a temporary certificate of occupancy and upon each vacancy thereafter, an affordable housing unit shall promptly be offered for rental by individuals or families whose income does not exceed the maximum percentage of the area median income, adjusted for family size, specified for such affordable housing unit pursuant to this subdivision and who intend to occupy such affordable housing unit as their primary residence. An affordable housing unit shall not be (A) rented to a corporation, partnership or other entity, or (B) held off the market for a period longer than is reasonably necessary to perform repairs needed to make such affordable housing unit available for occupancy.

(viii) An affordable housing unit shall not be rented on a temporary, transient or short-term basis. Every lease and renewal thereof for an affordable housing unit shall be for a term of one or two years, at the option of the tenant.

(ix) An affordable housing unit shall not be converted to cooperative or condominium ownership.

(x) The agency may establish by rule such requirements as the agency deems necessary or appropriate for (A) the marketing of affordable housing units, both upon initial occupancy and upon any vacancy, (B) monitoring compliance with the provisions of this paragraph and (C) the marketing and monitoring of any homeownership project that is granted an exemption pursuant to this subdivision. Such requirements may include, but need not be limited to, retaining a monitor approved by the agency and paid for by the owner.

(xi) Notwithstanding any provision of this subdivision to the contrary, a market unit shall be subject to rent stabilization unless, in the absence of [~~421-a~~] **Affordable New York Housing Program** benefits, the owner would be entitled to remove such market unit from rent stabilization upon vacancy by reason of the monthly rent exceeding any limit established thereunder.

[~~(g)~~] **(h)** Building service employees. (i) For the purposes of this paragraph, "applicant" shall mean an applicant for [~~421-a~~] **Affordable New York Housing Program** benefits, any successor to such applicant, or any employer of building service employees for such applicant, including, but not limited to, a property management company or contractor.

(ii) All building service employees employed by the applicant at the eligible site shall receive the applicable prevailing wage for the entire restriction period **or extended restriction period, as applicable**.

(iii) The fiscal officer shall have the power to enforce the provisions of this paragraph. In enforcing such provisions, the fiscal officer shall have the power:

(A) to investigate or cause an investigation to be made to determine the prevailing wages for building service employees; in making such investigation, the fiscal officer may utilize wage and fringe benefit data from various sources, including, but not limited to, data and determinations of federal, state or other governmental agencies;

(B) to institute and conduct inspections at the site of the work or elsewhere;

(C) to examine the books, documents and records pertaining to the wages paid to, and the hours of work performed by, building service employees;

(D) to hold hearings and, in connection therewith, to issue subpoenas, administer oaths and examine witnesses; the enforcement of a subpoena issued under this paragraph shall be regulated by the civil practice law and rules;

(E) to make a classification by craft, trade or other generally recognized occupational category of the building service employees and to determine whether such work has been performed by the building service employees in such classification;

(F) to require the applicant to file with the fiscal officer a record of the wages actually paid by such applicant to the building service employees and of their hours of work;

(G) to delegate any of the foregoing powers to his or her deputy or other authorized representative; and

(H) to promulgate rules as he or she shall consider necessary for the proper execution of the duties, responsibilities and powers conferred upon him or her by the provisions of this subparagraph.

(iv) If the fiscal officer finds that the applicant has failed to comply with the provisions of this paragraph, he or she shall present evidence of such noncompliance to the agency.

(v) Subparagraph (ii) of this paragraph shall not be applicable to:

(A) an eligible multiple dwelling containing less than thirty dwelling units; or

(B) an eligible multiple dwelling in which all of the dwelling units are affordable housing units and not less than fifty percent of such affordable housing units, upon initial rental and upon each subsequent rental following a vacancy during the restriction period **or extended restriction period, as applicable**, are affordable to and restricted to occupancy by individuals or families whose household income does not exceed one hundred twenty-five percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit.

[~~(h)~~] **(i)** Replacement ratio. If the land on which an eligible site is located contained any dwelling units three years prior to the commencement date of the first eligible multiple dwelling thereon, then such eligible site shall contain at least one affordable housing unit for each dwelling unit that existed on such date and was thereafter demolished, removed or reconfigured.

[~~(i)~~] **(j)** Concurrent exemptions or abatements. An eligible multiple dwelling receiving [~~421-a~~] **Affordable New York Housing Program** benefits shall not receive any exemption from or abatement of real property taxation under any other law.

[~~(j)~~] **(k)** Voluntary renunciation or termination. Notwithstanding the provisions of any general, special or local law to the contrary, an owner shall not be entitled to voluntarily renounce or terminate any [~~421-a~~] **Affordable New York Housing Program** benefits unless the agency authorizes such renunciation or termination in connection with the commencement of a new tax exemption pursuant to either the private housing finance law or section four hundred twenty-c of this title.

[~~(k)~~] **(l)** Termination or revocation. The agency may terminate or revoke [~~421-a~~] **Affordable New York Housing Program** benefits for noncompliance with this subdivision**, provided, however, that the agency shall not terminate or revoke Affordable New York Housing Program benefits for a failure to comply with paragraph (c) of this subdivision**. If [~~421-a~~] **Affordable New York Housing Program** benefits are terminated or revoked for noncompliance with this subdivision, [~~all of the affordable housing units shall remain subject to rent stabilization or for a homeownership project such project shall continue to comply with affordability option D of this subdivision and all other requirements of this subdivision for the restriction period and any additional period expressly provided in this subdivision, as if the 421-a benefits had not been terminated or revoked~~] **(i) all of the affordable housing units shall remain subject to rent stabilization and all other requirements of this subdivision for the restriction period or extended restriction period, as applicable, and any additional period expressly provided in this subdivision, as if the Affordable New York Housing Program benefits had not been terminated or revoked; (ii) all of the market rate housing units shall remain subject to rent stabilization and all other requirements of this subdivision for the restriction period or extended restriction period, as applicable, and any additional period expressly provided in this subdivision, as if the Affordable New York Housing Program benefits had not been terminated or revoked, provided, however, that the owner shall still be entitled to remove such market unit from rent stabilization upon vacancy by reason of the monthly rent exceeding any limit established thereunder; (iii) or for a homeownership project such project shall continue to comply with affordability option D of this subdivision and all other requirements of this subdivision for the restriction peri-**

od and any additional period expressly provided in this subdivision, as if the Affordable New York Housing Program benefits had not been terminated or revoked.

[~~(l)~~] (m) Powers cumulative. The enforcement provisions of this subdivision shall not be exclusive, and are in addition to any other rights, remedies, or enforcement powers set forth in any other law or available at law or in equity.

[~~(m)~~] (n) Multiple tax lots. If an eligible site contains multiple tax lots, an application may be submitted with respect to one or more of such tax lots. The agency shall determine eligibility for [~~421-a~~] Affordable New York Housing Program benefits based upon the tax lots included in such application and benefits for each multiple dwelling shall be based upon the completion date of such multiple dwelling.

[~~(n)~~] (o) Applications. (i) The application with respect to any eligible multiple dwelling shall be filed with the agency not later than one year after the completion date of such eligible multiple dwelling.

(ii) Notwithstanding the provisions of any general, special or local law to the contrary, the agency may require by rule that applications be filed electronically.

(iii) The agency may rely on certification by an architect or engineer submitted by an applicant in connection with the filing of an application. A false certification by such architect or engineer shall be deemed to be professional misconduct pursuant to section sixty-five hundred nine of the education law. Any licensee found guilty of such misconduct under the procedures prescribed in section sixty-five hundred ten of the education law shall be subject to the penalties prescribed in section sixty-five hundred eleven of the education law, and shall thereafter be ineligible to submit a certification pursuant to this subdivision.

(iv) The agency shall not require that the applicant demonstrate compliance with the requirements of paragraph (c) of this subdivision as a condition to approval of the application.

[~~(o)~~] (p) Filing fee. The agency may require a filing fee of three thousand dollars per dwelling unit in connection with any application. However, the agency may promulgate rules imposing a lesser fee for eligible sites containing eligible multiple dwellings constructed with the substantial assistance of grants, loans or subsidies provided by a federal, state or local governmental agency or instrumentality pursuant to a program for the development of affordable housing.

[~~(p)~~] (q) Rules.

[~~The agency~~] Except as provided in paragraphs (c) and (h) of this subdivision, the agency shall have the sole authority to enforce the provisions of this subdivision and may promulgate rules to carry out the provisions of this subdivision.

[~~(q) Authority of city to enact local law. Except as otherwise specified in this subdivision, a city to which this subdivision is applicable may enact a local law to restrict, limit or condition the eligibility for or the scope or amount of 421-a benefits in any manner, provided that such local law may not grant 421-a benefits beyond those provided in this subdivision and provided further that such local law shall not take effect sooner than one year after it is enacted. The provisions of sections 11-245 and 11-245.1 of the administrative code of the city of New York or of any other local law of the city of New York that were enacted on or before the effective date of the chapter of the laws of two thousand fifteen which added this paragraph shall not restrict,~~

~~limit or condition the eligibility for or the scope or amount of 421-a benefits pursuant to this subdivision.~~]

(r) Election. Notwithstanding anything in this subdivision to the contrary, [~~if a memorandum of understanding pursuant to subdivision sixteen-a of this section has been executed and noticed,~~] a rental project or homeownership project with a commencement date on or before December thirty-first, two thousand fifteen that has not received benefits pursuant to this section prior to the effective date of the chapter of the laws of two thousand fifteen that added this subdivision may elect to comply with this subdivision and receive [~~421-a~~] **Affordable New York Housing Program** benefits pursuant to this subdivision.

§ 4. Subdivision 16-a of section 421-a of the real property tax law is REPEALED.

§ 5. On or before May 31, 2021 the commissioner of the division of housing and community renewal shall issue a report to the governor, the temporary president of the senate and the speaker of the assembly examining the economic impact of the Affordable New York Housing Program on the development of affordable dwelling units, jobs and social opportunities created by the Affordable New York Housing Program, the cost of the Affordable New York Housing Program, the impact on communities with Affordable New York Housing Program developments, and other such factors as the commissioner of the division of housing and community renewal deems appropriate. The division of housing and community renewal may exercise all authority granted to it by this or any other statute. The division of housing and community renewal may request and shall receive cooperation and assistance from all departments, divisions, boards, bureaus, commissions, public benefit corporations or agencies of the state of New York, the city of New York or any other political subdivisions thereof, or any entity receiving benefits pursuant to section 421-a of the real property tax law.

§ 6. 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.

§ 7. This act shall take effect immediately; and provided, however, that sections one, two, and three of this act shall be deemed to have been in full force and effect on and after January 1, 2016.

## PART UUU

Section 1. The economic development law is amended by adding a new section 100-a to read as follows:

**§ 100-a. Comprehensive economic development reporting. The department shall prepare an annual comprehensive economic development report, no later than December thirty-first of each year, listing economic development assistance provided by the New York state urban development corporation and the department, including but not limited to tax expenditures, marketing and advertising, grants, awards and loans. Such comprehensive report shall include aggregate totals for each economic development program administered by the New York state urban development corporation and the department, including but not limited to program**

**progress, program participation rates, economic impact, regional distribution, industry trends, and any other information deemed necessary by the commissioner. The department shall prominently post the comprehensive economic development report on its website no later than January first of each year.**

§ 2. Section 438 of the economic development law is REPEALED.

§ 3. Subdivision 1 of section 433 of the economic development law, as added by section 1 of part A of chapter 68 of the laws of 2013, is amended to read as follows:

1. In order to participate in the START-UP NY program, a business must satisfy all of the following criteria.

(a) The mission and activities of the business must align with or further the academic mission of the campus, college or university sponsoring the tax-free NY area in which it seeks to locate, and the business's participation in the START-UP NY program must have positive community and economic benefits.

(b) The business must demonstrate that it will, in its first year of operation, create net new jobs. After its first year of operation, the business must maintain net new jobs. In addition, the average number of employees of the business and its related persons in the state during the year must equal or exceed the sum of: (i) the average number of employees of the business and its related persons in the state during the year immediately preceding the year in which the business submits its application to locate in a tax-free NY area; and (ii) net new jobs of the business in the tax-free NY area during the year. The average number of employees of the business and its related persons in the state shall be determined by adding together the total number of employees of the business and its related persons in the state on March thirty-first, June thirtieth, September thirtieth and December thirty-first and dividing the total by the number of such dates occurring within such year.

(c) Except as provided in paragraphs [~~(g)~~] **(f)** and [~~(h)~~] **(g)** of this subdivision, at the time it submits its application for the START-UP NY program, the business must be a new business to the state.

(d) The business may be organized as a corporation, a partnership, limited liability company or a sole proprietorship.

[~~(e) Upon completion of its first year in the START-UP NY program and thereafter, the business must complete and timely file the annual report required under section four hundred thirty-eight of this article.~~

~~(f)~~] **(e)** Except as provided in paragraphs [~~(g)~~] **(f)** and [~~(h)~~] **(g)** of this subdivision, the business must not be engaged in a line of business that is currently or was previously conducted by the business or a related person in the last five years in New York state.

[~~(g)~~] **(f)** If a business does not satisfy the eligibility standard set forth in paragraph (c) or [~~(f)~~] **(e)** of this subdivision, because at one point in time it operated in New York state but moved its operations out of New York state on or before June first, two thousand thirteen, the commissioner shall grant that business permission to apply to participate in the START-UP NY program if the commissioner determines that the business has demonstrated that it will substantially restore the jobs in New York state that it previously had moved out of state.

[~~(h)~~] **(g)** If a business seeks to expand its current operations in New York state into a tax-free NY area but the business does not qualify as a new business because it does not satisfy the criteria in paragraph (c) of subdivision six of section four hundred thirty-one of this article or the business does not satisfy the eligibility standard set forth in paragraph [~~(f)~~] **(e)** of this subdivision, the commissioner shall grant

the business permission to apply to participate in the START-UP NY program if the commissioner determines that the business has demonstrated that it will create net new jobs in the tax-free NY area and that it or any related person has not eliminated any jobs in the state in connection with this expansion.

§ 4. This act shall take effect immediately.

PART VVV

Section 1. Section 60.45 of the criminal procedure law is amended by adding a new subdivision 3 to read as follows:

**3. (a) Where a person is subject to custodial interrogation by a public servant at a detention facility, the entire custodial interrogation, including the giving of any required advice of the rights of the individual being questioned, and the waiver of any rights by the individual, shall be recorded by an appropriate video recording device if the interrogation involves a class A-1 felony, except one defined in article two hundred twenty of the penal law; felony offenses defined in section 130.95 and 130.96 of the penal law; or a felony offense defined in article one hundred twenty-five or one hundred thirty of such law that is defined as a class B violent felony offense in section 70.02 of the penal law. For purposes of this paragraph, the term "detention facility" shall mean a police station, correctional facility, holding facility for prisoners, prosecutor's office or other facility where persons are held in detention in connection with criminal charges that have been or may be filed against them.**

**(b) No confession, admission or other statement shall be subject to a motion to suppress pursuant to subdivision three of section 710.20 of this chapter based solely upon the failure to video record such interrogation in a detention facility as defined in paragraph (a) of this subdivision. However, where the people offer into evidence a confession, admission or other statement made by a person in custody with respect to his or her participation or lack of participation in an offense specified in paragraph (a) of this subdivision, that has not been video recorded, the court shall consider the failure to record as a factor, but not as the sole factor, in accordance with paragraph (c) of this subdivision in determining whether such confession, admission or other statement shall be admissible.**

**(c) Notwithstanding the requirement of paragraph (a) of this subdivision, upon a showing of good cause by the prosecutor, the custodial interrogation need not be recorded. Good cause shall include, but not be limited to:**

**(i) If electronic recording equipment malfunctions.**

**(ii) If electronic recording equipment is not available because it was otherwise being used.**

**(iii) If statements are made in response to questions that are routinely asked during arrest processing.**

**(iv) If the statement is spontaneously made by the suspect and not in response to police questioning.**

**(v) If the statement is made during an interrogation that is conducted when the interviewer is unaware that a qualifying offense has occurred.**

**(vi) If the statement is made at a location other than the "interview room" because the suspect cannot be brought to such room, e.g., the suspect is in a hospital or the suspect is out of state and that state is not governed by a law requiring the recordation of an interrogation.**

(vii) If the statement is made after a suspect has refused to participate in the interrogation if it is recorded, and appropriate effort to document such refusal is made.

(viii) If such statement is not recorded as a result of an inadvertent error or oversight, not the result of any intentional conduct by law enforcement personnel.

(ix) If it is law enforcement's reasonable belief that such recording would jeopardize the safety of any person or reveal the identity of a confidential informant.

(x) If such statement is made at a location not equipped with a video recording device and the reason for using that location is not to subvert the intent of the law. For purposes of this section, the term "location" shall include those locations specified in paragraph (b) of subdivision four of section 305.2 of the family court act.

(d) In the event the court finds that the people have not shown good cause for the non-recording of the confession, admission, or other statement, but determines that a non-recorded confession, admission or other statement is nevertheless admissible because it was voluntarily made then, upon request of the defendant, the court must instruct the jury that the people's failure to record the defendant's confession, admission or other statement as required by this section may be weighed as a factor, but not as the sole factor, in determining whether such confession, admission or other statement was voluntarily made, or was made at all.

(e) Video recording as required by this section shall be conducted in accordance with standards established by rule of the division of criminal justice services.

§ 2. Subdivision 3 of section 344.2 of the family court act is renumbered subdivision 4 and a new subdivision 3 is added to read as follows:

3. Where a respondent is subject to custodial interrogation by a public servant at a facility specified in subdivision four of section 305.2 of this article, the entire custodial interrogation, including the giving of any required advice of the rights of the individual being questioned, and the waiver of any rights by the individual, shall be recorded and governed in accordance with the provisions of paragraphs (a), (b), (c), (d) and (e) of subdivision three of section 60.45 of the criminal procedure law.

§ 3. Section 60.25 of the criminal procedure law, subparagraph (ii) of paragraph (a) of subdivision 1 as amended by chapter 479 of the laws of 1977, is amended to read as follows:

§ 60.25 Rules of evidence; identification by means of previous recognition, in absence of present identification.

1. In any criminal proceeding in which the defendant's commission of an offense is in issue, testimony as provided in subdivision two may be given by a witness when:

(a) Such witness testifies that:

(i) He or she observed the person claimed by the people to be the defendant either at the time and place of the commission of the offense or upon some other occasion relevant to the case; and

(ii) On a subsequent occasion he or she observed, under circumstances consistent with such rights as an accused person may derive under the constitution of this state or of the United States, a person or, where the observation is made pursuant to a blind or blinded procedure as defined in paragraph (c) of this subdivision, a pictorial, photographic, electronic, filmed or video recorded reproduction of a person whom he or

she recognized as the same person whom he or she had observed on the first or incriminating occasion; and

(iii) He or she is unable at the proceeding to state, on the basis of present recollection, whether or not the defendant is the person in question; and

(b) It is established that the defendant is in fact the person whom the witness observed and recognized or whose pictorial, photographic, electronic, filmed or video recorded reproduction the witness observed and recognized on the second occasion. Such fact may be established by testimony of another person or persons to whom the witness promptly declared his or her recognition on such occasion and by such pictorial, photographic, electronic, filmed or video recorded reproduction.

(c) For purposes of this section, a "blind or blinded procedure" is one in which the witness identifies a person in an array of pictorial, photographic, electronic, filmed or video recorded reproductions under circumstances where, at the time the identification is made, the public servant administering such procedure: (i) does not know which person in the array is the suspect, or (ii) does not know where the suspect is in the array viewed by the witness. The failure of a public servant to follow such a procedure shall be assessed solely for purposes of this article and shall result in the preclusion of testimony regarding the identification procedure as evidence in chief, but shall not constitute a legal basis to suppress evidence made pursuant to subdivision six of section 710.20 of this chapter. This article neither limits nor expands subdivision six of section 710.20 of this chapter.

2. Under circumstances prescribed in subdivision one of this section, such witness may testify at the criminal proceeding that the person whom he or she observed and recognized or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed and recognized on the second occasion is the same person whom he or she observed on the first or incriminating occasion. Such testimony, together with the evidence that the defendant is in fact the person whom the witness observed and recognized or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed and recognized on the second occasion, constitutes evidence in chief.

§ 4. Section 60.30 of the criminal procedure law, as amended by chapter 479 of the laws of 1977, is amended to read as follows:

§ 60.30 Rules of evidence; identification by means of previous recognition, in addition to present identification.

In any criminal proceeding in which the defendant's commission of an offense is in issue, a witness who testifies that (a) he or she observed the person claimed by the people to be the defendant either at the time and place of the commission of the offense or upon some other occasion relevant to the case, and (b) on the basis of present recollection, the defendant is the person in question and (c) on a subsequent occasion he or she observed the defendant, or where the observation is made pursuant to a blind or blinded procedure, as defined in paragraph (c) of subdivision one of section 60.25 of this article, a pictorial, photographic, electronic, filmed or video recorded reproduction of the defendant, under circumstances consistent with such rights as an accused person may derive under the constitution of this state or of the United States, and then also recognized him or her or the pictorial, photographic, electronic, filmed or video recorded reproduction of him or her as the same person whom he or she had observed on the first or incriminating occasion, may, in addition to making an identification of the defendant at the criminal proceeding on the basis of present recollection as the

person whom he **or she** observed on the first or incriminating occasion, also describe his **or her** previous recognition of the defendant and testify that the person whom he **or she** observed **or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed** on such second occasion is the same person whom he **or she** had observed on the first or incriminating occasion. Such testimony **and such pictorial, photographic, electronic, filmed or video recorded reproduction** constitutes evidence in chief.

§ 5. Subdivision 6 of section 710.20 of the criminal procedure law, as amended by chapter 8 of the laws of 1976 and as renumbered by chapter 481 of the laws of 1983, is amended to read as follows:

6. Consists of potential testimony regarding an observation of the defendant either at the time or place of the commission of the offense or upon some other occasion relevant to the case, which potential testimony would not be admissible upon the prospective trial of such charge owing to an improperly made previous identification of the defendant **or of a pictorial, photographic, electronic, filmed or video recorded reproduction of the defendant** by the prospective witness. **A claim that the previous identification of the defendant or of a pictorial, photographic, electronic, filmed or video recorded reproduction of the defendant by a prospective witness did not comply with paragraph (c) of subdivision one of section 60.25 of this chapter or with the protocol promulgated in accordance with subdivision twenty-one of section eight hundred thirty-seven of the executive law shall not constitute a legal basis to suppress evidence pursuant to this subdivision. A claim that a public servant failed to comply with paragraph (c) of subdivision one of section 60.25 of this chapter or of subdivision twenty-one of section eight hundred thirty-seven of the executive law shall neither expand nor limit the rights an accused person may derive under the constitution of this state or of the United States.**

§ 6. Subdivision 1 of section 710.30 of the criminal procedure law, as separately amended by chapters 8 and 194 of the laws of 1976, is amended to read as follows:

1. Whenever the people intend to offer at a trial (a) evidence of a statement made by a defendant to a public servant, which statement if involuntarily made would render the evidence thereof suppressible upon motion pursuant to subdivision three of section 710.20, or (b) testimony regarding an observation of the defendant either at the time or place of the commission of the offense or upon some other occasion relevant to the case, to be given by a witness who has previously identified him **or her or a pictorial, photographic, electronic, filmed or video recorded reproduction of him or her** as such, they must serve upon the defendant a notice of such intention, specifying the evidence intended to be offered.

§ 7. Section 343.3 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

§ 343.3. Rules of evidence; identification by means of previous recognition in absence of present identification. 1. In any juvenile delinquency proceeding in which the respondent's commission of a crime is in issue, testimony as provided in subdivision two may be given by a witness when:

(a) such witness testifies that:

(i) he **or she** observed the person claimed by the presentment agency to be the respondent either at the time and place of the commission of the crime or upon some other occasion relevant to the case; and

(ii) on a subsequent occasion he **or she** observed, under circumstances consistent with such rights as an accused person may derive under the constitution of this state or of the United States, a person**, or, where the observation is made pursuant to a blind or blinded procedure as defined herein, a pictorial, photographic, electronic, filmed or video recorded reproduction of a person** whom he **or she** recognized as the same person whom he **or she** had observed on the first incriminating occasion; and

(iii) he **or she** is unable at the proceeding to state, on the basis of present recollection, whether or not the respondent is the person in question; and

(b) it is established that the respondent is in fact the person whom the witness observed and recognized **or whose pictorial, photographic, electronic, filmed or video recorded reproduction the witness observed and recognized** on the second occasion. Such fact may be established by testimony of another person or persons to whom the witness promptly declared his **or her** recognition on such occasion **and by such pictorial, photographic, electronic, filmed or video recorded reproduction**.

**(c) For purposes of this section, a "blind or blinded procedure" is one in which the witness identifies a person in an array of pictorial, photographic, electronic, filmed or video recorded reproductions under circumstances where, at the time the identification is made, the public servant administering such procedure: (i) does not know which person in the array is the suspect, or (ii) does not know where the suspect is in the array viewed by the witness. The failure of a public servant to follow such a procedure shall be assessed solely for purposes of this article and shall result in the preclusion of testimony regarding the identification procedure as evidence in chief, but shall not constitute a legal basis to suppress evidence made pursuant to subdivision six of section 710.20 of the criminal procedure law. This article neither limits not expands subdivision six of section 710.20 of the criminal procedure law.**

2. Under circumstances prescribed in subdivision one, such witness may testify at the proceeding that the person whom he **or she** observed and recognized **or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed and recognized** on the second occasion is the same person whom he **or she** observed on the first or incriminating occasion. Such testimony, together with the evidence that the respondent is in fact the person whom the witness observed and recognized **or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed and recognized** on the second occasion, constitutes evidence in chief.

§ 8. Section 343.4 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

§ 343.4. Rules of evidence; identification by means of previous recognition, in addition to present identification. In any juvenile delinquency proceeding in which the respondent's commission of a crime is in issue, a witness who testifies that: (a) he **or she** observed the person claimed by the presentment agency to be the respondent either at the time and place of the commission of the crime or upon some other occasion relevant to the case, and (b) on the basis of present recollection, the respondent is the person in question, and (c) on a subsequent occasion he **or she** observed the respondent, **or, where the observation is made pursuant to a blind or blinded procedure, a pictorial, photographic, electronic, filmed or video recorded reproduction of the respondent** under circumstances consistent with such rights as an accused person may

derive under the constitution of this state or of the United States, and then also recognized him **or her or the pictorial, photographic, electronic, filmed or video recorded reproduction of him or her** as the same person whom he **or she** had observed on the first or incriminating occasion, may, in addition to making an identification of the respondent at the delinquency proceeding on the basis of present recollection as the person whom he **or she** observed on the first or incriminating occasion, also describe his **or her** previous recognition of the respondent and testify that the person whom he **or she** observed **or whose pictorial, photographic, electronic, filmed or video recorded reproduction he or she observed** on such second occasion is the same person whom he **or she** had observed on the first or incriminating occasion. Such testimony **and such pictorial, photographic, electronic, filmed or video recorded reproduction** constitutes evidence in chief. **For purposes of this section, a "blind or blinded procedure" shall be as defined in paragraph (c) of subdivision one of section 343.3 of this part.**

§ 9. Section 837 of the executive law is amended by adding a new subdivision 21 to read as follows:

**21. Promulgate a standardized and detailed written protocol that is grounded in evidence-based principles for the administration of photographic array and live lineup identification procedures for police agencies and standardized forms for use by such agencies in the reporting and recording of such identification procedure. The protocol shall address the following topics:**

**(a) the selection of photographic array and live lineup filler photographs or participants;**

**(b) instructions given to a witness before conducting a photographic array or live lineup identification procedure;**

**(c) the documentation and preservation of results of a photographic array or live lineup identification procedure;**

**(d) procedures for eliciting and documenting the witness's confidence in his or her identification following a photographic array or live lineup identification procedure, in the event that an identification is made; and**

**(e) procedures for administering a photographic array or live lineup identification procedure in a manner designed to prevent opportunities to influence the witness.**

§ 10. Subdivision 4 of section 840 of the executive law is amended by adding a new paragraph (c) to read as follows:

**(c) Disseminate the written policies and procedures promulgated in accordance with subdivision twenty-one of section eight hundred thirty-seven of this article to all police departments in this state and implement a training program for all current and new police officers regarding the policies and procedures established pursuant to such subdivision.**

§ 11. Section 722-e of the county law, as added by chapter 878 of the laws of 1965, is amended to read as follows:

§ 722-e. Expenses. All expenses for providing counsel and services other than counsel hereunder shall be a county charge or in the case of a county wholly located within a city a city charge to be paid out of an appropriation for such purposes. **Provided, however, that any such additional expenses incurred for the provision of counsel and services as a result of the implementation of a plan established pursuant to subdivision four of section eight hundred thirty-two of the executive law, including any interim steps taken to implement such plan, shall be reimbursed by the state to the county or city providing such services. Such**

plans shall be submitted by the office of indigent legal services to the director of the division of budget for review and approval. However, the director's approval shall be limited solely to the plan's projected fiscal impact of the required appropriation for the implementation of such plan, and his or her approval shall not be unreasonably withheld. The state shall appropriate funds sufficient to provide for the reimbursement required by this section.

§ 12. Section 832 of the executive law is amended by adding a new subdivision 4 to read as follows:

4. Additional duties and responsibilities. The office shall, in consultation with the indigent legal services board established pursuant to section eight hundred thirty-three of this article, have the following duties and responsibilities, and any plan developed pursuant to this subdivision shall be submitted by the office to the director of the division of budget for review and approval, provided, however that the director's approval shall be limited solely to the plan's projected fiscal impact of the required appropriation for the implementation of such plan and his or her approval shall not be unreasonably withheld:

(a) Counsel at arraignment. Develop and implement a written plan to ensure that each criminal defendant who is eligible for publicly funded legal representation is represented by counsel in person at his or her arraignment; provided, however, that a timely arraignment with counsel shall not be delayed pending a determination of a defendant's eligibility.

(i) For the purposes of the plan developed pursuant to this subdivision, the term "arraignment" shall mean the first appearance by a person charged with a crime before a judge or magistrate, with the exception of an appearance where no prosecutor appears and no action occurs other than the adjournment of the criminal process and the unconditional release of the person charged (in which event "arraignment" shall mean the person's next appearance before a judge or magistrate).

(ii) The written plan developed pursuant to this subdivision shall be completed by December first, two thousand seventeen and shall include interim steps for each county and the city of New York for achieving compliance with the plan.

(iii) Each county and the city of New York shall, in consultation with the office, undertake good faith efforts to implement the plan and such plan shall be fully implemented and adhered to in each county and the city of New York by April first, two thousand twenty-three. Pursuant to section seven hundred twenty-two-e of the county law, the state shall reimburse each county and the city of New York for any costs incurred as a result of implementing such plan.

(iv) The office shall, on an ongoing basis, monitor and periodically report on the implementation of, and compliance with, the plan in each county and the city of New York.

(b) Caseload relief. Develop and implement a written plan that establishes numerical caseload/workload standards for each provider of constitutionally mandated publicly funded representation in criminal cases for people who are unable to afford counsel.

(i) Such standards shall apply to all providers whether public defender, legal aid society, assigned counsel program or conflict defender in each county and the city of New York.

(ii) The written plan developed pursuant to this subdivision shall be completed by December first, two thousand seventeen and shall include interim steps for each county and the city of New York for achieving compliance with the plan. Such plan shall include the number of attor-

neys, investigators and other non-attorney staff and the amount of in-kind resources necessary for each provider of mandated representation to implement such plan.

(iii) Each county and the city of New York shall, in consultation with the office, undertake good faith efforts to implement the caseload/workload standards and such standards shall be fully implemented and adhered to in each county and the city of New York by April first, two thousand twenty-three. Pursuant to section seven hundred twenty-two-e of the county law, the state shall reimburse each county and the city of New York for any costs incurred as a result of implementing such plan.

(iv) The office shall, on an ongoing basis, monitor and periodically report on the implementation of, and compliance with, the plan in each county and the city of New York.

(c) Initiatives to improve the quality of indigent defense. (i) Develop and implement a written plan to improve the quality of constitutionally mandated publicly funded representation in criminal cases for people who are unable to afford counsel and ensure that attorneys providing such representation: (A) receive effective supervision and training; (B) have access to and appropriately utilize investigators, interpreters and expert witnesses on behalf of clients; (C) communicate effectively with their clients; (D) have the necessary qualifications and experience; and (E) in the case of assigned counsel attorneys, are assigned to cases in accordance with article eighteen-b of the county law and in a manner that accounts for the attorney's level of experience and caseload/workload.

(ii) The office shall, on an ongoing basis, monitor and periodically report on the implementation of, and compliance with, the plan in each county and the city of New York.

(iii) The written plan developed pursuant to this subdivision shall be completed by December first, two thousand seventeen and shall include interim steps for each county and the city of New York for achieving compliance with the plan.

(iv) Each county and the city of New York shall, in consultation with the office, undertake good faith efforts to implement the initiatives to improve the quality of indigent defense and such initiatives shall be fully implemented and adhered to in each county and the city of New York by April first, two thousand twenty-three. Pursuant to section seven hundred twenty-two-e of the county law, the state shall reimburse each county and the city of New York for any costs incurred as a result of implementing such plan.

(d) Appropriation of funds. In no event shall a county and a city of New York be obligated to undertake any steps to implement the written plans under paragraphs (a), (b) and (c) of this subdivision until funds have been appropriated by the state for such purpose.

§ 13. This act shall take effect immediately; provided, however, that sections one and two of this act shall take effect April 1, 2018 and shall apply to confessions, admissions or statements made on or after such effective date; provided, further sections three through ten of this act shall take effect July 1, 2017.

PART WWW

Section 1. Section 1.20 of the criminal procedure law is amended by adding a new subdivision 44 to read as follows:

44. "Adolescent offender" means a person charged with a felony committed on or after October first, two thousand eighteen when he or she was sixteen years of age or on or after October first, two thousand nineteen, when he or she was seventeen years of age.

§ 1-a. The criminal procedure law is amended by adding a new article 722 to read as follows:

ARTICLE 722

PROCEEDINGS AGAINST JUVENILE OFFENDERS AND ADOLESCENT OFFENDERS; ESTABLISHMENT OF YOUTH PART AND RELATED PROCEDURES

Section 722.00 Probation case plans.
722.10 Youth part of the superior court established.
722.20 Proceedings upon felony complaint; juvenile offender.
722.21 Proceedings upon felony complaint; adolescent offender.
722.22 Motion to remove juvenile offender to family court.
722.23 Removal of adolescent offenders to family court.
722.24 Applicability of chapter to actions and matters involving juvenile offenders or adolescent offenders.

§ 722.00 Probation case plans.

1. All juvenile offenders and adolescent offenders shall be notified of the availability of services through the local probation department. Such services shall include the ability of the probation department to conduct a risk and needs assessment, utilizing a validated risk assessment tool, in order to help determine suitable and individualized programming and referrals. Participation in such risk and needs assessment shall be voluntary and the adolescent offender or juvenile offender may be accompanied by counsel during any such assessment. Based upon the assessment findings, the probation department shall refer the adolescent offender or juvenile offender to available and appropriate services.

2. Nothing shall preclude the probation department and the adolescent offender or juvenile offender from entering into a voluntary service plan which may include alcohol, substance use and mental health treatment and services. To the extent practicable, such services shall continue through the pendency of the action and shall further continue where such action is removed in accordance with this article.

3. When preparing a pre-sentence investigation report of any such adolescent offender or juvenile offender, the probation department shall incorporate a summary of any assessment findings, referrals and progress with respect to mitigating risk and addressing any identified needs.

4. The probation service shall not transmit or otherwise communicate to the district attorney or the youth part any statement made by the juvenile or adolescent offender to a probation officer. However, the probation service may make a recommendation regarding the completion of his or her case plan to the youth part and provide such information as it shall deem relevant.

5. No statement made to the probation service may be admitted into evidence at a fact-finding hearing at any time prior to a conviction.

§ 722.10 Youth part of the superior court established.

1. The chief administrator of the courts is hereby directed to establish, in a superior court in each county of the state, a part of the court to be known as the youth part of the superior court for the county in which such court presides. Judges presiding in the youth part shall be family court judges, as described in article six, section one of the constitution. To aid in their work, such judges shall receive training in specialized areas, including, but not limited to, juvenile justice,

adolescent development, custody and care of youths and effective treatment methods for reducing unlawful conduct by youths, and shall be authorized to make appropriate determinations within the power of such superior court with respect to the cases of youths assigned to such part. The youth part shall have exclusive jurisdiction in all proceedings in relation to juvenile offenders and adolescent offenders, except as provided in this article or article seven hundred twenty-five of this chapter.

2. The chief administrator of the courts shall also direct the presiding justice of the appellate division, in each judicial department of the state, to designate judges authorized by law to exercise criminal jurisdiction to serve as accessible magistrates, for the purpose of acting in place of the youth part for certain first appearance proceedings involving youths, as provided by law. When designating such magistrates, the presiding justice shall ensure that all areas of a county are within a reasonable distance of a designated magistrate. A judge authorized to preside as such a magistrate shall have received training in specialized areas, including, but not limited to, juvenile justice, adolescent development, custody and care of youths and effective treatment methods for reducing unlawful conduct by youths.

§ 722.20 Proceedings upon felony complaint; juvenile offender.

1. When a juvenile offender is arraigned before a youth part, the provisions of this section shall apply. If the youth part is not in session, the defendant shall be brought before the most accessible magistrate designated by the appellate division of the supreme court to act as a youth part for the purpose of making a determination whether such juvenile shall be detained. If the defendant is ordered to be detained, he or she shall be brought before the next session of the youth part. If the defendant is not detained, he or she shall be ordered to appear at the next session of the youth part.

2. If the defendant waives a hearing upon the felony complaint, the court must order that the defendant be held for the action of the grand jury with respect to the charge or charges contained in the felony complaint.

3. If there be a hearing, then at the conclusion of the hearing, the youth part court must dispose of the felony complaint as follows:

(a) If there is reasonable cause to believe that the defendant committed a crime for which a person under the age of sixteen is criminally responsible, the court must order that the defendant be held for the action of a grand jury; or

(b) If there is not reasonable cause to believe that the defendant committed a crime for which a person under the age of sixteen is criminally responsible but there is reasonable cause to believe that the defendant is a "juvenile delinquent" as defined in subdivision one of section 301.2 of the family court act, the court must specify the act or acts it found reasonable cause to believe the defendant did and direct that the action be removed to the family court in accordance with the provisions of article seven hundred twenty-five of this title; or

(c) If there is not reasonable cause to believe that the defendant committed any criminal act, the court must dismiss the felony complaint and discharge the defendant from custody if he is in custody, or if he is at liberty on bail, it must exonerate the bail.

4. Notwithstanding the provisions of subdivisions two and three of this section, the court shall, at the request of the district attorney, order removal of an action against a juvenile offender to the family court pursuant to the provisions of article seven hundred twenty-five of

this title if, upon consideration of the criteria specified in subdivision two of section 722.22 of this article, it is determined that to do so would be in the interests of justice. Where, however, the felony complaint charges the juvenile offender with murder in the second degree as defined in section 125.25 of the penal law, rape in the first degree as defined in subdivision one of section 130.35 of the penal law, criminal sexual act in the first degree as defined in subdivision one of section 130.50 of the penal law, or an armed felony as defined in paragraph (a) of subdivision forty-one of section 1.20 of this chapter, a determination that such action be removed to the family court shall, in addition, be based upon a finding of one or more of the following factors: (i) mitigating circumstances that bear directly upon the manner in which the crime was committed; or (ii) where the defendant was not the sole participant in the crime, the defendant's participation was relatively minor although not so minor as to constitute a defense to the prosecution; or (iii) possible deficiencies in proof of the crime.

5. Notwithstanding the provisions of subdivision two, three, or four of this section, if a currently undetermined felony complaint against a juvenile offender is pending, and the defendant has not waived a hearing pursuant to subdivision two of this section and a hearing pursuant to subdivision three of this section has not commenced, the defendant may move to remove the action to family court pursuant to 722.22 of this article. The procedural rules of subdivisions one and two of section 210.45 of this chapter are applicable to a motion pursuant to this subdivision. Upon such motion, the court shall proceed and determine the motion as provided in section 722.22 of this article; provided, however, that the exception provisions of paragraph (b) of subdivision one of section 722.22 of this article shall not apply when there is not reasonable cause to believe that the juvenile offender committed one or more of the crimes enumerated therein, and in such event the provisions of paragraph (a) thereof shall apply.

6. (a) If the court orders removal of the action to family court, it shall state on the record the factor or factors upon which its determination is based, and the court shall give its reasons for removal in detail and not in conclusory terms.

(b) The district attorney shall state upon the record the reasons for his consent to removal of the action to the family court where such consent is required. The reasons shall be stated in detail and not in conclusory terms.

(c) For the purpose of making a determination pursuant to subdivision four or five of this section, the court may make such inquiry as it deems necessary. Any evidence which is not legally privileged may be introduced. If the defendant testifies, his testimony may not be introduced against him in any future proceeding, except to impeach his testimony at such future proceeding as inconsistent prior testimony.

(d) Where a motion for removal by the defendant pursuant to subdivision five of this section has been denied, no further motion pursuant to this section or section 722.22 of this article may be made by the juvenile offender with respect to the same offense or offenses.

(e) Except as provided by paragraph (f) of this subdivision, this section shall not be construed to limit the powers of the grand jury.

(f) Where a motion by the defendant pursuant to subdivision five of this section has been granted, there shall be no further proceedings against the juvenile offender in any local or superior criminal court including the youth part of the superior court for the offense or offenses which were the subject of the removal order.

§ 722.21 Proceedings upon felony complaint; adolescent offender.

1. When an adolescent offender is arraigned before a youth part, the provisions of this section shall apply. If the youth part is not in session, the defendant shall be brought before the most accessible magistrate designated by the appellate division of the supreme court to act as a youth part for the purpose of making a determination whether such adolescent offender shall be detained. If the defendant is ordered to be detained, he or she shall be brought before the next session of the youth part. If the defendant is not detained, he or she shall be ordered to appear at the next session of the youth part.

2. If the defendant waives a hearing upon the felony complaint, the court must order that the defendant be held for the action of the grand jury with respect to the charge or charges contained in the felony complaint.

3. If there be a hearing, then at the conclusion of the hearing, the youth part court must dispose of the felony complaint as follows:

(a) If there is reasonable cause to believe that the defendant committed a felony, the court must order that the defendant be held for the action of a grand jury; or

(b) If there is not reasonable cause to believe that the defendant committed a felony but there is reasonable cause to believe that the defendant is a "juvenile delinquent" as defined in subdivision one of section 301.2 of the family court act, the court must specify the act or acts it found reasonable cause to believe the defendant did and direct that the action be transferred to the family court in accordance with the provisions of article seven hundred twenty-five of this title, provided, however, notwithstanding any other provision of law, section 308.1 of the family court act shall apply to actions transferred pursuant to this subdivision and such actions shall not be considered removals subject to subdivision thirteen of such section 308.1; or

(c) If there is not reasonable cause to believe that the defendant committed any criminal act, the court must dismiss the felony complaint and discharge the defendant from custody if he is in custody, or if he is at liberty on bail, it must exonerate the bail.

4. Notwithstanding the provisions of subdivisions two and three of this section, where the defendant is charged with a felony, other than a class A felony defined outside article two hundred twenty of the penal law, a violent felony defined in section 70.02 of the penal law or a felony listed in paragraph one or two of subdivision forty-two of section 1.20 of this chapter, except as provided in paragraph (c) of subdivision two of section 722.23 of this article, the court shall, upon notice from the district attorney that he or she will not file a motion to prevent removal pursuant to section 722.23 of this article, order transfer of an action against an adolescent offender to the family court pursuant to the provisions of article seven hundred twenty-five of this title, provided, however, notwithstanding any other provision of law, section 308.1 of the family court act shall apply to actions transferred pursuant to this subdivision and such actions shall not be considered removals subject to subdivision thirteen of such section 308.1.

5. Notwithstanding subdivisions two and three of this section, at the request of the district attorney, the court shall order removal of an action against an adolescent offender charged with an offense listed in paragraph (a) of subdivision two of section 722.23 of this article, to the family court pursuant to the provisions of article seven hundred twenty-five of this title and upon consideration of the criteria specified in subdivision two of section 722.22 of this article, it is deter-

mined that to do so would be in the interests of justice. Where, however, the felony complaint charges the adolescent offender with murder in the second degree as defined in section 125.25 of the penal law, rape in the first degree as defined in subdivision one of section 130.35 of the penal law, criminal sexual act in the first degree as defined in subdivision one of section 130.50 of the penal law, or an armed felony as defined in paragraph (a) of subdivision forty-one of section 1.20 of this chapter, a determination that such action be removed to the family court shall, in addition, be based upon a finding of one or more of the following factors: (i) mitigating circumstances that bear directly upon the manner in which the crime was committed; or (ii) where the defendant was not the sole participant in the crime, the defendant's participation was relatively minor although not so minor as to constitute a defense to the prosecution; or (iii) possible deficiencies in proof of the crime.

6. (a) If the court orders removal of the action to family court pursuant to subdivision five of this section, it shall state on the record the factor or factors upon which its determination is based, and the court shall give its reasons for removal in detail and not in conclusory terms.

(b) The district attorney shall state upon the record the reasons for his consent to removal of the action to the family court where such consent is required. The reasons shall be stated in detail and not in conclusory terms.

(c) For the purpose of making a determination pursuant to subdivision five the court may make such inquiry as it deems necessary. Any evidence which is not legally privileged may be introduced. If the defendant testifies, his testimony may not be introduced against him in any future proceeding, except to impeach his testimony at such future proceeding as inconsistent prior testimony.

(d) Except as provided by paragraph (e), this section shall not be construed to limit the powers of the grand jury.

