

STATE OF NEW YORK

7081

2019-2020 Regular Sessions

IN ASSEMBLY

April 5, 2019

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to authorizing the county of Westchester to impose an additional rate of sales and compensating use tax; and to amend chapter 272 of the laws of 1991, amending the tax law relating to the method of disposition of sales and compensating use tax revenue in Westchester county and enacting the Westchester county spending limitation act, in relation to extending the expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subparagraph (i) of the opening paragraph of section 1210 of the tax law is amended by adding a new clause 42 to read as follows:

(42) the county of Westchester is hereby further authorized and empowered to adopt and amend local laws, ordinances or resolutions imposing such taxes at a rate that is one percent additional to the three percent rate authorized above in this paragraph for such county for the period beginning June first, two thousand nineteen and ending November thirtieth, two thousand twenty-two;

§ 2. Subdivision (a) of section 1223 of the tax law, as separately amended by chapters 191 and 217 of the laws of 2013, is amended to read as follows:

(a) No transaction taxable under sections twelve hundred two through twelve hundred four of this article shall be taxed pursuant to this article by any county or by any city located therein, or by both, at an aggregate rate in excess of the highest rate set forth in the applicable subdivision of section twelve hundred one of this article or, in the case of any taxes imposed pursuant to the authority of section twelve hundred ten or twelve hundred eleven of this article (other than taxes imposed by the county of Nassau, Erie, Steuben, Cattaraugus, Suffolk, Oneida, Genesee, Greene, Franklin, Hamilton, Herkimer, Tioga, Orleans,

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

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1 Allegany, Ulster, Albany, Rensselaer, Tompkins, Wyoming, Columbia,
2 Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sullivan, Wayne,
3 Livingston, Schenectady, Montgomery, Delaware, Clinton, Niagara, Yates,
4 Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua, Orange, Oswego,
5 Ontario, Jefferson, St. Lawrence, Westchester or Onondaga and by the
6 county of Cortland and the city of Cortland and by the county of Broome
7 and the city of Binghamton and by the county of Cayuga and the city of
8 Auburn and by the county of Otsego and the city of Oneonta and by the
9 county of Madison and the city of Oneida and by the county of Fulton and
10 the city of Gloversville or the city of Johnstown as provided in section
11 twelve hundred ten of this article) at a rate in excess of three
12 percent, except that, [~~in the city of Yonkers,~~] in the city of Mount
13 Vernon, in the city of New Rochelle, in the city of Fulton [~~and~~], in the
14 city of Oswego, [~~the rate may not be in excess of four percent~~] and in
15 the city of White Plains, the rate may not be in excess of four percent,
16 and in the city of Yonkers, the rate may not be in excess of four and
17 one-half percent, and except that in the city of Poughkeepsie in the
18 county of Dutchess, if such county withdraws from the metropolitan
19 commuter transportation district pursuant to section twelve hundred
20 seventy-nine-b of the public authorities law and if the revenues from a
21 three-eighths percent rate of such tax imposed by such county, pursuant
22 to the authority of section twelve hundred ten of this article, are
23 required by local laws, ordinances or resolutions to be set aside for
24 mass transportation purposes, the rate may not be in excess of three and
25 three-eighths percent.

26 § 3. Subdivision (a) of section 1223 of the tax law, as amended by
27 section two of this act, is amended to read as follows:

28 (a) No transaction taxable under sections twelve hundred two through
29 twelve hundred four of this article shall be taxed pursuant to this
30 article by any county or by any city located therein, or by both, at an
31 aggregate rate in excess of the highest rate set forth in the applicable
32 subdivision of section twelve hundred one of this article or, in the
33 case of any taxes imposed pursuant to the authority of section twelve
34 hundred ten or twelve hundred eleven of this article (other than taxes
35 imposed by the county of Nassau, Erie, Steuben, Cattaraugus, Suffolk,
36 Oneida, Genesee, Greene, Franklin, Hamilton, Herkimer, Tioga, Orleans,
37 Allegany, Ulster, Albany, Rensselaer, Tompkins, Wyoming, Columbia,
38 Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sullivan, Wayne,
39 Livingston, Schenectady, Montgomery, Delaware, Clinton, Niagara, Yates,
40 Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua, Orange, Oswego,
41 Ontario, Jefferson, St. Lawrence, Westchester or Onondaga and by the
42 county of Cortland and the city of Cortland and by the county of Broome
43 and the city of Binghamton and by the county of Cayuga and the city of
44 Auburn and by the county of Otsego and the city of Oneonta and by the
45 county of Madison and the city of Oneida and by the county of Fulton and
46 the city of Gloversville or the city of Johnstown as provided in section
47 twelve hundred ten of this article) at a rate in excess of three
48 percent, except that, in the city of Yonkers, in the city of Mount
49 Vernon, in the city of New Rochelle, in the city of Fulton, in the city
50 of Oswego, and in the city of White Plains, the rate may not be in
51 excess of four percent[~~, and in the city of Yonkers, the rate may not be~~
52 ~~in excess of four and one-half percent~~], and except that in the city of
53 Poughkeepsie in the county of Dutchess, if such county withdraws from
54 the metropolitan commuter transportation district pursuant to section
55 twelve hundred seventy-nine-b of the public authorities law and if the
56 revenues from a three-eighths percent rate of such tax imposed by such

1 county, pursuant to the authority of section twelve hundred ten of this
2 article, are required by local laws, ordinances or resolutions to be set
3 aside for mass transportation purposes, the rate may not be in excess of
4 three and three-eighths percent.

5 § 4. Section 1224 of the tax law is amended by adding a new subdivi-
6 sion (jj) to read as follows:

7 (jj) The county of Westchester shall have the sole right to impose the
8 additional one percent rate of tax which such county is authorized to
9 impose pursuant to the authority of section twelve hundred ten of this
10 article in the area of the county outside the cities of Mount Vernon,
11 New Rochelle, White Plains and Yonkers. Such additional rate of tax
12 shall be in addition to any other tax which such county may impose or
13 may be imposing pursuant to this article or any other law and such addi-
14 tional rate of tax shall not be subject to preemption. The maximum three
15 percent rate referred to in this section shall be calculated without
16 reference to the additional one percent rate of tax which the county of
17 Westchester is authorized and empowered to adopt pursuant to section
18 twelve hundred ten of this article.

19 § 5. Section 1262-b of the tax law, as amended by section 1 of part A
20 of chapter 8 of the laws of 2004, is amended to read as follows:

21 § 1262-b. The Westchester county property tax stabilization and relief
22 act. [~~+~~+] Notwithstanding any other provision of law to the contrary[~~+~~
23 ~~+~~]: (a) If the county of Westchester imposes sales and compensating use
24 taxes pursuant to subdivision (a) of section twelve hundred ten of this
25 article at the rate of three percent:

26 (1) The county shall allocate one-half of net collections from such
27 taxes imposed [~~at the rate of one and one-half percent~~] pursuant to
28 subdivision (a) of section twelve hundred ten of this article countywide
29 among the cities and towns of the county on the basis of the ratio which
30 the full valuation of real property in each city or town bears to the
31 aggregate full valuation of real property in all cities and towns of the
32 county. Amounts so allocated shall be credited to each of said cities
33 and towns against the county taxes levied upon real property in said
34 cities and towns.

35 (2) The county shall allocate and credit or pay one-third of net
36 collections [~~received by the county by reason of its additional one~~
37 ~~percent rate of~~] from such taxes [~~on~~] imposed pursuant to subdivision
38 (a) of section twelve hundred ten of this article to the area of the
39 county outside any city imposing sales and compensating use taxes at a
40 rate of one and one-half percent or greater pursuant to the authority of
41 subdivision (a) or at any rate pursuant to the authority of subdivision
42 (b) of section twelve hundred ten of this article as follows:

43 (A) One-third of such net collections shall be allocated and credited
44 in the manner set forth in paragraph one of this subdivision.

