STATE OF NEW YORK

4088

2019-2020 Regular Sessions

IN ASSEMBLY

February 1, 2019

Introduced by M. of A. KOLB, ASHBY, BARCLAY, BLANKENBUSH, BRABENEC, BYRNE, CROUCH, DiPIETRO, FINCH, FITZPATRICK, FRIEND, GARBARINO, GIGLIO, GOODELL, HAWLEY, JOHNS, LALOR, LAWRENCE, MALLIOTAKIS, McDONOUGH, B. MILLER, M. L. MILLER, MONTESANO, MORINELLO, NORRIS, PALMESANO, PALUMBO, RA, RAIA, STEC, WALSH -- read once and referred to the Committee on Ways and Means

AN ACT to amend chapter 58 of the laws of 2005, relating to authorizing reimbursements for expenditures made by or on behalf of social services districts for medical assistance for needy persons and the administration thereof, in relation to providing for a ten-year state takeover of the local share of medicaid outside of New York City (Part A); providing for a twenty-year state takeover of fifty percent of the local share of Medicaid in New York City (Part B); to amend the social services law, in relation to creating the Commission to Reform Public Assistance Benefits (Part C); to amend the tax law, in relation to expanding the state earned income tax credit from thirty percent to forty-five percent of the federal credit amount (Part D); to amend the tax law, in relation to offering the option for individuals to receive the state earned income tax credit in monthly installments (Part E); to amend the tax law, in relation to expanding the child and dependent care tax credit; and to repeal certain provisions of such law relating thereto (Part F); to amend the labor law, in relation to allowing those receiving unemployment insurance to work part-time while still receiving a partial unemployment benefit (Part G); to amend the state finance law, the education law, and the general municipal law, in relation to the state assuming the growth in property taxes for school districts and local governments that remain under the real property tax cap (Part H); to amend the general municipal law, in relation to creating a property tax redesign team; and providing for the repeal of such provisions upon expiration thereof (Part I); and to amend the general municipal law and the municipal home rule law, in relation to establishing limitations upon real property tax levies in cities with a population of one million or more (Part J)

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

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

Section 1. Legislative findings and intent. New York State is at a very critical moment in its history. Many recent articles have cited information provided by the United States Census Bureau that shows over one million people have left the New York area since 2010, and this can be attributed to the high cost of living forced on New York taxpayers through high taxes and a lack of job opportunities. Our high taxes, particularly our high property taxes, have contributed to New York consistently being ranked near the bottom when compared to other states for business tax climate and total combined tax burden. By doing little to reform the structural reasons behind the high cost of living in New York, the state government has failed to make life better for families and businesses in every region.

To compound this problem, New York spends a high amount on public assistance programs that are meant to help citizens escape poverty and become self-sufficient, but include income thresholds that create what are known as "benefit cliffs". These benefit cliffs occur when an individual or family receiving public benefits hits a specified dollar amount in income and immediately loses eligibility to receive a certain public assistance benefit. When this happens, the state is creating a situation where New Yorkers would actually see a reduction in real take-home pay because the value of the public assistance benefit they will lose is worth more than the increased income they would receive through working. This means that low-income New Yorkers, through no fault of their own, will find it difficult to accept a job, more hours, or an increase in pay as the financial well-being of their family is threatened by working more. Work should be incentivized, and no New Yorker should ever be faced with a situation where working hard and earning a larger salary can actually lead to a decrease in real take-home pay.

These problems require state government officials to make hard choices, and make long-term structural changes in order to see real systemic changes to our economy in the long run. Therefore, the legislature finds it necessary to implement a ten-year state takeover of the local share of Medicaid outside of New York City, create the Commission to Reform Public Assistance Benefits to implement a new payment method to eradicate the benefit cliffs, expand the state earned income tax credit from thirty percent to forty-five percent of the federal credit amount, offer the option for individuals to receive the state earned income tax credit in monthly installments, expand the child and dependent care tax credit, allow those receiving unemployment insurance to work part-time while still receiving a partial unemployment benefit, assume the growth in property taxes for school districts and local governments that remain under the real property tax cap to take the burden off of homeowners, create a property tax redesign team that will produce recurring savings and subject New York City to the real property tax cap. These structural changes will help make New York more competitive, and a more attractive place to build a business and raise a family. They will also provide low-income New Yorkers with additional opportunities to better their situation and rise out of poverty.