(e) Where an action against a defendant has been removed to the family court pursuant to this section, there shall be no further proceedings against the adolescent offender in any local or superior criminal court including the youth part of the superior court for the offense or offenses which were the subject of the removal order.

§ 722.22 Motion to remove juvenile offender to family court.

1. After a motion by a juvenile offender, pursuant to subdivision five of section 722.20 of this article, or after arraignment of a juvenile offender upon an indictment, the court may, on motion of any party or on its own motion:

(a) except as otherwise provided by paragraph (b) of this subdivision, order removal of the action to the family court pursuant to the provisions of article seven hundred twenty-five of this title, if, after consideration of the factors set forth in subdivision two of this section, the court determines that to do so would be in the interests of justice; or

(b) with the consent of the district attorney, order removal of an action involving an indictment charging a juvenile offender with murder in the second degree as defined in section 125.25 of the penal law; rape in the first degree, as defined in subdivision one of section 130.35 of the penal law; criminal sexual act in the first degree, as defined in subdivision one of section 130.50 of the penal law; or an armed felony as defined in paragraph (a) of subdivision forty-one of section 1.20 of this chapter, to the family court pursuant to the provisions of article seven hundred twenty-five of this title if the court finds one or more

of the following factors: (i) mitigating circumstances that bear directly upon the manner in which the crime was committed; (ii) where the defendant was not the sole participant in the crime, the defendant's participation was relatively minor although not so minor as to constitute a defense to the prosecution; or (iii) possible deficiencies in the proof of the crime, and, after consideration of the factors set forth in subdivision two of this section, the court determined that removal of the action to the family court would be in the interests of justice.

2. In making its determination pursuant to subdivision one of this section the court shall, to the extent applicable, examine individually and collectively, the following:

(a) the seriousness and circumstances of the offense;

(b) the extent of harm caused by the offense;

(c) the evidence of guilt, whether admissible or inadmissible at trial;

(d) the history, character and condition of the defendant;

(e) the purpose and effect of imposing upon the defendant a sentence authorized for the offense;

(f) the impact of a removal of the case to the family court on the safety or welfare of the community;

(g) the impact of a removal of the case to the family court upon the confidence of the public in the criminal justice system;

(h) where the court deems it appropriate, the attitude of the complainant or victim with respect to the motion; and

(i) any other relevant fact indicating that a judgment of conviction in the criminal court would serve no useful purpose.

3. The procedure for bringing on a motion pursuant to subdivision one of this section, shall accord with the procedure prescribed in subdivisions one and two of section 210.45 of this chapter. After all papers of both parties have been filed and after all documentary evidence, if any, has been submitted, the court must consider the same for the purpose of determining whether the motion is determinable on the motion papers submitted and, if not, may make such inquiry as it deems necessary for the purpose of making a determination.

4. For the purpose of making a determination pursuant to this section, any evidence which is not legally privileged may be introduced. If the defendant testifies, his testimony may not be introduced against him in any future proceeding, except to impeach his testimony at such future proceeding as inconsistent prior testimony.

5. a. If the court orders removal of the action to family court, it shall state on the record the factor or factors upon which its determination is based, and, the court shall give its reasons for removal in detail and not in conclusory terms.

b. The district attorney shall state upon the record the reasons for his consent to removal of the action to the family court. The reasons shall be stated in detail and not in conclusory terms.

§ 722.23 Removal of adolescent offenders to family court.

1. (a) Following the arraignment of a defendant charged with a crime committed when he or she was sixteen, or commencing October first, two thousand nineteen, seventeen years of age, other than any class A felony except for those defined in article two hundred twenty of the penal law, a violent felony defined in section 70.02 of the penal law or a felony listed in paragraph one or two of subdivision forty-two of section 1.20 of this chapter, or an offense set forth in the vehicle and traffic law, the court shall order the removal of the action to the family court in accordance with the applicable provisions of article seven hundred twen-

ty-five of this title unless, within thirty calendar days of such arraignment, the district attorney makes a motion to prevent removal of the action pursuant to this subdivision. If the defendant fails to report to the probation department as directed, the thirty day time period shall be tolled until such time as he or she reports to the probation department.

(b) A motion to prevent removal of an action in youth part shall be made in writing and upon prompt notice to the defendant. The motion shall contain allegations of sworn fact based upon personal knowledge of the affiant, and shall indicate if the district attorney is requesting a hearing. The motion shall be noticed to be heard promptly.

(c) The defendant shall be given an opportunity to reply. The defendant shall be granted any reasonable request for a delay. Either party may request a hearing on the facts alleged in the motion to prevent removal of the action. The hearing shall be held expeditiously.

(d) The court shall deny the motion to prevent removal of the action in youth part unless the court makes a determination upon such motion by the district attorney that extraordinary circumstances exist that should prevent the transfer of the action to family court.

(e) The court shall make a determination in writing or on the record within five days of the conclusion of the hearing or submission by the defense, whichever is later. Such determination shall include findings of fact and to the extent practicable conclusions of law.

(f) For the purposes of this section, there shall be a presumption against custody and case planning services shall be made available to the defendant.

(g) Notwithstanding any other provision of law, section 308.1 of the family court act shall apply to all actions transferred pursuant to this section provided, however, such cases shall not be considered removals subject to subdivision thirteen of such section 308.1.

(h) Nothing in this subdivision shall preclude, and a court may order, the removal of an action to family court where all parties agree or pursuant to this chapter.

2. (a) Upon the arraignment of a defendant charged with a crime committed when he or she was sixteen or, commencing October first, two thousand nineteen, seventeen years of age on a class A felony, other than those defined in article 220 of the penal law, or a violent felony defined in section 70.02 of the penal law, the court shall schedule an appearance no later than six calendar days from such arraignment for the purpose of reviewing the accusatory instrument pursuant to this subdivision. The court shall notify the district attorney and defendant regarding the purpose of such appearance.

(b) Upon such appearance, the court shall review the accusatory instrument and any other relevant facts for the purpose of making a determination pursuant to paragraph (c) of this subdivision. Both parties may be heard and submit information relevant to the determination.

(c) The court shall order the action to proceed in accordance with subdivision one of this section unless, after reviewing the papers and hearing from the parties, the court determines in writing that the district attorney proved by a preponderance of the evidence one or more of the following as set forth in the accusatory instrument:

(i) the defendant caused significant physical injury to a person other than a participant in the offense; or

(ii) the defendant displayed a firearm, shotgun, rifle or deadly weapon as defined in the penal law in furtherance of such offense; or

(iii) the defendant unlawfully engaged in sexual intercourse, oral sexual conduct, anal sexual conduct or sexual contact as defined in section 130.00 of the penal law.

(d) Where the court makes a determination that the action shall not proceed in accordance with subdivision one of this section, such determination shall be made in writing or on the record and shall include findings of fact and to the extent practicable conclusions of law.

(e) Nothing in this subdivision shall preclude, and the court may order, the removal of an action to family court where all parties agree or pursuant to this chapter.

3. Notwithstanding the provisions of any other law, if at any time one or more charges in the accusatory instrument are reduced, such that the elements of the highest remaining charge would be removable pursuant to subdivisions one or two of this section, then the court, sua sponte or in response to a motion pursuant to subdivisions one or two of this section by the defendant, shall promptly notify the parties and direct that the matter proceed in accordance with subdivision one of this section, provided, however, that in such instance, the district attorney must file any motion to prevent removal within thirty days of effecting or receiving notice of such reduction.

4. A defendant may waive review of the accusatory instrument by the court and the opportunity for removal in accordance with this section, provided that such waiver is made by the defendant knowingly, voluntarily and in open court, in the presence of and with the approval of his or her counsel and the court. An earlier waiver shall not constitute a waiver of review and the opportunity for removal under this section.

§ 722.24 Applicability of chapter to actions and matters involving juvenile offenders or adolescent offenders.

Except where inconsistent with this article, all provisions of this chapter shall apply to all criminal actions and proceedings, and all appeals and post-judgment motions relating or attached thereto, involving a juvenile offender or adolescent offender.

§ 2. The opening paragraph and subdivisions 2 and 3 of section 725.05 of the criminal procedure law, as added by chapter 481 of the laws of 1978, are amended to read as follows:

When a [~~court~~] youth part directs that an action or charge is to be removed to the family court the [~~court~~] youth part must issue an order of removal in accordance with this section. Such order must be as follows:

2. Where the direction is authorized pursuant to paragraph (b) of subdivision three of [~~section 180.75~~] sections 722.20 or 722.21 of this [~~chapter~~] title, it must specify the act or acts it found reasonable cause to believe the defendant did.

3. Where the direction is authorized pursuant to subdivision four of [~~section 180.75~~] section 722.20 or section 722.21 of this [~~chapter~~] title, it must specify the act or acts it found reasonable cause to allege.

§ 3. Section 725.20 of the criminal procedure law, as added by chapter 481 of the laws of 1978, subdivisions 1 and 2 as amended by chapter 411 of the laws of 1979, is amended to read as follows:

§ 725.20 Record of certain actions removed.

1. The provisions of this section shall apply in any case where an order of removal to the family court is entered pursuant to a direction authorized by [~~subdivision four of section 180.75 or section 210.43,~~] article 722 of this title, or subparagraph (iii) of paragraph [~~(h)~~] (g)

of subdivision five of section 220.10 of this chapter, or section 330.25 of this chapter.

2. When such an action is removed the court that directed the removal must cause the following additional records to be filed with the clerk of the county court or in the city of New York with the clerk of the supreme court of the county wherein the action was pending and with the division of criminal justice services:

(a) A certified copy of the order of removal;

(b) [~~Where the direction is one authorized by subdivision four of section 180.75 of this chapter, a copy of the statement of the district attorney made pursuant to paragraph (b) of subdivision six of section 180.75 of this chapter;~~

~~(c) Where the direction is authorized by section 180.75, a copy of the portion of the minutes containing the statement by the court pursuant to paragraph (a) of subdivision six of such section 180.75;~~

~~(d)~~] Where the direction is one authorized by subparagraph (iii) of paragraph [~~(h)~~] **(g)** of subdivision five of section 220.10 or section 330.25 of this chapter, a copy of the minutes of the plea of guilty, including the minutes of the memorandum submitted by the district attorney and the court;

[~~(e) Where the direction is one authorized by subdivision one of section 210.43 of this chapter, a copy of that portion of the minutes containing the statement by the court pursuant to paragraph (a) of subdivision five of section 210.43;~~

~~(f) Where the direction is one authorized by paragraph (b) of subdivision one of section 210.43 of this chapter, a copy of that portion of the minutes containing the statement of the district attorney made pursuant to paragraph (b) of subdivision five of section 210.43;~~] and

[~~(g)~~] **(c)** In addition to the records specified in this subdivision, such further statement or submission of additional information pertaining to the proceeding in criminal court in accordance with standards established by the commissioner of the division of criminal justice services, subject to the provisions of subdivision three of this section.

3. It shall be the duty of said clerk to maintain a separate file for copies of orders and minutes filed pursuant to this section. Upon receipt of such orders and minutes the clerk must promptly delete such portions as would identify the defendant, but the clerk shall nevertheless maintain a separate confidential system to enable correlation of the documents so filed with identification of the defendant. After making such deletions the orders and minutes shall be placed within the file and must be available for public inspection. Information permitting correlation of any such record with the identity of any defendant shall not be divulged to any person except upon order of a justice of the supreme court based upon a finding that the public interest or the interests of justice warrant disclosure in a particular cause for a particular case or for a particular purpose or use.

§ 4. The article heading of article 100 of the criminal procedure law is amended to read as follows:

COMMENCEMENT OF ACTION IN LOCAL CRIMINAL COURT **OR YOUTH PART OF A SUPERIOR COURT**--[~~LOCAL CRIMINAL COURT~~] ACCUSATORY INSTRUMENTS

§ 5. The first undesignated paragraph of section 100.05 of the criminal procedure law is amended to read as follows:

A criminal action is commenced by the filing of an accusatory instrument with a criminal court, **or, in the case of a juvenile offender or**

adolescent offender, other than an adolescent offender charged with only a violation or traffic infraction, the youth part of the superior court, and if more than one such instrument is filed in the course of the same criminal action, such action commences when the first of such instruments is filed. The only way in which a criminal action can be commenced in a superior court, other than a criminal action against a juvenile offender or adolescent offender is by the filing therewith by a grand jury of an indictment against a defendant who has never been held by a local criminal court for the action of such grand jury with respect to any charge contained in such indictment. Otherwise, a criminal action can be commenced only in a local criminal court, by the filing therewith of a local criminal court accusatory instrument, namely:

§ 6. The section heading and subdivision 5 of section 100.10 of the criminal procedure law are amended to read as follows:

Local criminal court and youth part of the superior court accusatory instruments; definitions thereof.

5. A "felony complaint" is a verified written accusation by a person, filed with a local criminal court, or youth part of the superior court, charging one or more other persons with the commission of one or more felonies. It serves as a basis for the commencement of a criminal action, but not as a basis for prosecution thereof.

§ 7. The section heading of section 100.40 of the criminal procedure law is amended to read as follows:

Local criminal court and youth part of the superior court accusatory instruments; sufficiency on face.

§ 8. The criminal procedure law is amended by adding a new section 100.60 to read as follows:

§ 100.60 Youth part of the superior court accusatory instruments; in what courts filed.

Any youth part of the superior court accusatory instrument may be filed with the youth part of the superior court of a particular county when an offense charged therein was allegedly committed in such county or that part thereof over which such court has jurisdiction.

§ 9. The article heading of article 110 of the criminal procedure law is amended to read as follows:

REQUIRING DEFENDANT'S APPEARANCE
IN LOCAL CRIMINAL COURT OR YOUTH PART OF SUPERIOR COURT
FOR ARRAIGNMENT

§ 10. Section 110.10 of the criminal procedure law is amended to read as follows:

§ 110.10 Methods of requiring defendant's appearance in local criminal court or youth part of the superior court for arraignment; in general.

1. After a criminal action has been commenced in a local criminal court or youth part of the superior court by the filing of an accusatory instrument therewith, a defendant who has not been arraigned in the action and has not come under the control of the court may under certain circumstances be compelled or required to appear for arraignment upon such accusatory instrument by:

(a) The issuance and execution of a warrant of arrest, as provided in article one hundred twenty; or

(b) The issuance and service upon him of a summons, as provided in article one hundred thirty; or

(c) Procedures provided in articles five hundred sixty, five hundred seventy, five hundred eighty, five hundred ninety and six hundred for

securing attendance of defendants in criminal actions who are not at liberty within the state.

2. Although no criminal action against a person has been commenced in any court, he may under certain circumstances be compelled or required to appear in a local criminal court **or youth part of a superior court** for arraignment upon an accusatory instrument to be filed therewith at or before the time of his appearance by:

(a) An arrest made without a warrant, as provided in article one hundred forty; or

(b) The issuance and service upon him of an appearance ticket, as provided in article one hundred fifty.

§ 11. Section 110.20 of the criminal procedure law, as amended by chapter 843 of the laws of 1980, is amended to read as follows:

§ 110.20 Local criminal court **or youth part of the superior court** accusatory instruments; notice thereof to district attorney.

When a criminal action in which a crime is charged is commenced in a local criminal court, **or youth part of the superior court** other than the criminal court of the city of New York, a copy of the accusatory instrument shall be promptly transmitted to the appropriate district attorney upon or prior to the arraignment of the defendant on the accusatory instrument. If a police officer or a peace officer is the complainant or the filer of a simplified information, or has arrested the defendant or brought him before the local criminal court **or youth part of the superior court** on behalf of an arresting person pursuant to subdivision one of section 140.20, such officer or his agency shall transmit the copy of the accusatory instrument to the appropriate district attorney. In all other cases, the clerk of the court in which the defendant is arraigned shall so transmit it.

§ 12. The opening paragraph of subdivision 1 of section 120.20 of the criminal procedure law, as amended by chapter 506 of the laws of 2000, is amended to read as follows:

When a criminal action has been commenced in a local criminal court **or youth part of the superior court** by the filing therewith of an accusatory instrument, other than a simplified traffic information, against a defendant who has not been arraigned upon such accusatory instrument and has not come under the control of the court with respect thereto:

§ 13. Section 120.30 of the criminal procedure law is amended to read as follows:

§ 120.30 Warrant of arrest; by what courts issuable and in what courts returnable.

1. A warrant of arrest may be issued only by the local criminal court **or youth part of the superior court** with which the underlying accusatory instrument has been filed, and it may be made returnable in such issuing court only.

2. The particular local criminal court or courts **or youth part of the superior court** with which any particular local criminal court **or youth part of the superior court** accusatory instrument may be filed for the purpose of obtaining a warrant of arrest are determined, generally, by the provisions of section 100.55 **or 100.60 of this title**. If, however, a particular accusatory instrument may pursuant to said section 100.55 be filed with a particular town court and such town court is not available at the time such instrument is sought to be filed and a warrant obtained, such accusatory instrument may be filed with the town court of any adjoining town of the same county. If such instrument may be filed pursuant to said section 100.55 with a particular village court and such village court is not available at the time, it may be filed with the

town court of the town embracing such village, or if such town court is not available either, with the town court of any adjoining town of the same county.

§ 14. Section 120.55 of the criminal procedure law, as amended by section 71 of subpart B of part C of chapter 62 of the laws of 2011, is amended to read as follows:

§ 120.55 Warrant of arrest; defendant under parole or probation supervision.

If the defendant named within a warrant of arrest issued by a local criminal court **or youth part of the superior court** pursuant to the provisions of this article, or by a superior court issued pursuant to subdivision three of section 210.10 of this chapter, is under the supervision of the state department of corrections and community supervision or a local or state probation department, then a warrant for his or her arrest may be executed by a parole officer or probation officer, when authorized by his or her probation director, within his or her geographical area of employment. The execution of the warrant by a parole officer or probation officer shall be upon the same conditions and conducted in the same manner as provided for execution of a warrant by a police officer.

§ 15. Subdivision 1 of section 120.70 of the criminal procedure law is amended to read as follows:

1. A warrant of arrest issued by a district court, by the New York City criminal court**, the youth part of a superior court** or by a superior court judge sitting as a local criminal court may be executed anywhere in the state.

§ 16. Subdivisions 1, 6 and 7 of section 120.90 of the criminal procedure law, subdivision 1 as amended by chapter 492 of the laws of 2016, subdivisions 6 and 7 as amended by chapter 424 of the laws of 1998, are amended and a new subdivision 5-a is added to read as follows:

1. Upon arresting a defendant for any offense pursuant to a warrant of arrest in the county in which the warrant is returnable or in any adjoining county, or upon so arresting him or her for a felony in any other county, a police officer, if he or she be one to whom the warrant is addressed, must without unnecessary delay bring the defendant before the local criminal court **or youth part of the superior court** in which such warrant is returnable, provided that, where a local criminal court **or youth part of the superior court** in the county in which the warrant is returnable hereunder is operating an off-hours arraignment part designated in accordance with paragraph (w) of subdivision one of section two hundred twelve of the judiciary law at the time of defendant's return, such police officer may bring the defendant before such local criminal court **or youth part of the superior court**.

**5-a. Whenever a police officer is required, pursuant to this section, to bring an arrested defendant before a youth part of a superior court in which a warrant of arrest is returnable, and if such court is not in session, such officer must bring such defendant before the most accessible magistrate designated by the appellate division of the supreme court in the applicable department to act as a youth part.**

6. Before bringing a defendant arrested pursuant to a warrant before the local criminal court **or youth part of a superior court** in which such warrant is returnable, a police officer must without unnecessary delay perform all fingerprinting and other preliminary police duties required in the particular case. In any case in which the defendant is not brought by a police officer before such court but, following his arrest in another county for an offense specified in subdivision one of section

160.10, is released by a local criminal court of such other county on his own recognizance or on bail for his appearance on a specified date before the local criminal court before which the warrant is returnable, the latter court must, upon arraignment of the defendant before it, direct that he be fingerprinted by the appropriate officer or agency, and that he appear at an appropriate designated time and place for such purpose.

7. Upon arresting a juvenile offender **or adolescent offender**, the police officer shall immediately notify the parent or other person legally responsible for his care or the person with whom he is domiciled, that the juvenile offender **or adolescent offender** has been arrested, and the location of the facility where he is being detained.

§ 17. Subdivision 1 of section 130.10 of the criminal procedure law, as amended by chapter 446 of the laws of 1993, is amended to read as follows:

1. A summons is a process issued by a local criminal court directing a defendant designated in an information, a prosecutor's information, a felony complaint or a misdemeanor complaint filed with such court, **or a youth part of a superior court directing a defendant designated in a felony complaint,** or by a superior court directing a defendant designated in an indictment filed with such court, to appear before it at a designated future time in connection with such accusatory instrument. The sole function of a summons is to achieve a defendant's court appearance in a criminal action for the purpose of arraignment upon the accusatory instrument by which such action was commenced.

§ 18. Section 130.30 of the criminal procedure law, as amended by chapter 506 of the laws of 2000, is amended to read as follows:

§ 130.30 Summons; when issuable.

A local criminal court **or youth part of the superior court** may issue a summons in any case in which, pursuant to section 120.20, it is authorized to issue a warrant of arrest based upon an information, a prosecutor's information, a felony complaint or a misdemeanor complaint. If such information, prosecutor's information, felony complaint or misdemeanor complaint is not sufficient on its face as prescribed in section 100.40, and if the court is satisfied that on the basis of the available facts or evidence it would be impossible to draw and file an authorized accusatory instrument that is sufficient on its face, the court must dismiss the accusatory instrument. A superior court may issue a summons in any case in which, pursuant to section 210.10, it is authorized to issue a warrant of arrest based upon an indictment.

§ 19. Section 140.20 of the criminal procedure law is amended by adding a new subdivision 8 to read as follows:

**8. If the arrest is for a juvenile offender or adolescent offender other than an arrest for a violation or a traffic infraction, such offender shall be brought before the youth part of the superior court. If the youth part is not in session, such offender shall be brought before the most accessible magistrate designated by the appellate division of the supreme court in the applicable department to act as a youth part.**

§ 20. Subdivision 6 of section 140.20 of the criminal procedure law, as added by chapter 411 of the laws of 1979, is amended to read as follows:

6. Upon arresting a juvenile offender **or a person sixteen or commencing October first, two thousand nineteen, seventeen years of age** without a warrant, the police officer shall immediately notify the parent or other person legally responsible for his **or her** care or the person with

whom he **or she** is domiciled, that [~~**the juvenile**~~] **such** offender **or person** has been arrested, and the location of the facility where he **or she** is being detained. **If the officer determines that it is necessary to question a juvenile offender or such person, the officer must take him or her to a facility designated by the chief administrator of the courts as a suitable place for the questioning of children or, upon the consent of a parent or other person legally responsible for the care of the juvenile or such person, to his or her residence and there question him or her for a reasonable period of time. A juvenile or such person shall not be questioned pursuant to this section unless he or she and a person required to be notified pursuant to this subdivision, if present, have been advised:**

**(a) of the juvenile offender's or such person's right to remain silent;**

**(b) that the statements made by him or her may be used in a court of law;**

**(c) of his or her right to have an attorney present at such questioning; and**

**(d) of his or her right to have an attorney provided for him or her without charge if he or she is unable to afford counsel.**

**In determining the suitability of questioning and determining the reasonable period of time for questioning such a juvenile offender or person, his or her age, the presence or absence of his or her parents or other persons legally responsible for his or her care and notification pursuant to this subdivision shall be included among relevant considerations.**

§ 21. Subdivision 2 of section 140.27 of the criminal procedure law, as amended by chapter 843 of the laws of 1980, is amended to read as follows:

2. Upon arresting a person without a warrant, a peace officer, except as otherwise provided in subdivision three **or three-a**, must without unnecessary delay bring him or cause him to be brought before a local criminal court, as provided in section 100.55 and subdivision one of section 140.20, and must without unnecessary delay file or cause to be filed therewith an appropriate accusatory instrument. If the offense which is the subject of the arrest is one of those specified in subdivision one of section 160.10, the arrested person must be fingerprinted and photographed as therein provided. In order to execute the required post-arrest functions, such arresting peace officer may perform such functions himself or he may enlist the aid of a police officer for the performance thereof in the manner provided in subdivision one of section 140.20.

§ 22. Section 140.27 of the criminal procedure law is amended by adding a new subdivision 3-a to read as follows:

**3-a. If the arrest is for a juvenile offender or adolescent offender other than an arrest for violations or traffic infractions, such offender shall be brought before the youth part of the superior court. If the youth part is not in session, such offender shall be brought before the most accessible magistrate designated by the appellate division of the supreme court in the applicable department to act as a youth part.**

§ 23. Subdivision 5 of section 140.27 of the criminal procedure law, as added by chapter 411 of the laws of 1979, is amended to read as follows:

5. Upon arresting a juvenile offender **or a person sixteen or commencing October first, two thousand nineteen, seventeen years of age** without a warrant, the peace officer shall immediately notify the parent or

other person legally responsible for his or her care or the person with whom he or she is domiciled, that [~~the juvenile~~] such offender or person has been arrested, and the location of the facility where he or she is being detained. If the officer determines that it is necessary to question a juvenile offender or such person, the officer must take him or her to a facility designated by the chief administrator of the courts as a suitable place for the questioning of children or, upon the consent of a parent or other person legally responsible for the care of a juvenile offender or such person, to his or her residence and there question him or her for a reasonable period of time. A juvenile offender or such person shall not be questioned pursuant to this section unless the juvenile offender or such person and a person required to be notified pursuant to this subdivision, if present, have been advised:

(a) of his or her right to remain silent;

(b) that the statements made by the juvenile offender or such person may be used in a court of law;

(c) of his or her right to have an attorney present at such questioning; and

(d) of his or her right to have an attorney provided for him or her without charge if he or she is unable to afford counsel.

In determining the suitability of questioning and determining the reasonable period of time for questioning such a juvenile offender or such person, his or her age, the presence or absence of his or her parents or other persons legally responsible for his or her care and notification pursuant to this subdivision shall be included among relevant considerations.

§ 24. Subdivision 5 of section 140.40 of the criminal procedure law, as added by chapter 411 of the laws of 1979, is amended to read as follows:

5. If a police officer takes an arrested juvenile offender or a person sixteen or commencing October first, two thousand nineteen, seventeen years of age into custody, the police officer shall immediately notify the parent or other person legally responsible for his or her care or the person with whom he or she is domiciled, that [~~the juvenile~~] such offender or person has been arrested, and the location of the facility where he or she is being detained. If the officer determines that it is necessary to question a juvenile offender or such person the officer must take him or her to a facility designated by the chief administrator of the courts as a suitable place for the questioning of children or, upon the consent of a parent or other person legally responsible for the care of the juvenile offender or such person, to his or her residence and there question him or her for a reasonable period of time. A juvenile offender or such person shall not be questioned pursuant to this section unless he or she and a person required to be notified pursuant to this subdivision, if present, have been advised:

(a) of his or her right to remain silent;

(b) that the statements made by the juvenile offender or such person may be used in a court of law;

(c) of his or her right to have an attorney present at such questioning; and

(d) of his or her right to have an attorney provided for him or her without charge if he or she is unable to afford counsel.

In determining the suitability of questioning and determining the reasonable period of time for questioning such a juvenile offender or such person, his or her age, the presence or absence of his or her parents or other persons legally responsible for his or her care and

**notification pursuant to this subdivision shall be included among relevant considerations.**

§ 25. Subdivisions 2, 3, 4, 5 and 6 of section 180.75 of the criminal procedure law are REPEALED.

§ 26. Subdivision 1 of section 180.75 of the criminal procedure law, as added by chapter 481 of the laws of 1978, is amended to read as follows:

1. When a juvenile offender **or adolescent offender** is arraigned before [~~a local criminal court~~] **the youth part of a superior court or the most accessible magistrate designated by the appellate division of the supreme court in the applicable department to act as a youth part**, the provisions of [~~this section~~] **article seven hundred twenty-two of this chapter** shall apply in lieu of the provisions of sections 180.30, 180.50 and 180.70 of this article.

§ 27. The opening paragraph of section 180.80 of the criminal procedure law, as amended by chapter 556 of the laws of 1982, is amended to read as follows:

Upon application of a defendant against whom a felony complaint has been filed with a local criminal court **or the youth part of a superior court**, and who, since the time of his arrest or subsequent thereto, has been held in custody pending disposition of such felony complaint, and who has been confined in such custody for a period of more than one hundred twenty hours or, in the event that a Saturday, Sunday or legal holiday occurs during such custody, one hundred forty-four hours, without either a disposition of the felony complaint or commencement of a hearing thereon, the [~~local criminal~~] court must release him on his own recognizance unless:

§ 27-a. Section 190.80 of the criminal procedure law, the opening paragraph as amended by chapter 411 of the laws of 1979, is amended to read as follows:

§ 190.80 Grand jury; release of defendant upon failure of timely grand jury action.

Upon application of a defendant who on the basis of a felony complaint has been held by a local criminal court for the action of a grand jury, and who, at the time of such order or subsequent thereto, has been committed to the custody of the sheriff pending such grand jury action, and who has been confined in such custody for a period of more than forty-five days, or, in the case of a juvenile offender **or adolescent offender**, thirty days, without the occurrence of any grand jury action or disposition pursuant to subdivision one, two or three of section 190.60, the superior court by which such grand jury was or is to be impaneled must release him on his own recognizance unless:

(a) The lack of a grand jury disposition during such period of confinement was due to the defendant's request, action or condition, or occurred with his consent; or

(b) The people have shown good cause why such order of release should not be issued. Such good cause must consist of some compelling fact or circumstance which precluded grand jury action within the prescribed period or rendered the same against the interest of justice.

§ 28. Subdivision (b) of section 190.71 of the criminal procedure law, as added by chapter 481 of the laws of 1978, is amended to read as follows:

(b) A grand jury may vote to file a request to remove a charge to the family court if it finds that a person [~~thirteen, fourteen or fifteen~~] **sixteen, or commencing October first, two thousand nineteen, seventeen** years of age **or younger** did an act which, if done by a person over the

age of sixteen**, or commencing October first, two thousand nineteen, seventeen**, would constitute a crime provided (1) such act is one for which it may not indict; (2) it does not indict such person for a crime; and (3) the evidence before it is legally sufficient to establish that such person did such act and competent and admissible evidence before it provides reasonable cause to believe that such person did such act.

§ 29. Subdivision 6 of section 200.20 of the criminal procedure law, as added by chapter 136 of the laws of 1980, is amended to read as follows:

6. Where an indictment charges at least one offense against a defendant who was under the age of [~~sixteen~~] **seventeen, or commencing October first, two thousand nineteen, eighteen** at the time of the commission of the crime and who did not lack criminal responsibility for such crime by reason of infancy, the indictment may, in addition, charge in separate counts one or more other offenses for which such person would not have been criminally responsible by reason of infancy, if:

(a) the offense for which the defendant is criminally responsible and the one or more other offenses for which he **or she** would not have been criminally responsible by reason of infancy are based upon the same act or upon the same criminal transaction, as that term is defined in subdivision two of section 40.10 of this chapter; or

(b) the offenses are of such nature that either proof of the first offense would be material and admissible as evidence in chief upon a trial of the second, or proof of the second would be material and admissible as evidence in chief upon a trial of the first.

§ 29-a. Subdivision 7 of section 210.30 of the criminal procedure law, as added by chapter 136 of the laws of 1980, is amended to read as follows:

7. Notwithstanding any other provision of law, where the indictment is filed against a juvenile offender **or adolescent offender**, the court shall dismiss the indictment or count thereof where the evidence before the grand jury was not legally sufficient to establish the offense charged or any lesser included offense for which the defendant is criminally responsible. Upon such dismissal, unless the court shall authorize the people to resubmit the charge to a subsequent grand jury, and upon a finding that there was sufficient evidence to believe defendant is a juvenile delinquent as defined in subdivision (a) of section seven hundred twelve of the family court act and upon specifying the act or acts it found sufficient evidence to believe defendant committed, the court may direct that such matter be removed to family court in accordance with the provisions of article seven hundred twenty-five of this chapter.

§ 30. Section 210.43 of the criminal procedure law is REPEALED.

§ 31. Intentionally omitted.

§ 31-a. Paragraph (a) of subdivision 1 of section 255.10 of the criminal procedure law, as amended by chapter 209 of the laws of 1990, is amended to read as follows:

(a) dismissing or reducing an indictment pursuant to article 210 or removing an action to the family court pursuant to [~~section 210.43~~] **article 722**; or

§ 31-b. Subdivisions 1 and 2 of section 330.25 of the criminal procedure law, subdivision 1 as added by chapter 481 of the laws of 1978 and subdivision 2 as amended by chapter 920 of the laws of 1982, are amended to read as follows:

1. Where a defendant is a juvenile offender **or an adolescent offender** who does not stand convicted of murder in the second degree, upon motion

and with the consent of the district attorney, the action may be removed to the family court in the interests of justice pursuant to article seven hundred twenty-five of this chapter notwithstanding the verdict.

2. If the district attorney consents to the motion for removal pursuant to this section, he shall file a subscribed memorandum with the court setting forth (1) a recommendation that the interests of justice would best be served by removal of the action to the family court; and (2) if the conviction is of an offense set forth in paragraph (b) of subdivision one of section [~~210.43~~] **722.22** of this chapter, specific factors, one or more of which reasonably support the recommendation, showing, (i) mitigating circumstances that bear directly upon the manner in which the crime was committed, or (ii) where the defendant was not the sole participant in the crime, that the defendant's participation was relatively minor although not so minor as to constitute a defense to prosecution, or (iii) where the juvenile offender has no previous adjudications of having committed a designated felony act, as defined in subdivision eight of section 301.2 of the family court act, regardless of the age of the offender at the time of commission of the act, that the criminal act was not part of a pattern of criminal behavior and, in view of the history of the offender, is not likely to be repeated.

§ 32. Subdivision 2 of section 410.40 of the criminal procedure law, as amended by chapter 652 of the laws of 2008, is amended to read as follows:

2. Warrant. **(a)** Where the probation officer has requested that a probation warrant be issued, the court shall, within seventy-two hours of its receipt of the request, issue or deny the warrant or take any other lawful action including issuance of a notice to appear pursuant to subdivision one of this section. If at any time during the period of a sentence of probation or of conditional discharge the court has reasonable grounds to believe that the defendant has violated a condition of the sentence, the court may issue a warrant to a police officer or to an appropriate peace officer directing him or her to take the defendant into custody and bring the defendant before the court without unnecessary delay; provided, however, if the court in which the warrant is returnable is a superior court, and such court is not available, and the warrant is addressed to a police officer or appropriate probation officer certified as a peace officer, such executing officer may **unless otherwise specified under paragraph (b) of this subdivision,** bring the defendant to the local correctional facility of the county in which such court sits, to be detained there until not later than the commencement of the next session of such court occurring on the next business day; or if the court in which the warrant is returnable is a local criminal court, and such court is not available, and the warrant is addressed to a police officer or appropriate probation officer certified as a peace officer, such executing officer must without unnecessary delay bring the defendant before an alternate local criminal court, as provided in subdivision five of section 120.90 of this chapter. A court which issues such a warrant may attach thereto a summary of the basis for the warrant. In any case where a defendant arrested upon the warrant is brought before a local criminal court other than the court in which the warrant is returnable, such local criminal court shall consider such summary before issuing a securing order with respect to the defendant.

**(b) If the court in which the warrant is returnable is a superior court, and such court is not available, and the warrant is addressed to a police officer or appropriate probation officer certified as a peace officer, such executing officer shall, where a defendant is sixteen**

years of age or younger who allegedly commits an offense or a violation of his or her probation or conditional discharge imposed for an offense on or after October first, two thousand eighteen, or where a defendant is seventeen years of age or younger who allegedly commits an offense or a violation of his or her probation or conditional discharge imposed for an offense on or after October first, two thousand nineteen, bring the defendant without unnecessary delay before the youth part, provided, however that if the youth part is not in session, the defendant shall be brought before the most accessible magistrate designated by the appellate division.

§ 33. Intentionally omitted.

§ 34. Intentionally omitted.

§ 35. The criminal procedure law is amended by adding a new section 410.90-a to read as follows:

§ 410.90-a Superior court; youth part.

Notwithstanding any other provisions of this article, all proceedings relating to a juvenile offender or adolescent offender shall be heard in the youth part of the superior court having jurisdiction and any intrastate transfers under this article shall be between courts designated as a youth part pursuant to article seven hundred twenty-two of this chapter.

§ 36. Section 510.15 of the criminal procedure law, as amended by chapter 411 of the laws of 1979, subdivision 1 as designated and subdivision 2 as added by chapter 359 of the laws of 1980, is amended to read as follows:

§ 510.15 Commitment of principal under [~~sixteen~~] seventeen or eighteen.

1. When a principal who is under the age of sixteen is committed to the custody of the sheriff the court must direct that the principal be taken to and lodged in a place certified by the [~~state division for youth~~] office of children and family services as a juvenile detention facility for the reception of children. When a principal who (a) commencing October first, two thousand eighteen, is sixteen years of age; or (b) commencing October first, two thousand nineteen, is sixteen or seventeen years of age, is committed to the custody of the sheriff, the court must direct that the principal be taken to and lodged in a place certified by the office of children and family services in conjunction with the state commission of correction as a specialized secure juvenile detention facility for older youth. Where such a direction is made the sheriff shall deliver the principal in accordance therewith and such person shall although lodged and cared for in a juvenile detention facility continue to be deemed to be in the custody of the sheriff. No principal under the age [~~of sixteen~~] specified to whom the provisions of this section may apply shall be detained in any prison, jail, lockup, or other place used for adults convicted of a crime or under arrest and charged with the commission of a crime without the approval of the [~~state division for youth~~] office of children and family services which shall consult with the commission of correction if the principal is sixteen years of age or older in the case of each principal and the statement of its reasons therefor. The sheriff shall not be liable for any acts done to or by such principal resulting from negligence in the detention of and care for such principal, when the principal is not in the actual custody of the sheriff.

2. Except upon consent of the defendant or for good cause shown, in any case in which a new securing order is issued for a principal previously committed to the custody of the sheriff pursuant to this section, such order shall further direct the sheriff to deliver the principal

from a juvenile detention facility to the person or place specified in the order.

§ 36-a. The correction law is amended by adding a new section 500-p to read as follows:

**§ 500-p. Prohibition on the custody of youth in Rikers Island facilities. Notwithstanding any other provision of law, no youth under the age of eighteen shall be placed or held in Rikers Island correctional facility or any facility located on Rikers Island located in the city of New York on or after April first, two thousand eighteen, to the extent practicable, but in no event after October first, two thousand eighteen and such youth shall be taken to and lodged in places certified by the office of children and family services in conjunction with the commission of correction and operated by the New York city administration for children's services in conjunction with the New York city department of corrections as a specialized juvenile detention facility for that purpose.**

§ 37. Intentionally omitted.

§ 38. Section 30.00 of the penal law, as amended by chapter 481 of the laws of 1978, subdivision 2 as amended by chapter 7 of the laws of 2007, is amended to read as follows:

§ 30.00 Infancy.

1. Except as provided in [~~subdivision~~] **subdivisions** two **and three** of this section, a person less than [~~sixteen~~] **seventeen, or commencing October first, two thousand nineteen, a person less than eighteen** years old is not criminally responsible for conduct.

2. A person thirteen, fourteen or**,** fifteen years of age is criminally responsible for acts constituting murder in the second degree as defined in subdivisions one and two of section 125.25 and in subdivision three of such section provided that the underlying crime for the murder charge is one for which such person is criminally responsible or for such conduct as a sexually motivated felony, where authorized pursuant to section 130.91 of [~~the penal law~~] **this chapter**; and a person fourteen or**,** fifteen years of age is criminally responsible for acts constituting the crimes defined in section 135.25 (kidnapping in the first degree); 150.20 (arson in the first degree); subdivisions one and two of section 120.10 (assault in the first degree); 125.20 (manslaughter in the first degree); subdivisions one and two of section 130.35 (rape in the first degree); subdivisions one and two of section 130.50 (criminal sexual act in the first degree); 130.70 (aggravated sexual abuse in the first degree); 140.30 (burglary in the first degree); subdivision one of section 140.25 (burglary in the second degree); 150.15 (arson in the second degree); 160.15 (robbery in the first degree); subdivision two of section 160.10 (robbery in the second degree) of this chapter; or section 265.03 of this chapter, where such machine gun or such firearm is possessed on school grounds, as that phrase is defined in subdivision fourteen of section 220.00 of this chapter; or defined in this chapter as an attempt to commit murder in the second degree or kidnapping in the first degree, or for such conduct as a sexually motivated felony, where authorized pursuant to section 130.91 of [~~the penal law~~] **this chapter**.

3. **A person sixteen or commencing October first, two thousand nineteen, seventeen years of age is criminally responsible for acts constituting:**

**(a) a felony, as defined in subdivision five of section 10.00 of this chapter;**

**(b) a traffic infraction, as defined in subdivision two of section 10.00 of this chapter;**

(c) a violation, as defined in subdivision three of section 10.00 of this chapter;

(d) a misdemeanor as defined in subdivision four of section 10.00 of this chapter, but only when the charge for such misdemeanor is:

(i) accompanied by a felony charge that is shown to have been committed as a part of the same criminal transaction, as defined in subdivision two of section 40.10 of the criminal procedure law;

(ii) results from reduction or dismissal in satisfaction of a charge for a felony offense, in accordance with a plea of guilty pursuant to subdivision four of section 220.10 of the criminal procedure law; or

(iii) a misdemeanor defined in the vehicle and traffic law.

4. In any prosecution for an offense, lack of criminal responsibility by reason of infancy, as defined in this section, is a defense.

§ 39. Intentionally omitted.

§ 40. Intentionally omitted.

§ 40-a. Subdivision 5 of section 70.00 of the penal law, as amended by chapter 482 of the laws of 2009, is amended to read as follows:

5. Life imprisonment without parole. Notwithstanding any other provision of law, a defendant sentenced to life imprisonment without parole shall not be or become eligible for parole or conditional release. For purposes of commitment and custody, other than parole and conditional release, such sentence shall be deemed to be an indeterminate sentence. A defendant may be sentenced to life imprisonment without parole upon conviction for the crime of murder in the first degree as defined in section 125.27 of this chapter and in accordance with the procedures provided by law for imposing a sentence for such crime. A defendant who was eighteen years of age or older at the time of the commission of the crime must be sentenced to life imprisonment without parole upon conviction for the crime of terrorism as defined in section 490.25 of this chapter, where the specified offense the defendant committed is a class A-I felony; the crime of criminal possession of a chemical weapon or biological weapon in the first degree as defined in section 490.45 of this chapter; or the crime of criminal use of a chemical weapon or biological weapon in the first degree as defined in section 490.55 of this chapter; provided, however, that nothing in this subdivision shall preclude or prevent a sentence of death when the defendant is also convicted of the crime of murder in the first degree as defined in section 125.27 of this chapter. A defendant who was seventeen years of age or younger at the time of the commission of the crime may be sentenced, in accordance with law, to the applicable indeterminate sentence with a maximum term of life imprisonment. A defendant must be sentenced to life imprisonment without parole upon conviction for the crime of murder in the second degree as defined in subdivision five of section 125.25 of this chapter or for the crime of aggravated murder as defined in subdivision one of section 125.26 of this chapter. A defendant may be sentenced to life imprisonment without parole upon conviction for the crime of aggravated murder as defined in subdivision two of section 125.26 of this chapter.

§ 41. The penal law is amended by adding a new section 60.10-a to read as follows:

§ 60.10-a Authorized disposition; adolescent offender.

When an adolescent offender is convicted of an offense, the court shall sentence the defendant to any sentence authorized to be imposed on a person who committed such offense at age eighteen or older. When a sentence is imposed, the court shall consider the age of the defendant in exercising its discretion at sentencing.

§ 42. Intentionally omitted.

§ 43. Subdivision 2 of section 70.20 of the penal law, as amended by chapter 437 of the laws of 2013, is amended to read as follows:

2. [~~(a)~~] Definite sentence. Except as provided in subdivision four of this section, when a definite sentence of imprisonment is imposed, the court shall commit the defendant to the county or regional correctional institution for the term of his sentence and until released in accordance with the law.

[~~(b) The court in committing a defendant who is not yet eighteen years of age to the local correctional facility shall inquire as to whether the parents or legal guardian of the defendant, if present, will grant to the minor the capacity to consent to routine medical, dental and mental health services and treatment.~~

~~(c) Nothing in this subdivision shall preclude a parent or legal guardian of an inmate who is not yet eighteen years of age from making a motion on notice to the local correction facility pursuant to article twenty-two of the civil practice law and rules and section one hundred forty of the correction law, objecting to routine medical, dental or mental health services and treatment being provided to such inmate under the provisions of paragraph (b) of this subdivision.~~]

§ 44. Paragraph (a) of subdivision 4 of section 70.20 of the penal law, as amended by section 124 of subpart B of part C of chapter 62 of the laws of 2011, is amended and two new paragraphs (a-1) and (a-2) are added to read as follows:

(a) Notwithstanding any other provision of law to the contrary, a juvenile offender, **adolescent offender,** or a juvenile offender **or adolescent offender** who is adjudicated a youthful offender [~~and~~]**, who is** given an indeterminate**, determinate** or a definite sentence, **and who is under the age of twenty-one at the time of sentencing,** shall be committed to the custody of the commissioner of the office of children and family services who shall arrange for the confinement of such offender in secure facilities of the office**; provided, however if an adolescent offender who committed a crime on or after the youth's sixteenth birthday receives a definite sentence not exceeding one year, the judge may order that the adolescent offender serve such sentence in a specialized secure juvenile detention facility for older youth certified by the office of children and family services in conjunction with the state commission of correction and operated pursuant to section two hundred eighteen-a of the county law**. The release or transfer of such **juvenile** offenders **or adolescent offenders** from the office of children and family services shall be governed by section five hundred eight of the executive law.