45 (B) One-sixth of such net collections shall be allocated and paid
46 quarterly by the county commissioner of finance, in cash, to the several
47 school districts in such area of the county outside any such city impos-
48 ing sales and compensating use taxes. Such allocation and payment, to
49 such several school districts, shall be made on the basis of the ratio
50 which the population of each such school district bears to the aggregate
51 population of all of the school districts in such area. In the case of
52 school districts which are partially within and partially without the
53 county, or partially within or partially without the area of the county
54 outside a city imposing sales and compensating use taxes, the allocation
55 and payment to each such school district shall be made on the basis of
56 the population in such school district in the county, or in such area of

1 the county outside a city imposing sales and compensating use taxes, as
2 the case may be. Such populations shall be determined in accordance with
3 the latest federal census or special population census under section
4 twenty of the general municipal law completed and published prior to the
5 end of the quarter in which such allocation and payment are made, which
6 special population census shall include the entire area of the county;
7 provided that such special population census shall not be taken more
8 than once in every two years. A school district split between Westches-
9 ter county and another county shall apply such allocation and payment
10 solely to the benefit of the residents of the county in which the sales
11 and compensating use taxes are imposed.

12 (C) One-half of such net collections shall be allocated and paid quar-
13 terly by the county commissioner of finance, in cash, to the cities not
14 imposing sales and compensating use taxes and to the towns and villages
15 on which such ~~[additional one percent]~~ rate is imposed, on the basis of
16 the ratio which the population of each such city, town or village on
17 which such ~~[additional one percent]~~ rate is imposed bears to the entire
18 population of all such cities, towns and villages in the area on which
19 such ~~[additional one percent]~~ rate is imposed. Such populations shall be
20 determined in accordance with the latest federal census or special popu-
21 lation census under section twenty of the general municipal law
22 completed and published prior to the end of the quarter in which such
23 allocation is made, which special population census shall include the
24 entire area of the county; provided that such special population census
25 shall not be taken more than once in every two years.

26 (D) The quarterly allocation and payment of cash to cities, towns,
27 villages and school districts provided for under this paragraph and
28 under paragraph three of this subdivision and under subdivision (b) of
29 this section may be made after payment by the state comptroller to the
30 county of the net collections subject to such allocation and receipt by
31 the county commissioner of finance of the quarterly settlement report
32 issued by the department, and may include adjustments for corrections
33 applicable to such allocations. All ratios established by the county
34 commissioner of finance with respect to allocations to cities, towns,
35 villages and school districts under this subdivision and under subdivi-
36 sion (b) of this section shall be carried to four decimal places. The
37 allocation of net collections and payment of cash provided for under
38 this paragraph and under paragraph three of this subdivision and under
39 subdivision (b) of this section shall be made to a town based upon the
40 population of the town less the population of any village therein,
41 provided that a town/village or village/town shall be deemed a village
42 for the purpose of determining such allocation. The allocation of net
43 collections and payment of cash provided for under this paragraph and
44 under paragraph three of this subdivision and under subdivision (b) of
45 this section shall be applied by the cities, towns, villages and school
46 districts receiving such allocation and payment as a credit against the
47 taxes upon real property imposed by such municipalities and school
48 districts, respectively. The allocation and payment received by towns
49 shall be credited against real property taxes in either the general fund
50 town-wide or the town outside village fund or a combination thereof.

51 (3) The county shall allocate and credit or pay one-sixth of net
52 collections ~~[received by the county by reason of its additional one-half~~
53 ~~percent rate of]~~ from such taxes imposed ~~[on]~~ pursuant to subdivision
54 (a) of section twelve hundred ten of this article to the area of the
55 county outside any city imposing sales and compensating use taxes at a
56 rate of one and one-half percent or greater pursuant to the authority of

subdivision (a) or at any rate pursuant to the authority of subdivision (b) of section twelve hundred ten of this article as follows:

(A) Seventy percent of such net collections shall be retained by the county to be used for any county purpose.

(B) Ten percent of such net collections shall be allocated and paid in the manner set forth in subparagraph (B) of paragraph two of this subdivision.

