STATE OF NEW YORK

6844

2019-2020 Regular Sessions

IN SENATE

November 8, 2019

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

AN ACT to amend the tax law, in relation to certain payments to be made to Nassau and Erie counties

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

Section 1. Paragraph 3 of subdivision (c) of section 1261 of the tax law, as amended by section 9 of part SS-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(3) However, the taxes, penalties and interest which (i) the county of Nassau, (ii) the county of Erie, to the extent the county of Erie is contractually or statutorily obligated to allocate and apply or pay net collections to the city of Buffalo and to the extent that such county has set aside net collections for educational purposes attributable to the Buffalo school district, or the city of Buffalo or (iii) the county of Erie is authorized to impose pursuant to section twelve hundred ten of this article, other than such taxes in the amounts described, respectively, in subdivisions one and two of section one thousand two hundred sixty-two-e of this part, during the period that such section authorizes Nassau county to establish special or local assistance programs thereunder, together with any penalties and interest related thereto, and after the comptroller has reserved such refund fund and such costs, shall, commencing on the next payment date after the effective date of this sentence and of each month thereafter, until such date as (i) the Nassau county interim finance authority shall have no obligations outstanding, or (ii) the Buffalo fiscal stability authority shall cease to exist, or (iii) the Erie county fiscal stability authority shall cease to exist, be paid by the comptroller, respectively, to (i) the Nassau county interim finance authority to be applied by the Nassau county interim finance authority, or (ii) to the Buffalo fiscal stability authority to be applied by the Buffalo fiscal stability authority, or

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

LBD14044-04-9

(iii) to the Erie county fiscal stability authority to be applied by the Erie county fiscal stability authority, as the case may be, in the following order of priority: first pursuant to the Nassau county interim finance authority's contracts with bondholders or the Buffalo fiscal stability authority's contracts with bondholders or the Erie county fiscal stability authority's contracts with bondholders, respectively, then to pay the Nassau county interim finance authority's operating expenses not otherwise provided for or the Buffalo fiscal stability authority's operating expenses not otherwise provided for or the Erie county fiscal stability authority's operating expenses not otherwise provided for, respectively, and then (i) pursuant to the Nassau county interim finance authority's agreements with the county of Nassau, which agreements shall require the Nassau county interim finance authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Nassau county interim finance authority, and subject to any agreement between such authority and the county of Nassau, to the county of Nassau as frequently as practicable**, however, after the comptroller has made the payments for contracts with Nassau county interim finance authority's bondholders and payments for Nassau county interim finance authority's operating expenses, for each municipality in Nassau county that received a base level grant in state fiscal year two thousand eighteen-two thousand nineteen but not in state fiscal year two thousand nineteen-two thousand twenty under the aid and incentives for municipalities program pursuant to subdivision ten of section fifty-four of the state finance law, the comptroller shall annually withhold from the remaining taxes, penalties and interest imposed by Nassau county in which a majority of the population of such municipality in Nassau county resides an amount equal to the base level grant received by such municipality in Nassau county in state fiscal year two thousand eighteen-two thousand nineteen and shall annually distribute, by December fifteenth, two thousand nineteen and by such date annually thereafter, such amount directly to such municipality in Nassau county, unless such municipality in Nassau county has a fiscal year ending May thirty-first, then such annual distribution shall be made by May fifteenth, two thousand twenty and by such date annually thereafter. No county shall have any right, title or interest in or to the taxes, penalties and interest required to be withheld and distributed pursuant to this paragraph**; or (ii) pursuant to the Buffalo fiscal stability authority's agreements with the city of Buffalo, which agreements shall require the Buffalo fiscal stability authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Buffalo fiscal stability authority, and subject to any agreement between such authority and the city of Buffalo, to the city of Buffalo or the city of Buffalo school district, as the case may be, as frequently as practicable; or (iii) pursuant to the Erie county fiscal stability authority's agreements with the county of Erie, which agreements shall require the Erie county fiscal stability authority to transfer such taxes, penalties and interest remaining after providing for contractual or other obligations of the Erie county fiscal stability authority, and subject to any agreement between such authority and the county of Erie, to the county of Erie as frequently as practicable**, however, after the comptroller has made the payments for Erie county fiscal stability authority's contracts with bondholders and payments for Erie county fiscal stability authority's operating expenses, for each municipality in Erie county that received a base level grant in state fiscal year two thousand eighteen-two thousand nineteen but not in**

state fiscal year two thousand nineteen-two thousand twenty under the aid and incentives for municipalities program pursuant to subdivision ten of section fifty-four of the state finance law, the comptroller shall annually withhold from the remaining taxes, penalties and interest imposed by Erie county in which a majority of the population of such municipality in Erie county resides an amount equal to the base level grant received by such municipality in Erie county in state fiscal year two thousand eighteen-two thousand nineteen and shall annually distribute, by December fifteenth, two thousand nineteen and by such date annually thereafter, such amount directly to such municipality in Erie county, unless such municipality in Erie county has a fiscal year ending May thirty-first, then such annual distribution shall be made by May fifteenth, two thousand twenty and by such date annually thereafter. No county shall have any right, title or interest in or to the taxes, penalties and interest required to be withheld and distributed pursuant to this paragraph. During the period that the comptroller is required to make payments to the Nassau county interim finance authority described in the previous sentence, the county of Nassau shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Nassau county interim finance authority, except as provided in such authority's agreements with the county of Nassau. During the period that the comptroller is required to make payments to the Buffalo fiscal stability authority described in the second previous sentence, the city of Buffalo and such school district shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Buffalo fiscal stability authority, except as provided in such authority's agreements with the city of Buffalo. During the period that the comptroller is required to make payments to the Erie county fiscal stability authority described in the third previous sentence, the county of Erie shall have no right, title or interest in or to such taxes, penalties and interest required to be paid to the Erie county fiscal stability authority, except as provided in such authority's agreements with the county of Erie.

§ 2. This act shall take effect immediately.