§ 2. This act enacts into law major components of legislation providing for a ten-year state takeover of the local share of Medicaid outside of New York City, providing for a twenty-year state takeover of fifty percent of the local share of Medicaid in New York City, creating the Commission to Reform Public Assistance Benefits, expanding the state

earned income tax credit from thirty percent to forty-five percent of the federal credit amount, offering the option for individuals to receive the state earned income tax credit in monthly installments, expanding the child and dependent care tax credit, allowing those receiving unemployment insurance to work part-time while still receiving a partial unemployment benefit, assuming the growth in property taxes for school districts and local governments that remain under the real property tax cap to take the burden off of homeowners, creating a property tax redesign team required to produce recurring savings and subjecting New York City to the real property tax cap. Each component is wholly contained within a Part identified as Parts A through J. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section four of this act sets forth the general effective date of this act.

PART A

Section 1. Subdivision (c) of section 1 of part C of chapter 58 of the laws of 2005 relating to authorizing reimbursements for expenditures made by or on behalf of social services districts for medical assistance for needy persons and the administration thereof is amended and twelve new subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10), (c-11),(c-12) and (c-13) are added to read as follows:

(c) Commencing with the calendar year beginning January 1, 2006, calendar year social services district medical assistance expenditure amounts for each social services district shall be calculated by multiplying the results of the calculations performed pursuant to paragraph (b) of this section by a non-compounded trend factor, as follows:

(i) 2006 (January 1, 2006 through December 31, 2006): 3.5%;

(ii) 2007 (January 1, 2007 through December 31, 2007): 6.75% (3.25% plus the prior year's 3.5%);

(iii) 2008 (January 1, 2008 through December 31, 2008): 9.75% (3% plus the prior year's 6.75%);

(iv) 2009 (January 1, 2009 through December 31, 2009), and each succeeding calendar year **through 2020**: prior year's trend factor percentage plus 3%.

(c-2) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2020 through December 31, 2020, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 10% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2021 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-3) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2021 through December 31, 2021, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 20% from the 2019 expenditures. No less

than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2022 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-4) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2022 through December 31, 2022, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 30% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2023 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-5) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2023 through December 31, 2023, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 40% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2024 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-6) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2024 through December 31, 2024, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 50% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2025 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-7) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2025 through December 31, 2025, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 60% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2026 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-8) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2026 through December 31, 2026, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 70% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local

government's 2027 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-9) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2027 through December 31, 2027, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 80% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2028 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-10) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2028 through December 31, 2028, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 90% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2029 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-11) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2029 through December 31, 2029, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 100% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2030 fiscal year. This section shall not apply to a city with a population of one million or more.

(c-12) Notwithstanding the provisions of section seven of this act, any county that opted into the local sales tax intercept methodology shall receive a proportionate reduction in the sales tax intercept as described in subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10) and (c-11) of this section and use these recaptured funds for property tax reductions in the same manner as other local jurisdictions as described.

(c-13) The minimum amount of annual property tax levy reductions resulting from savings achieved as defined in subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10) and (c-11) of this section, shall be determined by the state comptroller and transmitted to each local government one hundred eighty days in advance of the start of the fiscal year for which the property tax reduction is to be effective.

§ 2. This act shall take effect immediately.