**(a-1) Notwithstanding paragraph (a) of this subdivision, an adolescent offender, or an adolescent offender who is adjudicated a youthful offender, who is given an indeterminate or determinate sentence shall be committed to the department of corrections and community supervision and if such person is under eighteen years of age at sentencing, he or she shall be placed in an adolescent offender facility pursuant to section seventy-seven of the correction law, operated by such department.**

**(a-2) Notwithstanding any other provision of law to the contrary, a person sixteen years of age who commits a vehicle and traffic law offense that does not constitute an adolescent offender offense on or after October first, two thousand eighteen and a person seventeen years of age who commits such an offense on or after October first, two thousand nineteen who is sentenced to a term of imprisonment who is under the age of twenty-one at the time he or she is sentenced shall be**

committed to a specialized secure detention facility for older youth certified by the office of children and family services in conjunction with the state commission of correction.

§ 44-a. Intentionally omitted.

§ 44-b. Intentionally omitted.

§ 45. Intentionally omitted.

§ 46. Intentionally omitted.

§ 47. Intentionally omitted.

§ 48. The criminal procedure law is amended by adding a new section 160.59 to read as follows:

§ 160.59 Sealing of certain convictions.

1. Definitions: As used in this section, the following terms shall have the following meanings:

(a) "Eligible offense" shall mean any crime defined in the laws of this state other than a sex offense defined in article one hundred thirty of the penal law, an offense defined in article two hundred sixty-three of the penal law, a felony offense defined in article one hundred twenty-five of the penal law, a violent felony offense defined in section 70.02 of the penal law, a class A felony offense defined in the penal law, a felony offense defined in article one hundred five of the penal law where the underlying offense is not an eligible offense, an attempt to commit an offense that is not an eligible offense if the attempt is a felony, or an offense for which registration as a sex offender is required pursuant to article six-C of the correction law. For the purposes of this section, where the defendant is convicted of more than one eligible offense, committed as part of the same criminal transaction as defined in subdivision two of section 40.10 of this chapter, those offenses shall be considered one eligible offense.

(b) "Sentencing judge" shall mean the judge who pronounced sentence upon the conviction under consideration, or if that judge is no longer sitting in a court in the jurisdiction in which the conviction was obtained, any other judge who is sitting in the criminal court where the judgment of conviction was entered.

1-a. The chief administrator of the courts shall, pursuant to section 10.40 of this chapter, prescribe a form application which may be used by a defendant to apply for sealing pursuant to this section. Such form application shall include all the essential elements required by this section to be included in an application for sealing. Nothing in this subdivision shall be read to require a defendant to use such form application to apply for sealing.

2. (a) A defendant who has been convicted of up to two eligible offenses but not more than one felony offense may apply to the court in which he or she was convicted of the most serious offense to have such conviction sealed. If all offenses are offenses with the same classification, the application shall be made to the court in which the defendant was last convicted.

(b) An application shall contain (i) a copy of a certificate of disposition or other similar documentation for any offense for which the defendant has been convicted, or an explanation of why such certificate or other documentation is not available; (ii) a sworn statement of the defendant as to whether he or she has filed, or then intends to file, any application for sealing of any other eligible offense; (iii) a copy of any other such application that has been filed; (iv) a sworn statement as to the conviction or convictions for which relief is being sought; and (v) a sworn statement of the reason or reasons why the court

should, in its discretion, grant such sealing, along with any supporting documentation.

(c) A copy of any application for such sealing shall be served upon the district attorney of the county in which the conviction, or, if more than one, the convictions, was or were obtained. The district attorney shall notify the court within forty-five days if he or she objects to the application for sealing.

(d) When such application is filed with the court, it shall be assigned to the sentencing judge unless more than one application is filed in which case the application shall be assigned to the county court or the supreme court of the county in which the criminal court is located, who shall request and receive from the division of criminal justice services a fingerprint based criminal history record of the defendant, including any sealed or suppressed records. The division of criminal justice services also shall include a criminal history report, if any, from the federal bureau of investigation regarding any criminal history information that occurred in other jurisdictions. The division is hereby authorized to receive such information from the federal bureau of investigation for this purpose, and to make such information available to the court, which may make this information available to the district attorney and the defendant.

3. The sentencing judge, or county or supreme court shall summarily deny the defendant's application when:

(a) the defendant is required to register as a sex offender pursuant to article six-C of the correction law; or

(b) the defendant has previously obtained sealing of the maximum number of convictions allowable under section 160.58 of the criminal procedure law; or

(c) the defendant has previously obtained sealing of the maximum number of convictions allowable under subdivision four of this section; or

(d) the time period specified in subdivision five of this section has not yet been satisfied; or

(e) the defendant has an undisposed arrest or charge pending; or

(f) the defendant was convicted of any crime after the date of the entry of judgement of the last conviction for which sealing is sought; or

(g) the defendant has failed to provide the court with the required sworn statement of the reasons why the court should grant the relief requested; or

(h) the defendant has been convicted of two or more felonies or more than two crimes.

4. Provided that the application is not summarily denied for the reasons set forth in subdivision three of this section, a defendant who stands convicted of up to two eligible offenses, may obtain sealing of no more than two eligible offenses but not more than one felony offense.

5. Any eligible offense may be sealed only after at least ten years have passed since the imposition of the sentence on the defendant's latest conviction or, if the defendant was sentenced to a period of incarceration, including a period of incarceration imposed in conjunction with a sentence of probation, the defendant's latest release from incarceration. In calculating the ten year period under this subdivision, any period of time the defendant spent incarcerated after the conviction for which the application for sealing is sought, shall be excluded and such ten year period shall be extended by a period or periods equal to the time served under such incarceration.

6. Upon determining that the application is not subject to mandatory denial pursuant to subdivision three of this section and that the application is opposed by the district attorney, the sentencing judge or county or supreme court shall conduct a hearing on the application in order to consider any evidence offered by either party that would aid the sentencing judge in his or her decision whether to seal the records of the defendant's convictions. No hearing is required if the district attorney does not oppose the application.

7. In considering any such application, the sentencing judge or county or supreme court shall consider any relevant factors, including but not limited to:

(a) the amount of time that has elapsed since the defendant's last conviction;

(b) the circumstances and seriousness of the offense for which the defendant is seeking relief, including whether the arrest charge was not an eligible offense;

(c) the circumstances and seriousness of any other offenses for which the defendant stands convicted;

(d) the character of the defendant, including any measures that the defendant has taken toward rehabilitation, such as participating in treatment programs, work, or schooling, and participating in community service or other volunteer programs;

(e) any statements made by the victim of the offense for which the defendant is seeking relief;

(f) the impact of sealing the defendant's record upon his or her rehabilitation and upon his or her successful and productive reentry and reintegration into society; and

(g) the impact of sealing the defendant's record on public safety and upon the public's confidence in and respect for the law.

8. When a sentencing judge or county or supreme court orders sealing pursuant to this section, all official records and papers relating to the arrests, prosecutions, and convictions, including all duplicates and copies thereof, on file with the division of criminal justice services or any court shall be sealed and not made available to any person or public or private agency except as provided for in subdivision nine of this section; provided, however, the division shall retain any fingerprints, palmprints and photographs, or digital images of the same. The clerk of such court shall immediately notify the commissioner of the division of criminal justice services regarding the records that shall be sealed pursuant to this section. The clerk also shall notify any court in which the defendant has stated, pursuant to paragraph (b) of subdivision two of this section, that he or she has filed or intends to file an application for sealing of any other eligible offense.

9. Records sealed pursuant to this section shall be made available to:

(a) the defendant or the defendant's designated agent;

(b) qualified agencies, as defined in subdivision nine of section eight hundred thirty-five of the executive law, and federal and state law enforcement agencies, when acting within the scope of their law enforcement duties; or

(c) any state or local officer or agency with responsibility for the issuance of licenses to possess guns, when the person has made application for such a license; or

(d) any prospective employer of a police officer or peace officer as those terms are defined in subdivisions thirty-three and thirty-four of section 1.20 of this chapter, in relation to an application for employment as a police officer or peace officer; provided, however, that every

person who is an applicant for the position of police officer or peace officer shall be furnished with a copy of all records obtained under this paragraph and afforded an opportunity to make an explanation thereto; or

(e) the criminal justice information services division of the federal bureau of investigation, for the purposes of responding to queries to the national instant criminal background check system regarding attempts to purchase or otherwise take possession of firearms, as defined in 18 USC 921 (a) (3).

10. A conviction which is sealed pursuant to this section is included within the definition of a conviction for the purposes of any criminal proceeding in which the fact of a prior conviction would enhance a penalty or is an element of the offense charged.

11. No defendant shall be required or permitted to waive eligibility for sealing pursuant to this section as part of a plea of guilty, sentence or any agreement related to a conviction for an eligible offense and any such waiver shall be deemed void and wholly enforceable.

§ 48-a. Subdivision 16 of section 296 of the executive law, as separately amended by section 3 of part N and section 14 of part AAA of chapter 56 of the laws of 2009, is amended to read as follows:

16. It shall be an unlawful discriminatory practice, unless specifically required or permitted by statute, for any person, agency, bureau, corporation or association, including the state and any political subdivision thereof, to make any inquiry about, whether in any form of application or otherwise, or to act upon adversely to the individual involved, any arrest or criminal accusation of such individual not then pending against that individual which was followed by a termination of that criminal action or proceeding in favor of such individual, as defined in subdivision two of section 160.50 of the criminal procedure law, or by a youthful offender adjudication, as defined in subdivision one of section 720.35 of the criminal procedure law, or by a conviction for a violation sealed pursuant to section 160.55 of the criminal procedure law or by a conviction which is sealed pursuant to section 160.59 or 160.58 of the criminal procedure law, in connection with the licensing, employment or providing of credit or insurance to such individual; provided, further, that no person shall be required to divulge information pertaining to any arrest or criminal accusation of such individual not then pending against that individual which was followed by a termination of that criminal action or proceeding in favor of such individual, as defined in subdivision two of section 160.50 of the criminal procedure law, or by a youthful offender adjudication, as defined in subdivision one of section 720.35 of the criminal procedure law, or by a conviction for a violation sealed pursuant to section 160.55 of the criminal procedure law, or by a conviction which is sealed pursuant to section 160.58 or 160.59 of the criminal procedure law. The provisions of this subdivision shall not apply to the licensing activities of governmental bodies in relation to the regulation of guns, firearms and other deadly weapons or in relation to an application for employment as a police officer or peace officer as those terms are defined in subdivisions thirty-three and thirty-four of section 1.20 of the criminal procedure law; provided further that the provisions of this subdivision shall not apply to an application for employment or membership in any law enforcement agency with respect to any arrest or criminal accusation which was followed by a youthful offender adjudication, as defined in subdivision one of section 720.35 of the criminal procedure law, or by a conviction for a violation sealed pursuant to section 160.55 of the

criminal procedure law, or by a conviction which is sealed pursuant to section 160.58 **or 160.59** of the criminal procedure law.

§ 49. Intentionally omitted.

§ 50. Intentionally omitted.

§ 51. Intentionally omitted.

§ 52. Intentionally omitted.

§ 53. Intentionally omitted.

§ 54. Intentionally omitted.

§ 55. Intentionally omitted.

§ 56. Subdivision 1 of section 301.2 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

1. "Juvenile delinquent" means a person over seven and less than sixteen years of age, **or commencing on October first, two thousand eighteen a person over seven and less than seventeen years of age, and commencing October first, two thousand nineteen a person over seven and less than eighteen years of age,** who, having committed an act that would constitute a crime**, or a violation, where such violation is alleged to have occurred in the same transaction or occurrence of the alleged criminal act,** if committed by an adult, (a) is not criminally responsible for such conduct by reason of infancy, or (b) is the defendant in an action ordered removed from a criminal court to the family court pursuant to article seven hundred twenty-five of the criminal procedure law.

§ 56-a. Section 302.1 of the family court act is amended by adding a new subdivision 3 to read as follows:

**3. Whenever a crime and a violation arise out of the same transaction or occurrence, a charge alleging both offenses shall be made returnable before the court having jurisdiction over the crime. Nothing herein provided shall be construed to prevent a court, having jurisdiction over a violation relating to a criminal act from lawfully entering an order in accordance with 345.1 of this article where such order is not based upon the count or counts of the petition alleging such criminal act.**

§ 56-b. Section 352.2 of the family court act is amended by adding a new subdivision 4 to read as follows:

**4. Where a youth receives a juvenile delinquency adjudication for conduct committed when the youth was age sixteen or older that would constitute a violation, the court shall have the power to enter an order of disposition in accordance with paragraphs (a) and (b) of subdivision one of this section.**

§ 57. Subdivisions 8 and 9 of section 301.2 of the family court act, subdivision 8 as amended by chapter 7 of the laws of 2007 and subdivision 9 as added by chapter 920 of the laws of 1982, are amended to read as follows:

8. "Designated felony act" means an act which, if done by an adult, would be a crime: (i) defined in sections 125.27 (murder in the first degree); 125.25 (murder in the second degree); 135.25 (kidnapping in the first degree); or 150.20 (arson in the first degree) of the penal law committed by a person thirteen, fourteen [**~~or~~**]**,** fifteen**, or sixteen, or commencing October first, two thousand nineteen, seventeen** years of age; or such conduct committed as a sexually motivated felony, where authorized pursuant to section 130.91 of the penal law; (ii) defined in sections 120.10 (assault in the first degree); 125.20 (manslaughter in the first degree); 130.35 (rape in the first degree); 130.50 (criminal sexual act in the first degree); 130.70 (aggravated sexual abuse in the first degree); 135.20 (kidnapping in the second degree) but only where the abduction involved the use or threat of use of deadly physical force; 150.15 (arson in the second degree) or 160.15 (robbery in the

first degree) of the penal law committed by a person thirteen, fourteen [~~or~~], fifteen, or sixteen, or, commencing October first, two thousand nineteen, seventeen years of age; or such conduct committed as a sexually motivated felony, where authorized pursuant to section 130.91 of the penal law; (iii) defined in the penal law as an attempt to commit murder in the first or second degree or kidnapping in the first degree committed by a person thirteen, fourteen [~~or~~], fifteen, or sixteen, or commencing October first, two thousand nineteen, seventeen years of age; or such conduct committed as a sexually motivated felony, where authorized pursuant to section 130.91 of the penal law; (iv) defined in section 140.30 (burglary in the first degree); subdivision one of section 140.25 (burglary in the second degree); subdivision two of section 160.10 (robbery in the second degree) of the penal law; or section 265.03 of the penal law, where such machine gun or such firearm is possessed on school grounds, as that phrase is defined in subdivision fourteen of section 220.00 of the penal law committed by a person fourteen or fifteen years of age; or such conduct committed as a sexually motivated felony, where authorized pursuant to section 130.91 of the penal law; (v) defined in section 120.05 (assault in the second degree) or 160.10 (robbery in the second degree) of the penal law committed by a person fourteen [~~or~~], fifteen, or sixteen or, commencing October first, two thousand nineteen, seventeen years of age but only where there has been a prior finding by a court that such person has previously committed an act which, if committed by an adult, would be the crime of assault in the second degree, robbery in the second degree or any designated felony act specified in paragraph (i), (ii), or (iii) of this subdivision regardless of the age of such person at the time of the commission of the prior act; [~~or~~] (vi) other than a misdemeanor committed by a person at least seven but less than [~~sixteen~~] seventeen years of age, and commencing October first, two thousand nineteen, a person at least seven but less than eighteen years of age, but only where there has been two prior findings by the court that such person has committed a prior felony.

9. "Designated class A felony act" means a designated felony act [~~defined in paragraph (i) of subdivision eight~~] that would constitute a class A felony if committed by an adult.

§ 58. Intentionally omitted.

§ 59. Section 304.1 of the family court act, as added by chapter 920 of the laws of 1982, subdivision 2 as amended by chapter 419 of the laws of 1987, is amended to read as follows:

§ 304.1. Detention. 1. A facility certified by the [~~state division for youth~~] office of children and family services as a juvenile detention facility must be operated in conformity with the regulations of the [~~state division for youth and shall be subject to the visitation and inspection of the state board of social welfare~~] office of children and family services.

2. No child to whom the provisions of this article may apply shall be detained in any prison, jail, lockup, or other place used for adults convicted of crime or under arrest and charged with crime without the approval of the [~~state division for youth~~] office of children and family services in the case of each child and the statement of its reasons therefor. The [~~state division for youth~~] office of children and family services shall promulgate and publish the rules which it shall apply in determining whether approval should be granted pursuant to this subdivision.

3. The detention of a child under ten years of age in a secure detention facility shall not be directed under any of the provisions of this article.

4. A detention facility which receives a child under subdivision four of section 305.2 **of this part** shall immediately notify the child's parent or other person legally responsible for his **or her** care or, if such legally responsible person is unavailable the person with whom the child resides, that he **or she** has been placed in detention.

§ 60. Intentionally omitted.

§ 61. Subdivision 1 of section 305.1 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

1. A private person may take a child [~~under the age of sixteen~~] **who may be subject to the provisions of this article for committing an act that would be a crime if committed by an adult** into custody in cases in which [~~he~~] **such private person** may arrest an adult for a crime under section 140.30 of the criminal procedure law.

§ 62. Subdivision 2 of section 305.2 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

2. An officer may take a child [~~under the age of sixteen~~] **who may be subject to the provisions of this article for committing an act that would be a crime if committed by an adult** into custody without a warrant in cases in which [~~he~~] **the officer** may arrest a person for a crime under article one hundred forty of the criminal procedure law.

§ 63. Paragraph (b) of subdivision 4 of section 305.2 of the family court act, as amended by chapter 492 of the laws of 1987, is amended to read as follows:

(b) forthwith and with all reasonable speed take the child directly, and without his first being taken to the police station house, to the family court located in the county in which the act occasioning the taking into custody allegedly was committed, **or, when the family court is not in session, to the most accessible magistrate, if any, designated by the appellate division of the supreme court in the applicable department to conduct a hearing under section 307.4 of this part,** unless the officer determines that it is necessary to question the child, in which case he **or she** may take the child to a facility designated by the chief administrator of the courts as a suitable place for the questioning of children or, upon the consent of a parent or other person legally responsible for the care of the child, to the child's residence and there question him **or her** for a reasonable period of time; or

§ 64. Intentionally omitted.

§ 65. Subdivision 4 of section 307.3 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

4. If the agency for any reason does not release a child under this section, such child shall be brought before the appropriate family court**, or when such family court is not in session, to the most accessible magistrate, if any, designated by the appellate division of the supreme court in the applicable department; provided, however, that if such family court is not in session and if a magistrate is not available, such youth shall be brought before such family court** within seventy-two hours or the next day the court is in session, whichever is sooner. Such agency shall thereupon file an application for an order pursuant to section 307.4 **of this part** and shall forthwith serve a copy of the application upon the appropriate presentment agency. Nothing in this subdivision shall preclude the adjustment of suitable cases pursuant to section 308.1.

§ 66. Intentionally omitted.

§ 67. Paragraph (c) of subdivision 3 of section 311.1 of the family court act, as added by chapter 920 of the laws of 1982, is amended to read as follows:

(c) the fact that the respondent is a person [~~under sixteen years of~~] **of the necessary** age **to be a juvenile delinquent** at the time of the alleged act or acts;

§ 68. Intentionally omitted.

§ 69. Paragraphs (a) and (b) of subdivision 5 of section 322.2 of the family court act, paragraph (a) as amended by chapter 37 of the laws of 2016 and paragraph (b) as added by chapter 920 of the laws of 1982, are amended to read as follows:

(a) If the court finds that there is probable cause to believe that the respondent committed a felony, it shall order the respondent committed to the custody of the commissioner of mental health or the commissioner of **the office for people with** developmental disabilities for an initial period not to exceed one year from the date of such order. Such period may be extended annually upon further application to the court by the commissioner having custody or his or her designee. Such application must be made not more than sixty days prior to the expiration of such period on forms that have been prescribed by the chief administrator of the courts. At that time, the commissioner must give written notice of the application to the respondent, the counsel representing the respondent and the mental hygiene legal service if the respondent is at a residential facility. Upon receipt of such application, the court must conduct a hearing to determine the issue of capacity. If, at the conclusion of a hearing conducted pursuant to this subdivision, the court finds that the respondent is no longer incapacitated, he or she shall be returned to the family court for further proceedings pursuant to this article. If the court is satisfied that the respondent continues to be incapacitated, the court shall authorize continued custody of the respondent by the commissioner for a period not to exceed one year. Such extensions shall not continue beyond a reasonable period of time necessary to determine whether the respondent will attain the capacity to proceed to a fact finding hearing in the foreseeable future but in no event shall continue beyond the respondent's eighteenth birthday **or, if the respondent was at least sixteen years of age when the act was committed, beyond the respondent's twenty-first birthday**.

(b) If a respondent is in the custody of the commissioner upon the respondent's eighteenth birthday, **or if the respondent was at least sixteen years of age when the act resulting in the respondent's placement was committed, beyond the respondent's twenty-first birthday,** the commissioner shall notify the clerk of the court that the respondent was in his custody on such date and the court shall dismiss the petition.

§ 70. Subdivisions 1 and 5 of section 325.1 of the family court act, subdivision 1 as amended by chapter 398 of the laws of 1983, subdivision 5 as added by chapter 920 of the laws of 1982, are amended to read as follows:

1. At the initial appearance, if the respondent denies a charge contained in the petition and the court determines that [~~he~~] **the respondent** shall be detained for more than three days pending a fact-finding hearing, the court shall schedule a probable-cause hearing to determine the issues specified in section 325.3 **of this part**.

5. Where the petition consists of an order of removal pursuant to article seven hundred twenty-five of the criminal procedure law, unless the removal was pursuant to subdivision three of section 725.05 of such law and the respondent was not afforded a probable cause hearing pursu-

ant to subdivision three of section [~~180.75~~] 722.20 of such law [~~for a reason other than his waiver thereof pursuant to subdivision two of section 180.75 of such law~~], the petition shall be deemed to be based upon a determination that probable cause exists to believe the respondent is a juvenile delinquent and the respondent shall not be entitled to any further inquiry on the subject of whether probable cause exists. After the filing of any such petition the court must, however, exercise independent, de novo discretion with respect to release or detention as set forth in section 320.5 of this part.

§ 70-a. Section 350.3 of the family court act is amended by adding a new subdivision 4 to read as follows:

4. The victim has the right to make a statement with regard to any matter relevant to the question of disposition. If the victim chooses to make a statement, such individual shall notify the court at least ten days prior to the date of the dispositional hearing. The court shall notify the respondent no less than seven days prior to the dispositional hearing of the victim's intent to make a statement. The victim shall not be made aware of the final disposition of the case.

§ 70-b. Section 350.4 of the family court act is amended by adding a new subdivision 5-a to read as follows:

5-a. The victim shall be allowed to make an oral or written statement.

§ 70-c. Subdivision 4 of section 351.1 of the family court act, as amended by chapter 317 of the laws of 2004, is amended to read as follows:

4. [~~When it appears that such information would be relevant to the findings of the court or the order of disposition, each~~] Each investigation report prepared pursuant to this section shall [~~contain a~~] afford the victim the right to make a statement. Such victim impact statement [~~which~~] shall include an analysis of the victim's version of the offense, the extent of injury or economic loss and the actual out-of-pocket loss or damage to the victim, including the amount of unreimbursed medical expenses, if any, and the views of the victim relating to disposition including the amount of restitution sought by the victim, subject to availability of such information. In the case [~~of a homicide or~~] where the victim is unable to assist in the preparation of the victim impact statement, the information may be acquired from the victim's family. Nothing contained in this section shall be interpreted to require that a victim or his or her family supply information for the preparation of an investigation report or that the dispositional hearing should be delayed in order to obtain such information.

§ 71. Intentionally omitted.

§ 72. The opening paragraph of subparagraph (iii) of paragraph (a) and paragraph (d) of subdivision 4 of section 353.5 of the family court act, as amended by section 6 of subpart A of part G of chapter 57 of the laws of 2012, are amended to read as follows:

after the period set under subparagraph (ii) of this paragraph, the respondent shall be placed in a residential facility for a period of twelve months; provided, however, that if the respondent has been placed from a family court in a social services district operating an approved juvenile justice services close to home initiative pursuant to section four hundred four of the social services law for an act committed when the respondent was under sixteen years of age, once the time frames in subparagraph (ii) of this paragraph are met:

(d) Upon the expiration of the initial period of placement, or any extension thereof, the placement may be extended in accordance with section 355.3 on a petition of any party or the office of children and

family services, or, if applicable, a social services district operating an approved juvenile justice services close to home initiative pursuant to section four hundred four of the social services law, after a dispositional hearing, for an additional period not to exceed twelve months, but no initial placement or extension of placement under this section may continue beyond the respondent's twenty-first birthday**, or, for an act that was committed when the respondent was sixteen years of age or older, the respondent's twenty-third birthday**.

§ 73. Paragraph (d) of subdivision 4 of section 353.5 of the family court act, as amended by chapter 398 of the laws of 1983, is amended to read as follows:

(d) Upon the expiration of the initial period of placement, or any extension thereof, the placement may be extended in accordance with section 355.3 on a petition of any party or the [~~division for youth~~] **office of children and family services** after a dispositional hearing, for an additional period not to exceed twelve months, but no initial placement or extension of placement under this section may continue beyond the respondent's twenty-first birthday**, or, for an act that was committed when the respondent was sixteen years of age or older, the respondent's twenty-third birthday**.

§ 74. Intentionally omitted.

§ 75. Subdivision 6 of section 355.3 of the family court act, as amended by chapter 663 of the laws of 1985, is amended to read as follows:

6. Successive extensions of placement under this section may be granted, but no placement may be made or continued beyond the respondent's eighteenth birthday without the child's consent **for acts committed before the respondent's sixteenth birthday** and in no event past the child's twenty-first birthday **except as provided for in subdivision four of section 353.5 of this part**.

§ 76. Paragraph (b) of subdivision 3 of section 355.5 of the family court act, as amended by chapter 145 of the laws of 2000, is amended to read as follows:

(b) subsequent permanency hearings shall be held no later than every twelve months following the respondent's initial twelve months in placement **but in no event past the respondent's twenty-first birthday**; provided, however, that they shall be held in conjunction with an extension of placement hearing held pursuant to section 355.3 of this [~~article~~] **part**.

§ 77. Subdivision 6 of section 375.2 of the family court act, as added by chapter 926 of the laws of 1982 and as renumbered by chapter 398 of the laws of 1983, is amended to read as follows:

6. Such a motion cannot be filed until the respondent's sixteenth birthday**, or, commencing October first, two thousand eighteen, the respondent's seventeenth birthday, or commencing October first, two thousand nineteen, the respondent's eighteenth birthday**.

§ 78. Subdivisions 5 and 6 of section 371 of the social services law, subdivision 5 as added by chapter 690 of the laws of 1962, and subdivision 6 as amended by chapter 596 of the laws of 2000, are amended to read as follows:

5. "Juvenile delinquent" means a person [~~over seven and less than sixteen years of age who does any act which, if done by an adult, would constitute a crime~~] **as defined in section 301.2 of the family court act**.

6. "Person in need of supervision" means a person [~~less than eighteen years of age who is habitually truant or who is incorrigible, ungovernable or habitually disobedient and beyond the lawful control of a parent~~

~~or other person legally responsible for such child's care, or other lawful authority~~] as defined in section seven hundred twelve of the family court act.

§ 78-a. Subdivision 2 of section 40 of the correction law, as added by chapter 865 of the laws of 1975, is amended to read as follows:

2. "Local correctional facility" means any county jail, county penitentiary, county lockup, city jail, police station jail, town or village jail or lockup, court detention pen [~~or~~], hospital prison ward or specialized secure juvenile detention facility for older youth.

§ 79. Subdivisions 3 and 4 of section 502 of the executive law, subdivision 3 as amended by section 1 of subpart B of part Q of chapter 58 of the laws of 2011 and subdivision 4 as added by chapter 465 of the laws of 1992, are amended to read as follows:

3. "Detention" means the temporary care and maintenance of youth held away from their homes pursuant to article three or seven of the family court act, or held pending a hearing for alleged violation of the conditions of release from an office of children and family services facility or authorized agency, or held pending a hearing for alleged violation of the condition of parole as a juvenile offender, youthful offender or adolescent offender or held pending return to a jurisdiction other than the one in which the youth is held, or held pursuant to a securing order of a criminal court if the youth named therein as principal is charged as a juvenile offender, youthful offender or adolescent offender or held pending a hearing on an extension of placement or held pending transfer to a facility upon commitment or placement by a court. Only alleged or convicted juvenile offenders, youthful offenders or adolescent offenders who have not attained their eighteenth or, commencing October first, two thousand eighteen, their twenty-first birthday shall be subject to detention in a detention facility. Commencing October first, two thousand eighteen, a youth who on or after such date committed an offense when the youth was sixteen years of age; or commencing October first, two thousand nineteen, a youth who committed an offense on or after such date when the youth was seventeen years of age held pursuant to a securing order of a criminal court if the youth is charged as an adolescent offender or held pending a hearing for alleged violation of the condition of parole as an adolescent offender, must be held in a specialized secure juvenile detention facility for older youth certified by the state office of children and family services in conjunction with the state commission of correction.

4. For purposes of this article, the term "youth" shall [~~be synonymous with the term "child" and means~~] mean a person not less than seven years of age and not more than twenty or commencing October first, two thousand nineteen, not more than twenty-two years of age.

§ 79-a. Section 503 of the executive law is amended by adding a new subdivision 9 to read as follows:

9. Notwithstanding any other provision of law, the office of children and family services in consultation with the state commission of correction shall jointly regulate, certify, inspect and supervise specialized secure detention facilities for adolescent offenders.

§ 79-b. Paragraph (b) of subdivision 4 of section 507-a of the executive law, as amended by chapter 465 of the laws of 1992, is amended to read as follows:

(b) The [~~division~~] office of children and family services shall admit a child placed with the [~~division~~] office to a facility of the [~~division~~] office within fifteen days of the date of the order of placement with the [~~division~~] office and shall admit a juvenile offender, youthful

offender or adolescent offender committed to the [~~division~~] office to a facility of the [~~division~~] office within ten days of the date of the order of commitment to the [~~division~~] office, except as provided in section five hundred seven-b of this article.

§ 80. Paragraph (a) of subdivision 2 and subdivision 5 of section 507-a of the executive law, as amended by chapter 465 of the laws of 1992, are amended to read as follows:

(a) Consistent with other provisions of law, only those youth who have reached the age of seven but who have not reached the age of twenty-one may be placed in[~~, committed to or remain in~~] the [~~division's~~] custody of the office of children and family services. Except as provided for in paragraph (a-1) of this subdivision, no youth who has reached the age of twenty-one may remain in custody of the office of children and family services.

(a-1) (i) A youth who is committed to the office of children and family services as a juvenile offender or a juvenile offender adjudicated as a youthful offender may remain in the custody of the office during the period of his or her sentence beyond the age of twenty-one in accordance with the provisions of subdivision five of section five hundred eight of this title but in no event may such a youth remain in the custody of the office beyond his or her twenty-third birthday; and (ii) a youth found to have committed a designated class A felony act who is restrictively placed with the office under subdivision four of section 353.5 of the family court act for committing an act on or after the youth's sixteenth birthday may remain in the custody of the office of children and family services up to the age of twenty-three in accordance with his or her placement order.

(a-2) Whenever it shall appear to the satisfaction of the [~~division~~] office of children and family services that any youth placed therewith is not of proper age to be so placed or is not properly placed, or is mentally or physically incapable of being materially benefited by the program of the [~~division~~] office, the [~~division~~] office shall cause the return of such youth to the county from which placement was made.

5. Consistent with other provisions of law, in the discretion of the [~~director, youth~~] commissioner of the office of children and family services, youth placed within the office under the family court act who attain the age of eighteen while in [~~division~~] custody of the office and who are not required to remain in the placement with the office as a result of a dispositional order of the family court may reside in a non-secure facility until the age of twenty-one, provided that such youth attend a full-time vocational or educational program and are likely to benefit from such program.

§ 81. Intentionally omitted.

§ 81-a. The correction law is amended by adding a new section 77 to read as follows:

§ 77. Adolescent offender facilities. 1. (a) The state shall establish one or more facilities with enhanced security features and specially trained staff to serve the adolescent offenders sentenced to a determinate or indeterminate sentence for committing offenses on or after their sixteenth birthday who are determined to need an enhanced level of secure care which shall be managed by the department with the office of children and family services assistance, and services or programs.

(b) A council comprised of the commissioner, and the office of children and family services, the commissioner of the state commission of correction, and the commissioner of the division of criminal justice services shall be established to assess the operation of the facility.

The governor shall designate the chair of the council. The council shall have the power to perform all acts necessary to carry out its duties including making unannounced visits and inspections of the facility at any time. Notwithstanding any other provision of state law to the contrary, the council may request and the department shall submit to the council, to the extent permitted by federal law, all information in the form and manner and at such times as the council may require that is appropriate to the purposes and operation of the council. The council shall be subject to the same laws as apply to the department regarding the protection and confidentiality of the information made available to the council and shall prevent access thereto by, or the distribution thereof to, persons not authorized by law.

(c) Appropriate staff working in such facilities shall receive specialized training to address working with the types of youth placed in the facility, which shall include but not be limited to, training on tactical responses and de-escalation techniques. All staff of the facility shall be subject to random drug tests.

2. The office of children and family services shall assign an assistant commissioner to assist the department, on a permanent basis, with programs or services provided within such facilities.

3. The department, the state commission of correction and the office of children and family services shall jointly establish a placement classification protocol to be used to determine the appropriate level of care for each adolescent offender in such facility. The protocol shall include, but not necessarily be limited to, consideration of the nature of the youth's offense and the youth's history and service needs.

4. Any new facilities developed by the department in consultation with the office of children and family services to serve the youth committed as adolescent offenders as a result of raising the age of juvenile jurisdiction shall, to the extent practicable, consist of smaller, more home-like facilities located near the youths' homes and families that provide gender-responsive programming, services and treatment in small, closely supervised groups that offer extensive and on-going individual attention and encourage supportive peer relationships.

5. Adolescent offenders committed or transferred to the facility, as defined in this section for committing a crime on or after their sixteenth birthday who still have time left on their sentences of imprisonment shall be transferred to a non-adolescent offender facility in the department for confinement pursuant to this chapter after completing two years in an adolescent offender facility unless they are within four months of completing the imprisonment portion of their sentence and the department determines, in its discretion, on a case-by-case basis that the youth should be permitted to remain in such facility for the additional short period of time necessary to enable them to complete their sentence. In making such a determination, the factors the department may consider include, but are not limited to, the age of the youth, the amount of time remaining on the youth's sentence of imprisonment, the level of the youth's participation in the program, the youth's educational and vocational progress, the opportunities available to the youth through the department, and the length of any applicable post-release supervision sentence. Nothing in this subdivision shall authorize a youth to remain in such facility beyond his or her twenty-third birthday.

§ 81-b. The correction law is amended by adding a new section 78 to read as follows:

**§ 78. Discharge plans. The department, in consultation with the office of children and family services, shall provide discharge plans for juvenile offenders and adolescent offenders who are released to parole or post-release supervision, which are tailored to address their individual needs. Such plans shall include services designed to promote public safety and the successful and productive reentry of such adolescents into society.**

§ 82. Subdivisions 2, 3, 7, 8 and 9 of section 508 of the executive law, subdivision 2 as amended by chapter 572 of the laws of 1985, subdivision 3 as added by chapter 481 of the laws of 1978 and renumbered by chapter 465 of the laws of 1992, subdivision 7 as amended by section 97 of subpart B of part C of chapter 62 of the laws of 2011, subdivision 8 as added by chapter 560 of the laws of 1984 and subdivision 9 as amended by chapter 37 of the laws of 2016, are amended to read as follows:

2. Juvenile offenders shall be confined in such facilities until the age of twenty-one **in accordance with their sentences,** and shall not be released, discharged or permitted home visits except pursuant to the provisions of this section.

3. The [~~division~~] **office of children and family services** shall report in writing to the sentencing court and district attorney, not less than once every six months during the period of confinement, on the status, adjustment, programs and progress of the offender.

The office of children and family services may transfer an offender not less than eighteen [~~nor more than twenty-one~~] years of age to the department of corrections and community supervision if the commissioner of the office certifies to the commissioner of corrections and community supervision that there is no substantial likelihood that the youth will benefit from the programs offered by office facilities.

7. While in the custody of the office of children and family services, an offender shall be subject to the rules and regulations of the office, except that his **or her** parole, temporary release and discharge shall be governed by the laws applicable to inmates of state correctional facilities and his **or her** transfer to state hospitals in the office of mental health shall be governed by section five hundred nine of this chapter**; provided, however, that an otherwise eligible offender may receive the six-month limited credit time allowance for successful participation in one or more programs developed by the office of children and family services that are comparable to the programs set forth in section eight hundred three-b of the correction law, taking into consideration the age of offenders**. The commissioner of the office of children and family services shall, however, establish and operate temporary release programs at office of children and family services facilities for eligible juvenile offenders and contract with the department of corrections and community supervision for the provision of parole supervision services for temporary releasees. The rules and regulations for these programs shall not be inconsistent with the laws for temporary release applicable to inmates of state correctional facilities. For the purposes of temporary release programs for juvenile offenders only, when referred to or defined in article twenty-six of the correction law, "institution" shall mean any facility designated by the commissioner of the office of children and family services, "department" shall mean the office of children and family services, "inmate" shall mean a juvenile offender residing in an office of children and family services facility, and "commissioner" shall mean the [~~director~~] **commissioner** of the office of children and family services. Time spent in office of children and family services facilities and in juvenile detention facilities shall be

credited towards the sentence imposed in the same manner and to the same extent applicable to inmates of state correctional facilities.

8. Whenever a juvenile offender or a juvenile offender adjudicated a youthful offender shall be delivered to the director of [~~a division for youth~~] an office of children and family services facility pursuant to a commitment to the [~~director of the division for youth~~] office of children and family services, the officer so delivering such person shall deliver to such facility director a certified copy of the sentence received by such officer from the clerk of the court by which such person shall have been sentenced, a copy of the report of the probation officer's investigation and report, any other pre-sentence memoranda filed with the court, a copy of the person's fingerprint records, a detailed summary of available medical records, psychiatric records and reports relating to assaults, or other violent acts, attempts at suicide or escape by the person while in the custody of a local detention facility.

9. Notwithstanding any provision of law, including section five hundred one-c of this article, the office of children and family services shall make records pertaining to a person convicted of a sex offense as defined in subdivision (p) of section 10.03 of the mental hygiene law available upon request to the commissioner of mental health or the commissioner of the office for people with developmental disabilities, as appropriate; a case review panel; and the attorney general; in accordance with the provisions of article ten of the mental hygiene law.

§ 82-a. Subdivision 2 of section 529 of the executive law, as amended by chapter 430 of the laws of 1991, is amended to read as follows:

2. Expenditures made by the [~~division for youth~~] office of children and family services for care, maintenance and supervision furnished youth, including alleged and adjudicated juvenile delinquents and persons in need of supervision, placed or referred, pursuant to titles two or three of this article, and juvenile offenders, youthful offenders and adolescent offenders committed pursuant to [~~section 70.05 of~~] the penal law, in the [~~division's~~] office's programs and facilities, shall be subject to reimbursement to the state by the social services district from which the youth was placed or by the social services district in which the juvenile offender resided at the time of commitment, in accordance with this section and the regulations of the [~~division~~] office, as follows: fifty percent of the amount expended for care, maintenance and supervision of local charges including juvenile offenders.

§ 82-b. Subdivision A of section 218-a of the county law is amended by adding a new paragraph 6 to read as follows:

6. Notwithstanding any other provision of law, commencing October first, two thousand eighteen, a county must provide for adequate detention of alleged or convicted adolescent offenders in a specialized secure detention facility for older youth who are alleged or convicted of committing an offense when they were sixteen years of age and commencing October first, two thousand nineteen, a county must provide for adequate detention of alleged or convicted adolescent offenders in a specialized secure detention facility for older youth who are alleged or convicted of committing an offense when they were sixteen or seventeen years of age. Such facility shall be certified and regulated by the office of children and family services in conjunction with the state commission of correction. Such facility shall: (i) have enhanced security features and specially trained staff; and (ii) be jointly administered by the agency of county government designated in accordance with subdivision A of this section and the applicable county sheriff, which

**both shall have the power to perform all acts necessary to carry out their duties. The county sheriff shall be subject to the same laws that apply to the designated county agency regarding the protection and confidentiality of the information about the youth in such facility and shall prevent access thereto by, or the distribution thereof to, persons not authorized by law.**

§ 83. Intentionally omitted.

§ 84. Intentionally omitted.

§ 85. Intentionally omitted.

§ 86. Intentionally omitted.

§ 87. Intentionally omitted.

§ 88. Intentionally omitted.

§ 89. Intentionally omitted.

§ 90. Intentionally omitted.

§ 91. Intentionally omitted.

§ 92. Intentionally omitted.

§ 93. Intentionally omitted.

§ 94. Intentionally omitted.

§ 95. Intentionally omitted.

§ 96. Intentionally omitted.

§ 97. Intentionally omitted.

§ 98. Intentionally omitted.

§ 98-a. Intentionally omitted.

§ 98-b. Intentionally omitted.

§ 98-c. Intentionally omitted.

§ 99. Subdivision 1, the opening paragraph of subdivision 2 and subparagraphs (i) and (iii) of paragraph (a) of subdivision 3 of section 529-b of the executive law, as added by section 3 of subpart B of part Q of chapter 58 of the laws of 2011, are amended to read as follows:

1. (a) Notwithstanding any provision of law to the contrary, eligible expenditures by an eligible municipality for services to divert youth at risk of, alleged to be, or adjudicated as juvenile delinquents or persons alleged or adjudicated to be in need of supervision, or youth alleged to be or convicted as juvenile offenders**, youthful offenders or adolescent offenders** from placement in detention or in residential care shall be subject to state reimbursement under the supervision and treatment services for juveniles program for up to sixty-two percent of the municipality's expenditures, subject to available appropriations and exclusive of any federal funds made available for such purposes, not to exceed the municipality's distribution under the supervision and treatment services for juveniles program.

(b) The state funds appropriated for the supervision and treatment services for juveniles program shall be distributed to eligible municipalities by the office of children and family services based on a plan developed by the office which may consider historical information regarding the number of youth seen at probation intake for an alleged act of delinquency, the number of youth remanded to detention, the number of juvenile delinquents placed with the office, the number of juvenile delinquents and persons in need of supervision placed in residential care with the municipality, the municipality's reduction in the use of detention and residential placements, and other factors as determined by the office. Such plan developed by the office shall be subject to the approval of the director of the budget. The office is authorized, in its discretion, to make advance distributions to a municipality in anticipation of state reimbursement.

As used in this section, the term "municipality" shall mean a county, or a city having a population of one million or more, and "supervision and treatment services for juveniles" shall mean community-based services or programs designed to safely maintain youth in the community pending a family court disposition or conviction in criminal court and services or programs provided to youth adjudicated as juvenile delinquents or persons in need of supervision, or youth alleged to be juvenile offenders**, youthful offenders or adolescent offenders** to prevent residential placement of such youth or a return to placement where such youth have been released to the community from residential placement. Supervision and treatment services for juveniles may include but are not limited to services or programs that:

(i) an analysis that identifies the neighborhoods or communities from which the greatest number of juvenile delinquents and persons in need of supervision are remanded to detention or residentially placed;

(iii) a description of how the services and programs proposed for funding will reduce the number of youth from the municipality who are detained and residentially **or otherwise** placed; how such services and programs are family-focused; and whether such services and programs are capable of being replicated across multiple sites;

§ 100. The opening paragraph and paragraph (a) of subdivision 2 and subdivisions 5 and 6 of section 530 of the executive law, the opening paragraph of subdivision 2 as amended by section 4 of subpart B of part Q of chapter 58 of the laws of 2011, paragraph (a) of subdivision 2 as amended by section 1 of part M of chapter 57 of the laws of 2012, subdivision 5 as amended by chapter 920 of the laws of 1982, subparagraphs 1, 2 and 4 of paragraph (a) and paragraph (b) of subdivision 5 as amended by section 5 of subpart B of part Q of chapter 58 of the laws of 2011, and subdivision 6 as amended by chapter 880 of the laws of 1976, are amended and a new subdivision 8 is added to read as follows:

Expenditures made by municipalities in providing care, maintenance and supervision to youth in detention facilities designated pursuant to sections seven hundred twenty and **section** 305.2 of the family court act and certified by [~~**the division for youth**~~] **office of children and family services**, shall be subject to reimbursement by the state, as follows:

(a) Notwithstanding any provision of law to the contrary, eligible expenditures by a municipality during a particular program year for the care, maintenance and supervision in foster care programs certified by the office of children and family services, certified or approved family boarding homes, and non-secure detention facilities certified by the office for those youth alleged to be persons in need of supervision or adjudicated persons in need of supervision held pending transfer to a facility upon placement; and in secure and non-secure detention facilities certified by the office in accordance with section five hundred three of this article for those youth alleged to be juvenile delinquents; adjudicated juvenile delinquents held pending transfer to a facility upon placement, and juvenile delinquents held at the request of the office of children and family services pending extension of placement hearings or release revocation hearings or while awaiting disposition of such hearings; and youth alleged to be or convicted as juvenile offenders**, youthful offenders and adolescent offenders** shall be subject to state reimbursement for up to fifty percent of the municipality's expenditures, exclusive of any federal funds made available for such purposes, not to exceed the municipality's distribution from funds that have been appropriated specifically therefor for that program year. Municipalities shall implement the use of detention risk assessment

instruments in a manner prescribed by the office so as to inform detention decisions. Notwithstanding any other provision of state law to the contrary, data necessary for completion of a detention risk assessment instrument may be shared among law enforcement, probation, courts, detention administrators, detention providers, and the attorney for the child upon retention or appointment; solely for the purpose of accurate completion of such risk assessment instrument, and a copy of the completed detention risk assessment instrument shall be made available to the applicable detention provider, the attorney for the child and the court.

