

STATE OF NEW YORK

403

2019-2020 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 9, 2019

Introduced by M. of A. CAHILL -- Multi-Sponsored by -- M. of A. EPSTEIN,
PEOPLES-STOKES, PERRY, THIELE -- read once and referred to the Committee on Education

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

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

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

ARTICLE 71

FINANCING OF SCHOOL DISTRICTS

Section 3501. Legislative intent.

3502. Basic quality education.

3503. Minimum apportionment.

3504. Collection and distribution.

3505. Construction with other laws.

3506. Severability.

§ 3501. Legislative intent. It is the intent of the legislature to fulfill its obligations under article eleven of the state constitution with respect to the financing of public schools within this state and, at the same time, eliminate the inequitable and regressive real estate tax as the support of such schools. The legislature hereby further intends to guarantee the quality and equality of education for all our children, while leaving with the individual school districts the present level of local control including the authority to permit or prohibit the transfer of students into or out of such districts in accordance with the provisions of this chapter.

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

LBD01885-01-9

1 § 3502. Basic quality education. 1. The state shall assume all costs
2 of basic quality education, in accordance with section thirty-five
3 hundred four of this article, including all general and special educa-
4 tional services which the commissioner, under guidelines established by
5 the legislature, shall define as necessary. Basic quality education, as
6 defined by the commissioner, shall allow sufficient latitude so that
7 choices may be made by local school districts with respect to their
8 individual needs. As used in this article "basic" shall mean equal
9 services to all pupils regardless of differences in cost in different
10 districts for such services.

11 2. Such costs shall be funded as provided for by the legislature, in
12 conjunction with the elimination of real estate taxes for the support of
13 education. Within the cities of New York, Buffalo, Rochester, Syracuse
14 and Yonkers, the tax on real property shall be reduced by the dollar
15 amount of such city's share of the cost of public school education. Such
16 reduction shall be apportioned to all real property taxpayers on a pro-
17 rata basis, and tenants shall receive tax credits, tax rebates, or
18 reductions in rent as provided in section four hundred sixty-seven-k of
19 the real property tax law.

20 3. Each school district shall submit a basic budget to the department
21 for purposes of determining reimbursable services.

22 4. The department, under direction of the board of regents, shall
23 establish a schedule of mandatory basic services and authorized costs
24 therefor related to differing costs throughout the state. Such basic
25 schedule shall reflect guidelines established for this purpose by the
26 legislature.

27 § 3503. Minimum apportionment. In any school year a district may elect
28 to receive as its basic budget the highest of:

29 1. The district budget of the school year during which this article
30 shall take effect, except that this apportionment option shall exist
31 only for the period not exceeding the five school years immediately
32 after this article shall take effect.

33 2. The product of (a) the district budget of the school year during
34 which this article shall take effect divided by the enrollment at the
35 start of such year and (b) the enrollment at the start of the school
36 year for which the budget is being determined. This apportionment option
37 shall exist only for the period not exceeding the five school years
38 immediately after the effective date of this article.

39 3. The basic budget submitted in accordance with subdivision three of
40 section thirty-five hundred two of this article, except that in no case
41 shall the per pupil apportionment exceed the per pupil apportionment of
42 the previous year by more than the average statewide increase of per
43 pupil budgets plus ten per centum of the per pupil apportionment of the
44 previous year.

45 § 3504. Collection and distribution. Notwithstanding the provisions of
46 any other law, code, rule or regulation, the state shall, within five
47 years from the effective date of this article, collect and distribute to
48 school districts all moneys relating to the financing of public educa-
49 tion, exclusive of higher education, within this state, as provided by
50 the legislature. This assumption by the state of all costs of basic
51 quality education shall be accomplished in approximately equal incre-
52 ments over a five year period from the effective date of this article.
53 During this period, the amount of money derived by each school district
54 from real property taxes shall be reduced accordingly. After five years
55 from the effective date of this article, moneys distributed to any
56 school district shall be reduced by the amount of any revenues received

1 by such school district from taxes imposed on real property by or on
2 behalf of such school district.

3 § 3505. Construction with other laws. The provisions of this article
4 shall be controlling, notwithstanding the provisions of any other law,
5 code, rule or regulation to the contrary. However, no existing right or
6 remedy of any character shall be lost, impaired or affected by reason of
7 this article, nor shall the validity of any action taken by any public
8 official under the law in force immediately prior to the time this arti-
9 cle shall take effect be affected by the enactment of this article.
10 Collection of all outstanding tax liens shall be pursuant to the
11 provisions of the real property tax law.

12 § 3506. Severability. If any clause, sentence, paragraph, section or
13 part of this article shall be adjudged by any court of competent juris-
14 isdiction to be invalid, such judgment shall not affect, impair or invali-
15 date the remainder thereof, but shall be confined in its operation to
16 the clause, sentence, paragraph, section or part thereof directly
17 involved in the controversy in which such judgment shall have been
18 rendered.

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

20 § 3. The real property tax law is amended by adding a new section
21 467-1 to read as follows:

22 § 467-1. Provisions for tenants. In every case where taxes on real
23 property are reduced due to the reduction of school taxes on such prop-
24 erty, the amount of such reduction shall be pro-rated among the tenants,
25 if any, of such real property, and the total rents reduced in an amount
26 equal to such real property tax reduction. Where such rent reduction is
27 precluded by a lease or other agreement, such real property tax
28 reduction shall entitle such tenants to a tax credit in that amount
29 against income taxes due, or to a rebate for any amount in excess of
30 income taxes due, until the expiration of such lease or agreement, at
31 which time the rent shall be reduced accordingly.

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

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

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

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

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

6. The county treasurer of a county which has enacted a local law pursuant to section nine hundred seventy-two of this ~~[chapter]~~ title may promulgate and amend suitable rules and regulations prescribing the necessary forms for carrying into effect the provisions of this title ~~[and of article thirteen of this chapter]~~ relating to the installment payment of taxes.