PART B

Section 1. Notwithstanding the provisions of part C of chapter 58 of the laws of 2005 and section 368-a of the social services law, or any other provision of law, in cities with a population of one million or more:

(a) commencing with the period January 1, 2020 through December 31, 2020, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 2.5% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2021 fiscal year;

(b) commencing with the period January 1, 2021 through December 31, 2021, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 5% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2022 fiscal year;

(c) commencing with the period January 1, 2022 through December 31, 2022, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 7.5% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2023 fiscal year;

(d) commencing with the period January 1, 2023 through December 31, 2023, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 10% from the 2019 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2024 fiscal year;

(e) commencing with the period January 1, 2024 through December 31, 2024, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 12.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2025 fiscal year;

(f) commencing with the period January 1, 2025 through December 31, 2025, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 15% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2026 fiscal year;

(g) commencing with the period January 1, 2026 through December 31, 2026, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 17.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assist-

ance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2027 fiscal year;

(h) commencing with the period January 1, 2027 through December 31, 2027, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 20% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2028 fiscal year;

(i) commencing with the period January 1, 2028 through December 31, 2028, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 22.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2029 fiscal year;

(j) commencing with the period January 1, 2029 through December 31, 2029, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 25% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2030 fiscal year;

(k) commencing with the period January 1, 2030 through December 31, 2030, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 27.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2031 fiscal year;

(l) commencing with the period January 1, 2031 through December 31, 2031, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 30% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2032 fiscal year;

(m) commencing with the period January 1, 2032 through December 31, 2032, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 32.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or

property tax rebates, effective in the local government's 2033 fiscal year;

(n) commencing with the period January 1, 2033 through December 31, 2033, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 35% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2034 fiscal year;

(o) commencing with the period January 1, 2034 through December 31, 2034, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 37.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2035 fiscal year;

(p) commencing with the period January 1, 2035 through December 31, 2035, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 40% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2036 fiscal year;

(q) commencing with the period January 1, 2036 through December 31, 2036, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 42.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2037 fiscal year;

(r) commencing with the period January 1, 2037 through December 31, 2037, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 45% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2038 fiscal year;

(s) commencing with the period January 1, 2038 through December 31, 2038, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 47.5% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2039 fiscal year;

(t) commencing with the period January 1, 2039 through December 31, 2039, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 50% from the 2019 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2040 fiscal year.

§ 2. Notwithstanding the provisions of section seven of part C of chapter 58 of the laws of 2005, any county that opted into the local sales tax intercept methodology shall receive a proportionate reduction in the sales tax intercept as described in section one of this act and use those recaptured funds for property tax reductions in the same manner as other local jurisdictions as described.

§ 3. The minimum amount of annual property tax levy reductions resulting from savings achieved as defined in section one of this act, shall be determined by the state comptroller and transmitted to each local government one hundred eighty days in advance of the start of the fiscal year for which the property tax reduction is to be effective.

§ 4. This act shall take effect immediately.

PART C

Section 1. The social services law is amended by adding a new article 11-A to read as follows:

ARTICLE 11-A

COMMISSION TO REFORM PUBLIC ASSISTANCE BENEFITS

Section 500. Definitions.

501. Commission to reform public assistance benefits.

502. Powers and duties of the commission.

§ 500. Definitions. As used in this article:

1. "Commission" shall mean the commission to reform public assistance benefits established pursuant to this article.

2. "Public assistance benefits" shall include family assistance, safety net assistance, veteran assistance, medical assistance for needy persons, institutional care for adults, child care granted at public expense, and any other form of governmental assistance for individuals and/or families as determined by the commission.

3. "Real take-home pay" shall mean the total amount of income for an individual and/or family when including public assistance benefits, salary earned through employment and any other form of compensation.

§ 501. Commission to reform public assistance benefits. 1. There is hereby created the commission to reform public assistance benefits, which shall consist of the following seventeen members who shall be appointed within thirty days after the effective date of this section:

a. The commissioner of the office of temporary and disability assistance or his or her designee and shall serve as the chairperson of the commission;

b. The commissioner of the office of children and family services or his or her designee;

c. The commissioner of labor or his or her designee;

d. The commissioner of health or his or her designee;

e. The director of the division of budget or his or her designee;

f. Three members appointed by the temporary president of the senate;

g. Three members appointed by the speaker of the assembly;

h. Three members appointed by the minority leader of the senate;

i. Three members appointed by the minority leader of the assembly.