5. (a) Except as provided in paragraph (b) of this subdivision, care, maintenance and supervision for the purpose of this section shall mean and include only:

(1) temporary care, maintenance and supervision provided **to** alleged juvenile delinquents and persons in need of supervision in detention facilities certified pursuant to sections seven hundred twenty and 305.2 of the family court act by the office of children and family services, pending adjudication of alleged delinquency or alleged need of supervision by the family court, or pending transfer to institutions to which committed or placed by such court or while awaiting disposition by such court after adjudication or held pursuant to a securing order of a criminal court if the person named therein as principal is under [~~sixteen~~] **seventeen years of age**; or[~~.~~]

**(1-a) commencing on October first, two thousand nineteen, temporary care, maintenance, and supervision provided to alleged juvenile delinquents in detention facilities certified by the office of children and family services, pending adjudication of alleged delinquency by the family court, or pending transfer to institutions to which committed or placed by such court or while awaiting disposition by such court after adjudication or held pursuant to a securing order of a criminal court if the person named therein as principal is under twenty-one; or**

(2) temporary care, maintenance and supervision provided juvenile delinquents in approved detention facilities at the request of the office of children and family services pending release revocation hearings or while awaiting disposition after such hearings; or

(3) temporary care, maintenance and supervision in approved detention facilities for youth held pursuant to the family court act or the interstate compact on juveniles, pending return to their place of residence or domicile[~~.~~]**; or**

(4) temporary care, maintenance and supervision provided youth detained in foster care facilities or certified or approved family boarding homes pursuant to article seven of the family court act.

(b) Payments made for reserved accommodations, whether or not in full time use, approved **and certified** by the office of children and family services and certified pursuant to sections seven hundred twenty and 305.2 of the family court act, in order to assure that adequate accommodations will be available for the immediate reception and proper care therein of youth for which detention costs are reimbursable pursuant to paragraph (a) of this subdivision, shall be reimbursed as expenditures for care, maintenance and supervision under the provisions of this section, provided the office shall have given its prior approval for reserving such accommodations.

6. The [~~director of the division for youth~~] **office of children and family services** may adopt, amend, or rescind all rules and regulations, subject to the approval of the director of the budget and certification

to the chairmen of the senate finance and assembly ways and means committees, necessary to carry out the provisions of this section.

**8. Notwithstanding any law to the contrary, on or after January first, two thousand twenty, the state shall not reimburse for the cost of the detention of any person in need of supervision under article seven of the family court act.**

§ 100-a. Section 153-k of the social services law is amended by adding a new subdivision 12 to read as follows:

**12. Notwithstanding any law to the contrary, on or after January first, two thousand twenty, the state shall not reimburse for the cost of any placement of persons in need of supervision under article seven of the family court act.**

§ 100-b. Intentionally omitted.

§ 101. The executive law is amended by adding a new section 259-p to read as follows:

**§ 259-p. Interstate detention. (1) Notwithstanding any other provision of law, a defendant subject to section two hundred fifty-nine-mm of this article, may be detained as authorized by the interstate compact for adult offender supervision.**

**(2) A defendant shall be detained at a local correctional facility, except as otherwise provided in subdivision three of this section.**

**(3) (a) A defendant sixteen years of age or younger, who allegedly commits a criminal act or violation of his or her supervision on or after October first, two thousand eighteen or (b) a defendant seventeen years of age or younger who allegedly commits a criminal act or violation of his or her supervision on or after October first, two thousand nineteen, shall be detained in a juvenile detention facility.**

§ 102. Subdivision 4 of section 246 of the executive law, as amended by section 10 of part D of chapter 56 of the laws of 2010, is amended to read as follows:

4. An approved plan and compliance with standards relating to the administration of probation services promulgated by the commissioner of the division of criminal justice services shall be a prerequisite to eligibility for state aid.

The commissioner of the division of criminal justice services may take into consideration granting additional state aid from an appropriation made for state aid for county probation services for counties or the city of New York when a county or the city of New York demonstrates that additional probation services were dedicated to intensive supervision programs[~~,~~] **and** intensive programs for sex offenders [~~**or programs defined as juvenile risk intervention services**~~]. **The commissioner shall grant additional state aid from an appropriation dedicated to juvenile risk intervention services coordination by probation departments which shall include, but not be limited to, probation services performed under article three of the family court act.** The administration of such additional grants shall be made according to rules and regulations promulgated by the commissioner of the division of criminal justice services. Each county and the city of New York shall certify the total amount collected pursuant to section two hundred fifty-seven-c of this chapter. The commissioner of the division of criminal justice services shall thereupon certify to the comptroller for payment by the state out of funds appropriated for that purpose, the amount to which the county or the city of New York shall be entitled under this section. **The commissioner shall, subject to an appropriation made available for such purpose, establish and provide funding to probation departments for a continuum of evidence-based intervention services for youth alleged or**

adjudicated juvenile delinquents pursuant to article three of the family court act or for eligible youth before or sentenced under the youth part in accordance with the criminal procedure law. Such additional state aid shall be made in an amount necessary to pay one hundred percent of the expenditures for evidence-based practices and juvenile risk and evidence-based intervention services provided to youth sixteen years of age or older when such services would not otherwise have been provided absent the provisions of a chapter of the laws of two thousand seventeen that increased the age of juvenile jurisdiction.

§ 103. The second undesignated paragraph of subdivision 4 of section 246 of the executive law, as added by chapter 479 of the laws of 1970, is amended to read as follows:

[~~The director shall thereupon certify to the comptroller for payment by the state out of funds appropriated for that purpose, the amount to which the county or the city of New York shall be entitled under this section.~~]

The commissioner of the division of criminal justice services may take into consideration granting additional state aid from an appropriation made for state aid for county probation services for counties or the city of New York when a county or the city of New York demonstrates that additional probation services were dedicated to intensive supervision programs and intensive programs for sex offenders. The commissioner shall grant additional state aid from an appropriation dedicated to juvenile risk intervention services coordination by probation departments which shall include, but not be limited to, probation services performed under article three of the family court act. The administration of such additional grants shall be made according to rules and regulations promulgated by the commissioner of the division of criminal justice services. Each county and the city of New York shall certify the total amount collected pursuant to section two hundred fifty-seven-c of this chapter. The commissioner of the division of criminal justice services shall thereupon certify to the comptroller for payment by the state out of funds appropriated for that purpose, the amount to which the county or the city of New York shall be entitled under this section. The commissioner shall, subject to an appropriation made available for such purpose, establish and provide funding to probation departments for a continuum of evidence-based intervention services for youth alleged or adjudicated juvenile delinquents pursuant to article three of the family court act or for eligible youth before or sentenced under the youth part in accordance with the criminal procedure law.

§ 104. The state finance law is amended by adding a new section 54-m to read as follows:

§ 54-m. Local share requirements associated with increasing the age of juvenile jurisdiction above fifteen years of age. Notwithstanding any other provision of law to the contrary, counties and the city of New York shall not be required to contribute a local share of eligible expenditures that would not have been incurred absent the provisions of a chapter of the laws of two thousand seventeen that added this section unless the most recent budget adopted by a county that is subject to the provisions of section three-c of the general municipal law exceeded the tax levy limit prescribed in such section or the local government is not subject to the provisions of section three-c of the general municipal law; provided, however, that the state budget director shall be authorized to waive any local share of expenditures associated with a chapter of the laws of two thousand seventeen that increased the age of juvenile jurisdiction above fifteen years of age, upon a showing of financial

hardship by a county or the city of New York upon application in the form and manner prescribed by the division of the budget. In evaluating an application for a financial hardship waiver, the budget director shall consider the incremental cost to the locality related to increasing the age of juvenile jurisdiction, changes in state or federal aid payments, and other extraordinary costs, including the occurrence of a disaster as defined in paragraph a of subdivision two of section twenty of the executive law, repair and maintenance of infrastructure, annual growth in tax receipts, including personal income, business and other taxes, prepayment of debt service and other expenses, or such other factors that the director may determine.

§ 104-a. Notwithstanding any other provision of law to the contrary, in accordance with the waiver provisions set forth in section 54-m of the state finance law, state funding shall be available for one hundred percent of a county's costs associated with transport of youth by the applicable county sheriff that would not otherwise have occurred absent the provisions of the chapter of the laws of two thousand seventeen that added this section.

§ 104-b. Notwithstanding any other provision of law; state reimbursement relating to the detention and placement of persons in need of supervision shall not be available for costs on or after January 1, 2020.

§ 104-c. 1. There shall be a "raise the age implementation task force," members of which will be assigned by the governor. Such task force will be responsible for reporting to the governor, the speaker of the assembly and the temporary president of the senate one year after the effective date of the chapter of the laws of 2017 that added this section. The task force shall have the following duties:

(A) monitoring the overall effectiveness of the law by reviewing the state's progress in implementing the major components;

(B) evaluating the effectiveness of the local adoption and adherence to the provisions of the law; and

(C) reviewing the sealing provisions including but not limited to an analysis of the number of applicants, the number of individuals granted sealing, and the overall effectiveness of the law's sealing requirements.

2. The task force members shall receive no remuneration for their services as members.

3. The task force may create such committees as it deems necessary.

4. The task force shall provide an initial report on their findings on or before August 1, 2019 with respect to the first phase of implementation and an additional report one year after with respect to the second phase of implementation.

§ 105. Severability. If any clause, sentence, paragraph, subdivision, section or part contained in any 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 contained in any 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.

§ 106. This act shall take effect immediately; provided that:

a. sections forty-eight and forty-eight-a of this act shall take effect on the one hundred eightieth day after this act shall have become

a law and shall be deemed to apply to offenses committed prior to, on, or after such effective date;

b. sections one through thirty, thirty-one-a, thirty-one-b, thirty-two, thirty-five, thirty-six, thirty-eight, forty-a, forty-one, forty-three, forty-four, fifty-six, fifty-six-a, fifty-six-b, fifty-seven, fifty-nine, sixty-one through sixty-three, sixty-five, sixty-seven, sixty-nine, seventy, seventy-two, seventy-five through seventy-eight, seventy-nine, seventy-nine-b, eighty, eighty-one-b, eighty-two-a, ninety-nine, one hundred, one hundred-a and one hundred one of this act shall take effect October 1, 2018; provided however, that when the applicability of such provisions are based on the conviction of a crime or an act committed by a person who was seventeen years of age at the time of such offense such provisions shall take effect October 1, 2019;

c. sections one hundred two and one hundred four shall take effect April 1, 2018;

d. the amendments to subdivision 4 of section 353.5 of the family court act made by section seventy-two of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 11 of subpart A of part G of chapter 57 of the laws of 2012, as amended, when upon such date the provisions of section seventy-three of this act shall take effect;

e. the amendments to the second undesignated paragraph of subdivision 4 of section 246 of the executive law made by section one hundred two of this act shall be subject to the expiration and reversion of such undesignated paragraph as provided in subdivision (aa) of section 427 of chapter 55 of the laws of 1992, as amended, when upon such date section one hundred three of this act shall take effect; provided, however if such date of reversion is prior to April 1, 2018, section one hundred three of this act shall take effect on April 1, 2018; and

f. the amendments to section 153-k of the social services law made by section one hundred-a of this act shall not effect the repeal of such section and shall be deemed to repeal therewith.

## PART XXX

Section 1. The state comptroller is hereby authorized and directed to loan money in accordance with the provisions set forth in subdivision 5 of section 4 of the state finance law to the following funds and/or accounts:

1. Proprietary vocational school supervision account (20452).
2. Local government records management account (20501).
3. Child health plus program account (20810).
4. EPIC premium account (20818).
5. Education - New (20901).
6. VLT - Sound basic education fund (20904).
7. Sewage treatment program management and administration fund (21000).
8. Hazardous bulk storage account (21061).
9. Federal grants indirect cost recovery account (21065).
10. Low level radioactive waste account (21066).
11. Recreation account (21067).
12. Public safety recovery account (21077).
13. Environmental regulatory account (21081).
14. Natural resource account (21082).
15. Mined land reclamation program account (21084).
16. Great lakes restoration initiative account (21087).

17. Environmental protection and oil spill compensation fund (21200).
18. Public transportation systems account (21401).
19. Metropolitan mass transportation (21402).
20. Operating permit program account (21451).
21. Mobile source account (21452).
22. Statewide planning and research cooperative system account (21902).
23. New York state thruway authority account (21905).
24. Mental hygiene program fund account (21907).
25. Mental hygiene patient income account (21909).
26. Financial control board account (21911).
27. Regulation of racing account (21912).
28. New York Metropolitan Transportation Council account (21913).
29. State university dormitory income reimbursable account (21937).
30. Criminal justice improvement account (21945).
31. Environmental laboratory reference fee account (21959).
32. Clinical laboratory reference system assessment account (21962).
33. Indirect cost recovery account (21978).
34. High school equivalency program account (21979).
35. Multi-agency training account (21989).
36. Interstate reciprocity for post-secondary distance education account (23800).
37. Bell jar collection account (22003).
38. Industry and utility service account (22004).
39. Real property disposition account (22006).
40. Parking account (22007).
41. Asbestos safety training program account (22009).
42. Batavia school for the blind account (22032).
43. Investment services account (22034).
44. Surplus property account (22036).
45. Financial oversight account (22039).
46. Regulation of Indian gaming account (22046).
47. Rome school for the deaf account (22053).
48. Seized assets account (22054).
49. Administrative adjudication account (22055).
50. Federal salary sharing account (22056).
51. New York City assessment account (22062).
52. Cultural education account (22063).
53. Local services account (22078).
54. DHCR mortgage servicing account (22085).
55. Department of motor vehicles compulsory insurance account (22087).
56. Housing indirect cost recovery account (22090).
57. DHCR-HCA application fee account (22100).
58. Low income housing monitoring account (22130).
59. Corporation administration account (22135).
60. Montrose veteran's home account (22144).
61. Deferred compensation administration account (22151).
62. Rent revenue other New York City account (22156).
63. Rent revenue account (22158).
64. Tax revenue arrearage account (22168).
65. State university general income offset account (22654).
66. Lake George park trust fund account (22751).
67. State police motor vehicle law enforcement account (22802).
68. Highway safety program account (23001).
69. DOH drinking water program account (23102).
70. NYCCC operating offset account (23151).

71. Commercial gaming revenue account (23701).
72. Commercial gaming regulation account (23702).
73. Highway use tax administration account (23801).
74. Highway and bridge capital account (30051).
75. Aviation purpose account (30053).
76. State university residence hall rehabilitation fund (30100).
77. State parks infrastructure account (30351).
78. Clean water/clean air implementation fund (30500).
79. Hazardous waste remedial cleanup account (31506).
80. Youth facilities improvement account (31701).
81. Housing assistance fund (31800).
82. Housing program fund (31850).
83. Highway facility purpose account (31951).
84. Information technology capital financing account (32215).
85. New York racing account (32213).
86. Capital miscellaneous gifts account (32214).
87. New York environmental protection and spill remediation account.
88. Mental hygiene facilities capital improvement fund (32300).
89. Correctional facilities capital improvement fund (32350).
90. New York State Storm Recovery Capital Fund (33000).
91. OGS convention center account (50318).
92. Empire Plaza Gift Shop (50327).
93. Centralized services fund (55000).
94. Archives records management account (55052).
95. Federal single audit account (55053).
96. Civil service EHS occupational health program account (55056).
97. Banking services account (55057).
98. Cultural resources survey account (55058).
99. Neighborhood work project account (55059).
100. Automation & printing chargeback account (55060).
101. OFT NYT account (55061).
102. Data center account (55062).
103. Intrusion detection account (55066).
104. Domestic violence grant account (55067).
105. Centralized technology services account (55069).
106. Labor contact center account (55071).
107. Human services contact center account (55072).
108. Tax contact center account (55073).
109. Executive direction internal audit account (55251).
110. CIO Information technology centralized services account (55252).
111. Health insurance internal service account (55300).
112. Civil service employee benefits division administrative account (55301).
113. Correctional industries revolving fund (55350).
114. Employees health insurance account (60201).
115. Medicaid management information system escrow fund (60900).
116. Department of law civil recoveries account.

§ 1-a. The state comptroller is hereby authorized and directed to loan money in accordance with the provisions set forth in subdivision 5 of section 4 of the state finance law to any account within the following federal funds, provided the comptroller has made a determination that sufficient federal grant award authority is available to reimburse such loans:

1. Federal USDA-food and nutrition services fund (25000).
2. Federal health and human services fund (25100).
3. Federal education fund (25200).

4. Federal block grant fund (25250).
5. Federal miscellaneous operating grants fund (25300).
6. Federal unemployment insurance administration fund (25900).
7. Federal unemployment insurance occupational training fund (25950).
8. Federal emergency employment act fund (26000).
9. Federal capital projects fund (31350).

§ 2. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, on or before March 31, 2018, up to the unencumbered balance or the following amounts:

Economic Development and Public Authorities:

1. $175,000 from the miscellaneous special revenue fund, underground facilities safety training account (22172), to the general fund.

2. An amount up to the unencumbered balance from the miscellaneous special revenue fund, business and licensing services account (21977), to the general fund.

3. $14,810,000 from the miscellaneous special revenue fund, code enforcement account (21904), to the general fund.

4. $3,000,000 from the general fund to the miscellaneous special revenue fund, tax revenue arrearage account (22168).

Education:

1. $2,394,714,000 from the general fund to the state lottery fund, education account (20901), as reimbursement for disbursements made from such fund for supplemental aid to education pursuant to section 92-c of the state finance law that are in excess of the amounts deposited in such fund for such purposes pursuant to section 1612 of the tax law.

2. $966,634,000 from the general fund to the state lottery fund, VLT education account (20904), as reimbursement for disbursements made from such fund for supplemental aid to education pursuant to section 92-c of the state finance law that are in excess of the amounts deposited in such fund for such purposes pursuant to section 1612 of the tax law.

3. Moneys from the state lottery fund (20900) up to an amount deposited in such fund pursuant to section 1612 of the tax law in excess of the current year appropriation for supplemental aid to education pursuant to section 92-c of the state finance law.

4. $300,000 from the New York state local government records management improvement fund, local government records management account (20501), to the New York state archives partnership trust fund, archives partnership trust maintenance account (20351).

5. $900,000 from the general fund to the miscellaneous special revenue fund, Batavia school for the blind account (22032).

6. $900,000 from the general fund to the miscellaneous special revenue fund, Rome school for the deaf account (22053).

7. $343,400,000 from the state university dormitory income fund (40350) to the miscellaneous special revenue fund, state university dormitory income reimbursable account (21937).

8. $20,000,000 from any of the state education department special revenue and internal service funds to the miscellaneous special revenue fund, indirect cost recovery account (21978).

9. $8,318,000 from the general fund to the state university income fund, state university income offset account (22654), for the state's share of repayment of the STIP loan.

10. $40,000,000 from the state university income fund, state university hospitals income reimbursable account (22656) to the general fund for

hospital debt service for the period April 1, 2017 through March 31, 2018.

11. An amount up to $13,540,000 from the general fund to the state university income fund, state university general revenue account (22653).

Environmental Affairs:

1. $16,000,000 from any of the department of environmental conservation's special revenue federal funds to the environmental conservation special revenue fund, federal indirect recovery account (21065).

2. $5,000,000 from any of the department of environmental conservation's special revenue federal funds to the conservation fund (21150) as necessary to avoid diversion of conservation funds.

3. $3,000,000 from any of the office of parks, recreation and historic preservation capital projects federal funds and special revenue federal funds to the miscellaneous special revenue fund, federal grant indirect cost recovery account (22188).

4. $1,000,000 from any of the office of parks, recreation and historic preservation special revenue federal funds to the miscellaneous special revenue fund, I love NY water account (21930).

5. $28,000,000 from the general fund to the environmental protection fund, environmental protection fund transfer account (30451).

6. $1,800,000 from the general fund to the hazardous waste remedial fund, hazardous waste oversight and assistance account (31505).

Family Assistance:

1. $7,000,000 from any of the office of children and family services, office of temporary and disability assistance, or department of health special revenue federal funds and the general fund, in accordance with agreements with social services districts, to the miscellaneous special revenue fund, office of human resources development state match account (21967).

2. $4,000,000 from any of the office of children and family services or office of temporary and disability assistance special revenue federal funds to the miscellaneous special revenue fund, family preservation and support services and family violence services account (22082).

3. $18,670,000 from any of the office of children and family services, office of temporary and disability assistance, or department of health special revenue federal funds and any other miscellaneous revenues generated from the operation of office of children and family services programs to the general fund.

4. $140,000,000 from any of the office of temporary and disability assistance or department of health special revenue funds to the general fund.

5. $2,500,000 from any of the office of temporary and disability assistance special revenue funds to the miscellaneous special revenue fund, office of temporary and disability assistance program account (21980).

6. $7,400,000 from any of the office of children and family services, office of temporary and disability assistance, department of labor, and department of health special revenue federal funds to the office of children and family services miscellaneous special revenue fund, multi-agency training contract account (21989).

7. $65,000,000 from the miscellaneous special revenue fund, youth facility per diem account (22186), to the general fund.

8. $621,850 from the general fund to the combined gifts, grants, and bequests fund, WB Hoyt Memorial account (20128).

9. $3,100,000 from the miscellaneous special revenue fund, state central registry (22028), to the general fund.

General Government:

1. $1,566,000 from the miscellaneous special revenue fund, examination and miscellaneous revenue account (22065) to the general fund.

2. $8,083,000 from the general fund to the health insurance revolving fund (55300).

3. $192,400,000 from the health insurance reserve receipts fund (60550) to the general fund.

4. $150,000 from the general fund to the not-for-profit revolving loan fund (20650).

5. $150,000 from the not-for-profit revolving loan fund (20650) to the general fund.

6. $3,000,000 from the miscellaneous special revenue fund, surplus property account (22036), to the general fund.

7. $19,000,000 from the miscellaneous special revenue fund, revenue arrearage account (22024), to the general fund.

8. $1,826,000 from the miscellaneous special revenue fund, revenue arrearage account (22024), to the miscellaneous special revenue fund, authority budget office account (22138).

9. $1,000,000 from the miscellaneous special revenue fund, parking services account (22007), to the general fund, for the purpose of reimbursing the costs of debt service related to state parking facilities.

10. $21,783,000 from the general fund to the centralized services fund, COPS account (55013).

11. $8,960,000 from the general fund to the agencies internal service fund, central technology services account (55069), for the purpose of enterprise technology projects.

12. $15,000,000 from the miscellaneous special revenue fund, workers' compensation account (21995), to the miscellaneous capital projects fund, workers' compensation board IT business process design fund, (32218).

Health:

1. A transfer from the general fund to the combined gifts, grants and bequests fund, breast cancer research and education account (20155), up to an amount equal to the monies collected and deposited into that account in the previous fiscal year.

2. A transfer from the general fund to the combined gifts, grants and bequests fund, prostate cancer research, detection, and education account (20183), up to an amount equal to the moneys collected and deposited into that account in the previous fiscal year.

3. A transfer from the general fund to the combined gifts, grants and bequests fund, Alzheimer's disease research and assistance account (20143), up to an amount equal to the moneys collected and deposited into that account in the previous fiscal year.

4. $30,555,000 from the HCRA resources fund (20800) to the miscellaneous special revenue fund, empire state stem cell trust fund account (22161).

5. $6,000,000 from the miscellaneous special revenue fund, certificate of need account (21920), to the miscellaneous capital projects fund, healthcare IT capital subfund (32216).

6. $2,000,000 from the miscellaneous special revenue fund, vital health records account (22103), to the miscellaneous capital projects fund, healthcare IT capital subfund (32216)

7. $2,000,000 from the miscellaneous special revenue fund, professional medical conduct account (22088), to the miscellaneous capital projects fund, healthcare IT capital subfund (32216).

8. $76,021,000 from the HCRA resources fund (20800) to the capital projects fund (30000).

9. $4,540,000 from the general fund to the medical marihuana trust fund, health operation and oversight account (23755).

10. $1,086,000 from the miscellaneous special revenue fund, certificate of need account (21920), to the general fund.

Labor:

1. $400,000 from the miscellaneous special revenue fund, DOL fee and penalty account (21923), to the child performer's protection fund, child performer protection account (20401).

2. $8,400,000 from the miscellaneous special revenue fund, DOL fee and penalty account (21923), to the general fund.

3. $3,300,000 from the unemployment insurance interest and penalty fund, unemployment insurance special interest and penalty account (23601), to the general fund.

4. $5,000,000 from the miscellaneous special revenue fund, workers' compensation account (21995), to the training and education program occupation safety and health fund, occupational health inspection account (21252).

Mental Hygiene:

1. $10,000,000 from the miscellaneous special revenue fund, mental hygiene patient income account (21909), to the miscellaneous special revenue fund, federal salary sharing account (22056).

2. $1,800,000,000 from the general fund to the miscellaneous special revenue fund, mental hygiene patient income account (21909).

3. $1,700,000,000 from the general fund to the miscellaneous special revenue fund, mental hygiene program fund account (21907).

4. $100,000,000 from the miscellaneous special revenue fund, mental hygiene program fund account (21907), to the general fund.

5. $100,000,000 from the miscellaneous special revenue fund, mental hygiene patient income account (21909), to the general fund.

6. $3,800,000 from the miscellaneous special revenue fund, mental hygiene patient income account (21909), to the agencies internal service fund, civil service EHS occupational health program account (55056).

7. $11,500,000 from the chemical dependence service fund, substance abuse services fund account (22700), to the capital projects fund (30000).

8. $3,500,000 from the chemical dependence service fund, substance abuse services fund account (22700), to the mental hygiene capital improvement fund (32305).

9. $15,000,000 from the chemical dependence service fund, substance abuse services fund account (22700), to the miscellaneous special revenue fund, mental hygiene program fund account (21907).

Public Protection:

1. $1,350,000 from the miscellaneous special revenue fund, emergency management account (21944), to the general fund.

2. $2,087,000 from the general fund to the miscellaneous special revenue fund, recruitment incentive account (22171).

3. $12,000,000 from the general fund to the correctional industries revolving fund, correctional industries internal service account (55350).

4. $3,000,000 from the federal miscellaneous operating grants fund, DMNA damage account (25324), to the general fund.

5. $8,600,000 from the miscellaneous special revenue fund, criminal justice improvement account (21945), to the general fund.

6. $112,420,000 from the state police motor vehicle law enforcement and motor vehicle theft and insurance fraud prevention fund, state police motor vehicle enforcement account (22802), to the general fund for state operation expenses of the division of state police.

7. A transfer of the unencumbered balance from the miscellaneous special revenue fund, seized assets account (22061), to the miscellaneous special revenue fund, seized assets account (22054).

8. $117,500,000 from the general fund to the correctional facilities capital improvement fund (32350).

9. $5,000,000 from the general fund to the dedicated highway and bridge trust fund (30050) for the purpose of work zone safety activities provided by the division of state police for the department of transportation.

10. $5,238,000 from the miscellaneous special revenue fund, statewide public safety communications account (22123), to the capital projects fund (30000).

11. $9,545,000 from the miscellaneous special revenue fund, legal services assistance account (22096), to the general fund.

12. $1,000,000 from the general fund to the agencies internal service fund, neighborhood work project account (55059).

13. $5,940,556 from the miscellaneous special revenue fund, fingerprint identification & technology account (21950), to the general fund.

14. $4,300,000 from the state police motor vehicle law enforcement and motor vehicle theft and insurance fraud prevention fund, motor vehicle theft and insurance fraud account (22801), to the general fund.

15. $50,000,000 from the miscellaneous special revenue fund, public safety communications account (22123), to the general fund.

16. $2,000,000 from the general fund to the miscellaneous special revenue fund, crimes against revenue program account (22015).

Transportation:

1. $17,672,000 from the federal miscellaneous operating grants fund to the miscellaneous special revenue fund, New York Metropolitan Transportation Council account (21913).

2. $20,147,000 from the federal capital projects fund to the miscellaneous special revenue fund, New York Metropolitan Transportation Council account (21913).

3. $15,058,017 from the general fund to the mass transportation operating assistance fund, public transportation systems operating assistance account (21401), of which $12,000,000 constitutes the base need for operations.

4. $720,000,000 from the general fund to the dedicated highway and bridge trust fund (30050).

5. $3,662,000 from the miscellaneous special revenue fund, accident prevention course program account (22094), to the dedicated highway and bridge trust fund (30050).

6. $3,065,000 from the miscellaneous special revenue fund, motorcycle safety account (21976), to the dedicated highway and bridge trust fund (30050).

7. $244,250,000 from the general fund to the MTA financial assistance fund, mobility tax trust account (23651).

8. $5,000,000 from the miscellaneous special revenue fund, transportation regulation account (22067) to the dedicated highway and bridge trust fund (30050), for disbursements made from such fund for motor carrier safety that are in excess of the amounts deposited in the dedi-

cated highway and bridge trust fund (30050) for such purpose pursuant to section 94 of the transportation law.

9. $114,000 from the miscellaneous special revenue fund, seized assets account (21906), to the dedicated highway and bridge trust fund (30050).

10. $500,000 from the clean air fund, mobile source account (21452), to the general fund.

11. $3,000,000 from the miscellaneous special revenue fund, traffic adjudication account (22055), to the general fund.

12. $121,548,000 from the mass transportation operating assistance fund, metropolitan mass transportation operating assistance account (21402), to the capital projects fund (30000).

Miscellaneous:

1. $250,000,000 from the general fund to any funds or accounts for the purpose of reimbursing certain outstanding accounts receivable balances.

2. $500,000,000 from the general fund to the debt reduction reserve fund (40000).

3. $450,000,000 from the New York state storm recovery capital fund (33000) to the revenue bond tax fund (40152).

4. $15,500,000 from the general fund, community projects account GG (10256), to the general fund, state purposes account (10050).

§ 3. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, on or before March 31, 2018:

1. Upon request of the commissioner of environmental conservation, up to $12,234,600 from revenues credited to any of the department of environmental conservation special revenue funds, including $4,000,000 from the environmental protection and oil spill compensation fund (21200), and $1,793,600 from the conservation fund (21150), to the environmental conservation special revenue fund, indirect charges account (21060).

2. Upon request of the commissioner of agriculture and markets, up to $3,000,000 from any special revenue fund or enterprise fund within the department of agriculture and markets to the general fund, to pay appropriate administrative expenses.

3. Upon request of the commissioner of agriculture and markets, up to $2,000,000 from the state exposition special fund, state fair receipts account (50051) to the miscellaneous capital projects fund, state fair capital improvement account (32208).

4. Upon request of the commissioner of the division of housing and community renewal, up to $6,221,000 from revenues credited to any division of housing and community renewal federal or miscellaneous special revenue fund to the miscellaneous special revenue fund, housing indirect cost recovery account (22090).

5. Upon request of the commissioner of the division of housing and community renewal, up to $5,500,000 may be transferred from any miscellaneous special revenue fund account, to any miscellaneous special revenue fund.

6. Upon request of the commissioner of health up to $8,500,000 from revenues credited to any of the department of health's special revenue funds, to the miscellaneous special revenue fund, administration account (21982).

§ 4. On or before March 31, 2018, the comptroller is hereby authorized and directed to deposit earnings that would otherwise accrue to the general fund that are attributable to the operation of section 98-a of the state finance law, to the agencies internal service fund, banking services account (55057), for the purpose of meeting direct payments from such account.

§ 5. Notwithstanding any law to the contrary, upon the direction of the director of the budget and upon requisition by the state university of New York, the dormitory authority of the state of New York is directed to transfer, up to $22,000,000 in revenues generated from the sale of notes or bonds, the state university income fund general revenue account (22653) for reimbursement of bondable equipment for further transfer to the state's general fund.

§ 6. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget and upon consultation with the state university chancellor or his or her designee, on or before March 31, 2018, up to $16,000,000 from the state university income fund general revenue account (22653) to the state general fund for debt service costs related to campus supported capital project costs for the NY-SUNY 2020 challenge grant program at the University at Buffalo.

§ 7. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget and upon consultation with the state university chancellor or his or her designee, on or before March 31, 2018, up to $6,500,000 from the state university income fund general revenue account (22653) to the state general fund for debt service costs related to campus supported capital project costs for the NY-SUNY 2020 challenge grant program at the University at Albany.

§ 8. Notwithstanding any law to the contrary, the state university chancellor or his or her designee is authorized and directed to transfer estimated tuition revenue balances from the state university collection fund (61000) to the state university income fund, state university general revenue offset account (22655) on or before March 31, 2018.

§ 9. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, up to $78,564,000 from the general fund to the state university income fund, state university hospitals income reimbursable account (22656) during the period July 1, 2017 through June 30, 2018 to reflect ongoing state subsidy of SUNY hospitals and to pay costs attributable to the SUNY hospitals' state agency status.

§ 10. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, up to $1,015,990,300 from the general fund to the state university income fund, state university general revenue offset account (22655) during the period of July 1, 2017 through June 30, 2018 to support operations at the state university.

§ 11. Notwithstanding any law to the contrary, and in accordance with section 4 of the state financial law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, up to $100,000 from the general fund to the state university income fund, state university general revenue offset account (22655) during the period of April 1, 2017 through June 30, 2017 to support operations at the state university.

§ 11-a. Notwithstanding any law to the contrary, and in accordance with section 4 of the state financial law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, up to $20,000,000 from the general fund to the state university

income fund, state university general revenue offset account (22655) during the period of July 1, 2017 to June 30, 2018 to support operations at the state university in accordance with the maintenance of effort pursuant to clause (v) of subparagraph (4) of paragraph h of subdivision 2 of section 355 of the education law.

§ 12. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the state university chancellor or his or her designee, up to $55,000,000 from the state university income fund, state university hospitals income reimbursable account (22656), for services and expenses of hospital operations and capital expenditures at the state university hospitals; and the state university income fund, Long Island veterans' home account (22652) to the state university capital projects fund (32400) on or before June 30, 2018.

§ 13. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller, after consultation with the state university chancellor or his or her designee, is hereby authorized and directed to transfer moneys, in the first instance, from the state university collection fund, Stony Brook hospital collection account (61006), Brooklyn hospital collection account (61007), and Syracuse hospital collection account (61008) to the state university income fund, state university hospitals income reimbursable account (22656) in the event insufficient funds are available in the state university income fund, state university hospitals income reimbursable account (22656) to permit the full transfer of moneys authorized for transfer, to the general fund for payment of debt service related to the SUNY hospitals. Notwithstanding any law to the contrary, the comptroller is also hereby authorized and directed, after consultation with the state university chancellor or his or her designee, to transfer moneys from the state university income fund to the state university income fund, state university hospitals income reimbursable account (22656) in the event insufficient funds are available in the state university income fund, state university hospitals income reimbursable account (22656) to pay hospital operating costs or to permit the full transfer of moneys authorized for transfer, to the general fund for payment of debt service related to the SUNY hospitals on or before March 31, 2018.

§ 14. Notwithstanding any law to the contrary, upon the direction of the director of the budget and the chancellor of the state university of New York or his or her designee, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer monies from the state university dormitory income fund (40350) to the state university residence hall rehabilitation fund (30100), and from the state university residence hall rehabilitation fund (30100) to the state university dormitory income fund (40350), in an amount not to exceed $80 million from each fund.

§ 15. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer monies, upon request of the director of the budget, on or before March 31, 2018, from and to any of the following accounts: the miscellaneous special revenue fund, patient income account (21909), the miscellaneous special revenue fund, mental hygiene program fund account (21907), the miscellaneous special revenue fund, federal salary sharing account (22056), or the general fund in any combination, the aggregate of which shall not exceed $350 million.

§ 16. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized

and directed to transfer, at the request of the director of the budget, up to $500 million from the unencumbered balance of any special revenue fund or account, agency fund or account, internal service fund or account, enterprise fund or account, or any combination of such funds and accounts, to the general fund. The amounts transferred pursuant to this authorization shall be in addition to any other transfers expressly authorized in the 2017-18 budget. Transfers from federal funds, debt service funds, capital projects funds, the community projects fund, or funds that would result in the loss of eligibility for federal benefits or federal funds pursuant to federal law, rule, or regulation as assented to in chapter 683 of the laws of 1938 and chapter 700 of the laws of 1951 are not permitted pursuant to this authorization.

§ 16-a. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized an directed to transfer, at the request of the director of the budget, up to twenty million dollars ($20,000,000) from the unencumbered balance of any special revenue fund or account, or combination of funds and accounts, to the community projects fund. The amounts transferred pursuant to this authorization shall be in addition to any other transfers expressly authorized in the 2017-18 budget. Transfers from federal funds, debt services funds, capital project funds, or funds that would result in the loss of eligibility for federal benefits or federal funds pursuant to federal law, rule, or regulation as assented to in chapter 683 of the laws of 1938 and chapter 700 of the laws of 1951 are not permitted pursuant to this authorization. The director of the budget shall (a) have received a request in writing from one or both houses of the legislature, and (b) notify both houses of the legislature in writing prior to initiating transfers pursuant to this authorization. The comptroller shall provide the director of the budget, the chair of the senate finance committee, and the chair of the assembly ways and means committee with an accurate accounting and report of any transfers that occur pursuant to this section on or before the fifteenth day of the following month in which such transfers occur.

§ 17. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, at the request of the director of the budget, up to $100 million from any non-general fund or account, or combination of funds and accounts, to the miscellaneous special revenue fund, technology financing account (22207), the miscellaneous capital projects fund, information technology capital financing account (32215), or the centralized technology services account (55069), for the purpose of consolidating technology procurement and services. The amounts transferred to the miscellaneous special revenue fund, technology financing account (22207) pursuant to this authorization shall be equal to or less than the amount of such monies intended to support information technology costs which are attributable, according to a plan, to such account made in pursuance to an appropriation by law. Transfers to the technology financing account shall be completed from amounts collected by non-general funds or accounts pursuant to a fund deposit schedule or permanent statute, and shall be transferred to the technology financing account pursuant to a schedule agreed upon by the affected agency commissioner. Transfers from funds that would result in the loss of eligibility for federal benefits or federal funds pursuant to federal law, rule, or regulation as assented to in chapter 683 of the laws of 1938 and chapter 700 of the laws of 1951 are not permitted pursuant to this authorization.

§ 18. Notwithstanding any other law to the contrary, up to $245 million of the assessment reserves remitted to the chair of the workers' compensation board pursuant to subdivision 6 of section 151 of the workers' compensation law shall, at the request of the director of the budget, be transferred to the state insurance fund, for partial payment and partial satisfaction of the state's obligations to the state insurance fund under section 88-c of the workers' compensation law.

§ 19. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, at the request of the director of the budget, up to $400 million from any non-general fund or account, or combination of funds and accounts, to the general fund for the purpose of consolidating technology procurement and services. The amounts transferred pursuant to this authorization shall be equal to or less than the amount of such monies intended to support information technology costs which are attributable, according to a plan, to such account made in pursuance to an appropriation by law. Transfers to the general fund shall be completed from amounts collected by non-general funds or accounts pursuant to a fund deposit schedule. Transfers from funds that would result in the loss of eligibility for federal benefits or federal funds pursuant to federal law, rule, or regulation as assented to in chapter 683 of the laws of 1938 and chapter 700 of the laws of 1951 are not permitted pursuant to this authorization.

§ 20. Notwithstanding any provision of law, rule or regulation to the contrary, the New York state energy research and development authority is authorized and directed to make the following contributions to the state treasury to the credit of the general fund on or before March 31, 2018: (a) $913,000; and (b) $23,000,000 from proceeds collected by the authority from the auction or sale of carbon dioxide emission allowances allocated by the department of environmental conservation.

§ 21. Subdivision 5 of section 97-rrr of the state finance law, as amended by section 21 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

5. Notwithstanding the provisions of section one hundred seventy-one-a of the tax law, as separately amended by chapters four hundred eighty-one and four hundred eighty-four of the laws of nineteen hundred eighty-one, and notwithstanding the provisions of chapter ninety-four of the laws of two thousand eleven, or any other provisions of law to the contrary, during the fiscal year beginning April first, two thousand [~~sixteen~~] **seventeen**, the state comptroller is hereby authorized and directed to deposit to the fund created pursuant to this section from amounts collected pursuant to article twenty-two of the tax law and pursuant to a schedule submitted by the director of the budget, up to [~~$3,283,844,000~~] **$2,679,997,000**, as may be certified in such schedule as necessary to meet the purposes of such fund for the fiscal year beginning April first, two thousand [~~sixteen~~] **seventeen**.

§ 22. Notwithstanding any law to the contrary, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, on or before March 31, 2018, the following amounts from the following special revenue accounts to the capital projects fund (30000), for the purposes of reimbursement to such fund for expenses related to the maintenance and preservation of state assets:

1. $43,000 from the miscellaneous special revenue fund, administrative program account (21982).

2. $1,478,000 from the miscellaneous special revenue fund, helen hayes hospital account (22140).

3. $366,000 from the miscellaneous special revenue fund, New York city veterans' home account (22141).
4. $513,000 from the miscellaneous special revenue fund, New York state home for veterans' and their dependents at oxford account (22142).
5. $159,000 from the miscellaneous special revenue fund, western New York veterans' home account (22143).
6. $323,000 from the miscellaneous special revenue fund, New York state for veterans in the lower-hudson valley account (22144).
7. $2,550,000 from the miscellaneous special revenue fund, patron services account (22163).
8. $41,930,000 from the miscellaneous special revenue fund, state university dormitory income reimbursable account (21937).
9. $830,000 from the miscellaneous special revenue fund, long island veterans' home account (22652).
10. $5,379,000 from the miscellaneous special revenue fund, state university general income reimbursable account (22653).
11. $112,556,000 from the miscellaneous special revenue fund, state university revenue offset account (22655).
12. $557,000 from the miscellaneous special revenue fund, state university of New York tuition reimbursement account (22659).

§ 22-a. Intentionally omitted.

§ 22-b. Section 97-rrr of the state finance law, as amended by section 45 of part H of chapter 56 of the laws of 2000, is amended by adding a new subdivision 4 to read as follows:

**4. Any amounts disbursed from such fund shall be excluded from the calculation of annual spending growth in state operating funds until June 30, 2019.**

§ 22-c. Subdivision 1 of section 4 of section 1 of part D3 of chapter 62 of the laws of 2003 amending the general business law and other laws relating to implementing the state fiscal plan for the 2003-2004 state fiscal year, is amended to read as follows:

1. The state representative, upon the execution of a sale agreement on behalf of the state may sell to the corporation, and the corporation may purchase, for cash or other consideration and in one or more installments, all or a portion of the state's share. Any such agreement shall provide, among other matters, that the purchase price payable by the corporation to the state for such state's share or portion thereof shall consist of the net proceeds of the bonds issued to finance such purchase price and the residual interests, if any. [~~The~~] **Notwithstanding section 121 of the state finance law or any other law to the contrary, the** residual interests shall be deposited into [~~the tobacco settlement fund pursuant to section 92-x of the state finance law, unless otherwise directed by statute~~] **the Medicaid management information system (MMIS) statewide escrow fund within thirty days upon the availability of such residual interests to fund a portion of the cumulative non-federal share of expenses related to the state takeover of the local share of Medicaid growth pursuant to part F of chapter 56 of the laws of 2012. Such deposit shall be in an amount equal to (a) the amount of residual interests scheduled for deposit into the MMIS statewide escrow fund in the applicable year's enacted budget financial plan as updated or (b) the total amount of residual interests available if the total amount of such residual interests is less than the total amount of residual interests scheduled for deposit into the MMIS statewide escrow fund in the applicable year's enacted budget financial plan as updated. At the discretion of the state representative, any residual interests which exceed the amount scheduled for deposit into the MMIS statewide escrow fund in the**

applicable year's enacted budget financial plan as updated may either be deposited into the (i) MMIS statewide escrow fund to fund a portion, as determined by the state representative, of the cumulative non-Federal share of expenses related to the State takeover of the local share of Medicaid growth, pursuant to part F of chapter 56 of the laws of 2012, or (ii) the state general fund; provided, however that any residual interest derived from other assets shall be applied as directed by statute. Notwithstanding any other law to the contrary, the amount used from such deposit to fund a portion of the cumulative non-Federal share of expenses related to the State takeover of the local share of Medicaid growth shall be paid without appropriation. Any such sale shall be pursuant to one or more sale agreements which may contain such terms and conditions deemed necessary by the state representative to carry out and effectuate the purposes of this section, including covenants binding the state in favor of the corporation and its assignees, including the owners of its bonds such as covenants with respect to the enforcement at the expense of the state of the payment provisions of the master settlement agreement, the diligent enforcement at the expense of the state of the qualifying statute, the application and use of the proceeds of the sale of the state's share to preserve the tax-exemption on the bonds, the interest on which is intended to be exempt from federal income tax, issued to finance the purchase thereof and otherwise as provided in this act. Notwithstanding the foregoing, neither the state representative nor the corporation shall be authorized to make any covenant, pledge, promise or agreement purporting to bind the state with respect to pledged tobacco revenues, except as otherwise specifically authorized by this act.

§ 22-d. The state finance law is amended by adding a new section 99-aa to read as follows:

§ 99-aa. Retiree health benefit trust fund. 1. There is hereby established in the joint custody of the commissioner of the department of civil service and the state comptroller a special investment trust fund to be known as the retiree health benefit trust fund, which shall be classified as a fiduciary fund type.