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

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

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

§ 601-b. Additional taxes for education. (a) In addition to the taxes on income imposed by this chapter for taxable years or periods ending on or after December thirty-first, two thousand nineteen, there shall be imposed a tax equal to a percent of the taxes imposed by such sections and articles as is necessary to fulfill the requirements of section thirty-five hundred two of the education law. Such a tax may be levied either as a surtax, or by readjustment of the appropriate tax schedules.

(b) Each school district may also increase the additional taxes for education, imposed pursuant to subsection (a) of this section, by resolution adopted by a two-thirds vote prior to the levy of taxes in any year. Such resolution shall provide for the increase to be imposed either in the form of a higher surtax rate or a standard lump sum amount; provided, that all such proceeds from the increase on the additional tax for education be collected and accrued to the school district in which such tax was collected.

(c) The commissioner shall establish a separate account or accounts to receive the additional tax imposed by subsections (a) and (b) of this section and shall pay into such account or accounts the total of all such taxes when received and retain the same subject to disbursement in accordance with the provisions of the education law.

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

§ 307-b. Additional tax on non-residential property. 1. The commissioner of taxation and finance shall establish an additional tax on non-residential property to be imposed in addition to other locally levied property taxes. Such tax shall be levied by the state through the county, city, town or village governing body and shall be a low-rate, uniform tax. For the purposes of this subdivision, "non-residential property" shall mean any (a) non-residential commercial property, (b) industrial property, (c) agricultural property and (d) vacant land which is either commercial property or industrial property.

2. The commissioner of taxation and finance shall set the rate for the additional tax on non-residential property, as required by subdivision one of this section, at an adequate rate to provide funding for meeting the requirements of sections thirty-five hundred one and thirty-five hundred two of the education law. The commissioner of taxation and finance shall establish a separate account to receive the additional tax imposed by subdivision one of this section and shall pay into such account the total of all such taxes when received and retain the same

1 subject to disbursement in accordance with the provisions of article
2 seventy-one of the education law.

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

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

6 § 1200. Certain taxes reduced. Notwithstanding the provisions of any
7 other section of this article, on and after the effective date of this
8 section, the provisions of this article relating to taxes for the bene-
9 fit of school districts or school purposes shall be deemed reduced in
10 accordance with section thirty-five hundred four of the education law.

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

13 § 1213. Deliveries outside the jurisdiction where sale is made. Where
14 a sale of tangible personal property or services, including prepaid
15 telephone calling services, but not including other services described
16 in subdivision (b) of section eleven hundred five of this chapter,
17 including an agreement therefor, is made in any city[7] ~~or~~ county [~~or~~
18 ~~school-district~~], but the property sold, the property upon which the
19 services were performed or prepaid telephone calling or other service is
20 or will be delivered to the purchaser elsewhere, such sale shall not be
21 subject to tax by such city[7] ~~or~~ county [~~or school-district~~]. However,
22 if delivery occurs or will occur in a city[7] ~~or~~ county [~~or school-~~
23 ~~district~~] imposing a tax on the sale or use of such property, prepaid
24 telephone calling or other services, the vendor shall be required to
25 collect from the purchaser, as provided in section twelve hundred
26 fifty-four of this article, the aggregate sales or compensating use
27 taxes imposed by the city, if any, and county [~~and school-district~~] in
28 which delivery occurs or will occur, for distribution by the commission-
29 er to such taxing jurisdiction or jurisdictions. For the purposes of
30 this section delivery shall be deemed to include transfer of possession
31 to the purchaser and the receiving of the property or of the service,
32 including prepaid telephone calling service, by the purchaser. Notwith-
33 standing the foregoing, where a transportation service described in
34 paragraph ten of subdivision (c) of section eleven hundred five of this
35 chapter begins in one jurisdiction but ends in another jurisdiction, any
36 tax imposed pursuant to the authority of this article shall be due the
37 jurisdiction or jurisdictions where the service commenced.

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

40 § 1220. Territorial limitations. Any tax imposed under the authority
41 of this article shall apply only within the territorial limits of the
42 city[7] ~~or~~ county [~~or school-district~~] imposing the tax, except that
43 where the taxes described in subdivision (b) of section eleven hundred
44 five and clauses (E), (G) and (H) of subdivision (a) of section eleven
45 hundred ten of this chapter or the tax described in subdivision (e) of
46 section eleven hundred five of this chapter is imposed by a city, as
47 provided in section twelve hundred ten [~~or twelve hundred eleven~~] of
48 this [~~chapter~~] article, any establishment located partially within such
49 city and partially within a town or towns and receiving or using any
50 services or utilities provided by the city shall be deemed to be wholly
51 within such city for the purposes of such taxes.

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

54 § 1222. Taxes to be in addition to others. Except as expressly other-
55 wise provided in this article, any tax imposed under the authority of
56 this article shall be in addition to any and all other taxes authorized

1 or imposed under any other provision of law. This article shall not be
2 construed as limiting the power of any city~~[7]~~ or county ~~[or school~~
3 ~~district]~~ to impose any other tax which it is authorized to impose under
4 any other provision of law.