(C) Twenty percent of such net collections shall be allocated and paid in the manner set forth in subparagraph (C) of paragraph two of this subdivision.

(b) If the county of Westchester imposes the additional one percent rate of sales and compensating use tax authorized by clause forty-two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article, the county shall allocate and credit or pay net collections from such additional one percent rate in the manner set forth in paragraph three of subdivision (a) of this section with respect to the area of the county outside any city imposing sales and compensating use taxes at a rate of one and one-half percent or greater pursuant to the authority of subdivision (a) of section twelve hundred ten of this article or at any rate pursuant to the authority of subdivision (b) of section twelve hundred ten of this article.

(c) Nothing in this section shall be construed to impair the powers of a city currently imposing sales and compensating use taxes pursuant to the authority of section twelve hundred ten of this article from continuing to do so in accordance with law. No school district in any city imposing such sales and compensating use taxes shall be entitled to receive a cash allocation and payment under paragraph two or three of subdivision (a) or under subdivision (b) of this section. No city, town or village authorized or entitled to receive an allocation under subparagraph (C) of paragraph two or subparagraph (C) of paragraph three of subdivision (a) or under subdivision (b) of this section shall be authorized or entitled to receive any cash allocation under section twelve hundred sixty-two of this article.

§ 6. Subdivision e of section 4 and sections 5, 7 and 16 of chapter 272 of the laws of 1991, amending the tax law relating to the method of disposition of sales and compensating use tax revenue in Westchester county and enacting the Westchester county spending limitation act, as amended by chapter 81 of the laws of 2017, are amended to read as follows:

e. "Spending limitation" means the maximum amount of county spending established in county fiscal years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 ~~and~~, 2020, 2021 and 2022.

§ 5. Establishment of annual spending limitation. a. For county fiscal years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 ~~and~~, 2020, 2021 and 2022 there shall be in effect an annual spending limitation. The spending limitation shall be derived from a fixed percentage reflecting the ratio of base year spending to county personal income. County personal income for such calculation shall be for the period January 1, 1986 through December 31, 1986. Such percentage shall be applied to county personal income for the period January 1, 1989 through December 31, 1989, to determine the spending limitation for county fiscal year 1992; to determine the spending limitation for county fiscal year 1993, such percentage shall be

1 applied to county personal income for the period January 1, 1990 through
2 December 31, 1990; to determine the spending limitation for county
3 fiscal year 1994, such percentage shall be applied to county personal
4 income for the period January 1, 1991 through December 31, 1991; to
5 determine the spending limitation for county fiscal year 1995, such
6 percentage shall be applied to county personal income for the period
7 January 1, 1992 through December 31, 1992; to determine the spending
8 limitation for county fiscal year 1996, such percentage shall be applied
9 to county personal income for the period January 1, 1993 through Decem-
10 ber 31, 1993; to determine the spending limitation for county fiscal
11 year 1997, such percentage shall be applied to county personal income
12 for the period January 1, 1994 through December 31, 1994; to determine
13 the spending limitation for county fiscal year 1998, such percentage
14 shall be applied to county personal income for the period January 1,
15 1995 through December 31, 1995; to determine the spending limitation for
16 county fiscal year 1999, such percentage shall be applied to county
17 personal income for the period January 1, 1996 through December 31,
18 1996; to determine the spending limitation for county fiscal year 2000,
19 such percentage shall be applied to county personal income for the peri-
20 od January 1, 1997 through December 31, 1997; to determine the spending
21 limitation for county fiscal year 2001, such percentage shall be applied
22 to county personal income for the period January 1, 1998 through Decem-
23 ber 31, 1998; to determine the spending limitation for county fiscal
24 year 2002, such percentage shall be applied to county personal income
25 for the period January 1, 1999 through December 31, 1999; to determine
26 the spending limitation for county fiscal year 2003, such percentage
27 shall be applied to county personal income for the period January 1,
28 2000 through December 31, 2000; to determine the spending limitation for
29 county fiscal year 2004, such percentage shall be applied to county
30 personal income for the period January 1, 2001 through December 31,
31 2001; to determine the spending limitation for county fiscal year 2005,
32 such percentage shall be applied to county personal income for the peri-
33 od January 1, 2002 through December 31, 2002; to determine the spending
34 limitation for county fiscal year 2006, such percentage shall be applied
35 to county personal income for the period January 1, 2003 through Decem-
36 ber 31, 2003; to determine the spending limitation for the county fiscal
37 year 2007, such percentage shall be applied to county personal income
38 for the period January 1, 2004 through December 31, 2004; to determine
39 the spending limitation for the county fiscal year 2008, such percentage
40 shall be applied to county personal income for the period January 1,
41 2005 through December 31, 2005; to determine the spending limitation for
42 the county fiscal year 2009, such percentage shall be applied to county
43 personal income for the period January 1, 2006 through December 31,
44 2006; to determine the spending limitation for the county fiscal year
45 2010, such percentage shall be applied to county personal income for the
46 period January 1, 2007 through December 31, 2007; to determine the
47 spending limitation for the county fiscal year 2011, such percentage
48 shall be applied to county personal income for the period January 1,
49 2008 through December 31, 2008; to determine the spending limitation for
50 the county fiscal year 2012, such percentage shall be applied to county
51 personal income for the period January 1, 2009 through December 31,
52 2009; to determine the spending limitation for the county fiscal year
53 2013, such percentage shall be applied to county personal income for the
54 period January 1, 2010 through December 31, 2010; to determine the
55 spending limitation for the county fiscal year 2014, such percentage
56 shall be applied to county personal income for the period January 1,