2. For purposes of this section: (a) "commissioner" shall mean the commissioner of the department of civil service;

(b) "state" shall mean the state of New York;

(c) "fund", or "trust", or "trust fund" shall mean the retiree health benefit trust fund created by this section; and

(d) "retiree health benefits" shall mean benefits, except pensions or other benefits funded through a public retirement system, provided or to be provided by the state as compensation, whether pursuant to statute, contract or other lawful authority, to its current or former officers or employees, or their families or beneficiaries, after service to the state has ended, including, but not limited to, health care benefits.

3. (a) Notwithstanding any provision of law to the contrary, the retiree health benefit trust fund is established for the exclusive benefit of retired state employees and their dependents.

(b) The sole purpose of the trust fund established pursuant to subdivision one of this section shall be to fund the retiree health benefits of retired state employees and their dependents.

4. (a) Payments into and from the trust fund established pursuant to subdivision one of this section shall be made in accordance with this section.

(b) Contributions to the trust, and any interest or other income or earnings on contributions, shall be irrevocable before all liabilities

of the state government for retiree health benefits have been satisfied and shall be solely dedicated to, and used solely for, providing retiree health benefits and paying appropriate and reasonable expenses of administering the trust. No assets, income, earnings or distributions of the trust shall be subject to any claim of creditors of the state, or to assignment or execution, attachment or any other claim enforcement process initiated by or on behalf of such creditors. Except as otherwise provided in subdivision eight of this section, the commissioner shall not be responsible for the adequacy of the assets of the trust to meet any other post-employment benefit. The trust may be terminated only when all liabilities of the state for retiree health benefits have been satisfied and there is no present or future obligation, contingent or otherwise, of the state to provide such retiree health benefits. Upon such termination, any remaining trust assets, after any proper expenses of the trust have been paid, shall revert to the state.

(c) At the request of the director of the budget, the state comptroller shall transfer monies from the general fund to the trust fund up to and including an amount equivalent to fifty one-hundredths of one per centum of the total actuarial accrued liability included in the state of New York comprehensive annual financial report.

(d) Any use of funds for retiree health benefits from such trust fund shall not be subject to an appropriation and shall be transferred by the state comptroller, at the request of the director of the budget, to the extent funds are available in such trust fund, to the health insurance fund for the sole and exclusive purpose of funding retiree health benefits. The director of the budget shall notify both houses of the legislature in writing thirty days prior to initiating transfers pursuant to this authorization.

5. Investments. (a) The commissioner may establish a trust in joint custody with the state comptroller for the purpose of accumulating assets to fund the cost of providing retiree health benefits.

(b) The commissioner is hereby declared to be the trustee of the trust established pursuant to subdivision one of this section, and the commissioner shall delegate responsibility for managing the investments of the trust fund established pursuant to subdivision one of this section to the state comptroller. The state comptroller shall manage the investments of the trust fund established pursuant to subdivision one of this section in a careful and prudent manner consistent with the guidelines and provisions of section ninety-eight this article.

(c) Any interest or other income or earnings resulting from the investment of assets of the trust shall accrue to and become part of the assets of the trust.

6. In accordance with paragraph (b) of subdivision five of this section, the state comptroller shall develop, in consultation with the state health insurance council, a written investment policy for selecting investment options in a manner consistent with the investment options prescribed in section ninety-eight of this article so that the state comptroller may be able to invest fund monies in accordance with such policy. Such policy shall include a statement of investment objectives addressing, in the following order of priority, the ability to timely meet disbursement requests without forced sale of assets, safety of principal and attainment of market rates of return.

7. Neither the state nor the commissioner shall be liable for any loss or expense suffered by the trust in the absence of bad faith, willful misconduct or intentional wrongdoing. The commissioner shall be considered to be acting as an officer of the state for purposes of section

seventeen of the public officers law, provided, however, that the costs of any defense or indemnification of the commissioner arising from the exercise of the functions of trustee shall be payable from the assets of the trust.

8. Nothing contained in this section shall be interpreted or construed to: (a) create any obligation in, impose any obligation on, or alter any obligation of the state to provide retiree health benefits;

(b) limit or restrict the authority of the state to modify or eliminate retiree health benefits;

(c) assure or deny retiree health benefits; or

(d) require the state to fund its liability for retiree health benefits.

§ 22-e. In the event that the federal budget or continuing resolutions in force for federal fiscal years 2017 or 2018, or both, or federal statutory or regulatory changes, reduce federal financial participation in Medicaid funding to New York state or its subdivisions by $850 million or more, the director of the division of the budget shall notify the temporary president of the senate and the speaker of the assembly in writing that the federal actions will reduce expected funding to New York state. The director of the division of the budget shall prepare a plan that shall be submitted to the legislature, which shall (a) specify the total amount of the reduction in federal financial participation in Medicaid, (b) itemize the specific programs and activities that will be affected by the reduction in federal financial participation in Medicaid, and (c) identify the general fund and state special revenue fund appropriations and related disbursements that shall be reduced, and in what program areas, provided, however, that such reductions to appropriations and disbursements shall be applied equally and proportionally to the programs affected by the reduction. Upon such submission, the legislature shall have 90 days after such submission to either prepare its own plan, which may be adopted by concurrent resolution passed by both houses, or if after 90 days the legislature fails to adopt their own plan, the reductions to the general fund and state special revenue fund appropriations and related disbursements identified in the division of the budget plan will go into effect automatically.

§ 22-f. In the event that the federal budget or continuing resolutions in force for federal fiscal years 2017 or 2018, or both, or federal statutory or regulatory changes, reduce federal financial participation or other federal aid in funding to New York state that affects the state operating funds financial plan by $850 million or more, exclusive of any cuts to Medicaid, the director of the division of the budget shall notify the temporary president of the senate and the speaker of the assembly in writing that the federal actions will reduce expected funding to New York state. The director of the division of the budget shall prepare a plan that shall be submitted to the legislature, which shall (a) specify the total amount of the reduction in federal aid, (b) itemize the specific programs and activities that will be affected by the federal reductions, exclusive of Medicaid, and (c) identify the general fund and state special revenue fund appropriations and related disbursements that shall be reduced, and in what program areas, provided, however, that such reductions to appropriations and disbursements shall be applied equally and proportionally. Upon such submission, the legislature shall have 90 days after such submission to either prepare its own plan, which may be adopted by concurrent resolution passed by both houses, or if after 90 days the legislature fails to adopt their own plan, the reductions to the general fund and state special revenue fund appropri-

ations and related disbursements identified in the division of the budget plan will go into effect automatically.

§ 23. Notwithstanding any other law, rule, or regulation to the contrary, the state comptroller is hereby authorized and directed to use any balance remaining in the mental health services fund debt service appropriation, after payment by the state comptroller of all obligations required pursuant to any lease, sublease, or other financing arrangement between the dormitory authority of the state of New York as successor to the New York state medical care facilities finance agency, and the facilities development corporation pursuant to chapter 83 of the laws of 1995 and the department of mental hygiene for the purpose of making payments to the dormitory authority of the state of New York for the amount of the earnings for the investment of monies deposited in the mental health services fund that such agency determines will or may have to be rebated to the federal government pursuant to the provisions of the internal revenue code of 1986, as amended, in order to enable such agency to maintain the exemption from federal income taxation on the interest paid to the holders of such agency's mental services facilities improvement revenue bonds. Annually on or before each June 30th, such agency shall certify to the state comptroller its determination of the amounts received in the mental health services fund as a result of the investment of monies deposited therein that will or may have to be rebated to the federal government pursuant to the provisions of the internal revenue code of 1986, as amended.

§ 24. Subdivision 1 of section 47 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 29 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the office of information technology services, department of law, and other state costs associated with such capital projects. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed [~~three~~] four hundred [~~sixty-four~~] fifty million [~~eight~~] five hundred forty thousand dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 25. Subdivision 1 of section 16 of part D of chapter 389 of the laws of 1997, relating to the financing of the correctional facilities improvement fund and the youth facility improvement fund, as amended by section 30 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Subject to the provisions of chapter 59 of the laws of 2000, but notwithstanding the provisions of section 18 of section 1 of chapter 174 of the laws of 1968, the New York state urban development corporation is

hereby authorized to issue bonds, notes and other obligations in an aggregate principal amount not to exceed seven billion [~~four~~] seven hundred [~~twenty-four~~] forty-one million [~~nine~~] one hundred ninety-nine thousand dollars [~~$7,424,999,000~~] $7,741,199,000, and shall include all bonds, notes and other obligations issued pursuant to chapter 56 of the laws of 1983, as amended or supplemented. The proceeds of such bonds, notes or other obligations shall be paid to the state, for deposit in the correctional facilities capital improvement fund to pay for all or any portion of the amount or amounts paid by the state from appropriations or reappropriations made to the department of corrections and community supervision from the correctional facilities capital improvement fund for capital projects. The aggregate amount of bonds, notes or other obligations authorized to be issued pursuant to this section shall exclude bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued, the proceeds of which were paid to the state for all or a portion of the amounts expended by the state from appropriations or reappropriations made to the department of corrections and community supervision; provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than seven billion [~~four~~] seven hundred [~~twenty-four~~] forty-one million [~~nine~~] one hundred ninety-nine thousand dollars [~~$7,424,999,000~~] $7,741,199,000, only if the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations to be issued shall not exceed the present value of the aggregate debt service of the bonds, notes or other obligations so to be refunded or repaid. For the purposes hereof, the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the corporation including estimated accrued interest from the sale thereof.

§ 26. Paragraph (a) of subdivision 2 of section 47-e of the private housing finance law, as amended by section 31 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(a) Subject to the provisions of chapter fifty-nine of the laws of two thousand, in order to enhance and encourage the promotion of housing programs and thereby achieve the stated purposes and objectives of such housing programs, the agency shall have the power and is hereby authorized from time to time to issue negotiable housing program bonds and notes in such principal amount as shall be necessary to provide sufficient funds for the repayment of amounts disbursed (and not previously reimbursed) pursuant to law or any prior year making capital appropriations or reappropriations for the purposes of the housing program; provided, however, that the agency may issue such bonds and notes in an aggregate principal amount not exceeding [~~four~~] five billion [~~six~~] three hundred [~~ninety-seven~~] eighty-four million [~~four~~] one hundred [~~seventy-four~~] ninety-nine thousand dollars, plus a principal amount of bonds issued to fund the debt service reserve fund in accordance with the debt

service reserve fund requirement established by the agency and to fund any other reserves that the agency reasonably deems necessary for the security or marketability of such bonds and to provide for the payment of fees and other charges and expenses, including underwriters' discount, trustee and rating agency fees, bond insurance, credit enhancement and liquidity enhancement related to the issuance of such bonds and notes. No reserve fund securing the housing program bonds shall be entitled or eligible to receive state funds apportioned or appropriated to maintain or restore such reserve fund at or to a particular level, except to the extent of any deficiency resulting directly or indirectly from a failure of the state to appropriate or pay the agreed amount under any of the contracts provided for in subdivision four of this section.

§ 27. Subdivision (b) of section 11 of chapter 329 of the laws of 1991, amending the state finance law and other laws relating to the establishment of the dedicated highway and bridge trust fund, as amended by section 32 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(b) Any service contract or contracts for projects authorized pursuant to sections 10-c, 10-f, 10-g and 80-b of the highway law and section 14-k of the transportation law, and entered into pursuant to subdivision (a) of this section, shall provide for state commitments to provide annually to the thruway authority a sum or sums, upon such terms and conditions as shall be deemed appropriate by the director of the budget, to fund, or fund the debt service requirements of any bonds or any obligations of the thruway authority issued to fund or to reimburse the state for funding such projects having a cost not in excess of [~~$9,147,234,000~~] $9,699,586,000 cumulatively by the end of fiscal year [~~2016-17~~] 2017-18.

§ 28. Subdivision 1 of section 1689-i of the public authorities law, as amended by section 33 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. The dormitory authority is authorized to issue bonds, at the request of the commissioner of education, to finance eligible library construction projects pursuant to section two hundred seventy-three-a of the education law, in amounts certified by such commissioner not to exceed a total principal amount of one hundred [~~fifty-nine~~] eighty-three million dollars.

§ 29. Subdivision (a) of section 27 of part Y of chapter 61 of the laws of 2005, relating to providing for the administration of certain funds and accounts related to the 2005-2006 budget, as amended by section 34 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(a) Subject to the provisions of chapter 59 of the laws of 2000, but notwithstanding any provisions of law to the contrary, the urban development corporation is hereby authorized to issue bonds or notes in one or more series in an aggregate principal amount not to exceed [~~$167,600,000~~] $173,600,000, excluding bonds issued to finance one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued, for the purpose of financing capital projects including IT initiatives for the division of state police, debt service and leases; and to reimburse the state general fund for disbursements made therefor. Such bonds and notes of such authorized issuer shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by

the state to such authorized issuer for debt service and related expenses pursuant to any service contract executed pursuant to subdivision (b) of this section and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 30. Section 44 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 35 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

§ 44. Issuance of certain bonds or notes. 1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the regional economic development council initiative, the economic transformation program, state university of New York college for nanoscale and science engineering, projects within the city of Buffalo or surrounding environs, the New York works economic development fund, projects for the retention of professional football in western New York, the empire state economic development fund, the clarkson-trudeau partnership, the New York genome center, the cornell university college of veterinary medicine, the olympic regional development authority, projects at nano Utica, onondaga county revitalization projects, Binghamton university school of pharmacy, New York power electronics manufacturing consortium, regional infrastructure projects, high technology manufacturing projects in Chautauqua and Erie county, an industrial scale research and development facility in Clinton county, upstate revitalization initiative projects, market New York projects, fairground buildings**, equipment** or facilities used to house and promote agriculture, **the state fair, the empire state trail, the moynihan station development project, the Kingsbridge armory project, strategic economic development projects, the cultural, arts and public spaces fund, water infrastructure in the city of Auburn and town of Owasco, a life sciences laboratory public health initiative, not-for-profit pounds, shelters and humane societies, arts and cultural facilities improvement program, restore New York's communities initiative, heavy equipment, economic development and infrastructure projects,** and other state costs associated with such projects. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed [~~four~~] **six** billion [~~six~~] **seven** hundred [~~seventy-one~~] **eight** million [~~seven~~] **two** hundred fifty-seven thousand dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

2. Notwithstanding any other provision of law to the contrary, in order to assist the dormitory authority and the corporation in undertaking the financing for project costs for the regional economic development council initiative, the economic transformation program, state

university of New York college for nanoscale and science engineering, projects within the city of Buffalo or surrounding environs, the New York works economic development fund, projects for the retention of professional football in western New York, the empire state economic development fund, the clarkson-trudeau partnership, the New York genome center, the cornell university college of veterinary medicine, the olympic regional development authority, projects at nano Utica, onondaga county revitalization projects, Binghamton university school of pharmacy, New York power electronics manufacturing consortium, regional infrastructure projects, high technology manufacturing projects in Chautauqua and Erie county, an industrial scale research and development facility in Clinton county, upstate revitalization initiative projects, market New York projects, fairground buildings**, equipment** or facilities used to house and promote agriculture, **the state fair, the empire state trail, the moynihan station development project, the Kingsbridge armory project, strategic economic development projects, the cultural, arts and public spaces fund, water infrastructure in the city of Auburn and town of Owasco, a life sciences laboratory public health initiative, not-for-profit pounds, shelters and humane societies, arts and cultural facilities improvement program, restore New York's communities initiative, heavy equipment, economic development and infrastructure projects,** and other state costs associated with such projects, the director of the budget is hereby authorized to enter into one or more service contracts with the dormitory authority and the corporation, none of which shall exceed thirty years in duration, upon such terms and conditions as the director of the budget and the dormitory authority and the corporation agree, so as to annually provide to the dormitory authority and the corporation, in the aggregate, a sum not to exceed the principal, interest, and related expenses required for such bonds and notes. Any service contract entered into pursuant to this section shall provide that the obligation of the state to pay the amount therein provided shall not constitute a debt of the state within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of monies available and that no liability shall be incurred by the state beyond the monies available for such purpose, subject to annual appropriation by the legislature. Any such contract or any payments made or to be made thereunder may be assigned and pledged by the dormitory authority and the corporation as security for its bonds and notes, as authorized by this section.

§ 31. Subdivisions 1 and 3 of section 1285-p of the public authorities law, subdivision 1 as amended by section 33 of part I of chapter 60 of the laws of 2015 and subdivision 3 as amended by section 36 of part UU of chapter 54 of the laws of 2016, are amended to read as follows:

1. Subject to chapter fifty-nine of the laws of two thousand, but notwithstanding any other provisions of law to the contrary, in order to assist the corporation in undertaking the administration and the financing of the design, acquisition, construction, improvement, installation, and related work for all or any portion of any of the following environmental infrastructure projects and for the provision of funds to the state for any amounts disbursed therefor: (a) projects authorized under the environmental protection fund, or for which appropriations are made to the environmental protection fund including, but not limited to municipal parks and historic preservation, stewardship, farmland protection, non-point source, pollution control, Hudson River Park, land acquisition, and waterfront revitalization; (b) department of environmental conservation capital appropriations for Onondaga Lake for certain

water quality improvement projects in the same manner as set forth in paragraph (d) of subdivision one of section 56-0303 of the environmental conservation law; (c) for the purpose of the administration, management, maintenance, and use of the real property at the western New York nuclear service center; (d) department of environmental conservation capital appropriations for the administration, design, acquisition, construction, improvement, installation, and related work on department of environmental conservation environmental infrastructure projects; (e) office of parks, recreation and historic preservation appropriations or reappropriations from the state parks infrastructure fund; (f) capital grants for the cleaner, greener communities program [~~and~~]; (g) capital costs of water quality infrastructure projects **and (h) capital costs of clean water infrastructure projects** the director of the division of budget and the corporation are each authorized to enter into one or more service contracts, none of which shall exceed twenty years in duration, upon such terms and conditions as the director and the corporation may agree, so as to annually provide to the corporation in the aggregate, a sum not to exceed the annual debt service payments and related expenses required for any bonds and notes authorized pursuant to section twelve hundred ninety of this title. Any service contract entered into pursuant to this section shall provide that the obligation of the state to fund or to pay the amounts therein provided for shall not constitute a debt of the state within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of moneys available for such purposes, subject to annual appropriation by the legislature. Any such service contract or any payments made or to be made thereunder may be assigned and pledged by the corporation as security for its bonds and notes, as authorized pursuant to section twelve hundred ninety of this title.

3. The maximum amount of bonds that may be issued for the purpose of financing environmental infrastructure projects authorized by this section shall be [~~two~~] **four** billion [~~one~~] **nine** hundred [~~eight~~] **fifty-one** million [~~two~~] **seven** hundred sixty thousand dollars, exclusive of bonds issued to fund any debt service reserve funds, pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay bonds or notes previously issued. Such bonds and notes of the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the corporation for debt service and related expenses pursuant to any service contracts executed pursuant to subdivision one of this section, and such bonds and notes shall contain on the face thereof a statement to such effect.

§ 32. Subdivision 1 of section 45 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 37 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Notwithstanding the provisions of any other law to the contrary, the urban development corporation of the state of New York is hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the implementation of a NY-SUNY and NY-CUNY 2020 challenge grant program subject to the approval of a NY-SUNY and NY-CUNY 2020 plan or plans by the governor and either the chancellor of the state university of New York or the chancellor of the city university of New York, as applicable. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed [~~$550,000,000~~] **$660,000,000**, excluding bonds issued to fund one or more

debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 33. Subdivision (a) of section 48 of part K of chapter 81 of the laws of 2002, providing for the administration of certain funds and accounts related to the 2002-2003 budget, as amended by section 38 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(a) Subject to the provisions of chapter 59 of the laws of 2000 but notwithstanding the provisions of section 18 of the urban development corporation act, the corporation is hereby authorized to issue bonds or notes in one or more series in an aggregate principal amount not to exceed [~~$197,000,000~~] $250,000,000 excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued, for the purpose of financing capital costs related to homeland security and training facilities for the division of state police, the division of military and naval affairs, and any other state agency, including the reimbursement of any disbursements made from the state capital projects fund, and is hereby authorized to issue bonds or notes in one or more series in an aggregate principal amount not to exceed [~~$509,600,000~~] $654,800,000, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued, for the purpose of financing improvements to State office buildings and other facilities located statewide, including the reimbursement of any disbursements made from the state capital projects fund. Such bonds and notes of the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the corporation for debt service and related expenses pursuant to any service contracts executed pursuant to subdivision (b) of this section, and such bonds and notes shall contain on the face thereof a statement to such effect.

§ 34. Subdivision 1 of section 386-b of the public authorities law, as amended by section 39 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Notwithstanding any other provision of law to the contrary, the authority, the dormitory authority and the urban development corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of financing peace bridge projects and capital costs of state and local highways, parkways, bridges, the New York state thruway, Indian reservation roads, and facilities, and transportation infrastructure projects including aviation projects, non-MTA mass transit projects, and rail service preservation projects, including work appurtenant and ancillary thereto. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed [~~three~~] four billion [~~sixty-five million dollars ~~$3,065,000,000~~~~] three

**hundred sixty-four million dollars $4,364,000,000**, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the authority, the dormitory authority and the urban development corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the authority, the dormitory authority and the urban development corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 35. Paragraph (c) of subdivision 19 of section 1680 of the public authorities law, as amended by section 40 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(c) Subject to the provisions of chapter fifty-nine of the laws of two thousand, the dormitory authority shall not issue any bonds for state university educational facilities purposes if the principal amount of bonds to be issued when added to the aggregate principal amount of bonds issued by the dormitory authority on and after July first, nineteen hundred eighty-eight for state university educational facilities will exceed [~~eleven~~] **twelve** billion [~~six~~] **three** hundred [~~sixty-three~~] **forty-three** million dollars; provided, however, that bonds issued or to be issued shall be excluded from such limitation if: (1) such bonds are issued to refund state university construction bonds and state university construction notes previously issued by the housing finance agency; or (2) such bonds are issued to refund bonds of the authority or other obligations issued for state university educational facilities purposes and the present value of the aggregate debt service on the refunding bonds does not exceed the present value of the aggregate debt service on the bonds refunded thereby; provided, further that upon certification by the director of the budget that the issuance of refunding bonds or other obligations issued between April first, nineteen hundred ninety-two and March thirty-first, nineteen hundred ninety-three will generate long term economic benefits to the state, as assessed on a present value basis, such issuance will be deemed to have met the present value test noted above. For purposes of this subdivision, the present value of the aggregate debt service of the refunding bonds and the aggregate debt service of the bonds refunded, shall be calculated by utilizing the true interest cost of the refunding bonds, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding bonds from the payment dates thereof to the date of issue of the refunding bonds to the purchase price of the refunding bonds, including interest accrued thereon prior to the issuance thereof. The maturity of such bonds, other than bonds issued to refund outstanding bonds, shall not exceed the weighted average economic life, as certified by the state university construction fund, of the facilities in connection with which the bonds are issued, and in any case not later than the earlier of thirty years or the expiration of the term of any lease, sublease or other agreement relating thereto; provided that no note, including renewals thereof, shall mature later than five years after the date of issuance of such note. The legislature reserves the right to amend or repeal such limit, and the state of New York, the dormitory authority, the state university of New York, and the state university construction

fund are prohibited from covenanting or making any other agreements with or for the benefit of bondholders which might in any way affect such right.

§ 36. Paragraph (c) of subdivision 14 of section 1680 of the public authorities law, as amended by section 41 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

(c) Subject to the provisions of chapter fifty-nine of the laws of two thousand, (i) the dormitory authority shall not deliver a series of bonds for city university community college facilities, except to refund or to be substituted for or in lieu of other bonds in relation to city university community college facilities pursuant to a resolution of the dormitory authority adopted before July first, nineteen hundred eighty-five or any resolution supplemental thereto, if the principal amount of bonds so to be issued when added to all principal amounts of bonds previously issued by the dormitory authority for city university community college facilities, except to refund or to be substituted in lieu of other bonds in relation to city university community college facilities will exceed the sum of four hundred twenty-five million dollars and (ii) the dormitory authority shall not deliver a series of bonds issued for city university facilities, including community college facilities, pursuant to a resolution of the dormitory authority adopted on or after July first, nineteen hundred eighty-five, except to refund or to be substituted for or in lieu of other bonds in relation to city university facilities and except for bonds issued pursuant to a resolution supplemental to a resolution of the dormitory authority adopted prior to July first, nineteen hundred eighty-five, if the principal amount of bonds so to be issued when added to the principal amount of bonds previously issued pursuant to any such resolution, except bonds issued to refund or to be substituted for or in lieu of other bonds in relation to city university facilities, will exceed seven billion [~~five~~] **nine** hundred [~~eighty-eight~~] **eighty-one** million [~~four~~] **nine** hundred [~~eleven~~] **sixty-eight** thousand dollars. The legislature reserves the right to amend or repeal such limit, and the state of New York, the dormitory authority, the city university, and the fund are prohibited from covenanting or making any other agreements with or for the benefit of bondholders which might in any way affect such right.

§ 37. Subdivision 10-a of section 1680 of the public authorities law, as amended by section 42 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

10-a. Subject to the provisions of chapter fifty-nine of the laws of two thousand, but notwithstanding any other provision of the law to the contrary, the maximum amount of bonds and notes to be issued after March thirty-first, two thousand two, on behalf of the state, in relation to any locally sponsored community college, shall be [~~eight~~] **nine** hundred [~~sixty-one~~] **fourteen** million [~~four~~] **five** hundred [~~fifty-four~~] **ninety** thousand dollars. Such amount shall be exclusive of bonds and notes issued to fund any reserve fund or funds, costs of issuance and to refund any outstanding bonds and notes, issued on behalf of the state, relating to a locally sponsored community college.

§ 38. Subdivision 1 of section 17 of part D of chapter 389 of the laws of 1997, relating to the financing of the correctional facilities improvement fund and the youth facility improvement fund, as amended by section 43 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Subject to the provisions of chapter 59 of the laws of 2000, but notwithstanding the provisions of section 18 of section 1 of chapter 174

of the laws of 1968, the New York state urban development corporation is hereby authorized to issue bonds, notes and other obligations in an aggregate principal amount not to exceed six hundred [~~forty-seven~~] **eighty-two** million [~~sixty-five~~] **nine hundred fifteen** thousand dollars [~~($647,065,000)~~] **($682,915,000)**, which authorization increases the aggregate principal amount of bonds, notes and other obligations authorized by section 40 of chapter 309 of the laws of 1996, and shall include all bonds, notes and other obligations issued pursuant to chapter 211 of the laws of 1990, as amended or supplemented. The proceeds of such bonds, notes or other obligations shall be paid to the state, for deposit in the youth facilities improvement fund, to pay for all or any portion of the amount or amounts paid by the state from appropriations or reappropriations made to the office of children and family services from the youth facilities improvement fund for capital projects. The aggregate amount of bonds, notes and other obligations authorized to be issued pursuant to this section shall exclude bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued, the proceeds of which were paid to the state for all or a portion of the amounts expended by the state from appropriations or reappropriations made to the office of children and family services; provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than six hundred [~~forty-seven~~] **eighty-two** million [~~sixty-five~~] **nine hundred fifteen** thousand dollars [~~($647,065,000)~~] **($682,915,000)**, only if the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations to be issued shall not exceed the present value of the aggregate debt service of the bonds, notes or other obligations so to be refunded or repaid. For the purposes hereof, the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the corporation including estimated accrued interest from the sale thereof.

§ 39. Paragraph b of subdivision 2 of section 9-a of section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, as amended by section 44 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

b. The agency shall have power and is hereby authorized from time to time to issue negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amount as, in the opinion of the agency, shall be necessary, after taking into account other moneys which may be available for the purpose, to provide sufficient funds to the facilities development corporation, or any successor agency, for the financing or refinancing of or for the design, construction, acquisition, reconstruction, rehabilitation or improvement of mental health services facilities pursuant to paragraph a of this subdivision, the payment of interest on mental health services improvement bonds and mental health services improvement notes issued for such

purposes, the establishment of reserves to secure such bonds and notes, the cost or premium of bond insurance or the costs of any financial mechanisms which may be used to reduce the debt service that would be payable by the agency on its mental health services facilities improvement bonds and notes and all other expenditures of the agency incident to and necessary or convenient to providing the facilities development corporation, or any successor agency, with funds for the financing or refinancing of or for any such design, construction, acquisition, reconstruction, rehabilitation or improvement and for the refunding of mental hygiene improvement bonds issued pursuant to section 47-b of the private housing finance law; provided, however, that the agency shall not issue mental health services facilities improvement bonds and mental health services facilities improvement notes in an aggregate principal amount exceeding eight billion [~~twenty-one~~] three hundred ninety-two million eight hundred fifteen thousand dollars, excluding mental health services facilities improvement bonds and mental health services facilities improvement notes issued to refund outstanding mental health services facilities improvement bonds and mental health services facilities improvement notes; provided, however, that upon any such refunding or repayment of mental health services facilities improvement bonds and/or mental health services facilities improvement notes the total aggregate principal amount of outstanding mental health services facilities improvement bonds and mental health facilities improvement notes may be greater than eight billion [~~twenty-one~~] three hundred ninety-two million eight hundred fifteen thousand dollars only if, except as hereinafter provided with respect to mental health services facilities bonds and mental health services facilities notes issued to refund mental hygiene improvement bonds authorized to be issued pursuant to the provisions of section 47-b of the private housing finance law, the present value of the aggregate debt service of the refunding or repayment bonds to be issued shall not exceed the present value of the aggregate debt service of the bonds to be refunded or repaid. For purposes hereof, the present values of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the authority including estimated accrued interest from the sale thereof. Such bonds, other than bonds issued to refund outstanding bonds, shall be scheduled to mature over a term not to exceed the average useful life, as certified by the facilities development corporation, of the projects for which the bonds are issued, and in any case shall not exceed thirty years and the maximum maturity of notes or any renewals thereof shall not exceed five years from the date of the original issue of such notes. Notwithstanding the provisions of this section, the agency shall have the power and is hereby authorized to issue mental health services facilities improvement bonds and/or mental health services facilities improvement notes to refund outstanding mental hygiene improvement bonds authorized to be issued pursuant to the provisions of section 47-b of the private housing finance law and the amount of bonds issued or outstanding for such

purposes shall not be included for purposes of determining the amount of bonds issued pursuant to this section. The director of the budget shall allocate the aggregate principal authorized to be issued by the agency among the office of mental health, office for people with developmental disabilities, and the office of alcoholism and substance abuse services, in consultation with their respective commissioners to finance bondable appropriations previously approved by the legislature.

§ 40. Intentionally omitted.

§ 41. Section 1680-r of the public authorities law, as amended by section 40 of part I of chapter 60 of the laws of 2015, subdivision 1 as amended by section 48 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

§ 1680-r. Authorization for the issuance of bonds for the capital restructuring financing program [~~and~~], the health care facility transformation [~~program~~] **programs, and the essential health care provider program**. 1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the urban development corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the capital restructuring financing program for health care and related facilities licensed pursuant to the public health law or the mental hygiene law and other state costs associated with such capital projects [~~and~~], the health care facility transformation [~~program~~] **programs, and the essential health care provider program**. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed two billion [~~four~~] **seven** hundred million dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the urban development corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the urban development corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

2. Notwithstanding any other provision of law to the contrary, in order to assist the dormitory authority and the urban development corporation in undertaking the financing for project costs for the capital restructuring financing program for health care and related facilities licensed pursuant to the public health law or the mental hygiene law and other state costs associated with such capital projects [~~and~~], the health care facility transformation [~~program~~] **programs, and the essential health care provider program**, the director of the budget is hereby authorized to enter into one or more service contracts with the dormitory authority and the urban development corporation, none of which shall exceed thirty years in duration, upon such terms and conditions as the director of the budget and the dormitory authority and the urban development corporation agree, so as to annually provide to the dormitory authority and the urban development corporation, in the aggregate, a sum not to exceed the principal, interest, and related expenses required for such bonds and notes. Any service contract entered into pursuant to this section shall provide that the obligation of the state to pay the amount therein provided shall not constitute a debt of the state within the

meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of monies available and that no liability shall be incurred by the state beyond the monies available for such purpose, subject to annual appropriation by the legislature. Any such contract or any payments made or to be made thereunder may be assigned and pledged by the dormitory authority and the urban development corporation as security for its bonds and notes, as authorized by this section.

§ 42. Section 50 of section 1 of chapter 174 of the laws of 1968 constituting the New York state urban development corporation act, as added by section 46-b of part I of chapter 55 of the laws of 2014, is amended to read as follows:

§ 50. 1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the urban development corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs undertaken by or on behalf of special act school districts, state-supported schools for the blind and deaf [~~and~~], approved private special education schools, non-public schools, community centers, day care facilities, and other state costs associated with such capital projects. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed [~~five~~] fifty-five million dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the urban development corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the urban development corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

2. Notwithstanding any other provision of law to the contrary, in order to assist the dormitory authority and the urban development corporation in undertaking the financing for project costs undertaken by or on behalf of special act school districts, state-supported schools for the blind and deaf and approved private special education schools, non-public schools, community centers, day care facilities, and other state costs associated with such capital projects, the director of the budget is hereby authorized to enter into one or more service contracts with the dormitory authority and the urban development corporation, none of which shall exceed thirty years in duration, upon such terms and conditions as the director of the budget and the dormitory authority and the urban development corporation agree, so as to annually provide to the dormitory authority and the urban development corporation, in the aggregate, a sum not to exceed the principal, interest, and related expenses required for such bonds and notes. Any service contract entered into pursuant to this section shall provide that the obligation of the state to pay the amount therein provided shall not constitute a debt of the state within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of monies available and that no liability shall be incurred by the state beyond the monies available for such purpose, subject to annual appropriation by the legislature. Any such contract or any payments made or to be made there-

under may be assigned and pledged by the dormitory authority and the urban development corporation as security for its bonds and notes, as authorized by this section.

[~~3. Subdivisions 1 and 2 of this section shall take effect only in the event that a chapter of the laws of 2014, enacting the "smart schools bond act of 2014", is submitted to the people at the general election to be held in November 2014 and is approved by a majority of all votes cast for and against it at such election. Upon such approval, subdivisions 1 and 2 of this section shall take effect immediately. If such approval is not obtained, subdivisions 1 and 2 of this section shall expire and be deemed repealed.~~]

§ 42-a. Subdivision (a) of section 28 of part Y of chapter 61 of the laws of 2005, relating to providing for the administration of certain funds and accounts related to the 2005-2006 budget, as amended by section 48 of part HH of chapter 57 of the laws of 2013, is amended to read as follows:

(a) Subject to the provisions of chapter 59 of the laws of 2000, but notwithstanding any provisions of law to the contrary, one or more authorized issuers as defined by section 68-a of the state finance law are hereby authorized to issue bonds or notes in one or more series in an aggregate principal amount not to exceed [~~$27,000,000~~] $47,000,000, excluding bonds issued to finance one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued, for the purpose of financing capital projects for public protection facilities in the Division of Military and Naval Affairs, debt service and leases; and to reimburse the state general fund for disbursements made therefor. Such bonds and notes of such authorized issuer shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to such authorized issuer for debt service and related expenses pursuant to any service contract executed pursuant to subdivision (b) of this section and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 42-b. Subdivision 1 of section 49 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 49 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the state and municipal facilities program and other state costs associated with such capital projects. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed one billion [~~five~~] nine hundred [~~forty~~] twenty-five million dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face

thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 42-c. Subdivision 1 of section 51 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 50 of part UU of chapter 54 of the laws of 2016, is amended to read as follows:

1. Notwithstanding the provisions of any other law to the contrary, the dormitory authority and the urban development corporation are hereby authorized to issue bonds or notes in one or more series for the purpose of funding project costs for the nonprofit infrastructure capital investment program and other state costs associated with such capital projects. The aggregate principal amount of bonds authorized to be issued pursuant to this section shall not exceed one hundred **twenty** million dollars, excluding bonds issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Such bonds and notes of the dormitory authority and the urban development corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the state to the dormitory authority and the urban development corporation for principal, interest, and related expenses pursuant to a service contract and such bonds and notes shall contain on the face thereof a statement to such effect. Except for purposes of complying with the internal revenue code, any interest income earned on bond proceeds shall only be used to pay debt service on such bonds.

§ 43. Paragraph (b) of subdivision 4 of section 72 of the state finance law, as amended by section 27 of part I of chapter 55 of the laws of 2014, is amended to read as follows:

(b) On or before the beginning of each quarter, the director of the budget may certify to the state comptroller the estimated amount of monies that shall be reserved in the general debt service fund for the payment of debt service and related expenses payable by such fund during each month of the state fiscal year, excluding payments due from the revenue bond tax fund. Such certificate may be periodically updated, as necessary. Notwithstanding any provision of law to the contrary, the state comptroller shall reserve in the general debt service fund the amount of monies identified on such certificate as necessary for the payment of debt service and related expenses during the current or next succeeding quarter of the state fiscal year. Such monies reserved shall not be available for any other purpose. Such certificate shall be reported to the chairpersons of the Senate Finance Committee and the Assembly Ways and Means Committee. The provisions of this paragraph shall expire June thirtieth, two thousand [~~seventeen~~] **twenty**.

§ 44. Intentionally omitted.

§ 45. Intentionally omitted.

§ 46. Intentionally omitted.

§ 47. Intentionally omitted.

§ 48. Paragraphs (a) and (g) of subdivision 2 of section 56 of the state finance law, as amended by chapter 11 of the laws of 1994, are amended to read as follows:

(a) Refunding bonds shall be issued only when the comptroller shall have certified that, as a result of the refunding, there will be a debt service savings to the state on a present value basis as a result of the refunding transaction and that either (i) the refunding will benefit

state taxpayers over the life of the refunding bonds by achieving an actual debt service savings each year **or state fiscal year** during the term to maturity of the refunding bonds when debt service on the refunding bonds is expected to be paid from legislative appropriations or (ii) debt service on the refunding bonds shall be payable in annual installments of principal and interest which result in substantially level or declining debt service payments pursuant to paragraph (b) of subdivision two of section fifty-seven of this [~~chapter~~] **article**. Such certification by the comptroller shall be conclusive as to matters contained therein after the refunding bonds have been issued.

(g) Any refunding bonds issued pursuant to this section shall be paid in annual installments which shall, so long as any refunding bonds are outstanding, be made in each year **or state fiscal year** in which installments were due on the bonds to be refunded and shall be in an amount which shall result in annual debt service payments which shall be less in each year **or state fiscal year** than the annual debt service payments on the bonds to be refunded unless debt service on the refunding bonds is payable in annual installments of principal and interest which will result in substantially level or declining debt service payments pursuant to paragraph (b) of subdivision two of section fifty-seven of this [~~chapter~~] **article**.

§ 49. Subdivisions 1, 2 and 6 of section 57 of the state finance law, as amended by chapter 11 of the laws of 1994, are amended to read as follows:

1. Whenever the legislature, after authorization of a bond issue by the people at a general election, as provided by section eleven of article seven of the **state** constitution**, or as provided by section three of article eighteen of the state constitution,** shall have authorized, by one or more laws, the creation of a state debt or debts, bonds of the state, to the amount of the debt or debts so authorized, shall be issued and sold by the state comptroller. Any appropriation from the proceeds of the sale of bonds, pursuant to this section, shall be deemed to be an authorization for the creation of a state debt or debts to the extent of such appropriation. The state comptroller may issue and sell a single series of bonds pursuant to one or more such authorizations and for one or more duly authorized works or purposes. As part of the proceedings for each such issuance and sale of bonds, the state comptroller shall designate the works or purposes for which they are issued. It shall not be necessary for him to designate the works or purposes for which the bonds are issued on the face of the bonds. The proceeds from the sale of bonds for more than one work or purpose shall be separately accounted for according to the works or purposes designated for such sale by the comptroller and the proceeds received for each work or purpose shall be expended only for such work or purpose. The bonds shall bear interest at such rate or rates as in the judgment of the state comptroller may be sufficient or necessary to effect a sale of the bonds, and such interest shall be payable at least semi-annually, in the case of bonds with a fixed interest rate, and at least annually, in the case of bonds with an interest rate that varies periodically, in the city of New York unless annual payments of principal and interest result in substantially level or declining debt service payments over the life of an issue of bonds pursuant to paragraph (b) of subdivision two of this section or unless accrued interest is contributed to a sinking fund in accordance with subdivision three of section twelve of article seven of the state constitution, in which case interest shall be paid at such times and at

such places as shall be determined by the state comptroller prior to issuance of the bonds.

2. Such bonds, or the portion thereof at any time issued, shall be made payable (a) in equal annual principal installments or (b) in annual installments of principal and interest which result in substantially level or declining debt service payments, over the life of the bonds, the first of which annual installments shall be payable not more than one year from the date of issue and the last of which shall be payable at such time as the comptroller may determine but not more than forty years **or state fiscal years** after the date of issue**, not more than fifty years after the date of issue in the case of housing bonds, and not more than twenty-five years in the case of urban renewal bonds**. Where bonds are payable pursuant to paragraph (b) of this subdivision, except for the year **or state fiscal year** of initial issuance if less than a full year of debt service is to become due in that year **or state fiscal year**, either (i) the greatest aggregate amount of debt service payable in any **year or state** fiscal year shall not differ from the lowest aggregate amount of debt service payable in any other **year or state** fiscal year by more than five percent or (ii) the aggregate amount of debt service in each **year or state** fiscal year shall be less than the aggregate amount of debt service in the immediately preceding **year or state** fiscal year. For purposes of this subdivision, debt service shall include all principal, redemption price, sinking fund installments or contributions, and interest scheduled to become due. For purposes of determining whether debt service is level or declining on bonds issued with a variable rate of interest pursuant to paragraph b of subdivision four of this section, the comptroller shall assume a market rate of interest as of the date of issuance. Where the comptroller determines that interest on any bonds shall be compounded and payable at maturity, such bonds shall be payable only in accordance with paragraph (b) of this subdivision unless accrued interest is contributed to a sinking fund in accordance with subdivision three of section twelve of article seven of the state constitution. In no case shall any bonds or portion thereof be issued for a period longer than the probable life of the work or purpose, or part thereof, to which the proceeds of the bonds are to be applied, or in the alternative, the weighted average period of the probable life of the works or purposes to which the proceeds of the bonds are to be applied taking into consideration the respective amounts of bonds issued for each work or purpose, as may be determined under section sixty-one of this [~~chapter~~] **article** and in accordance with the certificate of the commissioner of general services, and/or the commissioner of transportation, state architect**, state commissioner of housing and urban renewal,** or other authority, as the case may be, having charge by law of the acquisition, construction, work or improvement for which the debt was authorized. Such certificate shall be filed in the office of the state comptroller and shall state the group, or, where the probable lives of two or more separable parts of the work or purposes are different, the groups, specified in such section, for which the amount or amounts, shall be provided by the issuance and sale of bonds. Weighted average period of probable life shall be determined by computing the sum of the products derived from multiplying the dollar value of the portion of the debt contracted for each work or purpose (or class of works or purposes) by the probable life of such work or purpose (or class of works or purposes) and dividing the resulting sum by the dollar value of the entire debt after taking into consideration any original issue discount. Any costs of issuance financed with bond proceeds shall be prorated among the various works or

purposes. Such bonds, or the portion thereof at any time sold, shall be of such denominations, subject to the foregoing provisions, as the state comptroller may determine. Notwithstanding the foregoing provisions of this subdivision, the comptroller may issue all or a portion of such bonds as serial debt, term debt or a combination thereof, maturing as required by this subdivision, provided that the comptroller shall have provided for the retirement each year **or state fiscal year**, or otherwise have provided for the payment of, through sinking fund installment payments or otherwise, a portion of such term bonds in an amount meeting the requirements of paragraph (a) or (b) of this subdivision or shall have established a sinking fund and provided for contributions thereto as provided in subdivision eight of this section and section twelve of article seven of the state constitution.

6. Except with respect to bonds issued in the manner provided in paragraph (c) of subdivision seven of this section, all bonds of the state of New York which the comptroller of the state of New York is authorized to issue and sell, shall be executed in the name of the state of New York by the manual or facsimile signature of the state comptroller and his seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced. In case the state comptroller who shall have signed and sealed any of the bonds shall cease to hold the office of state comptroller before the bonds so signed and sealed shall have been actually countersigned and delivered by the fiscal agent **or trustee**, such bonds may, nevertheless, be countersigned and delivered as herein provided, and may be issued as if the state comptroller who signed and sealed such bonds had not ceased to hold such office. Any bond of a series may be signed and sealed on behalf of the state of New York by such person as at the actual time of the execution of such bond shall hold the office of comptroller of the state of New York, although at the date of the bonds of such series such person may not have held such office. The coupons to be attached to the coupon bonds of each series shall be signed by the facsimile signature of the state comptroller of the state of New York or by any person who shall have held the office of state comptroller of the state of New York on or after the date of the bonds of such series, notwithstanding that such person may not have been such state comptroller at the date of any such bond or may have ceased to be such state comptroller at the date when any such bond shall be actually countersigned and delivered. The bonds of each series shall be countersigned with the manual signature of an authorized employee of the fiscal agent **or trustee** of the state of New York. No bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose until such manual countersignature of an authorized employee of the fiscal agent **or trustee** of the state of New York shall have been duly affixed to such bond.

§ 50. Sections 58, 59 and 60 of the state finance law are REPEALED.