2. No member of the commission shall be disqualified from holding any public office or employment, nor shall he or she forfeit any such office or employment by virtue of his or her appointment pursuant to this article. Members of the commission shall receive no compensation for their service, but shall be allowed their actual and necessary expenses incurred in the performance of their functions pursuant to this article. A member of the commission may be removed by the appointing authority only for good cause, after notice and opportunity to be heard. Vacancies shall be filled in the same manner as original appointments.

§ 502. Powers and duties of the commission. 1. The commission shall conduct a study to examine the current payment method for public assistance benefits and identify any and all income levels that exist where an individual or family would become ineligible for any public assistance benefit.

a. The commission may require the production of any documents or information the commission deems reasonably necessary to conduct this study.

b. The commission shall, within ninety days of the effective date of this article, issue a report providing details on the results of such study to the governor and the legislature, and the report shall also be made widely available to the public via, among other things, publication on a website maintained by the office of temporary and disability assistance.

2. Beginning within ten days after the issuance of the report issued pursuant to subdivision one of this section, the commission shall hold at least one public hearing in each of the following regions: Long Island; New York City; Hudson Valley; Capital District; North Country; Central New York; Finger Lakes; Western New York; and Southern Tier.

a. During the public hearings, the commission shall hear the testimony of voluntary witnesses, may compel the testimony of witnesses and may require the production of any documents or information the commission deems reasonably necessary to carry out its responsibilities.

b. After review, study, and receipt of public comment, the commission shall issue a report within one hundred eighty days of the effective date of this article that includes a new payment method for public assistance benefits that ensures an individual's or family's public assistance benefits are not eliminated at specified income levels, but rather decreased to ensure an individual's or family's real take-home pay increases as a result of any increase in income due to employment.

c. Notwithstanding any other provision of law, such payment method as determined by the commission shall have the force of law unless acted upon by the legislature.

§ 2. This act shall take effect immediately.

PART D

Section 1. Paragraph 1 of subsection (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended to read as follows:

(1) General. A taxpayer shall be allowed a credit as provided herein equal to (i) the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, (ii) reduced by the credit permitted under subsection (b) of this section.

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, [~~and~~] (vii) thirty percent for taxable years beginning in two thousand three**, and (viii) forty-five percent for taxable years beginning in two thousand nineteen** and thereafter. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the earned income credit or to apply state general fund spending on the earned income credit toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner of taxation and finance, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2019.

PART E

Section 1. Section 686 of the tax law is amended by adding a new subsection (j) to read as follows:

(j) Earned income tax credit.--A taxpayer eligible to receive an earned income tax credit pursuant to subsection (d) of section six hundred six of this article or an enhanced earned income tax credit pursuant to subsection (d-1) of section six hundred six of this article shall be prescribed the option to receive such credit in the following manner: (i) for amounts equal to or less than two hundred dollars, the payment or refund shall be made in a lump sum, (ii) for amounts in excess of two hundred dollars and less than two thousand four hundred dollars, the payment or refund shall be two hundred dollars a month for the number of months equal to the total amount thereof divided by two hundred and rounded down to the nearest whole number, and the remaining balance of such payment or refund shall be made in the first month thereafter, and (iii) for amounts equal to or greater than two thousand four hundred dollars, the payment or refund shall be paid in equal monthly payments equal to the total amount thereof divided by twelve.

§ 2. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the commissioner of taxation and finance is authorized to make any addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date on or before such date.

PART F

Section 1. Paragraph 1 of subsection (c) of section 606 of the tax law, as amended by section 1 of part M of chapter 63 of the laws of 2000, is amended to read as follows:

(1) A taxpayer shall be allowed a credit as provided herein equal to the applicable percentage of the credit allowable under section twenty-one of the internal revenue code for the same taxable year (without regard to whether the taxpayer in fact claimed the credit under such section twenty-one for such taxable year). The applicable percentage shall be the sum of (i) [~~twenty~~] **sixty-two** percent and (ii) a multiplier multiplied by a fraction. For taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, the numerator of such fraction shall be the lesser of (i) four thousand dollars or (ii) fourteen thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For the taxable year beginning in nineteen hundred ninety-eight, the numerator of such fraction shall be the lesser of (i) thirteen thousand dollars or (ii) thirty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For taxable years beginning in nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) fifty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For taxable years beginning after nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. The denominator of such fraction shall be four thousand dollars for taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, thirteen thousand dollars for the taxable year beginning in nineteen hundred ninety-eight, and fifteen thousand dollars for taxable years beginning after nineteen hundred ninety-eight. The multiplier shall be ten percent for taxable years beginning in nineteen hundred ninety-six, forty percent for taxable years beginning in nineteen hundred ninety-seven, [~~and~~] eighty percent for taxable years beginning [~~after nineteen hundred ninety-seven~~] **in nineteen hundred ninety-eight, and one hundred thirty-eight percent for taxable years beginning after two thousand nineteen**. Provided, however, for taxable years beginning after nineteen hundred ninety-nine, for a person whose New York adjusted gross income is less than forty thousand dollars, such applicable percentage shall be equal to (i) one hundred percent, plus (ii) ten percent multiplied by a fraction whose numerator shall be the lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars less the New York adjusted gross income for the taxable year, provided such numerator shall not be less than zero, and whose denominator shall be fifteen thousand dollars. **Provided, however, for taxable years beginning after two thousand nineteen, for a person whose New York adjusted gross income is less than forty thousand dollars, such applicable percentage shall be equal to (i) two hundred percent, plus (ii) twenty percent multiplied by a fraction whose numerator shall be the lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars less the New York adjusted gross income for the taxable year, provided such numerator shall not be less than zero, and whose denominator shall be fifteen thousand dollars.** Provided, further, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall, for taxable years ending on or after the date on which the rever-

sion event occurred, be determined using the rules specified in this paragraph applicable to taxable years beginning in nineteen hundred ninety-nine. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the credit for certain household and dependent care services necessary for gainful employment or to apply state general fund spending on the credit for certain household and dependent care services necessary for gainful employment toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

§ 2. Paragraph 1-a of subsection (c) of section 606 of the tax law is REPEALED.

§ 3. This act shall take effect immediately.

PART G

Section 1. Subdivision 1 of section 590 of the labor law, as amended by chapter 645 of the laws of 1951, is amended to read as follows:

1. Entitlement to benefits. A claimant shall be entitled to accumulate effective days for the purpose of benefit rights only if he has complied with the provisions of this article regarding the filing of his claim, including the filing of a valid original claim, registered as totally unemployed **or partially employed pursuant to section five hundred ninety-a of this title**, reported his subsequent employment and unemployment, and reported for work or otherwise given notice of the continuance of his unemployment.

§ 2. The labor law is amended by adding a new section 590-a to read as follows:

§ 590-a. Reductions in unemployment benefits due to part-time work. 1. Entitlement to benefits. Notwithstanding any other provision of law to the contrary, any claimant who accepts part-time work shall be eligible to collect partial unemployment pursuant to this section provided such claimant meets the criteria outlined in this section.

2. Reporting part-time employment. A claimant collecting unemployment who is paid for part-time employment while collecting unemployment shall be required to report during each compensable period the amount of money earned from such part-time work.

3. Benefit rate. A claimant's unemployment benefit shall be reduced by fifty percent of the part-time income during a compensable period, in a manner determined by the commissioner.

4. Penalties for false or inaccurate reporting. The provisions of section five hundred ninety-four of this title shall control should a claimant inaccurately report or fail to report the amount of part-time wages earned during any compensable period.

§ 3. This act shall take effect on the sixtieth day after it shall have become a law; provided, however that the commissioner of labor may promulgate any rules or regulations necessary for the implementation of this act prior to such effective date.

PART H

Section 1. The state finance law is amended by adding a new section 54-n to read as follows:

§ 54-n. Aid to local governments for real property tax. 1. Definitions. As used in this section:

(a) The term "freeze-compliant budget" means a budget of a taxing jurisdiction that has zero percent growth of the real property tax levy.

(b) The terms "independent special district" and "dependent school district" have the same meanings as set forth in section three-d of the general municipal law.

(c) The term "taxing jurisdiction" means a county, city, town, village, school district or an independent special district; except that such term shall not include a city with a population of one million or more, nor shall it include a county wholly located within such a city.