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

7 § 1256. Cooperation by localities. Every city~~[7]~~ and county ~~[and~~
8 ~~school district]~~ shall cooperate with the ~~[state tax commission]~~ commis-
9 sioner to enable ~~[it]~~ him or her to carry out ~~[its]~~ his or her duties
10 under ~~[articles]~~ this article and article twenty-eight ~~[and twenty-nine]~~
11 of this chapter. Every such locality shall furnish to such ~~[commission]~~
12 commissioner those returns, reports and other information which the ~~[tax~~
13 ~~commission]~~ commissioner deems necessary to carry out such duties,
14 except that cities having a population of one million or more, may, in
15 their discretion, furnish instead copies of such returns, reports and
16 other information. Such copies shall be furnished at the ~~[tax commis-~~
17 ~~sion's]~~ commissioner's expense, such expenses to be charged to the cost
18 of administration. Notwithstanding any other law to the contrary, the
19 duty to furnish returns, reports and other information or copies thereof
20 shall apply to ~~[those returns and reports filed under taxes authorized~~
21 ~~under chapter eight hundred seventy-three of the laws of nineteen~~
22 ~~hundred thirty-four, as amended, chapter three hundred forty-one of the~~
23 ~~laws of nineteen hundred forty-six, as amended, article two-B of the~~
24 ~~general city law and chapter two hundred seventy-eight of the laws of~~
25 ~~nineteen hundred forty-seven, as amended, and to such other]~~ information
26 which is relevant to the duties of the ~~[tax commission]~~ commissioner
27 under this article and such ~~[articles]~~ article twenty-eight ~~[and twen-~~
28 ~~ty-nine]~~ or other relevant provisions of this chapter.

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

32 (1) The clerk of each county when performing the function of registra-
33 tion of a motor vehicle, snowmobile, vessel or all terrain vehicle or
34 accepting an application for a certificate of title of a motor vehicle
35 or vessel, pursuant to the authority of the vehicle and traffic law, or
36 the commissioner of motor vehicles, when such commissioner performs such
37 functions, prior to performing such functions, shall act as the agent of
38 the ~~[state tax commission]~~ commissioner to collect any retail sales tax
39 due under this article and under a sales tax imposed pursuant to section
40 twelve hundred ten ~~[or twelve hundred eleven]~~ of this chapter upon sales
41 of such motor vehicles, snowmobiles, vessels or all terrain vehicles by
42 persons other than dealers registered under sections four hundred
43 fifteen, twenty-two hundred twenty-two, twenty-two hundred fifty-seven
44 and twenty-two hundred eighty-two of the vehicle and traffic law. Such
45 county clerks and such commissioner shall also act as such agents to
46 collect any compensating use tax due under section eleven hundred ten of
47 this article and under a compensating use tax imposed pursuant to
48 section twelve hundred ten ~~[or twelve hundred eleven]~~ of this chapter
49 for the use of a motor vehicle, snowmobile, vessel or all terrain vehi-
50 cle within this state. The commissioner of motor vehicles shall act as
51 such agent without fee. Each such county clerk shall, after deducting
52 his or her fee as provided in paragraph two of this subdivision, and
53 such commissioner shall remit to the tax commission all funds collected
54 pursuant to this subdivision and shall follow such procedures and keep
55 such records as shall be prescribed by the ~~[tax commission]~~
56 commissioner.

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

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

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

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

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

§ 17. Section 1223 of the tax law, as separately amended by chapters 4, 8 and 9 of the laws of 2003 and subdivision (a) as separately amended by chapters 191 and 217 of the laws of 2013, is amended to read as follows:

§ 1223. Limitations on rates. (a) No transaction taxable under sections twelve hundred two ~~[through]~~ and twelve hundred ~~[four]~~ three of this article shall be taxed pursuant to this article by any county or by any city located therein, or by both, at an aggregate rate in excess of the highest rate set forth in the applicable subdivision of section twelve hundred one of this article or, in the case of any taxes imposed pursuant to the authority of section twelve hundred ten or twelve hundred eleven of this article (other than taxes imposed by the county of Nassau, Erie, Steuben, Cattaraugus, Suffolk, Oneida, Genesee, Greene, Franklin, Hamilton, Herkimer, Tioga, Orleans, Allegany, Ulster, Albany, Rensselaer, Tompkins, Wyoming, Columbia, Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sullivan, Wayne, Livingston, Schenectady, Montgomery, Delaware, Clinton, Niagara, Yates, Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua, Orange, Oswego, Ontario, Jefferson, St. Lawrence or Onondaga and by the county of Cortland and the city of Cortland and by the county of Broome and the city of Binghamton and by the

1 county of Cayuga and the city of Auburn and by the county of Otsego and
2 the city of Oneonta and by the county of Madison and the city of Oneida
3 and by the county of Fulton and the city of Gloversville or the city of
4 Johnstown as provided in section twelve hundred ten of this article) at
5 a rate in excess of three percent, except that, in the city of Yonkers,
6 in the city of Mount Vernon, in the city of New Rochelle, in the city of
7 Fulton and in the city of Oswego, the rate may not be in excess of four
8 percent and in the city of White Plains, the rate may not be in excess
9 of four percent and except that in the city of Poughkeepsie in the coun-
10 ty of Dutchess, if such county withdraws from the metropolitan commuter
11 transportation district pursuant to section twelve hundred
12 seventy-nine-b of the public authorities law and if the revenues from a
13 three-eighths percent rate of such tax imposed by such county, pursuant
14 to the authority of section twelve hundred ten of this article, are
15 required by local laws, ordinances or resolutions to be set aside for
16 mass transportation purposes, the rate may not be in excess of three and
17 three-eighths percent.