§ 51. Section 62 of the state finance law, as amended by chapter 219 of the laws of 1999, is amended to read as follows:

§ 62. Replacement of lost certificates. The comptroller, who may act through his duly authorized fiscal agent **or trustee** appointed pursuant to section sixty-five of this article, may issue to the lawful owner of any certificate or bond issued by him in behalf of this state, which he or such duly authorized fiscal agent **or trustee** is satisfied, by due proof filed in his office or with such duly authorized fiscal agent **or trustee**, has been lost or casually destroyed, a new certificate or bond, corresponding in date, number and amount with the certificate or bond so lost or destroyed, and expressing on its face that it is a renewed

certificate or bond. No such renewed certificate or bond shall be issued unless sufficient security is given to satisfy the lawful claim of any person to the original certificate or bond, or to any interest therein. The comptroller shall report annually to the legislature the number and amount of all renewed certificates or bonds so issued. If the renewed certificate is issued by the state's duly authorized fiscal agent **or trustee** and such agent **or trustee** agrees to be responsible for any loss suffered as a result of unauthorized payment, the security shall be provided to and approved by the fiscal agent **or trustee** and no additional approval by the comptroller or the attorney general shall be required.

§ 52. Section 65 of the state finance law, as amended by chapter 459 of the laws of 1948, subdivision 1 as amended by chapter 219 of the laws of 1999, is amended to read as follows:

§ 65. Appointment of fiscal agent **or trustee**; powers and duties. 1. Notwithstanding any other provisions of this chapter, the comptroller, on behalf of the state, may contract from time to time for a period or periods not exceeding ten years each, except in the case of a bank or trust company agreeing to act as issuing, paying and/or tender agent with respect to a particular issue of variable interest rate bonds in which case the comptroller, on behalf of the state, may contract for a period not to exceed the term of such particular issue of bonds, with one or more banks or trust companies located in the city of New York, to act as fiscal agent**, trustee,** or agents of the state, and for the maintenance of an office for the registration, conversion, reconversion and transfer of the bonds and notes of the state, including the preparation and substitution of new bonds and notes, for the payment of the principal thereof and interest thereon, [~~and~~] for related services, **and to otherwise effectuate the powers and duties of a fiscal agent or trustee on behalf of the state in all such respects as may be determined by the comptroller for such bonds and notes,** and for the payment by the state of such compensation therefor as the comptroller may determine. Any such fiscal agent **or trustee** may, where authorized pursuant to the terms of its contract, accept delivery of obligations purchased by the state and of securities deposited with the state pursuant to sections one hundred five and one hundred six of this chapter and hold the same in safekeeping, make delivery to purchasers of obligations sold by the state, and accept deposit of such proceeds of sale without securing the same. Any such contract may also provide that such fiscal agent **or trustee** may, upon the written instruction of the comptroller, deposit any obligations or securities which it receives pursuant to such contract, in an account with a federal reserve bank, to be held in such account in the form of entries on the books of the federal reserve bank, and to be transferred in the event of any assignment, sale, redemption, maturity or other disposition of such obligations or securities, by entries on the books of the federal reserve bank. Any such bank or trust company shall be responsible to the people of this state for the faithful and safe conduct of the business of said office, for the fidelity and integrity of its officers and agents employed in such office, and for all loss or damage which may result from any failure to discharge their duties, and for any improper and incorrect discharge of those duties, and shall save the state free and harmless from any and all loss or damage occasioned by or incurred in the performance of such services. Any such contract may be terminated by the comptroller at any time. In the event of any change in any office maintained pursuant to any such contract, the comp-

troller shall give public notice thereof in such form as he may determine appropriate.

2. The comptroller shall prescribe rules and regulations for the registration, conversion, reconversion and transfer of the bonds and notes of the state, including the preparation and substitution of new bonds, for the payment of the principal thereof and interest thereon, and for other authorized services to be performed by such fiscal agent **or trustee**. Such rules and regulations, and all amendments thereof, shall be prepared in duplicate, one copy of which shall be filed in the office of the department of audit and control and the other in the office of the department of state. A copy thereof may be filed as a public record in such other offices as the comptroller may determine. Such rules and regulations shall be obligatory on all persons having any interests in bonds and notes of the state heretofore or hereafter issued.

§ 53. Intentionally omitted.

§ 54. Subdivision 2 of section 365 of the public authorities law, as separately amended by sections 349 and 381 of chapter 190 of the laws of 1990, is amended to read as follows:

2. The notes and bonds shall be authorized by resolution of the board, shall bear such date or dates and mature at such time or times, in the case of notes and any renewals thereof within five years after their respective dates and in the case of bonds not exceeding forty years from their respective dates, as such resolution or resolutions may provide. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. Bonds and notes shall be sold by the authority, at public or private sale, at such price or prices as the authority may determine. Bonds and notes of the authority shall not be sold by the authority at private sale unless such sale and the terms thereof have been approved in writing by the comptroller, where such sale is not to the comptroller, or by the director of the budget, where such sale is to the comptroller. [~~**Bonds and notes sold at public sale shall be sold by the comptroller, as agent of the authority, in such manner as the authority, with the approval of the comptroller, shall determine.**~~]

§ 55. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017; provided, however, that the provisions of sections one, two, three, four, five, six, seven, eight, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-two-e and twenty-two-f of this act shall expire March 31, 2018 when upon such date the provisions of such sections shall be deemed repealed; and provided, further, that section twenty-two-c of this act shall expire March 31, 2021.

## PART YYY

Section 1. Paragraph e of subdivision 1 of section 211-d of the education law, as amended by section 1 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

e. Notwithstanding paragraphs a and b of this subdivision, a school district that submitted a contract for excellence for the two thousand eight--two thousand nine school year shall submit a contract for excel-

lence for the two thousand nine--two thousand ten school year in conformity with the requirements of subparagraph (vi) of paragraph a of subdivision two of this section unless all schools in the district are identified as in good standing and provided further that, a school district that submitted a contract for excellence for the two thousand nine--two thousand ten school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand eleven--two thousand twelve school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the product of the amount approved by the commissioner in the contract for excellence for the two thousand nine--two thousand ten school year, multiplied by the district's gap elimination adjustment percentage and provided further that, a school district that submitted a contract for excellence for the two thousand eleven--two thousand twelve school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand twelve--two thousand thirteen school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand eleven--two thousand twelve school year and provided further that, a school district that submitted a contract for excellence for the two thousand twelve--two thousand thirteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand thirteen--two thousand fourteen school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand twelve--two thousand thirteen school year and provided further that, a school district that submitted a contract for excellence for the two thousand thirteen--two thousand fourteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand fourteen--two thousand fifteen school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand thirteen--two thousand fourteen school year; and provided further that, a school district that submitted a contract for excellence for the two thousand fourteen--two thousand fifteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand fifteen--two thousand sixteen school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand fourteen--two thousand fifteen school year; and provided further that a school district that submitted a contract for excellence for the two thousand fifteen--two thousand sixteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand sixteen--two thousand seventeen school year which shall, notwithstanding the requirements

of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand fifteen--two thousand sixteen school year; and provided further that, a school district that submitted a contract for excellence for the two thousand sixteen--two thousand seventeen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand seventeen--two thousand eighteen school year which shall, notwithstanding the requirements of subparagraph (vi) of paragraph a of subdivision two of this section, provide for the expenditure of an amount which shall be not less than the amount approved by the commissioner in the contract for excellence for the two thousand sixteen--two thousand seventeen school year. For purposes of this paragraph, the "gap elimination adjustment percentage" shall be calculated as the sum of one minus the quotient of the sum of the school district's net gap elimination adjustment for two thousand ten--two thousand eleven computed pursuant to chapter fifty-three of the laws of two thousand ten, making appropriations for the support of government, plus the school district's gap elimination adjustment for two thousand eleven--two thousand twelve as computed pursuant to chapter fifty-three of the laws of two thousand eleven, making appropriations for the support of the local assistance budget, including support for general support for public schools, divided by the total aid for adjustment computed pursuant to chapter fifty-three of the laws of two thousand eleven, making appropriations for the local assistance budget, including support for general support for public schools. Provided, further, that such amount shall be expended to support and maintain allowable programs and activities approved in the two thousand nine--two thousand ten school year or to support new or expanded allowable programs and activities in the current year.

§ 2. The education law is amended by adding a new section 2590-v to read as follows:

§ 2590-v. Notice to students regarding certain test scores. The office of the chancellor shall include a notice in the official score report of all students who received a score of "advanced" on the seventh grade state assessment in either English Language Arts or Mathematics, informing the student of opportunities to apply for admission to the specialized high schools authorized in paragraph (b) of subdivision one of section twenty-five hundred ninety-h of this article; provided that the chancellor shall annually notify all seventh grade students of opportunities to apply for admission to such schools.

§ 3. Subparagraph 3 of paragraph b of subdivision 16 of section 3641 of the education law, as added by section 2 of part C of chapter 56 of the laws of 2014, is amended to read as follows:

(3) The smart schools review board shall review all smart schools investment plans for compliance with all eligibility criteria and other requirements set forth in the guidelines. The smart schools review board may approve or reject such plans, or may return such plans to the school district for modifications; provided that notwithstanding any inconsistent provision of law, the smart schools review board shall approve no such plan first submitted to the department on or after April fifteenth, two thousand seventeen, unless such plan calculates the amount of classroom technology to be loaned to students attending nonpublic schools pursuant to section seven hundred fifty-five of this chapter in a manner that includes the amount budgeted by the school district for servers,

**wireless access points and other portable connectivity devices to be acquired as part of a school connectivity project**. Upon approval, the smart schools project or projects described in the investment plan shall be eligible for smart schools grants. A smart schools project included in a school district's smart schools investment plan shall not require separate approval of the commissioner unless it is part of a school construction project required to be submitted for approval of the commissioner pursuant to section four hundred eight of this chapter and/or subdivision six of section thirty-six hundred two of this article. Any department, agency or public authority shall provide the smart schools review board with any information it requires to fulfill its duties pursuant to this subdivision.

§ 4. Subdivision 1 of section 2856 of the education law, as amended by chapter 378 of the laws of 2007, paragraph (a) as amended and paragraph (d) as added by section 3 of part BB of chapter 56 of the laws of 2014, is amended to read as follows:

1. (a) The enrollment of students attending charter schools shall be included in the enrollment, attendance, membership and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district the charter school basic tuition, which shall be:

(i) for school years prior to the two thousand nine--two thousand ten school year [~~and for school years following the two thousand sixteen--two thousand seventeen school year~~], an amount equal to one hundred percent of the amount calculated pursuant to paragraph f of subdivision one of section thirty-six hundred two of this chapter for the school district for the year prior to the base year increased by the percentage change in the state total approved operating expense calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter from two years prior to the base year to the base year;

(ii) for the two thousand nine--two thousand ten school year, the charter school basic tuition shall be the amount payable by such district as charter school basic tuition for the two thousand eight--two thousand nine school year;

(iii) for the two thousand ten--two thousand eleven through two thousand thirteen--two thousand fourteen school years, the charter school basic tuition shall be the basic tuition computed for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph;

(iv) for the two thousand fourteen--two thousand fifteen, two thousand fifteen--two thousand sixteen and two thousand sixteen--two thousand seventeen school years, the charter school basic tuition shall be the sum of the lesser of the charter school basic tuition computed for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph or the charter school basic tuition computed for the current year pursuant to the provisions of subparagraph (i) of this paragraph plus the supplemental basic tuition[~~.~~]**;**

**(v) for the two thousand seventeen--two thousand eighteen school year, the charter school basic tuition shall be the sum of (A) the charter**

school basic tuition for the two thousand sixteen--two thousand seventeen school year plus (B) five hundred dollars;

(vi) for the two thousand eighteen--two thousand nineteen school year, the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year five years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivision twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

(vii) for the two thousand nineteen--two thousand twenty school year the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivision twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

(viii) for the two thousand twenty--two thousand twenty-one school year and thereafter, the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivi-

sion twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

For the purposes of this subdivision, the "supplemental basic tuition" shall be (A) for a school district for which the charter school basic tuition computed for the current year is greater than or equal to the charter school basic tuition for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph, (1) for the two thousand fourteen--two thousand fifteen school year two hundred and fifty dollars, and (2) for the two thousand fifteen--two thousand sixteen school year three hundred and fifty dollars, and (3) for the two thousand sixteen--two thousand seventeen school year five hundred dollars, and (4) for the two thousand seventeen--two thousand eighteen school year and thereafter, the sum of (i) the supplemental basic tuition calculated for the two thousand sixteen--two thousand seventeen school year plus (ii) five hundred dollars, and (B) for school years prior to the two thousand seventeen--two thousand eighteen school year, for a school district for which the charter school basic tuition for the two thousand ten--two thousand eleven school year is greater than the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the positive difference of the charter school basic tuition for the two thousand ten--two thousand eleven school year minus the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph and (C) for school years following the two thousand sixteen--two thousand seventeen school years, for a school district for which the charter school basic tuition for the two thousand ten--two thousand eleven school year is greater than the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the sum of (i) the supplemental basic tuition calculated for the two thousand sixteen--two thousand seventeen school year plus (ii) five hundred dollars.

(b) The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this subdivision from state or local funds may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this subdivision shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this subdivision shall be determined by the commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter until actual enrollment data is reported to the school district by the charter school. Such projections shall be reconciled with the actual enrollment as actual enrollment data is so reported and at the end of the school's first year of operation and each subsequent year based on a final report of actual enrollment by the charter school, and any necessary adjustments resulting from such final report shall be made to payments during the school's following year of operation.

(c) Notwithstanding any other provision of this subdivision to the contrary, payment of the federal aid attributable to a student with a disability attending a charter school shall be made in accordance with the requirements of section 8065-a of title twenty of the United States code and sections 76.785-76.799 and 300.209 of title thirty-four of the code of federal regulations.

(d) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition [~~paid to~~] for the charter school in the base year for the expenses incurred in the two thousand fourteen--two thousand fifteen, two thousand fifteen--two thousand sixteen, [~~and~~] two thousand sixteen--two thousand seventeen school years and thereafter.

§ 4-a. Subdivision 1 of section 2856 of the education law, as amended by section 22 of part A of chapter 58 of the laws of 2011, paragraph (a) as amended and paragraph (c) as added by section 4 of part BB of chapter 56 of the laws of 2014, is amended to read as follows:

1. (a) The enrollment of students attending charter schools shall be included in the enrollment, attendance and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district the charter school basic tuition which shall be:

(i) for school years prior to the two thousand nine--two thousand ten school year [~~and for school years following the two thousand sixteen--two thousand seventeen school year~~], an amount equal to one hundred percent of the amount calculated pursuant to paragraph f of subdivision one of section thirty-six hundred two of this chapter for the school district for the year prior to the base year increased by the percentage change in the state total approved operating expense calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter from two years prior to the base year to the base year;

(ii) for the two thousand nine--two thousand ten school year, the charter school basic tuition shall be the amount payable by such district as charter school basic tuition for the two thousand eight--two thousand nine school year;

(iii) for the two thousand ten--two thousand eleven through two thousand thirteen--two thousand fourteen school years, the charter school basic tuition shall be the basic tuition computed for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph;

(iv) for the two thousand fourteen--two thousand fifteen, two thousand fifteen--two thousand sixteen and two thousand sixteen--two thousand seventeen school years, the charter school basic tuition shall be the sum of the lesser of the charter school basic tuition computed for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph or the charter school basic tuition computed for the current year pursuant to the provisions of subparagraph (i) of this paragraph plus the supplemental basic tuition[~~.~~]~~;~~

(v) for the two thousand seventeen--two thousand eighteen school year, the charter school basic tuition shall be the sum of (A) the charter

school basic tuition for the two thousand sixteen--two thousand seventeen school year plus (B) five hundred dollars;

(vi) for the two thousand eighteen--two thousand nineteen school year, the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year five years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivision twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

(vii) for the two thousand nineteen--two thousand twenty school year the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivision twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

(viii) for the two thousand twenty--two thousand twenty-one school year and thereafter, the charter school basic tuition shall be the lesser of (A) the product of (i) the charter school basic tuition calculated for the base year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the base year and finishing with the year prior to the base year of the total approved operating expense for such school district calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter for each such year divided by the total approved operating expense for such district for the immediately preceding year or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with paragraph b of subdivi-

sion twenty-one of section three hundred five of this chapter published annually on May fifteenth for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to paragraph n of subdivision one of section thirty-six hundred two of this chapter for the year prior to the base year.

For the purposes of this subdivision, the "supplemental basic tuition" shall be (A) for a school district for which the charter school basic tuition computed for the current year is greater than or equal to the charter school basic tuition for the two thousand ten--two thousand eleven school year pursuant to the provisions of subparagraph (i) of this paragraph, (1) for the two thousand fourteen--two thousand fifteen school year two hundred and fifty dollars, and (2) for the two thousand fifteen--two thousand sixteen school year three hundred and fifty dollars, and (3) for the two thousand sixteen--two thousand seventeen school year five hundred dollars, and (4) for the two thousand seventeen--two thousand eighteen school year and thereafter, the sum of (i) the supplemental basic tuition calculated for the two thousand sixteen--two thousand seventeen school year plus (ii) five hundred dollars, and (B) for school years prior to the two thousand seventeen--two thousand eighteen school year, for a school district for which the charter school basic tuition for the two thousand ten--two thousand eleven school year is greater than the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the positive difference of the charter school basic tuition for the two thousand ten--two thousand eleven school year minus the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph and (C) for school years following the two thousand sixteen--two thousand seventeen school years, for a school district for which the charter school basic tuition for the two thousand ten--two thousand eleven school year is greater than the charter school basic tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the sum of (i) the supplemental basic tuition calculated for the two thousand sixteen--two thousand seventeen school year plus (ii) five hundred dollars.

(b) The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this subdivision may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this subdivision shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this subdivision shall be determined by the commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter. Such projections shall be reconciled with the actual enrollment at the end of the school's first year of operation, and any necessary adjustments shall be made to payments during the school's second year of operation.

(c) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition [~~paid to~~] for the charter school in the base year for the expenses incurred in the two thousand fourteen--two thousand fifteen, two thousand fifteen--two thou-

sand sixteen, [~~and~~] two thousand sixteen--two thousand seventeen school years **and thereafter**.

§ 5. Clause (B) of subparagraph 5 of paragraph (e) of subdivision 3 of section 2853 of the education law, as added by section 11 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

(B) [~~twenty~~] **thirty** percent of the product of the charter school's basic tuition for the current school year and (i) for a new charter school that first commences instruction on or after July first, two thousand fourteen, the charter school's current year enrollment; or (ii) for a charter school which expands its grade level, pursuant to this article, the positive difference of the charter school's enrollment in the current school year minus the charter school's enrollment in the school year prior to the first year of the expansion.

§ 6. Intentionally omitted.

§ 7. Paragraph a of subdivision 33 of section 305 of the education law, as amended by chapter 621 of the laws of 2003, is amended to read as follows:

a. The commissioner shall establish procedures for the approval of providers of supplemental educational services in accordance with the provisions of subsection (e) of section one thousand one hundred sixteen of the No Child Left Behind Act of 2001 and shall adopt regulations to implement such procedures. Notwithstanding any other provision of state or local law, rule or regulation to the contrary, any local educational agency that receives federal funds pursuant to title I of the Elementary and Secondary Education Act of nineteen hundred sixty-five, as amended, shall be authorized to contract with the approved provider selected by a student's parent, as such term is defined in subsection [~~thirty-one~~] **thirty-eight** of section [~~nine~~] **eight** thousand one hundred one of the [~~No Child Left Behind Act of 2001~~] **Elementary and Secondary Education Act of nineteen hundred sixty-five, as amended**, for the provision of supplemental educational services to the extent required under such section one thousand one hundred sixteen. Eligible approved providers shall include, but not be limited to, public schools, BOCES, institutions of higher education, and community based organizations.

§ 8. Subdivision 7 of section 2802 of the education law, as amended by chapter 425 of the laws of 2002, is amended to read as follows:

7. Notwithstanding any other provision of state or local law, rule or regulation to the contrary, any student who attends a persistently dangerous public elementary or secondary school, as determined by the commissioner pursuant to paragraph a of this subdivision, or who is a victim of a violent criminal offense, as defined pursuant to paragraph b of this subdivision, that occurred on the grounds of a public elementary or secondary school that the student attends, shall be allowed to attend a safe public school within the local educational agency to the extent required by section [~~ninety-five~~] **eighty-five** hundred thirty-two of the [~~No Child Left Behind Act of 2001~~] **Elementary and Secondary Education Act of nineteen hundred sixty-five, as amended**.

a. The commissioner shall annually determine which public elementary and secondary schools are persistently dangerous in accordance with regulations of the commissioner developed in consultation with a representative sample of local educational agencies. Such determination shall be based on data submitted through the uniform violent incident reporting system over a period prescribed in the regulations, which shall not be less than two years.

b. Each local educational agency required to provide unsafe school choice shall establish procedures for determinations by the superinten-

dent of schools or other chief school officer of whether a student is the victim of a violent criminal offense that occurred on school grounds of the school that the student attends. Such superintendent of schools or other chief school officer shall, prior to making any such determination, consult with any law enforcement agency investigating such alleged violent criminal offense and consider any reports or records provided by such agency. The trustees or board of education or other governing board of a local educational agency may provide, by local rule or by-law, for appeal of the determination of the superintendent of schools to such governing board. Notwithstanding any other provision of law to the contrary, the determination of such chief school officer pursuant to this paragraph shall not have collateral estoppel effect in any student disciplinary proceeding brought against the alleged victim or perpetrator of such violent criminal offense. For purposes of this subdivision, "violent criminal offense" shall mean a crime that involved infliction of serious physical injury upon another as defined in the penal law, a sex offense that involved forcible compulsion or any other offense defined in the penal law that involved the use or threatened use of a deadly weapon.

c. Each local educational agency, as defined in subsection [~~twenty-six~~] thirty of section [~~ninety-one~~] eighty-one hundred one of the [~~No Child Left Behind Act of 2001~~] Elementary and Secondary Education Act of nineteen hundred sixty-five, as amended, that is required to provide school choice pursuant to section [~~ninety-five~~] eighty-five hundred thirty-two of the [~~No Child Left Behind Act of 2001~~] Elementary and Secondary Education Act of nineteen hundred sixty-five, as amended, shall establish procedures for notification of parents of, or persons in parental relation to, students attending schools that have been designated as persistently dangerous and parents of, or persons in parental relation to, students who are victims of violent criminal offenses of their right to transfer to a safe public school within the local educational agency and procedures for such transfer, except that nothing in this subdivision shall be construed to require such notification where there are no other public schools within the local educational agency at the same grade level or such transfer to a safe public school within the local educational agency is otherwise impossible or to require a local educational agency that has only one public school within the local educational agency or only one public school at each grade level to develop such procedures. The commissioner shall be authorized to adopt any regulations deemed necessary to assure that local educational agencies implement the provisions of this subdivision.

§ 9. Subdivision 7 of section 3214 of the education law, as added by chapter 101 of the laws of 2003, is amended to read as follows:

7. Transfer of disciplinary records. Notwithstanding any other provision of law to the contrary, each local educational agency, as such term is defined in subsection [~~twenty-six~~] thirty of section [~~ninety-one~~] eighty-one hundred one of the Elementary and Secondary Education Act of 1965, as amended, shall establish procedures in accordance with section [~~forty-one hundred fifty-five~~] eighty-five hundred thirty-seven of the Elementary and Secondary Education Act of 1965, as amended, and the Family Educational Rights and Privacy Act of 1974, to facilitate the transfer of disciplinary records relating to the suspension or expulsion of a student to any public or nonpublic elementary or secondary school in which such student enrolls or seeks, intends or is instructed to enroll, on a full-time or part-time basis.

§ 10. Certain apportionments payable to the Haverstraw-Stony Point central school district shall be paid on an accelerated schedule as follows:

a. (1) Notwithstanding any other provisions of law, for aid payable in the school years 2017-2018 through 2046-2047 upon application to the commissioner of education submitted not sooner than the second Monday in June of the school year in which such aid is payable and not later than the Friday following the third Monday in June of such school year, the Haverstraw-Stony Point central school district shall be eligible to receive an apportionment pursuant to this act in an amount equal to the product of up to $2,000,000 and the quotient of the positive difference of thirty minus the number of school years elapsed since the 2017-2018 school year divided by thirty.

(2) Funds apportioned pursuant to this subdivision shall be used for services and expenses of the Haverstraw-Stony Point central school district and shall be applied to support its educational programs and any liability incurred by such school district in carrying out its functions and responsibilities under the education law.

b. The claim for an apportionment to be paid to the Haverstraw-Stony Point central school district pursuant to subdivision a of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed. For each school year in which application is made pursuant to subdivision a of this section, such approved amount shall be payable on or before June thirtieth of such school year upon the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys in the state lottery fund appropriated for general support of public schools and from the general fund to the extent that the amount paid to the Haverstraw-Stony Point central school district pursuant to this subdivision and subdivision a of this section exceeds the amount of the lottery apportionment, if any, due such school district pursuant to subparagraph 2 of paragraph a of subdivision 1 of section 3609-a of the education law on or before the last business day in September of such school year.

c. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to the Haverstraw-Stony Point central school district during the base year pursuant to subdivisions a and b of this section shall first be deducted from payments due during the current school year pursuant to subparagraphs 1, 2, 3, 4 and 5 of paragraph a of subdivision 1 of section 3609-a of the education law in the following order: the lottery apportionment payable pursuant to subparagraph 2 of such paragraph followed by the fixed fall payments payable pursuant to subparagraph 4 of such paragraph, and any remainder to be deducted from the individualized payments due to the district pursuant to paragraph b of such subdivision shall be deducted on a chronological basis starting with the earliest payment due the district.

d. Notwithstanding any other provisions of law, the sum of payments made to the Haverstraw-Stony Point central school district during the base year pursuant to subdivisions a and b of this section plus payments made to such school district during the current year pursuant to section 3609-a of the education law shall be deemed to truly represent all aids paid to such school district during the current school year pursuant to such section 3609-a for the purposes of computing any adjustments to such aids that may occur in a subsequent school year.

§ 10-a. Review of Haverstraw-Stony Point central school district financial condition. The state comptroller shall conduct a comprehensive review of the financial condition of the Haverstraw-Stony Point central school district and shall report in writing on the results of such review on or before January 1, 2018, to the director of the budget, the commissioner of education, and chairs of the senate finance and assembly ways and means committees. Such review shall include but not be limited to analysis of the school district's budgets, operating results, fund balances and reserves over the five most recent completed school years, as well as the district's budget projections for the current school year and the subsequent three year school years, and shall compare the district's financial condition to that of other districts in the region.

§ 10-b. Special financing authority for the Haverstraw-Stony Point central school district. a. Notwithstanding the provisions of any law to the contrary, the dormitory authority is authorized, upon application by the Haverstraw-Stony Point central school district, to issue bonds and notes in one or more series, with terms not exceeding thirty years, for purposes of refunding or refinancing debt issued by the school district related to the repayment of a tax certiorari settlement agreement, the total costs of which exceed the total annual school budget at the time the school district applies for refinancing or refunding through the authority. The aggregate principal amount of such bonds and notes shall not exceed the total cost of refunding such debt as determined by the authority and shall not be a debt of the state, and the state shall not be liable thereon.

b. The total amount of the indebtedness which the Haverstraw-Stony Point central school district shall refinance through the dormitory authority shall be deemed to be indebtedness of the school district. Such indebtedness shall be subject to applicable sections of the local finance law, state finance law, and the constitution.

c. Notwithstanding the provisions of any general or special law to the contrary, a period of probable usefulness of not to exceed thirty years shall apply to any obligations of the Haverstraw-Stony Point central school district either issued by the school district on its own or to repay the dormitory authority or to any general obligation bonds issued by the school district to secure bonds issued by the dormitory authority.

d. Notwithstanding the limitations or requirements of subdivision 1-a of section 3651 of the education law, the Haverstraw-Stony Point central school district may, without approval by the qualified voters of the district, use monies in any reserve fund established by such district pursuant to such subdivision of such section, to pay the principal of and interest on any bonds issued by such district or the dormitory authority for the object or purpose described in this section.

§ 11. Notwithstanding any provision of law to the contrary, the commissioner of education may provide for the recovery of funds for a penalty arising from a late final cost report pursuant to this section.

a. Definition. For the purposes of this section, "notification year" shall mean the school year in which the school district was first notified by the commissioner of education of the calculation of a penalty arising from a late final cost report.

b. Penalty eligibility. Only aid penalties arising from late final cost reports (1) (i) for school construction projects approved by the commissioner of education prior to July 1, 2011 where such penalty has not yet been recovered by the commissioner of education or (ii) that are already included within a multi-year recovery pursuant to a chapter of

law of the year 2013 or thereafter and (2) where such total penalty exceeds six one-hundredths (0.06) of the school district's total general fund expenditures for the base year of the notification year, shall be eligible for the provisions of this section.

c. Recovery opt-in for certain districts. Any school district with an eligible penalty that is already included within a multi-year recovery of aid pursuant to a chapter of law of 2013 or thereafter may choose to opt-in to the provisions of this section, provided that only the portion of the total penalty that has not yet been recovered by the commissioner of education shall be eligible for the provisions of this section.

d. Documentation. The commissioner of education shall determine the documentation required from a school district to implement the provisions of this section, and where documentation is required from a school district to supplement the documentation already on file with the commissioner, the commissioner shall determine the timeframe within which such documentation must be submitted.

e. Aid penalty. For any district with eligible projects pursuant to the provisions of this section, the commissioner of education shall compute a total penalty and shall develop a schedule of no more than ten years over which period such penalty shall be recovered, provided that:

(1) such scheduled penalties shall be deducted from the payments due to such school district and payable in the month of June beginning in the school year after the year in which this section shall have become a law or the school year succeeding the notification year, whichever is later;

(2) the amount recovered in the first year of the schedule shall equal the sum of (A) two one-hundredths (0.02) of such district's total general fund expenditures for the year prior to the first year of such recovery, plus (B) the amount that is recognized as a liability due to other governments by the district for the year prior to the first year of such recovery, plus (C) the positive remainder of the district's surplus funds, as defined in section 1318 of the real property tax law, at the close of the year prior to the first year of such recovery less the product of the district's total general fund expenditures for the year prior to the first year of such recovery multiplied by four one-hundredths (0.04), provided that the amount recovered in such first year shall not exceed the portion of the total penalty that has not yet been recovered;

(3) the amount recovered in each subsequent year shall be recovered by deducting such excess payments from the payments due to such school district and payable in the month of June of subsequent years and shall equal two one-hundredths (0.02) of such district's total general fund expenditures for the year prior to the first year of such recovery, provided that the amount recovered in each such subsequent year shall not exceed the portion of the total penalty that has not yet been recovered;

(4) there shall be no interest penalty assessed against such district or collected by the state.

f. Remaining penalty. If after the end of the ten-year period there remains any amount of penalty still to be recovered, the commissioner of education shall forgo the recovery of such additional penalty and deem the school district's obligation complete.

§ 12. Section 4 of chapter 425 of the laws of 2002, amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, as

amended by section 35 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

§ 4. This act shall take effect July 1, 2002 and shall expire and be deemed repealed June 30, [~~2017~~] 2018.

§ 13. Section 5 of chapter 101 of the laws of 2003, amending the education law relating to the implementation of the No Child Left Behind Act of 2001, as amended by section 36 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

§ 5. This act shall take effect immediately; provided that sections one, two and three of this act shall expire and be deemed repealed on June 30, [~~2017~~] 2018.

§ 14. Paragraph o of subdivision 1 of section 3602 of the education law, as amended by section 15 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

o. "English language learner count" shall mean the number of pupils served in the base year in programs for pupils [~~with limited English proficiency~~] who are English language learners approved by the commissioner pursuant to the provisions of this chapter and in accordance with regulations adopted for such purpose.

§ 15. Paragraph b of subdivision 15 of section 2556 of the education law, as added by section 20 of part A of chapter 57 of the laws of 2013, is amended to read as follows:

b. On or before December thirty-first, two thousand [~~fourteen~~] seventeen, the chancellor shall submit the inventory, report, and the recommendations to minimize the number of transportable classroom units within the city school district, compiled and developed pursuant to paragraph a of this subdivision, to the governor, the temporary president of the senate, the speaker of the assembly, the chairs of the senate and assembly committees on education, and the department. Annually, on or before December thirty-first, the chancellor shall update such inventory, report and recommendations and provide such updated information and recommendations to the governor, the temporary president of the senate, the speaker of the assembly, the chairs of the senate and assembly committees on education, and the department.

§ 16. Paragraph q of subdivision 1 of section 3602 of the education law, as amended by section 25 of part A of chapter 58 of the laws of 2011, is amended to read as follows:

q. "Poverty count" shall mean the sum of the product of the lunch count multiplied by sixty-five percent, plus the product of the census count multiplied by sixty-five percent, where:

(i) "Lunch count" shall mean the product of the public school enrollment of the school district on the date enrollment was counted in accordance with this subdivision for the base year multiplied by the three-year average free and reduced price lunch percent; and

(ii) "Census count" shall mean the product of the public school enrollment of the school district on the date enrollment was counted in accordance with this subdivision for the base year multiplied by the census 2000 poverty rate.

(iii) "Census 2000 poverty rate" shall mean the quotient of the number of persons aged five to seventeen within the school district, based on the [~~most recent~~] decennial census conducted in the year two thousand as tabulated by the National Center on Education Statistics, who were enrolled in public schools and whose families had incomes below the poverty level, divided by the total number of persons aged five to seventeen within the school district, based on such decennial census,

who were enrolled in public schools, computed to four decimals without rounding.

(iv) "Selected poverty rate" shall mean: (A) for school districts with high concentrations of nonpublic students, the greater of the census 2000 poverty rate or the three-year average small area income and poverty estimate poverty rate; and (B) for all other school districts, the three-year average small area income and poverty estimate poverty rate. For the purposes of this subparagraph, "three-year average small area income and poverty estimate poverty rate" shall equal the quotient of (1) the sum of the number of persons aged five to seventeen within the school district, based on the small area income and poverty estimates produced by the United States census bureau, whose families had incomes below the poverty level for the year two years prior to the year in which the base year began, plus such number for the year three years prior to the year in which the base year began, plus such number for the year four years prior to the year in which the base year began, divided by (2) the sum of the total number of persons aged five to seventeen within the school district, based on such census bureau estimates, for the year two years prior to the year in which the base year began, plus such total number for the year three years prior to the year in which the base year began, plus such total number for the year four years prior to the year in which the base year began, computed to four decimals without rounding.

(v) "School districts with high concentrations of nonpublic students" shall mean any district where: (A) the quotient arrived at when dividing (1) the sum of the enrollments in grades kindergarten through twelve in the base year calculated pursuant to subparagraphs five and six of paragraph n of this subdivision by (2) the resident public school district enrollment in the base year computed pursuant to subparagraphs four, five, and six of paragraph n of this subdivision is greater than fifteen-hundredths (0.15); and (B) the three-year average small area income and poverty estimate poverty rate is greater than ten percent (0.10).

§ 16-a. Subdivision 4 of section 3602 of the education law, as amended by section 5-a of part A of chapter 56 of the laws of 2015, the opening paragraph, subparagraph 1 of paragraph a, clause (ii) of subparagraph 2 of paragraph b and paragraph d as amended and paragraph b-2 as added by section 7 of part A of chapter 54 of the laws of 2016, paragraph e as added by section 8 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

4. Total foundation aid. In addition to any other apportionment pursuant to this chapter, a school district, other than a special act school district as defined in subdivision eight of section four thousand one of this chapter, shall be eligible for total foundation aid equal to the product of total aidable foundation pupil units multiplied by the district's selected foundation aid, which shall be the greater of five hundred dollars ($500) or foundation formula aid, provided, however that for the two thousand seven--two thousand eight through two thousand eight--two thousand nine school years, no school district shall receive total foundation aid in excess of the sum of the total foundation aid base for aid payable in the two thousand seven--two thousand eight school year computed pursuant to subparagraph (i) of paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that for the two thousand twelve--two thousand thirteen school year, no school district shall receive total foundation aid in excess of

the sum of the total foundation aid base for aid payable in the two thousand eleven--two thousand twelve school year computed pursuant to subparagraph (ii) of paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that for the two thousand thirteen--two thousand fourteen school year and thereafter, no school district shall receive total foundation aid in excess of the sum of the total foundation aid base computed pursuant to subparagraph (ii) of paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that for the two thousand sixteen--two thousand seventeen school year, no eligible school districts shall receive total foundation aid in excess of the sum of the total foundation aid base computed pursuant to subparagraph (ii) of paragraph j of subdivision one of this section plus the sum of (A) the phase-in foundation increase, (B) the executive foundation increase with a minimum increase pursuant to paragraph b-2 of this subdivision, and (C) an amount equal to "COMMUNITY SCHOOLS AID" in the computer listing produced by the commissioner in support of the executive budget request for the two thousand sixteen--two thousand seventeen school year and entitled "BT161-7", where (1) "eligible school district" shall be defined as a district with (a) an unrestricted aid increase of less than seven percent (0.07) and (b) a three year average free and reduced price lunch percent greater than fifteen percent (0.15), and (2) "unrestricted aid increase" shall mean the quotient arrived at when dividing (a) the sum of the executive foundation aid increase plus the gap elimination adjustment for the base year, by (b) the difference of foundation aid for the base year less the gap elimination adjustment for the base year, and (3) "executive foundation increase" shall mean the difference of (a) the amounts set forth for each school district as "FOUNDATION AID" under the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget request for the two thousand sixteen--two thousand seventeen school year and entitled "BT161-7" less (b) the amounts set forth for each school district as "FOUNDATION AID" under the heading "2015-16 BASE YEAR AIDS" in such computer listing and provided further that total foundation aid shall not be less than the product of the total foundation aid base computed pursuant to paragraph j of subdivision one of this section and the due-minimum percent which shall be, for the two thousand twelve--two thousand thirteen school year, one hundred and six-tenths percent (1.006) and for the two thousand thirteen--two thousand fourteen school year for city school districts of those cities having populations in excess of one hundred twenty-five thousand and less than one million inhabitants one hundred and one and one hundred and seventy-six thousandths percent (1.01176), and for all other districts one hundred and three-tenths percent (1.003), and for the two thousand fourteen--two thousand fifteen school year one hundred and eighty-five hundredths percent (1.0085), and for the two thousand fifteen--two thousand sixteen school year, one hundred thirty-seven hundredths percent (1.0037), subject to allocation pursuant to the provisions of subdivision eighteen of this section and any provisions of a chapter of the laws of New York as described therein, nor more than the product of such total foundation aid base and one hundred fifteen percent **for any school year other than the two thousand seventeen--two thousand eighteen school year**, provided, however, that for the two thousand sixteen--two thousand seventeen school year such maximum shall be no more than the sum of (i) the product of such total

foundation aid base and one hundred fifteen percent plus (ii) the executive foundation increase and plus (iii) "COMMUNITY SCHOOLS AID" in the computer listing produced by the commissioner in support of the executive budget request for the two thousand sixteen--two thousand seventeen school year and entitled "BT161-7" and provided further that for the two thousand nine--two thousand ten through two thousand eleven--two thousand twelve school years, each school district shall receive total foundation aid in an amount equal to the amount apportioned to such school district for the two thousand eight--two thousand nine school year pursuant to this subdivision. Total aidable foundation pupil units shall be calculated pursuant to paragraph g of subdivision two of this section. For the purposes of calculating aid pursuant to this subdivision, aid for the city school district of the city of New York shall be calculated on a citywide basis.

a. Foundation formula aid. Foundation formula aid shall equal the remainder when the expected minimum local contribution is subtracted from the product of the foundation amount, the regional cost index, and the pupil need index, or: (foundation amount x regional cost index x pupil need index)- expected minimum local contribution.

(1) The foundation amount shall reflect the average per pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of the costs of special education and general education in successful school districts, provided that the foundation amount shall be adjusted annually to reflect the percentage increase in the consumer price index as computed pursuant to section two thousand twenty-two of this chapter, provided that for the two thousand eight--two thousand nine school year, for the purpose of such adjustment, the percentage increase in the consumer price index shall be deemed to be two and nine-tenths percent (0.029), and provided further that the foundation amount for the two thousand seven--two thousand eight school year shall be five thousand two hundred fifty-eight dollars, and provided further that for the two thousand seven--two thousand eight through two thousand [~~sixteen~~] **seventeen**--two thousand [~~seventeen~~] **eighteen** school years, the foundation amount shall be further adjusted by the phase-in foundation percent established pursuant to paragraph b of this subdivision.

(2) The regional cost index shall reflect an analysis of labor market costs based on median salaries in professional occupations that require similar credentials to those of positions in the education field, but not including those occupations in the education field, provided that the regional cost indices for the two thousand seven--two thousand eight school year and thereafter shall be as follows:

| Labor Force Region | Index |
|---|---|
| Capital District | 1.124 |
| Southern Tier | 1.045 |
| Western New York | 1.091 |
| Hudson Valley | 1.314 |
| Long Island/NYC | 1.425 |
| Finger Lakes | 1.141 |
| Central New York | 1.103 |
| Mohawk Valley | 1.000 |
| North Country | 1.000 |

(3) The pupil need index shall equal the sum of one plus the extraordinary needs percent, provided, however, that the pupil need index shall not be less than one nor more than two. The extraordinary needs percent

shall be calculated pursuant to paragraph w of subdivision one of this section.

(4) The expected minimum local contribution shall equal the lesser of (i) the product of (A) the quotient arrived at when the selected actual valuation is divided by total wealth foundation pupil units, multiplied by (B) the product of the local tax factor, multiplied by the income wealth index, or (ii) the product of (A) the product of the foundation amount, the regional cost index, and the pupil need index, multiplied by (B) the positive difference, if any, of one minus the state sharing ratio for total foundation aid. The local tax factor shall be established by May first of each year by determining the product, computed to four decimal places without rounding, of ninety percent multiplied by the quotient of the sum of the statewide average tax rate as computed by the commissioner for the current year in accordance with the provisions of paragraph e of subdivision one of section thirty-six hundred nine-e of this part plus the statewide average tax rate computed by the commissioner for the base year in accordance with such provisions plus the statewide average tax rate computed by the commissioner for the year prior to the base year in accordance with such provisions, divided by three, provided however that for the two thousand seven--two thousand eight school year, such local tax factor shall be sixteen thousandths (0.016), and provided further that for the two thousand eight--two thousand nine school year, such local tax factor shall be one hundred fifty-four ten thousandths (0.0154). The income wealth index shall be calculated pursuant to paragraph d of subdivision three of this section, provided, however, that for the purposes of computing the expected minimum local contribution the income wealth index shall not be less than sixty-five percent (0.65) and shall not be more than two hundred percent (2.0) and provided however that such income wealth index shall not be more than ninety-five percent (0.95) for the two thousand eight--two thousand nine school year, and provided further that such income wealth index shall not be less than zero for the two thousand thirteen--two thousand fourteen school year. The selected actual valuation shall be calculated pursuant to paragraph c of subdivision one of this section. Total wealth foundation pupil units shall be calculated pursuant to paragraph h of subdivision two of this section.

b. Phase-in foundation increase. (1) The phase-in foundation increase shall equal the product of the phase-in foundation increase factor multiplied by the positive difference, if any, of (i) the product of the total aidable foundation pupil units multiplied by the district's selected foundation aid less (ii) the total foundation aid base computed pursuant to paragraph j of subdivision one of this section.

(2) (i) Phase-in foundation percent. The phase-in foundation percent shall equal one hundred thirteen and fourteen one hundredths percent (1.1314) for the two thousand eleven--two thousand twelve school year, one hundred ten and thirty-eight hundredths percent (1.1038) for the two thousand twelve--two thousand thirteen school year, one hundred seven and sixty-eight hundredths percent (1.0768) for the two thousand thirteen--two thousand fourteen school year, one hundred five and six hundredths percent (1.0506) for the two thousand fourteen--two thousand fifteen school year, and one hundred two and five tenths percent (1.0250) for the two thousand fifteen--two thousand sixteen school year.