(d) The term "tax levy limit" means the allowable levy growth factor for a taxing jurisdiction, as determined pursuant to section three-c of the general municipal law or section two thousand twenty-three-a of the education law.

(e) The term "coming fiscal year" means the fiscal year of the taxing jurisdiction for which a tax levy limit shall be determined, as determined pursuant to section three-c of the general municipal law or section two thousand twenty-three-a of the education law.

2. The state shall provide aid to a taxing jurisdiction that enacts a freeze-compliant budget for the coming fiscal year equal to two percent of a taxing jurisdiction's prior fiscal year levy. Subject to the provisions of subdivision three of this section, such aid shall be determined as follows:

(a) If a taxing jurisdiction other than a dependent school district has not previously received aid pursuant to this act and has a freeze-compliant budget for its coming fiscal year, aid equal to two percent of the taxing jurisdiction's prior fiscal year levy will be provided.

(b) If a taxing jurisdiction other than a dependent school district has previously received aid pursuant to this chapter, the taxing jurisdiction shall continue to receive the aid amount designated in paragraph (a) of this subdivision for each fiscal year the taxing jurisdiction enacted a freeze-compliant budget.

3. The following shall apply to the calculation of the state aid for counties pursuant to subdivision two of this section for counties that qualify for the aid pursuant to subdivision two of this section, state aid shall be calculated after taking into account the reduced county property tax levy provisions found in paragraph (iv) of subdivision (c) of section one of part C of chapter fifty-eight of the laws of two thousand five, has been subtracted from the prior year levy.

§ 2. The education law is amended by adding a new section 2023-c to read as follows:

§ 2023-c. Certification of compliance with state aid to local governments for real property. A school district that is subject to the provisions of section two thousand twenty-three-a of this article must comply with the requirements of subdivision two of this section in order to be eligible for the aid authorized by section fifty-four-n of the state finance law.

1. Definition. As used in this section: "Eligible school district" means a school district that is subject to section two thousand twenty-three-a of this article, but shall not mean a school district that is subject to article fifty-two of this chapter.

2. Certification of compliance with tax levy limit. (a) Upon the adoption of the budget of an eligible school district, the chief executive officer of such school district shall certify to the state comptroller, the commissioner of taxation and finance and the commissioner that the budget so adopted does not exceed the zero percent growth prescribed by section fifty-four-n of the state finance law. Such certification shall be made in a form and manner prescribed by the state comptroller in consultation with the commissioner of taxation and finance and the commissioner.

(b) In order for such certification to give rise to the aid under section fifty-four-n of the state finance law, such certification shall be made no later than the twenty-first day of the fiscal year to which it applies.

(c) If such a certification has been made and the actual tax levy of the school district exceeds zero percent growth, the excess amount shall be placed in reserve and used in the manner prescribed by subdivision five of section two thousand twenty-three-a of this article.

(d) Notwithstanding any provision of law to the contrary, every school district that is subject to the provisions of section two thousand twenty-three-a of this article shall report both its proposed budget and its adopted budget to the state comptroller and the commissioner at the time and in the manner as they may prescribe, whether or not such budget has been or will be certified as provided by this subdivision.

(e) The director of the budget shall review the documents referred to in paragraph a of this subdivision to determine whether the requirements of section fifty-four-n of the state finance law have been met with respect to an eligible school district and shall determine the total aid payment amount for that fiscal year.

§ 3. The general municipal law is amended by adding a new section 3-e to read as follows:

§ 3-e. Certification of compliance with state aid to local governments for real property. 1. A local government that is subject to the provisions of section three-c of this article must comply with the requirements of subdivision two of section fifty-four-n of the state finance law in order to be eligible for aid authorized by section fifty-four-n of the state finance law.