18 (b) If a transaction is taxed by both a county and a city, the rate of
19 tax on such transaction imposed by the county or city, not having prior
20 right thereto pursuant to section twelve hundred twenty-four of this
21 subpart, shall be deemed to be reduced (or the entire tax eliminated, if
22 necessary) to the extent necessary to comply with the foregoing require-
23 ment. A tax imposed by a county upon any transaction, to the extent that
24 it would require a reduction in any tax rate imposed thereon by a city,
25 shall not become effective in respect to any transaction taxed by such
26 city (or in respect of other similar transactions outside of the city
27 which, if occurring in such city, would be subject to such city tax)
28 before the commencement of the city's next succeeding fiscal year and
29 then only if the county shall have given notice to such city of its
30 imposition of a tax on such transaction at least six months prior to the
31 commencement of such fiscal year, provided however that the local legis-
32 lative body of such city may waive the requirement of such notice and
33 the postponement of the effective date of such tax. A city tax upon any
34 transaction, to the extent that it would require a reduction in any tax
35 rate imposed by a county thereon, shall not become effective in respect
36 of any transaction taxed by such county before the commencement of the
37 county's next succeeding fiscal year and then only if the city shall
38 have given notice to such county of its imposition of a tax on such
39 transaction at least six months prior to the commencement of such fiscal
40 year, provided, however, that the local legislative body of such county
41 may waive the requirement of such notice and postponement of the effec-
42 tive date of such tax. However, whether or not the six months' notice
43 requirement provided in this section has been waived, a tax imposed
44 pursuant to the authority of section twelve hundred ten [~~or twelve~~
45 ~~hundred eleven~~] of this article shall still be subject to the require-
46 ments provided for in the first three sentences of subdivision (d) of
47 such [~~sections~~] section and in subdivision (e) of such [~~sections~~]
48 section.

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

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

§ 19. Subdivision (k) of section 1224 of the tax law, as amended by chapter 426 of the laws of 1968 and separately relettered by chapters 531, 574, 617, 718 and 719 of the laws of 1992, is amended to read as follows:

(k) For purposes of this section, the term "prior right" shall mean the preferential right to impose any tax described in sections twelve hundred two [~~and~~], twelve hundred three[~~7~~] and twelve hundred ten [~~and twelve hundred eleven~~] of this article and thereby to pre-empt such tax and to preclude another municipal corporation from imposing or continuing the imposition of such tax to the extent that such right is exercised. However, the right of pre-emption shall only apply within the territorial limits of the taxing jurisdiction having the right of pre-emption.

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

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

§ 21. Section 1240 of the tax law, as amended by chapter 356 of the laws of 2014, is amended to read as follows:

§ 1240. Administration and collection. The taxes authorized under sections twelve hundred one through twelve hundred [~~four~~] three of this article which are now imposed shall continue to be administered and collected by the fiscal or other officers of the city, county or school district in the same manner as such taxes have been administered and collected by such officers immediately prior to the enactment of this article, in accordance with the applicable provisions of the charter, administrative code, local law, ordinance or resolution then in force, with such amendments in respect to administration and collection as may be enacted. Taxes authorized under sections twelve hundred one through twelve hundred [~~four~~] three of this article which may hereafter be imposed by a city, county or school district shall be administered and collected in such manner as may be provided in its charter, administrative code, local laws, ordinances or resolutions, with such amendments in respect to administration and collection as may be enacted. Notwithstanding any other provision of law to the contrary, the authorization to impose tax upon the transfer of real property pursuant to subdivision (b) of section twelve hundred one of this article, shall not, when the conveyance consists of a transfer of property made as a result of an order of the court in a foreclosure proceeding ordering the sale of such property, include the authorization to impose civil or criminal penalties, interest, or other liability upon the referee or sheriff effectuating the transfer.

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

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

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

16 (a) Any final determination of the amount of any tax payable under
17 sections twelve hundred one through twelve hundred ~~[four]~~ three of this
18 article shall be reviewable for error, illegality or unconstitutionality
19 or any other reason whatsoever by a proceeding under article seventy-
20 eight of the civil practice law and rules if application therefor is
21 made to the supreme court within four months after the giving of the
22 notice of such final determination, provided, however, that any such
23 proceeding under article seventy-eight of the civil practice law and
24 rules shall not be instituted by a taxpayer unless (1) the amount of any
25 tax sought to be reviewed, with such interest and penalties thereon as
26 may be provided for by local law, ordinance, resolution or regulation,
27 shall be first deposited and there is filed an undertaking, issued by a
28 surety company authorized to transact business in this state and
29 approved by the superintendent of financial services of this state as to
30 solvency and responsibility, in such amount as a justice of the supreme
31 court shall approve to the effect that if such proceeding be dismissed
32 or the tax confirmed the taxpayer will pay all costs and charges which
33 may accrue in the prosecution of such proceeding or (2) at the option of
34 the taxpayer, such undertaking may be in a sum sufficient to cover the
35 taxes, interest and penalties stated in such determination, plus the
36 costs and charges which may accrue against such taxpayer in the prose-
37 cution of the proceeding, in which event the taxpayer shall not be
38 required to pay such taxes, interest or penalties as a condition prece-
39 dent to the application.

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

42 § 1250. Administration and collection. The taxes imposed under the
43 authority of sections twelve hundred ten~~[, twelve hundred eleven, twelve~~
44 ~~hundred twelve]~~ and twelve hundred twelve-A of this article shall be
45 administered and collected by the ~~[state tax commission]~~ commissioner in
46 the same manner as the taxes imposed under article twenty-eight of this
47 chapter are administered and collected by such commission. All of the
48 provisions of such article relating to or applicable to the adminis-
49 tration and collection of the taxes imposed by that article shall apply
50 to the taxes imposed under the authority of section twelve hundred ten~~[,~~
51 ~~twelve hundred eleven, twelve hundred twelve]~~ or twelve hundred twelve-A
52 of this article, including sections eleven hundred one and eleven
53 hundred eleven and sections eleven hundred thirty-one through eleven
54 hundred forty-seven of this chapter, with the same force and effect as
55 if those provisions had been incorporated in full into this article and
56 had expressly referred to the taxes imposed under sections twelve

1 hundred ten ~~[through]~~ and twelve hundred twelve-A of this article,
2 except to the extent that any provisions of such article twenty-eight
3 are either inconsistent with a provision of this article or are not
4 relevant to this article. For purposes of this article, the term "tax"
5 in part IV of such article twenty-eight shall include any tax imposed
6 under the authority of section twelve hundred ten~~[, twelve hundred elev-~~
7 ~~en, twelve hundred twelve]~~ or twelve hundred twelve-A of this article.
8 Wherever there is joint collection of state and local taxes, it shall be
9 deemed that such collections shall represent proportionally the applica-
10 ble state and local taxes in determining the amount to be remitted to
11 local taxing jurisdictions.