2011 through December 31, 2011; to determine the spending limitation for the county fiscal year 2015, such percentage shall be applied to county personal income for the period January 1, 2012 through December 31, 2012; to determine the spending limitation for county fiscal year 2016, such percentage shall be applied to the county personal income for the period January 1, 2013 through December 31, 2013; to determine the spending limitation for the county fiscal year 2017, such percentage shall be applied to county personal income for the period January 1, 2014 through December 31, 2014; and to determine the spending limitation for county fiscal year 2018, such percentage shall be applied to the county personal income for the period January 1, 2015 through December 31, 2015; to determine the spending limitation for the county fiscal year 2019, such percentage shall be applied to county personal income for the period January 1, 2016 through December 31, 2016; and to determine the spending limitation for county fiscal year 2020, such percentage shall be applied to the county personal income for the period January 1, 2017 through December 31, 2017; and to determine the spending limitation for the county fiscal year 2021, such percentage shall be applied to county personal income for the period January 1, 2018 through December 31, 2018; and to determine the spending limitation for the county fiscal year 2022, such percentage shall be applied to county personal income for the period January 1, 2019 through December 31, 2019.

b. The spending limitation shall serve as a statutory cap on county spending to be reflected in the tentative budget as well as the enacted budget for county fiscal years beginning in 1992.

§ 7. Mandatory tax reduction. In the event that the county spending subject to the spending limitation exceeds such limitation in the adoptive county budget for county fiscal year 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 ~~[or]~~, 2020, 2021 or 2022 then section 1262-b of the tax law shall be repealed.

§ 16. This act shall take effect immediately, provided, however, that sections one through seven of this act shall be in full force and effect until ~~[May 31, 2020, provided, however, that if the county of Westchester imposes the tax authorized by section 1210 of the tax law in excess of three percent, then sections one through seven of this act shall be deemed repealed; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission upon the repeal of section 1262-b of the tax law pursuant to section seven of the Westchester county spending limitation act in order that the commission may maintain an accurate and timely effective data base of the official text of laws of the state of New York in furtherance of effecting the provisions of section 44 of the legislative law and section 70-b of the public officers law]~~ November 30, 2022.

§ 7. This act shall take effect immediately; provided, however, that section three of this act shall take effect December 1, 2020, provided, further, that the amendments to section 1262-b of the tax law made by section five of this act shall not affect the expiration of such section and shall expire therewith; provided, further, that the amendments to sections 4, 5, and 7 of chapter 272 of the laws of 1991 shall not affect the expiration of such sections and shall expire therewith.