(ii) Phase-in foundation increase factor. For the two thousand eleven--two thousand twelve school year, the phase-in foundation increase factor shall equal thirty-seven and one-half percent (0.375) and the phase-in due minimum percent shall equal nineteen and forty-one

hundredths percent (0.1941), for the two thousand twelve--two thousand thirteen school year the phase-in foundation increase factor shall equal one and seven-tenths percent (0.017), for the two thousand thirteen--two thousand fourteen school year the phase-in foundation increase factor shall equal (1) for a city school district in a city having a population of one million or more, five and twenty-three hundredths percent (0.0523) or (2) for all other school districts zero percent, for the two thousand fourteen--two thousand fifteen school year the phase-in foundation increase factor shall equal (1) for a city school district of a city having a population of one million or more, four and thirty-two hundredths percent (0.0432) or (2) for a school district other than a city school district having a population of one million or more for which (A) the quotient of the positive difference of the foundation formula aid minus the foundation aid base computed pursuant to paragraph j of subdivision one of this section divided by the foundation formula aid is greater than twenty-two percent (0.22) and (B) a combined wealth ratio less than thirty-five hundredths (0.35), seven percent (0.07) or (3) for all other school districts, four and thirty-one hundredths percent (0.0431), and for the two thousand fifteen--two thousand sixteen school year the phase-in foundation increase factor shall equal: (1) for a city school district of a city having a population of one million or more, thirteen and two hundred seventy-four thousandths percent (0.13274); or (2) for districts where the quotient arrived at when dividing (A) the product of the total aidable foundation pupil units multiplied by the district's selected foundation aid less the total foundation aid base computed pursuant to paragraph j of subdivision one of this section divided by (B) the product of the total aidable foundation pupil units multiplied by the district's selected foundation aid is greater than nineteen percent (0.19), and where the district's combined wealth ratio is less than thirty-three hundredths (0.33), seven and seventy-five hundredths percent (0.0775); or (3) for any other district designated as high need pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA0708", four percent (0.04); or (4) for a city school district in a city having a population of one hundred twenty-five thousand or more but less than one million, fourteen percent (0.14); or (5) for school districts that were designated as small city school districts or central school districts whose boundaries include a portion of a small city for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand fourteen--two thousand fifteen school year and entitled "SA1415", four and seven hundred fifty-one thousandths percent (0.04751); or (6) for all other districts one percent (0.01), and for the two thousand sixteen--two thousand seventeen school year **the foundation aid phase-in increase factor** shall equal for an eligible school district the greater of: (1) for a city school district in a city with a population of one million or more, seven and seven hundred eighty four thousandths percent (0.07784); or (2) for a city school district in a city with a population of more than two hundred fifty thousand but less than one million as of the most recent federal decennial census, seven and three hundredths percent (0.0703); or (3) for a city school district in a city with a population of more than two hundred thousand but less than two hundred fifty thousand as of the most recent federal decennial census, six and seventy-two hundredths percent (0.0672); or (4) for a city school district in a city

with a population of more than one hundred fifty thousand but less than two hundred thousand as of the most recent federal decennial census, six and seventy-four hundredths percent (0.0674); or (5) for a city school district in a city with a population of more than one hundred twenty-five thousand but less than one hundred fifty thousand as of the most recent federal decennial census, nine and fifty-five hundredths percent (0.0955); or (6) for school districts that were designated as small city school districts or central school districts whose boundaries include a portion of a small city for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand fourteen--two thousand fifteen school year and entitled "SA141-5" with a combined wealth ratio less than one and four tenths (1.4), nine percent (0.09), provided, however, that for such districts that are also districts designated as high need urban-suburban pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA0708", nine and seven hundred and nineteen thousandths percent (0.09719); or (7) for school districts designated as high need rural pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA0708", thirteen and six tenths percent (0.136); or (8) for school districts designated as high need urban-suburban pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA0708", seven hundred nineteen thousandths percent (0.00719); or (9) for all other eligible school districts, forty-seven hundredths percent (0.0047)**, provided further that for the two thousand seventeen--two thousand eighteen school year the foundation aid increase phase-in factor shall equal (1) for school districts with a census 2000 poverty rate computed pursuant to paragraph q of subdivision one of this section equal to or greater than twenty-six percent (0.26), ten and three-tenths percent (0.103), or (2) for a school district in a city with a population in excess of one million or more, seventeen and seventy-seven one-hundredths percent (0.1777), or (3) for a city school district in a city with a population of more than two hundred fifty thousand but less than one million, as of the most recent decennial census, twelve and sixty-nine hundredths percent (0.1269) or (4) for a city school district in a city with a population of more than one hundred fifty thousand but less than two hundred thousand, as of the most recent federal decennial census, ten and seventy-eight one hundredths percent (0.1078), or (5) for a city school district in a city with a population of more than one hundred twenty-five thousand but less than one hundred fifty thousand as of the most recent federal decennial census, nineteen and one hundred eight one-thousandths percent (0.19108), or (6) for a city school district in a city with a population of more than two hundred thousand but less than two hundred fifty thousand as of the most recent federal decennial census, ten and six-tenths percent (0.106), or (7) for all other districts, four and eighty-seven one-hundredths percent (0.0487),** and for the [~~two thousand seventeen--two thousand eighteen~~] **two thousand eighteen--two thousand nineteen** school year and thereafter the commissioner shall annually determine the phase-in foundation increase factor subject to allocation

pursuant to the provisions of subdivision eighteen of this section and any provisions of a chapter of the laws of New York as described therein.

b-1. Notwithstanding any other provision of law to the contrary, for the two thousand seven--two thousand eight 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 section seventeen hundred eighteen of this chapter.

b-2. Due minimum for the two thousand sixteen--two thousand seventeen school year. Notwithstanding any other provision of law to the contrary, for the two thousand sixteen--two thousand seventeen school year the total foundation aid shall not be less than the sum of the total foundation aid base computed pursuant to paragraph j of subdivision one of this section plus the due minimum for the two thousand sixteen--two thousand seventeen school year, where such due minimum shall equal the difference of (1) the product of (A) two percent (0.02) multiplied by (B) the difference of total foundation aid for the base year less the gap elimination adjustment for the base year, less (2) the sum of (A) the difference of the amounts set forth for each school district as "FOUNDATION AID" under the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget request for the two thousand sixteen--two thousand seventeen school year and entitled "BT161-7" less the amounts set forth for each school district as "FOUNDATION AID" under the heading "2015-16 BASE YEAR AIDS" in such computer listing plus (B) the gap elimination adjustment for the base year.

**b-3. Due minimum for the two thousand seventeen--two thousand eighteen school year. Notwithstanding any other provision of law to the contrary, for the two thousand seventeen--two thousand eighteen school year the total foundation aid shall not be less than (A) the sum of the total foundation aid base computed pursuant to paragraph j of subdivision one of this section plus the product of (i) the difference of the amount set forth for such school district as "FOUNDATION AID" under the heading "2017-18 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget request for the two thousand seventeen--two thousand eighteen school year and entitled "BT171-8" less the amount set forth for such school district as "FOUNDATION AID" under the heading "2016-17 BASE YEAR AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget request for the two thousand seventeen--two thousand eighteen school year and entitled "BT171-8" multiplied by (ii) one and eighteen one-hundredths (1.18), or (B) the product of forty-four and seventy-five one-hundredths percent (0.4475) multiplied by total foundation aid as computed pursuant to paragraph a of this subdivision, or (C) the sum of the total foundation aid base computed pursuant to paragraph j of subdivision one of this section plus the due minimum for the two thousand seventeen--two thousand eighteen school year, where such due minimum shall equal (1) for school districts with a census 2000 poverty rate computed pursuant to paragraph q of subdivision one of this section, equal to or greater than eleven and nine-tenths percent (0.119), the product of the foundation aid base for the two thousand seventeen--two thousand eighteen school year computed pursuant to subparagraph (iii) of paragraph j of subdivision one of this section multiplied by three hundred thirty-five ten-thousandths (0.0335), or (2)**

for all other school districts the product of the foundation aid base for the two thousand seventeen--two thousand eighteen school year computed pursuant to subparagraph (iii) of paragraph j of subdivision one of this section multiplied by two and seventy-four one-hundredths percent (0.0274).

b-4. Additional increase for the two thousand seventeen-two thousand eighteen school year. For the two thousand seventeen-two thousand eighteen school year, any school district eligible to receive a phase-in foundation increase pursuant to this subdivision shall receive an additional foundation increase equal to the sum of tiers A, B, C, and D as defined herein.

(i) Tier A. For all school districts other than a district within a city with a population of one million or more, with a combined wealth ratio less than two (2.0), where either (A) the quotient arrived at by dividing the English language learner count pursuant to paragraph o of subdivision one of this section for the base year by the public school district enrollment for the base year pursuant to paragraph n of subdivision one of this section is greater than two one-hundredths (0.02) or (B) the quotient arrived at by dividing the difference of the English language learner count pursuant to paragraph o of subdivision one of this section for the base year less such count for one year prior to the base year by the public school district enrollment for one year prior to the base year pursuant to paragraph n of subdivision one of this section is greater than one one-thousandth (0.001), tier A shall equal the product of (A) the difference of two minus the combined wealth ratio multiplied by (B) one hundred dollars ($100.00) multiplied by (C) the English language learner count for the base year.

(ii) Tier B. For any school district (A) where the amount set forth as "25% LIMIT CAP ON INCREASE" on the computer file produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA070-8" is less than zero and (B) with a combined wealth ratio computed pursuant to paragraph c of subdivision three of this section greater than one (1.0), tier B shall equal the product of (A) the sum of (1) the difference of total foundation aid less the foundation aid base plus (2) the difference of the amount set forth for such school district as "FOUNDATION AID" under the heading "2017-18 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget request and entitled "BT1718" less the foundation aid base multiplied by (B) ten and two-tenths percent (0.102).

(iii) Tier C. For all school districts with a combined wealth ratio for total foundation aid computed pursuant to paragraph c of subdivision three of this section less than one (1.0), tier C shall be the greater of (A) for districts that were designated as small city school districts or central school districts whose boundaries include a portion of a small city for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand fourteen--two thousand fifteen school year and entitled "SA1415", the product of the public school district enrollment for the base year pursuant to paragraph n of subdivision one of this section multiplied by one hundred sixty-seven dollars and forty cents ($167.40) or (B) for school districts with a sparsity factor as set forth on the computer listing produced by the commissioner in support of the enacted budget for the two thousand seventeen--two thousand eighteen school year and entitled "SA171-8" of greater than zero, the product of the public school

district enrollment for the base year multiplied by one hundred eighty-eight dollars ($188.00).

(iv) Tier D. For all school districts, other than districts within a city with a population of one hundred twenty-five thousand or more, with a selected poverty rate of greater than eighteen hundredths (0.18), tier D shall equal the product of the selected poverty rate multiplied by the school district public enrollment for the base year multiplied by two hundred forty dollars ($240.00), provided, however, that for districts within a city with a population of greater than one hundred twenty-five thousand but less than one million and a selected poverty rate of greater than eighteen hundredths (0.18), tier D shall equal the product of the selected poverty rate multiplied by school district public enrollment for the base year multiplied by three hundred forty-four dollars ($344.00), and for a city school district in a city with a population of one million or more, tier D shall equal the product of the selected poverty rate multiplied by school district public enrollment for the base year multiplied by twenty-nine cents ($0.29).

c. Public excess cost aid setaside. Each school district shall set aside from its total foundation aid computed for the current year pursuant to this subdivision an amount equal to the product of: (i) the difference between the amount the school district was eligible to receive in the two thousand six--two thousand seven school year pursuant to or in lieu of paragraph six of subdivision nineteen of this section as such paragraph existed on June thirtieth, two thousand seven, minus the amount such district was eligible to receive pursuant to or in lieu of paragraph five of subdivision nineteen of this section as such paragraph existed on June thirtieth, two thousand seven, in such school year, and (ii) the sum of one and the percentage increase in the consumer price index for the current year over such consumer price index for the two thousand six--two thousand seven school year, as computed pursuant to section two thousand twenty-two of this chapter. Notwithstanding any other provision of law to the contrary, the public excess cost aid setaside shall be paid pursuant to section thirty-six hundred nine-b of this part.

d. For the two thousand fourteen--two thousand fifteen through two thousand [~~sixteen~~] seventeen--two thousand [~~seventeen~~] eighteen school years a city school district of a city having a population of one million or more may use amounts apportioned pursuant to this subdivision for afterschool programs.

e. Community schools aid set-aside. Each school district shall set aside from its total foundation aid computed for the current year pursuant to this subdivision an amount equal to [~~the following amount, if any, for such district and~~] the sum of (i) the amount, if any, set forth for such district as "COMMUNITY SCHL AID (BT1617)" in the data file produced by the commissioner in support of the enacted budget for the two thousand sixteen--two thousand seventeen school year and entitled "SA161-7" and (ii) the amount, if any, set forth for such district as "COMMUNITY SCHL INCR" in the data file produced by the commissioner in support of the executive budget request for the two thousand seventeen--two thousand eighteen school year and entitled "BT171-8". Each school district shall use [~~the~~] such "COMMUNITY SCHL AID (BT1617)" amount [~~so set aside~~] to support the transformation of school buildings into community hubs to deliver co-located or school-linked academic, health, mental health, nutrition, counseling, legal and/or other services to students and their families, including but not limited to providing a community school site coordinator, or to support other costs incurred to

maximize students' academic achievement[~~:~~]. Each school district shall use such "COMMUNITY SCHL INCR" amount to support the transformation of school buildings into community hubs to deliver co-located or school linked academic, health, mental health services and personnel, after-school programming, dual language programs, nutrition, counseling, legal and/or other services to students and their families, including but not limited to providing a community school site coordinator and programs for English language learners, or to support other costs incurred to maximize students' academic achievement, provided however that a school district whose "COMMUNITY SCHL INCR" amount exceeds one million dollars ($1,000,000) shall use an amount equal to the greater of one hundred fifty thousand dollars ($150,000) or ten percent of such "COMMUNITY SCHL INCR" amount to support such transformation at schools with extraordinary high levels of student need as identified by the commissioner, subject to the approval of the director of the budget.

[~~Addison $132,624~~
~~Adirondack $98,303~~
~~Afton $62,527~~
~~Albany $2,696,127~~
~~Albion $171,687~~
~~Altmar-Parish-Williamstown $154,393~~
~~Amityville $140,803~~
~~Amsterdam $365,464~~
~~Andover $41,343~~
~~Auburn $211,759~~
~~Ausable Valley $82,258~~
~~Avoca $40,506~~
~~Batavia $116,085~~
~~Bath $139,788~~
~~Beacon $87,748~~
~~Beaver River $67,970~~
~~Beekmantown $98,308~~
~~Belfast $44,520~~
~~Belleville Henderson $21,795~~
~~Binghamton $477,949~~
~~Bolivar-Richburg $102,276~~
~~Bradford $28,058~~
~~Brasher Falls $146,944~~
~~Brentwood $2,089,437~~
~~Bridgewater-West Winfield (Mt. Markham) $101,498~~
~~Brocton $63,939~~
~~Brookfield $24,973~~
~~Brushton-Moira $102,613~~
~~Buffalo $12,524,617~~
~~Camden $243,929~~
~~Campbell-Savona $81,862~~
~~Canajoharie $78,428~~
~~Canaseraga $24,622~~
~~Candor $69,400~~
~~Canisteo-Greenwood $105,783~~
~~Carthage $273,578~~
~~Cassadaga Valley $99,547~~
~~Catskill $69,599~~
~~Cattaraugus-Little Valley $89,771~~
~~Central Islip $650,359~~
~~Central Valley $154,059~~

| | |
|---|---|
| ~~Charlotte Valley~~ | ~~$27,925~~ |
| ~~Chateaugay~~ | ~~$43,580~~ |
| ~~Cheektowaga-Sloan~~ | ~~$68,242~~ |
| ~~Chenango Valley~~ | ~~$46,359~~ |
| ~~Cherry Valley-Springfield~~ | ~~$29,704~~ |
| ~~Cincinnatus~~ | ~~$71,378~~ |
| ~~Clifton-Fine~~ | ~~$17,837~~ |
| ~~Clyde-Savannah~~ | ~~$84,797~~ |
| ~~Clymer~~ | ~~$28,267~~ |
| ~~Cohoes~~ | ~~$110,625~~ |
| ~~Copenhagen~~ | ~~$35,037~~ |
| ~~Copiague~~ | ~~$308,995~~ |
| ~~Cortland~~ | ~~$147,875~~ |
| ~~Crown Point~~ | ~~$24,277~~ |
| ~~Cuba-Rushford~~ | ~~$67,917~~ |
| ~~Dalton-Nunda (Keshequa)~~ | ~~$65,630~~ |
| ~~Dansville~~ | ~~$136,766~~ |
| ~~De Ruyter~~ | ~~$38,793~~ |
| ~~Deposit~~ | ~~$37,615~~ |
| ~~Dolgeville~~ | ~~$82,884~~ |
| ~~Downsville~~ | ~~$10,000~~ |
| ~~Dundee~~ | ~~$59,404~~ |
| ~~Dunkirk~~ | ~~$224,658~~ |
| ~~East Ramapo (Spring Valley)~~ | ~~$360,848~~ |
| ~~Edmeston~~ | ~~$30,288~~ |
| ~~Edwards-Knox~~ | ~~$95,261~~ |
| ~~Elizabethtown-Lewis~~ | ~~$14,844~~ |
| ~~Ellenville~~ | ~~$128,950~~ |
| ~~Elmira~~ | ~~$501,348~~ |
| ~~Fallsburg~~ | ~~$111,523~~ |
| ~~Fillmore~~ | ~~$84,252~~ |
| ~~Forestville~~ | ~~$34,773~~ |
| ~~Fort Edward~~ | ~~$32,403~~ |
| ~~Fort Plain~~ | ~~$86,187~~ |
| ~~Franklin~~ | ~~$19,086~~ |
| ~~Franklinville~~ | ~~$84,503~~ |
| ~~Freeport~~ | ~~$479,702~~ |
| ~~Friendship~~ | ~~$51,013~~ |
| ~~Fulton~~ | ~~$241,424~~ |
| ~~Genesee Valley~~ | ~~$65,066~~ |
| ~~Geneva~~ | ~~$146,409~~ |
| ~~Georgetown-South Otselic~~ | ~~$34,626~~ |
| ~~Gilbertsville-Mount Upton~~ | ~~$30,930~~ |
| ~~Glens Falls Common~~ | ~~$10,000~~ |
| ~~Gloversville~~ | ~~$257,549~~ |
| ~~Gouverneur~~ | ~~$197,139~~ |
| ~~Gowanda~~ | ~~$122,173~~ |
| ~~Granville~~ | ~~$86,044~~ |
| ~~Green Island~~ | ~~$17,390~~ |
| ~~Greene~~ | ~~$87,782~~ |
| ~~Hadley-Luzerne~~ | ~~$37,868~~ |
| ~~Hammond~~ | ~~$18,750~~ |
| ~~Hancock~~ | ~~$34,174~~ |
| ~~Hannibal~~ | ~~$149,286~~ |
| ~~Harpursville~~ | ~~$89,804~~ |
| ~~Hempstead~~ | ~~$3,123,056~~ |

| | |
|---|---|
| ~~Herkimer~~ | ~~$64,467~~ |
| ~~Hermon-Dekalb~~ | ~~$49,211~~ |
| ~~Heuvelton~~ | ~~$53,905~~ |
| ~~Hinsdale~~ | ~~$47,128~~ |
| ~~Hornell~~ | ~~$152,327~~ |
| ~~Hudson~~ | ~~$86,263~~ |
| ~~Hudson Falls~~ | ~~$125,709~~ |
| ~~Indian River~~ | ~~$404,452~~ |
| ~~Jamestown~~ | ~~$422,610~~ |
| ~~Jasper-Troupsburg~~ | ~~$65,899~~ |
| ~~Jefferson~~ | ~~$22,350~~ |
| ~~Johnson~~ | ~~$179,735~~ |
| ~~Johnstown~~ | ~~$98,329~~ |
| ~~Kingston~~ | ~~$241,138~~ |
| ~~Kiryas Joel~~ | ~~$10,000~~ |
| ~~La Fargeville~~ | ~~$36,602~~ |
| ~~Lackawanna~~ | ~~$293,188~~ |
| ~~Lansingburgh~~ | ~~$170,080~~ |
| ~~Laurens~~ | ~~$32,110~~ |
| ~~Liberty~~ | ~~$141,704~~ |
| ~~Lisbon~~ | ~~$56,498~~ |
| ~~Little Falls~~ | ~~$76,292~~ |
| ~~Livingston Manor~~ | ~~$32,996~~ |
| ~~Lowville~~ | ~~$117,907~~ |
| ~~Lyme~~ | ~~$15,856~~ |
| ~~Lyons~~ | ~~$89,298~~ |
| ~~Madison~~ | ~~$43,805~~ |
| ~~Madrid-Waddington~~ | ~~$59,412~~ |
| ~~Malone~~ | ~~$241,483~~ |
| ~~Marathon~~ | ~~$79,560~~ |
| ~~Margaretville~~ | ~~$10,000~~ |
| ~~Massena~~ | ~~$227,985~~ |
| ~~Mcgraw~~ | ~~$51,558~~ |
| ~~Medina~~ | ~~$135,337~~ |
| ~~Middleburgh~~ | ~~$58,936~~ |
| ~~Middletown~~ | ~~$683,511~~ |
| ~~Milford~~ | ~~$28,281~~ |
| ~~Monticello~~ | ~~$185,418~~ |
| ~~Moriah~~ | ~~$76,592~~ |
| ~~Morris~~ | ~~$45,012~~ |
| ~~Morristown~~ | ~~$25,106~~ |
| ~~Morrisville-Eaton~~ | ~~$62,490~~ |
| ~~Mt Morris~~ | ~~$58,594~~ |
| ~~Mt Vernon~~ | ~~$517,463~~ |
| ~~New York City~~ | ~~$28,491,241~~ |
| ~~Newark~~ | ~~$137,556~~ |
| ~~Newburgh~~ | ~~$837,244~~ |
| ~~Newfield~~ | ~~$60,998~~ |
| ~~Niagara Falls~~ | ~~$733,330~~ |
| ~~North Rose-Wolcott~~ | ~~$107,958~~ |
| ~~Northern Adirondack~~ | ~~$84,115~~ |
| ~~Norwich~~ | ~~$155,921~~ |
| ~~Norwood-Norfolk~~ | ~~$116,262~~ |
| ~~Odessa-Montour~~ | ~~$70,110~~ |
| ~~Ogdensburg~~ | ~~$126,942~~ |
| ~~Olean~~ | ~~$129,603~~ |

| | |
|---|---|
| Oppenheim-Ephratah-St. Johnsville | $86,646 |
| Otego-Unadilla | $72,613 |
| Oxford Acad & Central Schools | $80,443 |
| Parishville-Hopkinton | $35,003 |
| Peekskill | $230,795 |
| Penn Yan | $71,001 |
| Pine Valley (South Dayton) | $67,455 |
| Plattsburgh | $75,055 |
| Poland | $37,498 |
| Port Chester-Rye | $241,428 |
| Port Jervis | $189,220 |
| Poughkeepsie | $1,747,582 |
| Prattsburgh | $35,110 |
| Pulaski | $89,146 |
| Putnam | $10,000 |
| Randolph | $88,646 |
| Red Creek | $87,007 |
| Remsen | $32,650 |
| Rensselaer | $74,616 |
| Richfield Springs | $37,071 |
| Ripley | $18,495 |
| Rochester | $7,624,908 |
| Rome | $369,655 |
| Romulus | $22,112 |
| Roosevelt | $353,005 |
| Salamanca | $139,051 |
| Salmon River | $200,831 |
| Sandy Creek | $72,287 |
| Schenectady | $642,884 |
| Schenevus | $29,516 |
| Scio | $47,097 |
| Sharon Springs | $26,994 |
| Sherburne-Earlville | $154,286 |
| Sherman | $45,067 |
| Sidney | $98,699 |
| Silver Creek | $68,538 |
| Sodus | $100,038 |
| Solvay | $85,506 |
| South Kortright | $23,420 |
| South Lewis | $95,627 |
| South Seneca | $49,768 |
| Spencer-Van Etten | $76,108 |
| St Regis Falls | $30,078 |
| Stamford | $20,137 |
| Stockbridge Valley | $38,537 |
| Syracuse | $10,186,478 |
| Ticonderoga | $36,467 |
| Tioga | $99,411 |
| Troy | $277,420 |
| Unadilla Valley | $90,571 |
| Uniondale | $362,887 |
| Utica | $273,267 |
| Van Hornesville-Owen D. Young | $18,604 |
| Walton | $82,541 |
| Warrensburg | $57,996 |
| Waterloo | $123,111 |

~~Watertown $222,343~~
~~Watervliet $94,487~~
~~Waverly $120,319~~
~~Wayland-Cohocton $125,273~~
~~Wellsville $114,359~~
~~West Canada Valley $58,917~~
~~Westbury $403,563~~
~~Westfield $46,542~~
~~Whitehall $46,192~~
~~Whitesville $26,719~~
~~Whitney Point $152,109~~
~~William Floyd $492,842~~
~~Worcester $26,862~~
~~Wyandanch $402,010~~
~~Yonkers $4,286,726~~
~~Yorkshire-Pioneer $210,306~~]

§ 17. Section 3 of chapter 507 of the laws of 1974, relating to providing for the apportionment of state monies to certain nonpublic schools, to reimburse them for their expenses in complying with certain state requirements for the administration of state testing and evaluation programs and for participation in state programs for the reporting of basic educational data, as amended by chapter 903 of the laws of 1984, is amended to read as follows:

§ 3. Apportionment. a. The commissioner shall annually apportion to each qualifying school, for school years beginning on and after July first, nineteen hundred seventy-four, an amount equal to the actual cost incurred by each such school during the preceding school year for providing services required by law to be rendered to the state in compliance with the requirements of the state's pupil evaluation program, the basic educational data system, regents examinations, the statewide evaluation plan, the uniform procedure for pupil attendance reporting, **the state's immunization program** and other similar state prepared examinations and reporting procedures.

b. The commissioner shall annually apportion to each qualifying school in the cities of New York, Buffalo and Rochester, for school years beginning on or after July first[~~, nineteen hundred eighty-four~~] **two thousand sixteen**, an amount equal to the actual cost incurred[~~, up to sixty cents per pupil,~~] by each such school during the preceding school year in meeting the recording and reporting requirements of the state school immunization program**, provided that the state's liability shall be limited to the amount appropriated for this purpose**.

§ 18. The education law is amended by adding a new section 3037 to read as follows:

**§ 3037. Grants for hiring teachers. 1. For purposes of this section, the following term shall have the following meaning: "Eligible teacher" shall mean an individual that: (a) is certified to teach in New York state pursuant to section three thousand four of this article; or holds a Master's degree or Ph.D. in Mathematics, Science, Technology or Education; or holds a Bachelor's degree in Mathematics, Science, Technology or Education and is currently enrolled in a Master's or Ph.D. program in Mathematics, Science, Technology or Education within five years from the later of the effective date of this section or the employment start date with the nonpublic school, (b) teaches Mathematics, Science or Technology in any grades from three through twelve, and (c) is employed by a nonpublic school.**

**2. (a) Within amounts appropriated therefor, nonpublic schools shall, upon application, be reimbursed by the department for the salaries of eligible teachers. Each school which seeks a reimbursement pursuant to this section shall submit to the office of religious and independent schools an application therefor, together with such additional documents as the commissioner may reasonably require, at such times, in such form and containing such information as the commissioner may prescribe by regulation. Applications for reimbursement pursuant to this section must be received by August first of each year for schools to be reimbursed for the salaries of eligible teachers in the prior year.**

**(b) Pursuant to paragraph (a) of this subdivision, reimbursement for eligible teachers shall be the average comparable teacher salary and personal service, per subject area, of public school teachers in the school district in which such nonpublic schools are located, multiplied by the percentage of full time equivalent secular instructional hours completed in the school day per subject area. Reimbursements shall not be provided for eligible teachers who provide instruction in mathematics, science or technology if such teachers also provide non-secular instruction in any capacity.**

**(c) In the event that the applications for reimbursement under this section exceed the appropriation available for this program, then each applicant shall only be reimbursed an amount equal to the percentage that each such applicant represents to the total of all applications submitted.**

**3. The commissioner may promulgate any rules or regulations necessary to carry out the provisions of this section.**

§ 19. Paragraph (a) of subdivision 1 of section 2590-c of the education law, as amended by chapter 345 of the laws of 2009, is amended to read as follows:

(a) Nine voting members shall be parents whose children are attending a school **or a pre-kindergarten program offered by a school** under the jurisdiction of the community district, or have attended a school **or a pre-kindergarten program offered by a school** under the jurisdiction of the community district within the preceding two years, and shall be selected by the presidents and officers of the parents' association or parent-teachers' association. Such members shall serve for a term of two years. Presidents and officers of parents' associations or parent-teachers' associations who are candidates in the selection process pursuant to this section shall not be eligible to cast votes in such selection process. The association shall elect a member to vote in the place of each such president or officer for the purposes of the selection process. **Provided, however, that a parent of a pre-kindergarten pupil shall vacate his or her membership on such community district education council where the parent no longer has a child that attends a school or pre-kindergarten program offered by a school under the jurisdiction of the community district.**

§ 20. Subdivisions 1 and 2 of section 4101 of the education law, subdivision 1 as amended by chapter 387 of the laws of 1954 and subdivision 2 as amended by section 30 of part B of chapter 57 of the laws of 2008, are amended to read as follows:

1. The commissioner of education shall establish schools in such places and maintain such courses of instruction therein for the education of the Indian children of the state as he **or she** shall deem necessary. He **or she** shall have general supervision of such education and shall cause to be erected where necessary convenient and suitable school buildings for the accommodation of all the Indian children of the state.

2. [~~The~~] **Notwithstanding any other provision of law, rule or regulation to the contrary, the** commissioner in his **or her** discretion may, instead of establishing schools and maintaining courses of instruction therein for the education of the Indian children of the state, contract**, for a period of up to ten years,** with any school district for the education of such Indian children. The consideration for any such contract shall not exceed the total cost to the school district of the education of Indian children pursuant to such contract, less any public moneys received by the school district by reason of the attendance of such Indian children in regular day school, except any public moneys received by the district as a building quota pursuant to the provisions of subdivision six-a of section thirty-six hundred two of this chapter. The commissioner of taxation and finance shall pay on the warrant of the comptroller bills, for the costs and expenses attending such contract, approved by the commissioner of education from the appropriation for the support and education of Indian children. In carrying out the provisions of this article the commissioner, notwithstanding any other provision of law, may lease any school ground, site or building established for a reservation and owned by the state of New York to any school district upon such terms and conditions as he **or she** shall deem necessary, convenient and proper. Nothing herein contained shall alter the title of the Indians to their lands.

§ 21. Section 4119 of the education law, as added by chapter 387 of the laws of 1954, is amended to read as follows:

§ 4119. School district may contract to educate Indian children. Notwithstanding any other provision of law, the trustee, trustees or board of education of any school district shall have power to contract with the commissioner of education for the instruction of Indian children **for a period of ten years**. Notwithstanding any other provision of law, the trustee, trustees or board of education of any school district shall have authority to lease a site or school building owned by the state of New York whether located on or off an Indian reservation and such trustee, trustees or board of education shall have authority to maintain school in such building notwithstanding the fact that such building may not be located within the district boundary lines of such school district.

§ 22. The closing paragraph of subdivision 5-a of section 3602 of the education law, as amended by section 2 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

For the two thousand eight--two thousand nine school year, each school district shall be entitled to an apportionment equal to the product of fifteen percent and the additional apportionment computed pursuant to this subdivision for the two thousand seven--two thousand eight school year. For the two thousand nine--two thousand ten through two thousand [~~sixteen~~] **seventeen**--two thousand [~~seventeen~~] **eighteen** school years, each school district shall be entitled to an apportionment equal to the amount set forth for such school district as "SUPPLEMENTAL PUB EXCESS COST" under the heading "2008-09 BASE YEAR AIDS" in the school aid computer listing produced by the commissioner in support of the budget for the two thousand nine--two thousand ten school year and entitled "SA0910".

§ 23. Paragraph b of subdivision 6-c of section 3602 of the education law, as amended by section 24 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

b. For projects approved by the commissioner authorized to receive additional building aid pursuant to this subdivision for the purchase of

stationary metal detectors, security cameras or other security devices approved by the commissioner that increase the safety of students and school personnel, provided that for purposes of this paragraph such other security devices shall be limited to electronic security systems and hardened doors, and provided that for projects approved by the commissioner on or after the first day of July two thousand thirteen and before the first day of July two thousand [~~seventeen~~] **eighteen** such additional aid shall equal the product of (i) the building aid ratio computed for use in the current year pursuant to paragraph c of subdivision six of this section plus ten percentage points, except that in no case shall this amount exceed one hundred percent, and (ii) the actual approved expenditures incurred in the base year pursuant to this subdivision, provided that the limitations on cost allowances prescribed by paragraph a of subdivision six of this section shall not apply, and provided further that any projects aided under this paragraph must be included in a district's school safety plan. The commissioner shall annually prescribe a special cost allowance for metal detectors, and security cameras, and the approved expenditures shall not exceed such cost allowance.

§ 24. Subdivision 12 of section 3602 of the education law is amended by adding a new undesignated paragraph to read as follows:

**For the two thousand seventeen--two thousand eighteen school year, each school district shall be entitled to an apportionment equal to the amount set forth for such school district as "ACADEMIC ENHANCEMENT" under the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the budget for the two thousand sixteen--two thousand seventeen school year and entitled "SA161-7", and such apportionment shall be deemed to satisfy the state obligation to provide an apportionment pursuant to subdivision eight of section thirty-six hundred forty-one of this article.**

§ 25. The opening paragraph of subdivision 16 of section 3602 of the education law, as amended by section 4 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

Each school district shall be eligible to receive a high tax aid apportionment in the two thousand eight--two thousand nine school year, which shall equal the greater of (i) the sum of the tier 1 high tax aid apportionment, the tier 2 high tax aid apportionment and the tier 3 high tax aid apportionment or (ii) the product of the apportionment received by the school district pursuant to this subdivision in the two thousand seven--two thousand eight school year, multiplied by the due-minimum factor, which shall equal, for districts with an alternate pupil wealth ratio computed pursuant to paragraph b of subdivision three of this section that is less than two, seventy percent (0.70), and for all other districts, fifty percent (0.50). Each school district shall be eligible to receive a high tax aid apportionment in the two thousand nine--two thousand ten through two thousand twelve--two thousand thirteen school years in the amount set forth for such school district as "HIGH TAX AID" under the heading "2008-09 BASE YEAR AIDS" in the school aid computer listing produced by the commissioner in support of the budget for the two thousand nine--two thousand ten school year and entitled "SA0910". Each school district shall be eligible to receive a high tax aid apportionment in the two thousand thirteen--two thousand fourteen through [~~two thousand sixteen--two thousand seventeen~~] **two thousand seventeen--two thousand eighteen** school years equal to the greater of (1) the amount set forth for such school district as "HIGH TAX AID" under the heading "2008-09 BASE YEAR AIDS" in the school aid computer listing

produced by the commissioner in support of the budget for the two thousand nine--two thousand ten school year and entitled "SA0910" or (2) the amount set forth for such school district as "HIGH TAX AID" under the heading "2013-14 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the executive budget for the 2013-14 fiscal year and entitled "BT131-4".

§ 26. Subdivision 10 of section 3602-e of the education law, as amended by section 22 of part B of chapter 57 of the laws of 2008, the opening paragraph as amended by section 5 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

10. Universal prekindergarten aid. Notwithstanding any provision of law to the contrary, **(i)** for aid payable in the two thousand eight--two thousand nine school year, the grant to each eligible school district for universal prekindergarten aid shall be computed pursuant to this subdivision, and **(ii)** for the two thousand nine--two thousand ten and two thousand ten--two thousand eleven school years, each school district shall be eligible for a maximum grant equal to the amount computed for such school district for the base year in the electronic data file produced by the commissioner in support of the two thousand nine--two thousand ten education, labor and family assistance budget, provided, however, that in the case of a district implementing programs for the first time or implementing expansion programs in the two thousand eight--two thousand nine school year where such programs operate for a minimum of ninety days in any one school year as provided in section 151-1.4 of the regulations of the commissioner, for the two thousand nine--two thousand ten and two thousand ten--two thousand eleven school years, such school district shall be eligible for a maximum grant equal to the amount computed pursuant to paragraph a of subdivision nine of this section in the two thousand eight--two thousand nine school year, and **(iii)** for the two thousand eleven--two thousand twelve school year each school district shall be eligible for a maximum grant equal to the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN" under the heading "2011-12 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the enacted budget for the 2011-12 school year and entitled "SA111-2", and **(iv)** for two thousand twelve--two thousand thirteen through two thousand sixteen--two thousand seventeen school years each school district shall be eligible for a maximum grant equal to the greater of [~~(i)~~] **(A)** the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN" under the heading "2010-11 BASE YEAR AIDS" in the school aid computer listing produced by the commissioner in support of the enacted budget for the 2011-12 school year and entitled "SA111-2", or [~~(ii)~~] **(B)** the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN" under the heading "2010-11 BASE YEAR AIDS" in the school aid computer listing produced by the commissioner on May fifteenth, two thousand eleven pursuant to paragraph b of subdivision twenty-one of section three hundred five of this chapter, **and (v) for the two thousand seventeen--two thousand eighteen school year, each school district shall be eligible to receive a grant amount equal to the sum of (A) the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN" under the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand sixteen--two thousand seventeen school year and entitled "SA161-7" plus (B) the amount awarded to such school district for the priority full-day prekindergarten and expanded half-day prekindergarten grant program for high need students for the two thousand sixteen--two**

thousand seventeen school year pursuant to chapter fifty-three of the laws of two thousand thirteen, and (vi) for the two thousand eighteen--two thousand nineteen school year, each school district shall be eligible to receive a grant amount equal to the sum of (A) the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN" in the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand seventeen--two thousand eighteen school year plus (B) the amount awarded to such school district for the federal preschool development expansion grant for the two thousand seventeen--two thousand eighteen school year pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Sections 14005, 14006, and 14013, Title XIV, (Public Law 112-10), as amended by section 1832(b) of Division B of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10), and the Department of Education Appropriations Act, 2012 (Title III Division F of Pub. L. 112-74, the Consolidated Appropriations Act, 2012), and (vii) for the two thousand nineteen--two thousand twenty school year, each school district shall be eligible to receive a grant amount equal to the sum of (A) the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN ALLOCATION" on the computer file produced by the commissioner in support of the enacted budget for the two thousand eighteen--two thousand nineteen school year plus (B) the amount awarded to such school district for the expanded prekindergarten program for three and four year-olds for the two thousand eighteen--two thousand nineteen school year pursuant to chapter sixty-one of the laws of two thousand fifteen plus (C) the amount awarded to such school district for the expanded prekindergarten for three-year-olds in high need districts program for the two thousand eighteen--two thousand nineteen school year pursuant to chapter fifty-three of the laws of two thousand sixteen plus (D) the amount awarded to such school district for the expanded prekindergarten program for three- and four-year-olds for the two thousand eighteen--two thousand nineteen school year pursuant to a chapter of the laws of two thousand seventeen plus (E) the amount awarded to such school district, subject to an available appropriation, through the pre-kindergarten expansion grant for the two thousand eighteen--two thousand nineteen school year, provided that such school district has met all requirements pursuant to this section, and (viii) for the two thousand twenty--two thousand twenty-one school year and thereafter, each school district shall be eligible to receive a grant amount equal to the sum of (A) the amount set forth for such school district as "UNIVERSAL PREKINDERGARTEN ALLOCATION" on the computer file produced by the commissioner in support of the enacted budget for the prior year plus (B) the amount awarded to such school district, subject to an available appropriation, through the pre-kindergarten expansion grant for the prior year, provided that such school district has met all requirements pursuant to this section, and provided further that the maximum grant shall not exceed the total actual grant expenditures incurred by the school district in the current school year as approved by the commissioner.

a. Each school district shall be eligible to [~~receive a grant amount equal to the sum of (i) its prekindergarten aid base plus (ii) the product of its selected aid per prekindergarten pupil multiplied by the positive difference, if any, of the number of aidable prekindergarten pupils served in the current year, as determined pursuant to regulations of the commissioner, less the base aidable prekindergarten pupils calculated pursuant to this subdivision for the two thousand seven--two thousand eight school year, based on data on file for the school aid comput-~~

~~er listing produced by the commissioner in support of the enacted budget for the two thousand seven--two thousand eight school year and entitled "SA070-8". Provided, however, that in computing an apportionment pursuant to this paragraph, for districts where the number of aidable prekindergarten pupils served is less than the number of unserved prekindergarten pupils, such grant amount shall be the lesser of such sum computed pursuant to this paragraph or the maximum allocation computed pursuant to subdivision nine of this section~~] serve the sum of (i) full-day prekindergarten pupils plus (ii) half-day prekindergarten pupils.

b. For purposes of paragraph a of this subdivision:

(i) "Selected aid per prekindergarten pupil" shall equal the greater of (A) the product of five-tenths and the school district's selected foundation aid for the current year, or (B) the aid per prekindergarten pupil calculated pursuant to this subdivision for the two thousand six-two thousand seven school year, based on data on file for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand six--two thousand seven school year and entitled "SA060-7"; provided, however, that in the two thousand eight--two thousand nine school year, a city school district in a city having a population of one million inhabitants or more shall not be eligible to select aid per prekindergarten pupil pursuant to clause (A) of this subparagraph;

(ii) [~~"Base aidable prekindergarten pupils". "Base aidable prekindergarten pupils" shall equal the sum of the base aidable prekindergarten pupils calculated pursuant to this subdivision for the base year, based on data on file for the school aid computer listing produced by the commissioner in support of the enacted budget for the base year, plus the additional aidable prekindergarten pupils calculated pursuant to this subdivision for the base year, based on data on file for the school aid computer listing produced by the commissioner in support of the enacted budget for the base year;~~] "Full-day prekindergarten pupils" shall equal:

For the two thousand seventeen--two thousand eighteen school year the sum of, from the priority full-day prekindergarten program, (A) the maximum aidable pupils such district was eligible to serve in the base year plus (B) the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil in the base year;

For the two thousand eighteen--two thousand nineteen school year the sum of, from each of (A) the programs pursuant to this section and (B) the federal preschool development expansion grant, (1) the maximum aidable full-day prekindergarten pupils such district was eligible to serve in the base year plus (2) the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil in the base year;

For the two thousand nineteen--two thousand twenty school year the sum of, from each of (A) the programs pursuant to this section, (B) the expanded prekindergarten program, (C) the expanded prekindergarten for three-year-olds, (D) the expanded prekindergarten program for three- and four-year-olds, and (E) the prekindergarten expansion grant, (1) the maximum aidable full-day prekindergarten pupils such district was eligible to serve in the base year, plus (2) the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil in the base year;

For the two thousand twenty--two thousand twenty-one school year and thereafter the sum of, from each of (A) the programs pursuant to this section and (B) the pre-kindergarten expansion grant, (1) the maximum

aidable full-day prekindergarten pupils such district was eligible to serve in the base year, plus (2) the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil in the base year;

(iii) "Half-day prekindergarten pupils" shall equal:

For the two thousand seventeen--two thousand eighteen school year the sum of the maximum aidable half-day prekindergarten pupils such district was eligible to serve for the base year from (A) the program pursuant to this section plus such pupils from (B) the priority full-day prekindergarten program, less the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil under the priority full-day prekindergarten program for the base year;

For the two thousand eighteen--two thousand nineteen school year the maximum aidable half-day prekindergarten pupils such district was eligible to serve for the base year from (A) the program pursuant to this section less (B) the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil under the federal preschool development expansion grant for the base year;

For the two thousand nineteen--two thousand twenty school year the sum of the maximum aidable half-day prekindergarten pupils such district was eligible to serve for the base year from (A) the program pursuant to this section plus such pupils from (B) the expanded prekindergarten program plus such pupils from (C) the expanded prekindergarten for three-year-olds plus such pupils from (D) the expanded prekindergarten program for three- and four-year-olds plus such pupils from (E) the prekindergarten expansion grant, less the sum of the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil under each of (1) the expanded prekindergarten program plus such pupils from (2) the expanded prekindergarten for three-year-olds plus such pupils from (3) the expanded prekindergarten program for three- and four-year-olds plus such pupils from (4) the prekindergarten expansion grant for the base year;

For the two thousand twenty--two thousand twenty-one school year and thereafter the sum of the maximum aidable half-day prekindergarten pupils such district was eligible to serve for the base year from (A) the program pursuant to this section plus such pupils from (B) the prekindergarten expansion grant, less the maximum aidable number of half-day prekindergarten pupils converted into a full-day prekindergarten pupil under the prekindergarten expansion grant for the base year;

(iv) "Unserved prekindergarten pupils" shall mean the product of eighty-five percent multiplied by the positive difference, if any, between the sum of the public school enrollment and the nonpublic school enrollment of children attending full day and half day kindergarten programs in the district in the year prior to the base year less the number of resident children who attain the age of four before December first of the base year, who were served during such school year by a prekindergarten program approved pursuant to section forty-four hundred ten of this chapter, where such services are provided for more than four hours per day;

[~~(iv) "Additional aidable prekindergarten pupils". For the two thousand seven--two thousand eight through two thousand eight--two thousand nine school years, "additional aidable prekindergarten pupils" shall equal the product of (A) the positive difference, if any, of the unserved prekindergarten pupils less the base aidable prekindergarten pupils multiplied by (B) the prekindergarten phase-in factor;~~

~~(v) the "prekindergarten aid base" shall mean the sum of the amounts the school district received for the two thousand six--two thousand seven school year for grants awarded pursuant to this section and for targeted prekindergarten grants;~~

~~(vi) The "prekindergarten phase-in factor". For the two thousand eight--two thousand nine school year, the prekindergarten phase-in factor shall equal the positive difference, if any, of the pupil need index computed pursuant to subparagraph three of paragraph a of subdivision four of section thirty-six hundred two of this part less one, provided, however, that: (A) for any district where (1) the maximum allocation computed pursuant to subdivision nine of this section for the base year is greater than zero and (2) the amount allocated pursuant to this subdivision for the base year, based on data on file for the school aid computer listing produced by the commissioner on February fifteenth of the base year, pursuant to paragraph b of subdivision twenty-one of section three hundred five of this chapter, is greater than the positive difference, if any, of such maximum allocation for the base year less twenty-seven hundred, the prekindergarten phase-in factor shall not exceed eighteen percent, and shall not be less than ten percent, and (B) for any district not subject to the provisions of clause (A) of this subparagraph where (1) the amount allocated pursuant to this subdivision for the base year is equal to zero or (2) the amount allocated pursuant to this section for the base year, based on data on file for the school aid computer listing produced by the commissioner on February fifteenth of the base year, pursuant to paragraph b of subdivision twenty-one of section three hundred five of this chapter, is less than or equal to the amount allocated pursuant to this section for the year prior to the base year, based on data on file for the school aid computer listing produced by the commissioner on February fifteenth of the base year, pursuant to paragraph b of subdivision twenty-one of section three hundred five of this chapter, the prekindergarten phase-in factor shall equal zero, and (C) for any district not subject to the provisions of clause (A) or (B) of this subparagraph, the prekindergarten phase-in factor shall not exceed thirteen percent, and shall not be less than seven percent;~~

~~(vii) "Base year" shall mean the base year as defined pursuant to subdivision one of section thirty-six hundred two of this part.~~]

(v) "Prekindergarten maintenance of effort base" shall mean the number of eligible total full-day prekindergarten pupils set forth for the district in this paragraph plus the product of one half (0.5) multiplied by the number of eligible total half-day prekindergarten pupils set forth for the district in this paragraph;

(vi) "Current year prekindergarten pupils served" shall mean the sum of full day prekindergarten pupils served in the current year plus the product of one half (0.5) multiplied by the half day prekindergarten pupils in the current year less the half-day conversion overage;

(vii) "Half-day conversion overage" shall equal, for districts that serve greater than thirty percent fewer full-day prekindergarten pupils during the current year than the number of total eligible full-day prekindergarten pupils set forth for the district in paragraph b of subdivision ten of this section due to the conversion of full-day to half-day slots, the difference of the product of seven-tenths multiplied by the total eligible full-day prekindergarten pupils rounded down to the nearest whole number, less the number of full-day prekindergarten pupils actually served. Provided that a district may apply to the commissioner for a hardship waiver that would allow a district to convert more than thirty percent of full-day prekindergarten slots to half-day slots and

receive funding for such slots. Such waiver shall be granted upon a demonstration by the school district that due to a significant change in the resources available to the school district and absent a waiver to allow the conversion of more than thirty percent of full-day prekindergarten slots to half-day slots, the school district would be unable to serve such pupils in prekindergarten programs, without causing significant disruption to other district programming;

(viii) "Maintenance of effort factor" shall mean the quotient arrived at when dividing the current year prekindergarten pupils served by the prekindergarten maintenance of effort base.