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

14 (a) Every person required to collect any of the taxes imposed under
15 the authority of section twelve hundred ten~~[, twelve hundred eleven,~~
16 ~~twelve hundred twelve]~~ or twelve hundred twelve-A of this article shall
17 file a return as required by subdivision (a) of section eleven hundred
18 thirty-six of this chapter with the ~~[tax commission]~~ commissioner,
19 except that return for the quarterly period ending August thirty-first,
20 nineteen hundred sixty-five shall only cover the month of August, nine-
21 teen hundred sixty-five. The return of a vendor of tangible personal
22 property or services shall show his or her receipts from sales and also
23 the aggregate value of tangible personal property and services sold by
24 him or her, the use of which is subject to a tax imposed under the
25 authority of this article and the amount of taxes required to be
26 collected with respect to such sales and use. The return of a ~~[recipi-~~
27 ~~ent]~~ receipt of amusement charges shall show all such charges and the
28 amount of tax thereon, and the return of an operator required to collect
29 tax on rents shall show all rents received or charged and the amount of
30 tax thereon. Every person required to file a part-quarterly return
31 pursuant to subdivision (a) of section eleven hundred thirty-six of this
32 chapter shall file a return for the same periods for the taxes imposed
33 pursuant to this article. Provided, however, where a part-quarterly
34 return described in paragraph ~~[(i)]~~ one or ~~[(ii)]~~ two of subdivision (a)
35 of section eleven hundred thirty-six is filed for purposes of complying
36 with this section and section eleven hundred thirty-six or subdivision
37 (a) or (b) of section eleven hundred thirty-seven-A of this chapter, on
38 such returns separate amounts due for the taxes imposed by each county,
39 city or school district, pursuant to the authority of section twelve
40 hundred ten~~[, twelve hundred eleven, twelve hundred twelve]~~ or twelve
41 hundred twelve-A of this article, need not be shown. Rather, such
42 returns shall only show the aggregate amount of all such local taxes
43 calculated in the manner provided for in paragraph ~~[(i)]~~ one or ~~[(ii)]~~
44 two of subdivision (a) of section eleven hundred thirty-six of this
45 chapter except that in the case of a short-form, part-quarterly return,
46 where a county, city or school district did not impose a tax in the
47 comparable quarter of the immediately preceding year, the tax for that
48 locality shall be calculated on such basis as the ~~[tax commission]~~
49 commissioner shall by regulation prescribe.

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

52 (b) The ~~[tax commission]~~ commissioner, in ~~[its]~~ his or her discretion,
53 may require or permit any or all persons liable for any tax or required
54 to collect any tax authorized under section twelve hundred ten~~[, twelve~~
55 ~~hundred eleven, twelve hundred twelve]~~ or twelve hundred twelve-A of
56 this article to make payment to such banks, banking houses or trust

companies designated by the ~~[tax commission]~~ commissioner and to file returns with such banks, banking houses or trust companies, as agent of the state tax commission, in lieu of paying the taxes imposed under the authority of section twelve hundred ten~~[, twelve hundred eleven, twelve hundred twelve]~~ or twelve hundred twelve-A of this article directly to the state tax commission. However, the ~~[tax commission]~~ commissioner can only designate such banks, banking houses and trust companies which are already designated by the comptroller as depositories pursuant to section eleven hundred forty-eight of this chapter.

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

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

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

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

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

§ 29. Subdivisions (a), (b) and (c) of section 1261 of the tax law, as amended by chapter 84 of the laws of 2000, subdivision (a) as amended by chapter 182 of the laws of 2005, subdivision (c) as amended by section 9 of part SS-1 of chapter 57 of the laws of 2008 and paragraph 2 of subdivision (c) as amended by chapter 67 of the laws of 2015, are amended to read as follows:

(a) All taxes, penalties and interest imposed by cities, counties or school districts under the authority of section twelve hundred ten~~[, twelve hundred eleven, twelve hundred twelve]~~ or twelve hundred twelve-A

1 of this article, which are collected by the commissioner, shall be
2 deposited daily with such responsible banks, banking houses or trust
3 companies, as may be designated by the state comptroller, to the credit
4 of the comptroller, in trust for the cities, counties or school
5 districts imposing the tax or for (i) the Nassau county interim finance
6 authority or (ii) the Buffalo fiscal stability authority or (iii) the
7 Erie county fiscal stability authority, created by the public authori-
8 ties law, (i) to the extent that net collections from taxes imposed by
9 Nassau county are payable to the Nassau county interim finance authority
10 or (ii) to the extent that net collections from taxes imposed by Erie
11 county or by the city of Buffalo are payable to the Buffalo fiscal
12 stability authority or (iii) to the extent that net collections from
13 taxes imposed by Erie county are payable to the Erie county fiscal
14 stability authority, or for any public benefit corporation to which the
15 tax may be payable pursuant to law. Such deposits and deposits received
16 pursuant to subdivision (b) of section twelve hundred fifty-two of this
17 article shall be kept in trust and separate and apart from all other
18 monies in the possession of the comptroller. The comptroller shall
19 require adequate security from all such depositories of such revenue
20 collected by the commissioner, including the deposits received pursuant
21 to subdivision (b) of section twelve hundred fifty-two of this article.
22 Any amount payable to such authorities pursuant to the public authori-
23 ties law shall, at the time it is otherwise payable to (i) Nassau coun-
24 ty, (ii) Erie county or the city of Buffalo, or (iii) Erie county,
25 respectively, as specified in this section, be paid instead to such
26 respective authority. Any amount payable to a public benefit corporation
27 pursuant to law shall, at the time it is otherwise payable to the taxing
28 jurisdiction as specified in this section, be paid instead to such
29 public benefit corporation.