2. Certification of compliance with tax levy limit. (a) Upon the adoption of the budget of a local government unit, the chief executive officer or budget officer of such local government unit shall certify to the state comptroller and the commissioner of taxation and finance that the budget so adopted does not exceed the zero percent growth prescribed by section fifty-four-n of the state finance law. Such certification shall be made in a form and manner prescribed by the state comptroller in consultation with the commissioner of taxation and finance. Such certification shall be made in a form and manner prescribed by the state comptroller in consultation with the commissioner of taxation and finance. For the purposes of this section, a local government unit means a municipal corporation or an independent special district that is subject to the provisions of section three-c of this article.

(b) In order for such certification to give rise to the aid under section fifty-four-n of the state finance law, such certification shall be made no later than the twenty-first day of the fiscal year to which it applies.

(c) Notwithstanding any other law to the contrary, if such a certification has been made and the actual tax levy of the local government unit exceeds the applicable zero percent growth, the excess amount shall

be placed in reserve and used in the manner prescribed by subdivision six of section three-c of this article.

(d) Notwithstanding any provision of law to the contrary, every local government unit shall report both its proposed budget and its adopted budget to the office of the state comptroller at the time and in the manner as he or she may prescribe, whether or not such budget has been or will be certified as provided by this subdivision.

§ 4. This act shall take effect immediately.

PART I

Section 1. The general municipal law is amended by adding a new article 12-J to read as follows:

ARTICLE 12-J

REAL PROPERTY TAX REDESIGN TEAM

Section 239-aaa. Creation of the real property tax redesign team.

§ 239-aaa. Creation of the real property tax redesign team. 1. There is hereby established the real property tax redesign team, which shall consist of twenty members appointed by the governor. As used in this article, the following terms shall have the following meanings:

a. "State officer or employee" shall have the same meaning as given in section seventy-three of the public officers law;

b. "Local government" shall mean county, city, town, village or special district;

c. "School district" shall mean a common, union free, central, city or central high school district;

d. "Mandate" shall mean (i) any legal requirement that a local government or school district provide or undertake any program, project or activity, or increase spending for an existing program, project, regulation or activity on behalf of New York state; or (ii) any legal requirement that a local government or school district grant a new property tax exemption or broaden the eligibility, or increase the value of an existing property tax exemption; or (iii) any legal requirement that otherwise would likely have the effect of raising property taxes.

2. The members of the team shall include: state officers or employees with relevant expertise; two members of the New York state assembly, one recommended by the speaker of the assembly and one recommended by the minority leader of the assembly; two members of the New York state senate, one recommended by the temporary president of the senate and one recommended by the minority leader of the senate; and stakeholders with expertise in the areas of:

a. local governments;

b. school districts;

c. businesses;

d. property tax assessment;

e. local government budgeting;

f. economic development; and

g. other relevant areas.

3. Vacancies shall be filled by the governor. Members of the team shall serve at the pleasure of the governor.

4. The governor shall designate a chair or co-chairs from among the members of the team.

5. The director of the budget shall serve as an ex-officio, non-voting member of the team.

6. The duties and obligations of the real property tax redesign team shall consist of making costs savings recommendations regarding the

structure of the New York state property tax system and the administration of mandated programs. The real property tax redesign team shall:

a. through the approval of a majority of its total members, develop recommendations that result in annual recurring savings of at least five hundred million dollars;

b. solicit and consider input from a broad and diverse range of groups, organizations and individuals with interest or expertise in the redesign or implementation of real property taxes in New York to assist in the development of cost savings recommendations; and

c. convene within sixty days after the effective date of this article and continue to convene twice every month thereafter for a period not to exceed one year.

7. The team shall submit a final report one year after the first meeting of the team to the senate, assembly and governor for consideration in the following fiscal year's state budget. The report shall consist of:

a. specific cost savings with a recommended procedure for implementation;

b. any necessary actions to be taken by the state legislature, local governments or school districts for each recommendation;

c. recurring annual savings of each recommendation; and

d. the total recurring annual savings for all recommendations.

§ 2. This act shall take effect immediately and shall be deemed repealed five years after it shall have become a law.

PART J

Section 1. The general municipal law is amended by adding a new section 3-f to read as follows:

§ 3-f. Limitation upon real property tax levies by cities having a population of one million or more. 1. Unless otherwise provided by law, the amount of real property taxes that may be levied by or on behalf of any city having a population of one million or more shall not exceed the tax levy limitation established pursuant to this section.