For the purposes of this paragraph:

(A) "Priority full-day prekindergarten program" shall mean the priority full-day prekindergarten and expanded half-day prekindergarten grant program for high need students pursuant to chapter fifty-three of the laws of two thousand thirteen;

(B)"Federal preschool development expansion grant" shall mean the federal preschool development expansion grant pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Sections 14005, 14006, and 14013, Title XIV, (Public Law 112-10), as amended by section 1832(b) of Division B of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10), and the Department of Education Appropriations Act, 2012 (Title III Division F of Pub. L. 112-74, the Consolidated Appropriations Act, 2012);

(C) "Expanded prekindergarten program" shall mean the expanded prekindergarten program for three- and four year-olds pursuant to chapter sixty-one of the laws of two thousand fifteen;

(D) "Expanded prekindergarten for three-year-olds" shall mean the expanded prekindergarten for three-year-olds in high need districts program pursuant to chapter fifty-three of the laws of two thousand sixteen;

(E) "Expanded prekindergarten program for three- and four-year-olds" shall mean the expanded prekindergarten program for three- and four-year-olds pursuant to a chapter of the laws of two thousand seventeen;

(F) "Prekindergarten expansion grant" shall mean the prekindergarten expansion grant for the two thousand eighteen--two thousand nineteen school year and thereafter, to the extent such program was available subject to appropriation, and provided that such school district has met all requirements pursuant to this section.

c. Notwithstanding any other provision of this section, the total grant payable pursuant to this section shall equal the lesser of: (i) the total grant amounts computed pursuant to this subdivision for the current year, based on data on file with the commissioner as of September first of the school year immediately following or (ii) the total actual grant expenditures incurred by the school district as approved by the commissioner.

d. Notwithstanding any other provision of this section, apportionments under this section greater than the amounts provided in the two thousand sixteen--two thousand seventeen school year shall only be used to supplement and not supplant current local expenditures of state or local funds on prekindergarten programs and the number of slots in such programs from such sources. Current local expenditures shall include any local expenditures of state or local funds used to supplement or extend services provided directly or via contract to eligible children enrolled in a universal prekindergarten program pursuant to this section.

§ 27. Subdivision 11 of section 3602-e of the education law, as amended by section 10-b of part A of chapter 57 of the laws of 2012, is amended to read as follows:

11. [~~Notwithstanding the provisions of subdivision ten of this section, where the district serves fewer children during the current year than the lesser of the children served in the two thousand ten--two thousand eleven school year or its base aidable prekindergarten pupils computed for the two thousand seven--two thousand eight school year, the school district shall have its apportionment reduced in an amount proportional to such deficiency in the current year or in the succeeding school year, as determined by the commissioner, except such reduction shall not apply to school districts which have fully implemented a universal pre-kindergarten program by making such program available to all eligible children. Expenses incurred by the school district in implementing a pre-kindergarten program plan pursuant to this subdivision shall be deemed ordinary contingent expenses.~~] **Maintenance of effort reduction. Where a school district's current year prekindergarten pupils served is less than its prekindergarten maintenance of effort base, the school district shall have its current year apportionment reduced by the product of the maintenance of effort factor computed in paragraph b of subdivision ten of this section multiplied by the grant amount it was eligible to receive pursuant to subdivision ten of this section.**

§ 28. Paragraphs b and f of subdivision 12 of section 3602-e of the education law, as amended by section 19 of part B of chapter 57 of the laws of 2007, are amended to read as follows:

b. [~~minimum~~] curriculum standards [~~that~~] **consistent with the New York state prekindergarten early learning standards to** ensure that such programs have strong instructional content that is integrated with the school district's instructional program in grades kindergarten [~~though~~] **through** twelve;

f. time requirements which reflect the needs of the individual school districts for flexibility, but meeting a minimum weekly time requirement; **provided, however, that the minimum weekly time requirement for full-day programs shall be twenty-five hours, and the weekly minimum time requirement for half-day programs shall be twelve and one-half hours;**

§ 28-a. Paragraphs d-1 and d-2 of subdivision 12 of section 3602-e of the education law, as amended by section 10-c of part A of chapter 57 of the laws of 2012, are amended to read as follows:

d-1. guidelines which allow personnel employed by an eligible agency that is collaborating with a school district to provide prekindergarten services and licensed by an agency other than the department, to meet the staff qualifications prescribed by the licensing or registering agency; provided however, a written plan is established for prekindergarten teachers to obtain a certificate valid for service in early childhood grades within five years after commencing employment, or by June thirtieth, two thousand [~~seventeen~~] **twenty**, whichever is later**, provided that districts must submit a report to the commissioner regarding (i) barriers to certification, if any, (ii) the number of uncertified teachers teaching pre-kindergarten in the district, including those employed by a community-based organization, (iii) how long such teachers have been employed under transitional guidelines, and (iv) the expected certification completion date of such teachers; provided further that by February first, two thousand eighteen, the commissioner shall approve and submit to the chairs of the assembly ways and means committee and**

**the senate finance committee and to the director of the budget a report containing the information pursuant to this paragraph**;

d-2. guidelines which allow personnel employed by an eligible agency that is collaborating with a school district to provide prekindergarten services and not licensed or registered by the department or other agency, to meet the staff qualifications prescribed by such eligible agency; provided however, a written plan is established for prekindergarten teachers to obtain a certificate valid for service in early childhood grades within five years after commencing employment, or by June thirtieth, two thousand [~~seventeen~~] **twenty**, whichever is later**, provided that districts must submit a report to the commissioner regarding (i) barriers to certification, if any, (ii) the number of uncertified teachers teaching pre-kindergarten in the district, including those employed by a community-based organization, (iii) how long such teachers have been employed under transitional guidelines, and (iv) the expected certification completion date of such teachers; provided further that by February first, two thousand eighteen, the commissioner shall approve and submit to the chairs of the assembly ways and means committee and the senate finance committee and to the director of the budget a report containing the information pursuant to this paragraph**;

§ 28-b. Subdivision 4 of section 51 of part B of chapter 57 of the laws of 2008 amending the education law relating to the universal prekindergarten program, as amended by section 23 of part A of chapter 57 of the laws of 2012, is amended to read as follows:

4. section [~~23~~] **twenty-three** of this act shall take effect July 1, 2008 and shall expire and be deemed repealed June 30, [~~2017~~] **2020**;

§ 29. Subdivision 14 of section 3602-e of the education law, as amended by section 19 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

14. On February fifteenth, two thousand, and annually thereafter, the commissioner and the board of regents shall include in its annual report to the legislature **and the governor**, information on school districts receiving grants under this section; the amount of each grant; a description of the program that each grant supports and an assessment by the commissioner of the extent to which the program meets measurable outcomes required by the grant program or regulations of such commissioner; and any other relevant information**, which shall include but not be limited to the following:**

**a. (i) the total number of students served in state-funded district-operated prekindergarten programs, (ii) the total number of students served in state-funded community-based prekindergarten programs, (iii) the total number of students served in state-funded half-day prekindergarten programs, and (iv) the total number of students served in state-funded full-day prekindergarten programs;**

**b. (i) the total number of students served in state, federal and locally funded district-operated prekindergarten programs, (ii) the total number of students served in state, federal and locally funded community-based prekindergarten programs, (iii) the total number of students served in state, federal and locally funded half-day prekindergarten programs, and (iv) the total number of students served in state, federal and locally funded full-day prekindergarten programs;**

**c. the total spending on prekindergarten programs from state, federal, and local sources;**

**d. the total number of students on a district wait list for a prekindergarten slot in a state-funded prekindergarten program; and**

**e. for each program described in subparagraphs (i), (ii), (iii) and (iv) of paragraph a of this subdivision, and subparagraphs (i), (ii), (iii) and (iv) of paragraph b of this subdivision, the total number of students served with disabilities that have an individualized education plan and, of those, the total number of students requiring any of the following approved services: special education itinerant services; special class in an integrated setting; or a special class**. Such report shall also contain any recommendations to improve or otherwise change the program.

§ 30. Section 3602-e of the education law is amended by adding two new subdivisions 17 and 18 to read as follows:

**17. Approved quality indicators. A school district receiving funding pursuant to this section shall agree to adopt approved quality indicators within two years, including, but not limited to, valid and reliable measures of environmental quality, the quality of teacher-student interactions and child outcomes, and ensure that any such assessment of child outcomes shall not be used to make high-stakes educational decisions for individual children.**

**18. Universal prekindergarten expansion grants. Subject to available appropriation, any additional funding for pre-kindergarten in the two thousand eighteen--two thousand nineteen school year and thereafter shall be made available for additional grants for pre-kindergarten programs.**

§ 31. Subdivision 16 of section 3602-ee of the education law, as amended by section 23 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

16. The authority of the department to administer the universal full-day pre-kindergarten program shall expire June thirtieth, two thousand [~~seventeen~~] **eighteen**; provided that the program shall continue and remain in full effect.

§ 31-a. Paragraph (c) of subdivision 8 of section 3602-ee of the education law, as added by section 1 of part CC of chapter 56 of the laws of 2014, is amended to read as follows:

(c) **(i)** for eligible agencies as defined in paragraph b of subdivision one of section thirty-six hundred two-e of this part that are not schools, a bachelor's degree in early childhood education or a related field and a written plan to obtain a certification valid for service in the early childhood grades as follows:

[~~(i)~~] **(1)** for teachers hired on or after the effective date of this section as the teacher for a universal full-day pre-kindergarten classroom, within three years after commencing employment, at which time such certification shall be required for employment; and

[~~(ii)~~] **(2)** for teachers hired by such provider prior to the effective date of this section for other early childhood care and education programs, no later than June thirtieth, two thousand seventeen, at which time such certification shall be required for employment.

**(ii) Provided that, notwithstanding any provisions of this paragraph to the contrary, for the two thousand seventeen-two thousand eighteen school year, an exemption to the certification requirement of subparagraph (i) of this paragraph may be made for a teacher without certification valid for service in the early childhood grades who possesses a written plan to obtain certification and who has registered in the ASPIRE workforce registry as required under regulations of the commissioner of the office of children and family services. Notwithstanding any exemption provided by this subparagraph, certification shall be**

required for employment no later than June thirtieth, two thousand eighteen.

§ 31-b. Section 3602-ee of the education law is amended by adding a new subdivision 17 to read as follows:

17. Notwithstanding any inconsistent provision of law to the contrary, for the purposes of determining the prekindergarten allocation on the electronic data file prepared by the commissioner pursuant to subdivision twenty-one of section three hundred five of this chapter for the two thousand nineteen--two thousand twenty school year and thereafter, the commissioner is directed to include the grant amounts awarded pursuant to this section in the amount set forth for such school district as "UNIVERSAL PRE-KINDERGARTEN."

§ 32. Subdivision 21 of section 305 of the education law is amended by adding a new paragraph d to read as follows:

d. Notwithstanding any inconsistent provision of law to the contrary, for the purposes of (i) determining the base year level of general support for public schools pursuant to paragraph b of this subdivision for the two thousand seventeen--two thousand eighteen school year and thereafter, the commissioner is directed to include the state-funded grant amounts allocated pursuant to subdivision ten of section thirty-six hundred two-e of this chapter where such state-funded grants had previously been allocated to districts by means other than general support for public schools, and (ii) for the purposes of determining both the base year and current year levels of general support for public schools pursuant to paragraph b of this subdivision for the two thousand nineteen--two thousand twenty school year and thereafter, the commissioner is also directed to include grant amounts pursuant to section thirty-six hundred two-ee of this chapter, provided that, notwithstanding any provision of law to the contrary, such base year grant amounts shall not be included in: (1) the allowable growth amount computed pursuant to paragraph dd of subdivision one of section thirty-six hundred two of this chapter, (2) the preliminary growth amount computed pursuant to paragraph ff of subdivision one of section thirty-six hundred two of this chapter, and (3) the allocable growth amount computed pursuant to paragraph gg of subdivision one of section thirty-six hundred two of this chapter, and shall not be considered, and shall not be available for interchange with, general support for public schools.

§ 33. The opening paragraph of section 3609-a of the education law, as amended by section 10 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

For aid payable in the two thousand seven--two thousand eight school year through the two thousand [~~sixteen~~] seventeen--two thousand [~~seventeen~~] eighteen school year, "moneys apportioned" shall mean the lesser of (i) the sum of one hundred percent of the respective amount set forth for each school district as payable pursuant to this section in the school aid computer listing for the current year produced by the commissioner in support of the budget which includes the appropriation for the general support for public schools for the prescribed payments and individualized payments due prior to April first for the current year plus the apportionment payable during the current school year pursuant to subdivision six-a and subdivision fifteen of section thirty-six hundred two of this part minus any reductions to current year aids pursuant to subdivision seven of section thirty-six hundred four of this part or any deduction from apportionment payable pursuant to this chapter for collection of a school district basic contribution as defined in subdi-

vision eight of section forty-four hundred one of this chapter, less any grants provided pursuant to subparagraph two-a of paragraph b of subdivision four of section ninety-two-c of the state finance law, less any grants provided pursuant to subdivision six of section ninety-seven-nnnn of the state finance law, less any grants provided pursuant to subdivision twelve of section thirty-six hundred forty-one of this article, or (ii) the apportionment calculated by the commissioner based on data on file at the time the payment is processed; provided however, that for the purposes of any payments made pursuant to this section prior to the first business day of June of the current year, moneys apportioned shall not include any aids payable pursuant to subdivisions six and fourteen, if applicable, of section thirty-six hundred two of this part as current year aid for debt service on bond anticipation notes and/or bonds first issued in the current year or any aids payable for full-day kindergarten for the current year pursuant to subdivision nine of section thirty-six hundred two of this part. The definitions of "base year" and "current year" as set forth in subdivision one of section thirty-six hundred two of this part shall apply to this section. [~~For aid payable in the two thousand sixteen--two thousand seventeen school year, reference to such "school aid computer listing for the current year" shall mean the printouts entitled "SA161-7".~~] For aid payable in the two thousand seventeen--two thousand eighteen school year, reference to such "school aid computer listing for the current year" shall mean the printouts entitled "SA171-8".

§ 34. Paragraph b of subdivision 2 of section 3612 of the education law, as amended by section 26 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

b. Such grants shall be awarded to school districts, within the limits of funds appropriated therefor, through a competitive process that takes into consideration the magnitude of any shortage of teachers in the school district, the number of teachers employed in the school district who hold temporary licenses to teach in the public schools of the state, the number of provisionally certified teachers, the fiscal capacity and geographic sparsity of the district, the number of new teachers the school district intends to hire in the coming school year and the number of summer in the city student internships proposed by an eligible school district, if applicable. Grants provided pursuant to this section shall be used only for the purposes enumerated in this section. Notwithstanding any other provision of law to the contrary, a city school district in a city having a population of one million or more inhabitants receiving a grant pursuant to this section may use no more than eighty percent of such grant funds for any recruitment, retention and certification costs associated with transitional certification of teacher candidates for the school years two thousand one--two thousand two through [~~two thousand sixteen--two thousand seventeen~~] two thousand seventeen--two thousand eighteen.

§ 35. Subdivision 6 of section 4402 of the education law, as amended by section 27 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

6. Notwithstanding any other law, rule or regulation to the contrary, the board of education of a city school district with a population of one hundred twenty-five thousand or more inhabitants shall be permitted to establish maximum class sizes for special classes for certain students with disabilities in accordance with the provisions of this subdivision. For the purpose of obtaining relief from any adverse fiscal impact from under-utilization of special education resources due to low

student attendance in special education classes at the middle and secondary level as determined by the commissioner, such boards of education shall, during the school years nineteen hundred ninety-five--ninety-six through June thirtieth, two thousand [~~seventeen~~] eighteen of the [~~two thousand sixteen--two thousand seventeen~~] two thousand seventeen--two thousand eighteen school year, be authorized to increase class sizes in special classes containing students with disabilities whose age ranges are equivalent to those of students in middle and secondary schools as defined by the commissioner for purposes of this section by up to but not to exceed one and two tenths times the applicable maximum class size specified in regulations of the commissioner rounded up to the nearest whole number, provided that in a city school district having a population of one million or more, classes that have a maximum class size of fifteen may be increased by no more than one student and provided that the projected average class size shall not exceed the maximum specified in the applicable regulation, provided that such authorization shall terminate on June thirtieth, two thousand. Such authorization shall be granted upon filing of a notice by such a board of education with the commissioner stating the board's intention to increase such class sizes and a certification that the board will conduct a study of attendance problems at the secondary level and will implement a corrective action plan to increase the rate of attendance of students in such classes to at least the rate for students attending regular education classes in secondary schools of the district. Such corrective action plan shall be submitted for approval by the commissioner by a date during the school year in which such board increases class sizes as provided pursuant to this subdivision to be prescribed by the commissioner. Upon at least thirty days notice to the board of education, after conclusion of the school year in which such board increases class sizes as provided pursuant to this subdivision, the commissioner shall be authorized to terminate such authorization upon a finding that the board has failed to develop or implement an approved corrective action plan.

§ 36. Hendrick Hudson central school district energy system tax stabilization reserve fund. (a) Definitions. As used in this section:

(i) "Board of education" or "board" means the board of education of the Hendrick Hudson central school district.

(ii) "Energy system tax stabilization reserve fund" means the energy system tax stabilization fund established pursuant to this section.

(iii) "School district" or "district" means the Hendrick Hudson central school district.

(b) The board of education is hereby authorized to establish an energy system tax stabilization reserve fund to lessen or prevent increases in the school district's real property tax levy resulting from decreases in revenue due to the closure of the Indian Point nuclear power plant provided, however, that no such fund shall be established unless approved by a majority vote of the voters present and voting on a separate ballot proposition therefor at either a special district meeting which the board of education may call for such purpose or at the annual district meeting and election, to be noticed and conducted in either case in accordance with article 41 of the education law. Such separate proposition shall set forth the maximum allowable balance to be deposited and held in the energy system tax stabilization reserve fund. Moneys shall be paid into and withdrawn from the fund and the fund shall be administered as follows:

(i) The board of education is hereby authorized to make payments into the energy system tax stabilization reserve fund in an amount not to

exceed the balance over any maximum allowable balance in the district's unassigned fund balance and from any reserve funds authorized or required by law in amounts which the board of education shall determine are not reasonably necessary for the purpose of such fund or funds and which accrued prior to the establishment of the energy system tax stabilization reserve fund, provided that no such payment from any unassigned fund balance or any reserve fund shall cause the balance of the energy system tax stabilization reserve fund to exceed the amount approved in the ballot proposal pursuant to this section.

(ii) Moneys may be withdrawn from the energy system tax stabilization reserve fund for any fiscal year to be expended for any lawful purpose. Withdrawals from the fund shall be disclosed in a manner consistent with the required disclosures of similar reserve funds held by the district, including disclosures required by the property tax report card prepared by the district pursuant to the provisions of subdivision 7 of section 1716 of the education law; and deposits and withdrawals made in each fiscal year shall be subject to the district's annual budget approval process.

§ 37. Subparagraph (i) of paragraph a of subdivision 10 of section 4410 of the education law is amended by adding a new clause (D) to read as follows:

**(D) Notwithstanding any other provision of law, rule or regulation to the contrary, commencing with the two thousand eighteen--two thousand nineteen school year, approved preschool integrated special class programs shall be reimbursed for such services based on an alternative methodology for reimbursement to be established by the commissioner. In developing such methodology the commissioner shall seek input from stakeholders that would be impacted by such alternative methodology. The alternative methodology, subject to the approval of the director of the budget, shall be proposed by the department no later than April first, two thousand eighteen.**

§ 38. Subdivision a of section 5 of chapter 121 of the laws of 1996, relating to authorizing the Roosevelt union free school district to finance deficits by the issuance of serial bonds, as amended by section 44 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

a. Notwithstanding any other provisions of law, upon application to the commissioner of education submitted not sooner than April first and not later than June thirtieth of the applicable school year, the Roosevelt union free school district shall be eligible to receive an apportionment pursuant to this chapter for salary expenses, including related benefits, incurred between April first and June thirtieth of such school year. Such apportionment shall not exceed: for the 1996-97 school year through the [~~2016-17~~] **2017-18** school year, four million dollars ($4,000,000); for the [~~2017-18~~] **2018-19** school year, three million dollars ($3,000,000); for the [~~2018-19~~] **2019-20** school year, two million dollars ($2,000,000); for the [~~2019-20~~] **2020-21** school year, one million dollars ($1,000,000); and for the [~~2020-21~~] **2021-22** school year, zero dollars. Such annual application shall be made after the board of education has adopted a resolution to do so with the approval of the commissioner of education.

§ 39. Subparagraph (ii) of paragraph (a) of subdivision 9 of section 103 of the general municipal law, as amended by chapter 62 of the laws of 2016, is amended to read as follows:

(ii) such association of producers or growers is comprised of owners of farms who also operate such farms and have combined to fill the order

of a school district, and where such order is for [~~twenty-five thousand~~] **fifty thousand** dollars or less as herein authorized, provided however, that a school district may apply to the commissioner of education for permission to purchase orders of more than [~~twenty-five thousand~~] **fifty thousand** dollars from an association of owners of such farms when no other producers or growers have offered to sell to such school;

§ 40. Section 7 of chapter 472 of the laws of 1998, amending the education law relating to the lease of school buses by school districts, as amended by section 18 of part A of chapter 56 of the laws of 2015, is amended to read as follows:

§ 7. This act shall take effect September 1, 1998, and shall expire and be deemed repealed September 1, [~~2017~~] **2019**.

§ 41. Subdivision 6-a of section 140 of chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, as amended by section 17-a of part A of chapter 57 of the laws of 2012, is amended to read as follows:

(6-a) Section seventy-three of this act shall take effect July 1, 1995 and shall be deemed repealed June 30, [~~2017~~] **2022**;

§ 42. Intentionally omitted.

§ 43. Intentionally omitted.

§ 44. Subdivision b of section 2 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, as amended by section 28 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

b. Reimbursement for programs approved in accordance with subdivision a of this section for [~~the 2012--2013 school year shall not exceed 63.3 percent of the lesser of such approvable costs per contact hour or twelve dollars and thirty-five cents per contact hour, reimbursement for the 2013--2014 school year shall not exceed 62.3 percent of the lesser of such approvable costs per contact hour or twelve dollars and sixty-five cents per contact hour, reimbursement for the 2014--2015 school year shall not exceed 61.6 percent of the lesser of such approvable costs per contact hour or thirteen dollars per contact hour, reimbursement for~~] the 2015--2016 school year shall not exceed 60.7 percent of the lesser of such approvable costs per contact hour or thirteen dollars and forty cents per contact hour, [~~and~~] reimbursement for the 2016--2017 school year shall not exceed 60.3 percent of the lesser of such approvable costs per contact hour or thirteen dollars ninety cents per contact hour**, and reimbursement for the 2017--2018 school year shall not exceed 60.4 percent of the lesser of such approvable costs per contact hour or thirteen dollars and ninety cents per contact hour,** where a contact hour represents sixty minutes of instruction services provided to an eligible adult. Notwithstanding any other provision of law to the contrary, [~~for the 2012--2013 school year such contact hours shall not exceed one million six hundred sixty-four thousand five hundred thirty-two (1,664,532) hours; whereas for the 2013--2014 school year such contact hours shall not exceed one million six hundred forty-nine thousand seven hundred forty-six (1,649,746) hours; whereas for the 2014--2015 school year such contact hours shall not exceed one million six hundred twenty-five thousand (1,625,000) hours; whereas~~] for the 2015--2016 school year such contact hours shall not exceed one million five hundred ninety-nine thousand fifteen (1,599,015) hours; whereas for the 2016--2017 school year such contact hours shall not exceed one million five hundred fifty-one thousand three hundred twelve (1,551,312)**; and for the**

**2017--2018 school year such contact hours shall not exceed one million five hundred forty-nine thousand four hundred sixty-three (1,549,463)**. Notwithstanding any other provision of law to the contrary, the apportionment calculated for the city school district of the city of New York pursuant to subdivision 11 of section 3602 of the education law shall be computed as if such contact hours provided by the consortium for worker education, not to exceed the contact hours set forth herein, were eligible for aid in accordance with the provisions of such subdivision 11 of section 3602 of the education law.

§ 45. Section 4 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, is amended by adding a new subdivision v to read as follows:

**v. The provisions of this subdivision shall not apply after the completion of payments for the 2017--2018 school year. Notwithstanding any inconsistent provisions of law, the commissioner of education shall withhold a portion of employment preparation education aid due to the city school district of the city of New York to support a portion of the costs of the work force education program. Such moneys shall be credited to the elementary and secondary education fund-local assistance account and shall not exceed thirteen million dollars ($13,000,000).**

§ 46. Section 6 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, as amended by section 30 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

§ 6. This act shall take effect July 1, 1992, and shall be deemed repealed on June 30, [~~2017~~] **2018**.

§ 47. Subdivisions 22 and 24 of section 140 of chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, as amended by section 33 of part A of chapter 54 of the laws of 2016, are amended to read as follows:

(22) sections one hundred twelve, one hundred thirteen, one hundred fourteen, one hundred fifteen and one hundred sixteen of this act shall take effect on July 1, 1995; provided, however, that section one hundred thirteen of this act shall remain in full force and effect until July 1, [~~2017~~] **2018** at which time it shall be deemed repealed;

(24) sections one hundred eighteen through one hundred thirty of this act shall be deemed to have been in full force and effect on and after July 1, 1995; provided further, however, that the amendments made pursuant to section one hundred twenty-four of this act shall be deemed to be repealed on and after July 1, [~~2017~~] **2018**;

§ 48. Paragraphs (a-1) and (b) of section 5 of chapter 89 of the laws of 2016 relating to supplementary funding for dedicated programs for public school students in the East Ramapo central school district, are amended to read as follows:

(a-1) The East Ramapo central school district shall be eligible to receive reimbursement [~~from such funds made available~~] pursuant to [~~paragraph (a) of~~] this [~~section~~] **act, subject to available appropriation,** for its approved expenditures **in the two thousand sixteen--two thousand seventeen school year and thereafter** on services to improve and enhance the educational opportunities of students attending the public schools in such district. Such services shall include, but not be limited to, reducing class sizes, expanding academic and enrichment opportunities, establishing and expanding kindergarten programs, expanding extracurricular opportunities and providing student support services,

provided, however, transportation services and expenses shall not be eligible for reimbursement from such funds.

(b) In order to receive such funds, the school district in consultation with the monitor or monitors shall develop a long term strategic academic and fiscal improvement plan within 6 months from the enactment of this act **and shall annually revise such plan by October first of each year thereafter**. Such plan**, including such annual revisions thereto,** shall be submitted to the commissioner for approval and shall include a set of goals with appropriate benchmarks and measurable objectives and identify strategies to address areas where improvements are needed in the district, including but not limited to its financial stability, academic opportunities and outcomes, education of students with disabilities, education of English language learners, and shall ensure compliance with all applicable state and federal laws and regulations. This improvement plan shall also include a comprehensive expenditure plan that will describe how the funds made available to the district pursuant to this section will be spent **in the applicable school year**. The comprehensive expenditure plan shall ensure that funds supplement, not supplant, expenditures from local, state and federal funds for services provided to public school students**, except that such funds may be used to continue services funded pursuant to this act in prior years**. Such expenditure plan shall be developed **and annually revised** in consultation with the monitor or monitors appointed by the commissioner. The board of education of the East Ramapo central school district must **annually** conduct a public hearing on the expenditure plan and shall consider the input of the community before adopting such plan. Such expenditure plan shall also be made publicly available and shall be **annually** submitted along with comments made by the community to the commissioner for approval once the plan is finalized. Upon review of the improvement plan and the expenditure plan, required to be submitted pursuant to this subdivision or section seven of this act, the commissioner shall approve or deny such plan in writing and, if denied, shall include the reasons therefor. The district in consultation with the monitors may resubmit such plan or plans with any needed modifications thereto.

§ 49. Section 8 of chapter 89 of the laws of 2016 relating to supplementary funding for dedicated programs for public school students in the East Ramapo central school district, is amended to read as follows:

§ 8. This act shall take effect July 1, 2016 and shall expire and be deemed repealed June 30, [~~2017~~] **2018**.

§ 50. Section 12 of chapter 147 of the laws of 2001, amending the education law relating to conditional appointment of school district, charter school or BOCES employees, as amended by section 34 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

§ 12. This act shall take effect on the same date as chapter 180 of the laws of 2000 takes effect, and shall expire July 1, [~~2017~~] **2018** when upon such date the provisions of this act shall be deemed repealed.

§ 51. School bus driver training. In addition to apportionments otherwise provided by section 3602 of the education law, for aid payable in the 2017--2018 school year, the commissioner of education shall allocate school bus driver training grants to school districts and boards of cooperative educational services pursuant to sections 3650-a, 3650-b and 3650-c of the education law, or for contracts directly with not-for-profit educational organizations for the purposes of this section. Such payments shall not exceed four hundred thousand dollars ($400,000) per school year.

§ 52. Special apportionment for salary expenses. a. Notwithstanding any other provision of law, upon application to the commissioner of education, not sooner than the first day of the second full business week of June 2018 and not later than the last day of the third full business week of June 2018, a school district eligible for an apportionment pursuant to section 3602 of the education law shall be eligible to receive an apportionment pursuant to this section, for the school year ending June 30, 2018, for salary expenses incurred between April 1 and June 30, 2017 and such apportionment shall not exceed the sum of (i) the deficit reduction assessment of 1990--1991 as determined by the commissioner of education, pursuant to paragraph f of subdivision 1 of section 3602 of the education law, as in effect through June 30, 1993, plus (ii) 186 percent of such amount for a city school district in a city with a population in excess of 1,000,000 inhabitants, plus (iii) 209 percent of such amount for a city school district in a city with a population of more than 195,000 inhabitants and less than 219,000 inhabitants according to the latest federal census, plus (iv) the net gap elimination adjustment for 2010--2011, as determined by the commissioner of education pursuant to chapter 53 of the laws of 2010, plus (v) the gap elimination adjustment for 2011--2012 as determined by the commissioner of education pursuant to subdivision 17 of section 3602 of the education law, and provided further that such apportionment shall not exceed such salary expenses. Such application shall be made by a school district, after the board of education or trustees have adopted a resolution to do so and in the case of a city school district in a city with a population in excess of 125,000 inhabitants, with the approval of the mayor of such city.

b. The claim for an apportionment to be paid to a school district pursuant to subdivision a of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed. Such approved amounts shall be payable on the same day in September of the school year following the year in which application was made as funds provided pursuant to subparagraph (4) of paragraph b of subdivision 4 of section 92-c of the state finance law, on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys in the state lottery fund and from the general fund to the extent that the amount paid to a school district pursuant to this section exceeds the amount, if any, due such school district pursuant to subparagraph (2) of paragraph a of subdivision 1 of section 3609-a of the education law in the school year following the year in which application was made.

c. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to a school district pursuant to subdivisions a and b of this section shall first be deducted from the following payments due the school district during the school year following the year in which application was made pursuant to subparagraphs (1), (2), (3), (4) and (5) of paragraph a of subdivision 1 of section 3609-a of the education law in the following order: the lottery apportionment payable pursuant to subparagraph (2) of such paragraph followed by the fixed fall payments payable pursuant to subparagraph (4) of such paragraph and then followed by the district's payments to the teachers' retirement system pursuant to subparagraph (1) of such paragraph, and any remainder to be deducted from the individualized payments due the district pursuant to paragraph b of such subdivision shall be

deducted on a chronological basis starting with the earliest payment due the district.

§ 53. Special apportionment for public pension accruals. a. Notwithstanding any other provision of law, upon application to the commissioner of education, not later than June 30, 2018, a school district eligible for an apportionment pursuant to section 3602 of the education law shall be eligible to receive an apportionment pursuant to this section, for the school year ending June 30, 2018 and such apportionment shall not exceed the additional accruals required to be made by school districts in the 2004--2005 and 2005--2006 school years associated with changes for such public pension liabilities. The amount of such additional accrual shall be certified to the commissioner of education by the president of the board of education or the trustees or, in the case of a city school district in a city with a population in excess of 125,000 inhabitants, the mayor of such city. Such application shall be made by a school district, after the board of education or trustees have adopted a resolution to do so and in the case of a city school district in a city with a population in excess of 125,000 inhabitants, with the approval of the mayor of such city.

b. The claim for an apportionment to be paid to a school district pursuant to subdivision a of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed. Such approved amounts shall be payable on the same day in September of the school year following the year in which application was made as funds provided pursuant to subparagraph (4) of paragraph b of subdivision 4 of section 92-c of the state finance law, on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys in the state lottery fund and from the general fund to the extent that the amount paid to a school district pursuant to this section exceeds the amount, if any, due such school district pursuant to subparagraph (2) of paragraph a of subdivision 1 of section 3609-a of the education law in the school year following the year in which application was made.

c. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to a school district pursuant to subdivisions a and b of this section shall first be deducted from the following payments due the school district during the school year following the year in which application was made pursuant to subparagraphs (1), (2), (3), (4) and (5) of paragraph a of subdivision 1 of section 3609-a of the education law in the following order: the lottery apportionment payable pursuant to subparagraph (2) of such paragraph followed by the fixed fall payments payable pursuant to subparagraph (4) of such paragraph and then followed by the district's payments to the teachers' retirement system pursuant to subparagraph (1) of such paragraph, and any remainder to be deducted from the individualized payments due the district pursuant to paragraph b of such subdivision shall be deducted on a chronological basis starting with the earliest payment due the district.

§ 54. a. Notwithstanding any other law, rule or regulation to the contrary, any moneys appropriated to the state education department may be suballocated to other state departments or agencies, as needed, to accomplish the intent of the specific appropriations contained therein.

b. Notwithstanding any other law, rule or regulation to the contrary, moneys appropriated to the state education department from the general

fund/aid to localities, local assistance account-001, shall be for payment of financial assistance, as scheduled, net of disallowances, refunds, reimbursement and credits.

c. Notwithstanding any other law, rule or regulation to the contrary, all moneys appropriated to the state education department for aid to localities shall be available for payment of aid heretofore or hereafter to accrue and may be suballocated to other departments and agencies to accomplish the intent of the specific appropriations contained therein.

d. Notwithstanding any other law, rule or regulation to the contrary, moneys appropriated to the state education department for general support for public schools may be interchanged with any other item of appropriation for general support for public schools within the general fund local assistance account office of prekindergarten through grade twelve education programs.

§ 55. Notwithstanding the provision of any law, rule, or regulation to the contrary, the city school district of the city of Rochester, upon the consent of the board of cooperative educational services of the supervisory district serving its geographic region may purchase from such board for the 2017--2018 school year, as a non-component school district, services required by article 19 of the education law.

§ 56. The amounts specified in this section shall be set aside from the state funds which each such district is receiving from the total foundation aid: for the purpose of the development, maintenance or expansion of magnet schools or magnet school programs for the 2017--2018 school year. To the city school district of the city of New York there shall be paid forty-eight million one hundred seventy-five thousand dollars ($48,175,000) including five hundred thousand dollars ($500,000) for the Andrew Jackson High School; to the Buffalo city school district, twenty-one million twenty-five thousand dollars ($21,025,000); to the Rochester city school district, fifteen million dollars ($15,000,000); to the Syracuse city school district, thirteen million dollars ($13,000,000); to the Yonkers city school district, forty-nine million five hundred thousand dollars ($49,500,000); to the Newburgh city school district, four million six hundred forty-five thousand dollars ($4,645,000); to the Poughkeepsie city school district, two million four hundred seventy-five thousand dollars ($2,475,000); to the Mount Vernon city school district, two million dollars ($2,000,000); to the New Rochelle city school district, one million four hundred ten thousand dollars ($1,410,000); to the Schenectady city school district, one million eight hundred thousand dollars ($1,800,000); to the Port Chester city school district, one million one hundred fifty thousand dollars ($1,150,000); to the White Plains city school district, nine hundred thousand dollars ($900,000); to the Niagara Falls city school district, six hundred thousand dollars ($600,000); to the Albany city school district, three million five hundred fifty thousand dollars ($3,550,000); to the Utica city school district, two million dollars ($2,000,000); to the Beacon city school district, five hundred sixty-six thousand dollars ($566,000); to the Middletown city school district, four hundred thousand dollars ($400,000); to the Freeport union free school district, four hundred thousand dollars ($400,000); to the Greenburgh central school district, three hundred thousand dollars ($300,000); to the Amsterdam city school district, eight hundred thousand dollars ($800,000); to the Peekskill city school district, two hundred thousand dollars ($200,000); and to the Hudson city school district, four hundred thousand dollars ($400,000). Notwithstanding the provisions of this section, a school district receiving a grant pursuant

to this section may use such grant funds for: (i) any instructional or instructional support costs associated with the operation of a magnet school; or (ii) any instructional or instructional support costs associated with implementation of an alternative approach to reduction of racial isolation and/or enhancement of the instructional program and raising of standards in elementary and secondary schools of school districts having substantial concentrations of minority students. The commissioner of education shall not be authorized to withhold magnet grant funds from a school district that used such funds in accordance with this paragraph, notwithstanding any inconsistency with a request for proposals issued by such commissioner. For the purpose of attendance improvement and dropout prevention for the 2017--2018 school year, for any city school district in a city having a population of more than one million, the setaside for attendance improvement and dropout prevention shall equal the amount set aside in the base year. For the 2017--2018 school year, it is further provided that any city school district in a city having a population of more than one million shall allocate at least one-third of any increase from base year levels in funds set aside pursuant to the requirements of this subdivision to community-based organizations. Any increase required pursuant to this subdivision to community-based organizations must be in addition to allocations provided to community-based organizations in the base year. For the purpose of teacher support for the 2017--2018 school year: to the city school district of the city of New York, sixty-two million seven hundred seven thousand dollars ($62,707,000); to the Buffalo city school district, one million seven hundred forty-one thousand dollars ($1,741,000); to the Rochester city school district, one million seventy-six thousand dollars ($1,076,000); to the Yonkers city school district, one million one hundred forty-seven thousand dollars ($1,147,000); and to the Syracuse city school district, eight hundred nine thousand dollars ($809,000). All funds made available to a school district pursuant to this section shall be distributed among teachers including prekindergarten teachers and teachers of adult vocational and academic subjects in accordance with this section and shall be in addition to salaries heretofore or hereafter negotiated or made available; provided, however, that all funds distributed pursuant to this section for the current year shall be deemed to incorporate all funds distributed pursuant to former subdivision 27 of section 3602 of the education law for prior years. In school districts where the teachers are represented by certified or recognized employee organizations, all salary increases funded pursuant to this section shall be determined by separate collective negotiations conducted pursuant to the provisions and procedures of article 14 of the civil service law, notwithstanding the existence of a negotiated agreement between a school district and a certified or recognized employee organization.

§ 57. Support of public libraries. The moneys appropriated for the support of public libraries by a chapter of the laws of 2017 enacting the aid to localities budget shall be apportioned for the 2017-2018 state fiscal year in accordance with the provisions of sections 271, 272, 273, 282, 284, and 285 of the education law as amended by the provisions of this chapter and the provisions of this section, provided that library construction aid pursuant to section 273-a of the education law shall not be payable from the appropriations for the support of public libraries and provided further that no library, library system or program, as defined by the commissioner of education, shall receive less total system or program aid than it received for the year 2001-2002

except as a result of a reduction adjustment necessary to conform to the appropriations for support of public libraries. Notwithstanding any other provision of law to the contrary the moneys appropriated for the support of public libraries for the year 2017-2018 by a chapter of the laws of 2017 enacting the education, labor and family assistance budget shall fulfill the state's obligation to provide such aid and, pursuant to a plan developed by the commissioner of education and approved by the director of the budget, the aid payable to libraries and library systems pursuant to such appropriations shall be reduced proportionately to assure that the total amount of aid payable does not exceed the total appropriations for such purpose.

§ 58. Subdivision 11 of section 94 of part C of chapter 57 of the laws of 2004, relating to the support of education, as amended by section 22-a of part A of chapter 56 of the laws of 2014, is amended to read as follows:

11. section seventy-one of this act shall expire and be deemed repealed June 30, [~~2017~~] 2020;

§ 59. Section 2 of chapter 658 of the laws of 2002, amending the education law relating to citizenship requirements for permanent certification as a teacher, as amended by chapter 289 of the laws of 2012, is amended to read as follows:

§ 2. This act shall take effect immediately, and shall expire and be deemed repealed November 30, [~~2017~~] 2022.

§ 60. Paragraph a-1 of subdivision 11 of section 3602 of the education law, as amended by section 45 of part A of chapter 54 of the laws of 2016, is amended to read as follows:

a-1. Notwithstanding the provisions of paragraph a of this subdivision, for aid payable in the school years two thousand--two thousand one through two thousand nine--two thousand ten, and two thousand eleven--two thousand twelve through two thousand [~~sixteen~~] seventeen--two thousand [~~seventeen~~] eighteen, the commissioner may set aside an amount not to exceed two million five hundred thousand dollars from the funds appropriated for purposes of this subdivision for the purpose of serving persons twenty-one years of age or older who have not been enrolled in any school for the preceding school year, including persons who have received a high school diploma or high school equivalency diploma but fail to demonstrate basic educational competencies as defined in regulation by the commissioner, when measured by accepted standardized tests, and who shall be eligible to attend employment preparation education programs operated pursuant to this subdivision.

§ 61. Paragraph b of subdivision 21 of section 305 of the education law, as added by chapter 474 of the laws of 1996, is amended to read as follows:

b. The commissioner shall periodically prepare an updated electronic data file containing actual and estimated data relating to apportionments due and owing during the current school year and projections of such apportionments for the following school year to school districts and boards of cooperative educational services from the general support for public schools, growth and boards of cooperative educational services appropriations on the following dates: November fifteenth, or such alternative date as may be requested by the director of the budget for the purpose of preparation of the executive budget; February fifteenth, or such alternative date as may be jointly requested by the chair of the senate finance committee and the chair of the assembly ways and means committee; and May fifteenth. For the purposes of using estimated data for projections of apportionments for the following school

year, when no specific apportionment has yet been made for such school year, but such apportionment has a history of annual reauthorization, the commissioner shall estimate the apportionment at the same level as the preceding school year, subject to the annual approval of the director of the budget, the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee.

§ 62. Severability. The provisions of this act shall be severable, and if the application of any clause, sentence, paragraph, subdivision, section or part of this act to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not necessarily affect, impair or invalidate the application of any such clause, sentence, paragraph, subdivision, section, part of this act or remainder thereof, as the case may be, to any other person or circumstance, 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.

§ 63. This act shall take effect immediately, and shall be deemed to have been in full force and effect on and after April 1, 2017, provided, however, that:

1. sections one, two, five, sixteen, sixteen-a, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six, twenty-seven, twenty-eight, twenty-nine, thirty, thirty-one, thirty-one-a, thirty-one-b, thirty-two, thirty-three, thirty-four, thirty-five, thirty-eight, forty-eight, fifty-one, fifty-five, fifty-six, sixty and sixty-one of this act shall take effect July 1, 2017;

2. the amendments to chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by a consortium for worker education in New York City, made by sections forty-four and forty-five of this act, shall not affect the repeal of such chapter and shall be deemed repealed therewith;

3. the amendments to chapter 89 of the laws of 2016, relating to supplementary funding for dedicated programs for public school students in the East Ramapo central school district, made by section forty-eight of this act shall not affect the repeal of such chapter and shall be deemed repealed therewith;

4. the amendments to subdivision 33 of section 305 of the education law, made by section seven of this act, shall not affect the repeal of such subdivision and shall be deemed repealed therewith;

5. the amendments to subdivision 7 of section 2802 of the education law, made by section eight of this act, shall not affect the repeal of such subdivision and shall be deemed repealed therewith;

6. the amendments to subdivision 7 of section 3214 of the education law, made by section nine of this act, shall not affect the repeal of such subdivision and shall be deemed repealed therewith;

7. the amendments to section 2590-c of the education law made by section nineteen of this act shall not affect the repeal of such section and shall be deemed repealed therewith;

8. the amendments to subdivision 1 of section 2856 of the education law made by section four of this act shall be subject to the expiration and reversion of such subdivision pursuant to subdivision d of section 27 of chapter 378 of the laws of 2007, as amended, when upon such date the provisions of section four-a of this act shall take effect;

9. the amendments to paragraphs d-1 and d-2 of subdivision 12 of section 3602-e of the education law made by section twenty-eight-a of

this act shall not affect the repeal of such paragraphs and shall be deemed repealed therewith; and

10. the amendments to paragraph b-1 of subdivision 4 of section 3602 of the education law made by section sixteen-a of this act shall not affect the expiration of such paragraph and shall expire therewith.

§ 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.

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