30 (b) The comptroller shall retain in the comptroller's hands such
31 amount as the commissioner may determine to be necessary for refunds in
32 respect to the taxes imposed by cities, counties and school districts,
33 under the authority of section twelve hundred ten [~~twelve hundred elev-~~
34 ~~on, twelve hundred twelve~~] or twelve hundred twelve-A of this article,
35 and for reasonable costs of the commissioner in administering, collect-
36 ing and distributing such taxes, out of which the comptroller shall pay
37 any refunds of such taxes to which taxpayers shall be entitled under the
38 provisions of this article.

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

50 (2) However, the taxes, penalties and interest from the additional one
51 percent rate which the city of Yonkers is authorized to impose pursuant
52 to item (a) of clause one of subparagraph (ii) of the opening paragraph
53 of section twelve hundred ten of this article, after the comptroller has
54 reserved such refund fund and such cost shall be paid to the special
55 sales and compensating use tax fund for the city of Yonkers established

1 by section ninety-two-f of the state finance law at the times set forth
2 in the preceding sentence.

3 (3) However, the taxes, penalties and interest which (i) the county of
4 Nassau, (ii) the county of Erie, to the extent the county of Erie is
5 contractually or statutorily obligated to allocate and apply or pay net
6 collections to the city of Buffalo and to the extent that such county
7 has set aside net collections for educational purposes attributable to
8 the Buffalo school district, or the city of Buffalo or (iii) the county
9 of Erie is authorized to impose pursuant to section twelve hundred ten
10 of this article, other than such taxes in the amounts described, respec-
11 tively, in subdivisions one and two of section [~~one thousand two~~] twelve
12 hundred sixty-two-e of this part, during the period that such section
13 authorizes Nassau county to establish special or local assistance
14 programs thereunder, together with any penalties and interest related
15 thereto, and after the comptroller has reserved such refund fund and
16 such costs, shall, commencing on the next payment date after the effec-
17 tive date of this sentence and of each month thereafter, until such date
18 as (i) the Nassau county interim finance authority shall have no obli-
19 gations outstanding, or (ii) the Buffalo fiscal stability authority
20 shall cease to exist, or (iii) the Erie county fiscal stability authori-
21 ty shall cease to exist, be paid by the comptroller, respectively, to
22 (i) the Nassau county interim finance authority to be applied by the
23 Nassau county interim finance authority, or (ii) to the Buffalo fiscal
24 stability authority to be applied by the Buffalo fiscal stability
25 authority, or (iii) to the Erie county fiscal stability authority to be
26 applied by the Erie county fiscal stability authority, as the case may
27 be, in the following order of priority: first pursuant to the Nassau
28 county interim finance authority's contracts with bondholders or the
29 Buffalo fiscal stability authority's contracts with bondholders or the
30 Erie county fiscal stability authority's contracts with bondholders,
31 respectively, then to pay the Nassau county interim finance authority's
32 operating expenses not otherwise provided for or the Buffalo fiscal
33 stability authority's operating expenses not otherwise provided for or
34 the Erie county fiscal stability authority's operating expenses not
35 otherwise provided for, respectively, and then (i) pursuant to the
36 Nassau county interim finance authority's agreements with the county of
37 Nassau, which agreements shall require the Nassau county interim finance
38 authority to transfer such taxes, penalties and interest remaining after
39 providing for contractual or other obligations of the Nassau county
40 interim finance authority, and subject to any agreement between such
41 authority and the county of Nassau, to the county of Nassau as frequent-
42 ly as practicable; or (ii) pursuant to the Buffalo fiscal stability
43 authority's agreements with the city of Buffalo, which agreements shall
44 require the Buffalo fiscal stability authority to transfer such taxes,
45 penalties and interest remaining after providing for contractual or
46 other obligations of the Buffalo fiscal stability authority, and subject
47 to any agreement between such authority and the city of Buffalo, to the
48 city of Buffalo or the city of Buffalo school district, as the case may
49 be, as frequently as practicable; or (iii) pursuant to the Erie county
50 fiscal stability authority's agreements with the county of Erie, which
51 agreements shall require the Erie county fiscal stability authority to
52 transfer such taxes, penalties and interest remaining after providing
53 for contractual or other obligations of the Erie county fiscal stability
54 authority, and subject to any agreement between such authority and the
55 county of Erie, to the county of Erie as frequently as practicable.
56 During the period that the comptroller is required to make payments to

1 the Nassau county interim finance authority described in the previous
2 sentence, the county of Nassau shall have no right, title or interest in
3 or to such taxes, penalties and interest required to be paid to the
4 Nassau county interim finance authority, except as provided in such
5 authority's agreements with the county of Nassau. During the period that
6 the comptroller is required to make payments to the Buffalo fiscal
7 stability authority described in the second previous sentence, the city
8 of Buffalo and such school district shall have no right, title or inter-
9 est in or to such taxes, penalties and interest required to be paid to
10 the Buffalo fiscal stability authority, except as provided in such
11 authority's agreements with the city of Buffalo. During the period that
12 the comptroller is required to make payments to the Erie county fiscal
13 stability authority described in the third previous sentence, the county
14 of Erie shall have no right, title or interest in or to such taxes,
15 penalties and interest required to be paid to the Erie county fiscal
16 stability authority, except as provided in such authority's agreements
17 with the county of Erie.