2. When used in this section:

(a) "Allowable levy growth factor" shall be the lesser of: (i) one and two one-hundredths; or (ii) the sum of one plus the inflation factor; provided, however, that in no case shall the levy growth factor be less than one.

(b) "Approved capital expenditures" means the expenditures associated with capital projects that have been approved by the qualified voters of the local government.

(c) "Available carryover" means the sum of the amount by which the tax levy for the prior fiscal year was below the tax levy limit for such fiscal year, if any, but no more than one and one-half percent of the tax levy limit for such fiscal year.

(d) "Capital tax levy" means the tax levy necessary to support capital expenditures, if any.

(e) "Coming fiscal year" means the fiscal year of the local government for which a tax levy limitation shall be determined pursuant to this section.

(f) "Inflation factor" means the quotient of: (i) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the national consumer price indexes determined by the United States department of

labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places.

(g) "Local government" means a city having a population of one million or more.

(h) "Prior fiscal year" means the fiscal year of the local government immediately preceding the coming fiscal year.

(i) "Tax levy limitation" means the amount of taxes a local government is authorized to levy pursuant to this section, provided, however, that the tax levy limit shall not include the local government's approved capital tax levy, if any.

3. (a) Beginning with the fiscal year that begins in two thousand twenty, no local government shall adopt a budget that requires a tax levy that is greater than the tax levy limitation for the coming fiscal year.

(b) The state comptroller shall calculate the tax levy limitation for each local government by the one hundred twentieth day preceding the commencement of each local government's fiscal year, and shall notify each local government of the tax levy limitation so determined.

(c) The tax levy limitation applicable to the coming fiscal year shall be determined as follows:

(i) Ascertain the total amount of taxes levied for the prior fiscal year.

(ii) Add any payments in lieu of taxes that were receivable in the prior fiscal year.

(iii) Subtract the approved capital tax levy for the prior fiscal year, if any.

(iv) Subtract the levy attributable to a large legal settlement of a tort action excluded from the levy limitation in the prior fiscal year, if any.

(v) Multiply the result by the allowable levy growth factor.

(vi) Subtract any payments in lieu of taxes receivable in the coming fiscal year.

(vii) Add the available carryover, if any.

(d) In the event the city council of a local government has approved a legal settlement of a tort action against the government, the annual costs of which exceed ten percent of the property taxes levied by the local government in the prior fiscal year, the state comptroller, upon application by the local government, may adjust the tax levy limitation for the coming fiscal year applicable to such local government, by adding the annual costs of such settlement to the tax levy limitation.

(e) The state comptroller shall determine the portion of the tax levy of each local government that is attributable to any increase or decrease over the prior year in the cost of the local government share of direct cash assistance to persons eligible for the federal-state-local temporary assistance to needy families program or the state-local safety net assistance program and shall adjust the tax levy limitation for such local government to reflect such change.

4. A local government may adopt a budget that requires a tax levy that is greater than the tax levy limitation for the coming fiscal year only if the city council of such local government first enacts, by a two-thirds vote of the total voting power of such city council, a local law to override such limitation for such coming fiscal year only.

5. In the event a local government's actual tax levy for a given fiscal year exceeds the maximum allowable levy as established pursuant to this section due to clerical or technical errors, the local government shall place the excess amount of the levy in reserve in accordance with such requirements as the state comptroller may prescribe, and shall use such funds and any interest earned thereon to offset the tax levy for the ensuing fiscal year.

§ 2. Paragraphs j and k of subdivision 2 of section 23 of the municipal home rule law are relettered paragraphs k and l, and a new paragraph j is added to read as follows:

j. Overrides the tax levy limitation applicable for the coming fiscal year in accordance with section three-f of the general municipal law.

§ 3. This act shall take effect immediately and shall first apply to the levy of taxes by local governments for the fiscal year that begins in 2020.

§ 3. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 4. This act shall take effect immediately; provided, however, that the applicable effective date of Parts A through J of this act shall be as specifically set forth in the last section of such Parts.