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

25 (5) However, the comptroller shall withhold from the taxes, penalties
26 and interest imposed by the city of New York on and after August first,
27 two thousand eight, and deposit such amounts to the state treasury as
28 reimbursement for appropriated disbursements made by the New York state
29 financial control board established by the New York state financial
30 emergency act for the city of New York and by the state deputy comp-
31 troller for the city of New York established by section forty-one-a of
32 the executive law, as the actual, reasonable expenses of that board or
33 that deputy comptroller, incurred on behalf of the city, for quarterly
34 periods commencing July first, two thousand eight, and ending on the
35 date when those expenses are no longer incurred by that board or deputy
36 comptroller; and the comptroller shall pay those withheld amounts imme-
37 diately into the miscellaneous special revenue fund financial control
38 board account 339-15 and the miscellaneous special revenue fund finan-
39 cial oversight account 339-DI of the state. During the period that the
40 comptroller is required to withhold amounts and make payments described
41 in this paragraph, the city of New York has no right, title or interest
42 in or to those taxes, penalties and interest required to be paid into
43 the above referenced miscellaneous special revenue funds.

44 (6) Where the amount so paid over to any city, county, school district
45 or the special sales and compensating use tax fund for the city of Yonk-
46 ers in any such distribution or to any such authority is more or less
47 than the amount then due to such city, county, school district or such
48 fund or to such authority, the amount of the overpayment or underpayment
49 shall be certified to the comptroller by the commissioner or the commis-
50 sioner's delegate, who shall not be held liable for any inaccuracy in
51 such certificate. The amount of the overpayment or underpayment shall be
52 so certified to the comptroller as soon after the discovery of the over-
53 payment or underpayment as reasonably possible and subsequent payments
54 and distributions by the comptroller to such city, county, school
55 district or the special sales and compensating use tax fund for the city
56 of Yonkers or to such authority shall be adjusted by subtracting the

1 amount of any such overpayment from or by adding the amount of any such
2 underpayment to such number of subsequent payments and distributions as
3 the comptroller and the commissioner shall consider reasonable in view
4 of the amount of the overpayment or underpayment and all other facts and
5 circumstances.

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

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

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

11 2. The taxable status date of real property assessed for school
12 district and village purposes shall be determined in accordance with
13 ~~[sections thirteen hundred two and]~~ article seventy-one of the education
14 law and section fourteen hundred of this chapter, respectively. The date
15 of taxable status of the real property contained on any village assess-
16 ment roll shall be imprinted or otherwise indicated at the top of the
17 first page of each volume of such roll.

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

21 2. Any state aid representing tax savings duly provided by a component
22 school district of the central high school district ~~[pursuant to section~~
23 ~~thirteen hundred six-a of the real property tax law]~~ for taxes levied to
24 fund expenditures of the central high school district shall be claimed
25 by such component school district ~~[pursuant to subdivision three of~~
26 ~~section thirteen hundred six-a of the real property tax law,~~] and any
27 resulting payment of state aid to the component school district based on
28 such tax savings shall be paid by the component school district, within
29 ten days after receipt of such payment, over to the treasurer of such
30 central high school district in an amount equal to the product of the
31 total payment received by such component school district for all tax
32 savings ~~[provided pursuant to section thirteen hundred six-a of the real~~
33 ~~property tax law]~~ multiplied by the quotient of the tax savings provided
34 for taxes levied to fund expenditures of the central high school
35 district divided by the total tax savings duly provided by such compo-
36 nent school district ~~[pursuant to section thirteen hundred six-a of the~~
37 ~~real property law]~~.

38 § 34. Section 3601 of the education law, as amended by section 4-a of
39 part CCC of chapter 59 of the laws of 2018, is amended to read as
40 follows:

41 § 3601. When apportioned and how applied. The amount annually appro-
42 priated by the legislature for general support for public schools, net
43 of disallowances, refunds, reimbursements and credits, shall be appor-
44 tioned by the commissioner each year prior to the dates of the respec-
45 tive final payments provided by law and all moneys so apportioned shall
46 be applied exclusively to school purposes authorized by law. General
47 state aid claims, on forms prescribed by the commissioner, shall be
48 submitted to the commissioner by September second of each school year,
49 except that the audit report required by subdivision three of section
50 twenty-one hundred sixteen-a of this chapter shall be submitted to the
51 commissioner by October fifteenth following the close of the school year
52 audited for all districts other than the city school districts of the
53 cities of Buffalo, Rochester, Syracuse, Yonkers and New York and by
54 January first following the close of the school year audited for such
55 city school districts. No aid shall be paid to a school district or
56 board of cooperative educational services prior to the submission of

1 claims as required by the commissioner, except that no aid certified as
2 payable to a school district by the commissioner of taxation and finance
3 ~~[pursuant to paragraph (c) of subdivision three of section thirteen~~
4 ~~hundred six-a of the real property tax law]~~ shall be withheld due to the
5 failure of the school district to submit general state aid claims
6 required by the commissioner, except that no aids shall be withheld due
7 to the failure of a school district to submit the audit report required
8 by subdivision three of section twenty-one hundred sixteen-a of this
9 chapter until the thirtieth day following the due date specified in this
10 section for such report, and except that apportionment for general
11 support of public schools from the funds apportioned to a school
12 district for the current year in excess of the amount apportioned to
13 such school district in the base year shall be withheld until issuance
14 of a determination of compliance in writing of such school district's
15 statement of total funding allocation by the commissioner and the direc-
16 tor of the budget as required by section thirty-six hundred fourteen of
17 this part, whenever such shall occur, provided that for purposes of this
18 section, "current year" shall mean the current year as defined in para-
19 graph a of subdivision one of section thirty-six hundred two of this
20 part and "base year" shall mean the base year as defined in paragraph b
21 of subdivision one of section thirty-six hundred two of this part.

22 § 34-a. Section 3601 of the education law, as amended by section 4-a
23 of part A-1 of chapter 58 of the laws of 2006 and as further amended by
24 subdivision (d) of section 1 of part W of chapter 56 of the laws of
25 2010, is amended to read as follows:

26 § 3601. When apportioned and how applied. The amount annually appro-
27 priated by the legislature for general support for public schools, net
28 of disallowances, refunds, reimbursements and credits, shall be appor-
29 tioned by the commissioner each year prior to the dates of the respec-
30 tive final payments provided by law and all moneys so apportioned shall
31 be applied exclusively to school purposes authorized by law. General
32 state aid claims, on forms prescribed by the commissioner, shall be
33 submitted to the commissioner by September second of each school year,
34 except that the audit report required by subdivision three of section
35 twenty-one hundred sixteen-a of this chapter shall be submitted to the
36 commissioner by October fifteenth following the close of the school year
37 audited for all districts other than the city school districts of the
38 cities of Buffalo, Rochester, Syracuse, Yonkers and New York and by
39 January first following the close of the school year audited for such
40 city school districts. No aid shall be paid to a school district or
41 board of cooperative educational services prior to the submission of
42 claims as required by the commissioner, except that no aid certified as
43 payable to a school district by the commissioner of taxation and finance
44 ~~[pursuant to paragraph (c) of subdivision three of section thirteen~~
45 ~~hundred six-a of the real property tax law]~~ shall be withheld due to the
46 failure of the school district to submit general state aid claims
47 required by the commissioner, and except that no aids shall be withheld
48 due to the failure of a school district to submit the audit report
49 required by subdivision three of section twenty-one hundred sixteen-a of
50 this chapter until the thirtieth day following the due date specified in
51 this section for such report.

52 § 35. Paragraph y of subdivision 1 of section 3602 of the education
53 law, as amended by section 11 of part B of chapter 57 of the laws of
54 2007 and as further amended by subdivision (d) of section 1 of part W of
55 chapter 56 of the laws of 2010, is amended to read as follows:

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

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

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

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

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

1. Where a supplemental assessment roll has been completed, verified and filed ~~[pursuant to section thirteen hundred thirty-five of this chapter]~~ as per the request of the school authorities of a school district, the commissioner shall determine an equalization rate for such supplemental assessment roll in the manner provided in this article for determining equalization rates for towns. The equalization rate so determined for the supplemental assessment roll shall be used in computing the taxable full valuation of real property on the supplemental assessment roll for all school district purposes except as otherwise provided ~~[in section thirteen hundred fourteen]~~ by other provisions of this chapter.

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

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

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

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

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

§ 40. Subdivision 1 and paragraph (a) and the opening paragraph of paragraph (d) of subdivision 7 of section 1316 of the real property tax law, as added by chapter 556 of the laws of 2002, subdivision 1 as

1 further amended by subdivision (b) of section 1 of part W of chapter 56
2 of the laws of 2010, are amended to read as follows:

3 1. Notwithstanding the provisions of [~~section thirteen hundred four-~~
4 ~~teen of this~~] article seventy-one of the education law, a school
5 district located in more than one city or town, which includes a desig-
6 nated large property, as determined by the commissioner of taxation and
7 finance, may provide by annual resolution, adopted no later than ten
8 days prior to the last day provided by law for the levy of school taxes,
9 that school taxes to be levied for the fiscal year commencing July first
10 of the same year shall be apportioned to each city or town or part ther-
11 eof in accordance with the provisions set forth in this section.

12 (a) The tax shall be apportioned in accordance with the provisions of
13 [~~section thirteen hundred fourteen of this~~] article seventy-one of the
14 education law.

15 The resulting tax levy from paragraph (c) of this subdivision shall be
16 reapportioned among all other property within the taxing jurisdiction,
17 exclusive of the designated large property. This reapportionment shall
18 be done in accordance with [~~section thirteen hundred fourteen of this~~]
19 the provisions of article seventy-one of the education law, except that:

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

23 (a) Equalization by class. The tax authorities shall determine for the
24 homestead and non-homestead classes, respectively, the total full valu-
25 ation and total taxable full valuation of the real property subject to
26 taxation for district purposes in each city or town or part thereof
27 included within the tax district. The total full valuation of a class in
28 a city or town or part thereof shall be computed by dividing the total
29 assessed value of the property in the class by the state equalization
30 rate or special equalization rate [~~prescribed in section thirteen~~
31 ~~hundred fourteen of this chapter~~]. The total taxable full valuation of a
32 class in a city or town or part thereof shall be computed by dividing
33 the total taxable assessed value of the property in the class by the
34 state equalization rate or special equalization rate [~~prescribed in~~
35 ~~section thirteen hundred fourteen of this chapter~~].

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

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

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

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

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

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

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

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

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

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

e. "Latest preceding assessment roll" means the last preceding assessment roll finally completed, verified and filed prior to the final completion of the assessment roll for which the transition assessment is

1 being established, but shall not mean or include a supplemental assess-
2 ment roll completed, verified and filed as [~~provided in section thirteen~~
3 ~~hundred thirty-five of this chapter~~] per the request of the school
4 authorities of a school district.

5 § 47. Subdivisions 1 and 3 of section 972 of the real property tax
6 law, as amended by section 12 of part B of chapter 389 of the laws of
7 1997, are amended to read as follows:

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

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

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

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

34 § 48. In order to provide for continuity of funding to school
35 districts, fifty percent of the school taxes due on July first in the
36 year preceding the effective date of this act shall be paid as hereto-
37 fore required by law.

38 § 49. This act shall take effect on the first of January next succeed-
39 ing the date on which it shall have become a law, provided, however,
40 that sections two, four, five, six, eight and ten through forty-seven of
41 this act shall take effect on the first of January in the fifth year
42 next succeeding such effective date; provided, further that the
43 provisions of paragraph 2 of subdivision (c) of section 1261 of the tax
44 law made by section twenty-nine of this act shall not affect the expira-
45 tion of such paragraph and shall be deemed to expire therewith; and
46 provided, further, that the provisions of section 3601 of the education
47 law made by section thirty-four of this act shall be subject to the
48 expiration and reversion of such section pursuant to subdivision 2 of
49 section 44 of part CCC of chapter 59 of the laws of 2018, as amended,
50 when upon such date the provisions of section thirty-four-a of this act
51 shall take effect.