

STATE OF NEW YORK

1059

2019-2020 Regular Sessions

IN SENATE

January 10, 2019

Introduced by Sens. YOUNG, AKSHAR, FELDER, FUNKE, LANZA, RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend chapter 58 of the laws of 2005 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 medical assistance expenditure amounts; to amend the general municipal law, in relation to county property tax levy reductions resulting from medical assistance program expenditure reductions; 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

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

1 Section 1. Section 1 of part C of chapter 58 of the laws of 2005,
2 authorizing reimbursements for expenditures made by or on behalf of
3 social services districts for medical assistance for needy persons and
4 the administration thereof is amended by adding a new subdivision (c-2)
5 to read as follows:

6 (c-2) Notwithstanding any provisions of subdivision (c) or (c-1) of
7 this section to the contrary, effective April 1, 2020, for the period
8 January 1, 2020 through December 31, 2020, and for each calendar year
9 thereafter, the medical assistance expenditure amount for the social
10 services district for such period shall be the greater of (1) zero; or
11 (2) the previous calendar year's medical assistance expenditure amount
12 minus ten percent of the medical assistance expenditure amount for the
13 period January 1, 2019 through December 31, 2019. Provided, however,
14 the local contribution for a city with a population of one million or
15 more shall not be reduced by more than two billion three hundred million
16 dollars.

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

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

3 § 3-e. County property tax levy reduction resulting from medical
4 assistance program expenditure reductions. Notwithstanding any other
5 provision of law to the contrary, in the event a county's local contrib-
6 ution to New York state's share of payments under the medical assistance
7 program are reduced or eliminated as a result of changes in federal or
8 state statute, the amount of such reduction or elimination shall be
9 applied as an equal dollar amount reduction in the property tax levy of
10 such county.

11 § 3. Notwithstanding any other provision of law to the contrary, for a
12 city with a population of one million or more, in the event the local
13 contribution to New York state's share of payments under the medical
14 assistance program are reduced or eliminated as a result of changes in
15 federal or state statute, the amount of such reduction or elimination
16 shall reduce city personal income taxes in an amount equal to the
17 reduction in such city's share of payments. Such reduction shall be an
18 equal rate reduction applied to all tax brackets.

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

21 § 3-f. Limitation upon real property tax levies by cities having a
22 population of one million or more. 1. Unless otherwise provided by law,
23 the amount of real property taxes that may be levied by or on behalf of
24 any city having a population of one million or more shall not exceed the
25 tax levy limitation established pursuant to this section.

26 2. When used in this section:

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

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

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

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

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

43 (f) "Inflation factor" means the quotient of: (i) the average of the
44 national consumer price indexes determined by the United States depart-
45 ment of labor for the twelve-month period ending six months prior to the
46 start of the coming fiscal year minus the average of the national
47 consumer price indexes determined by the United States department of
48 labor for the twelve-month period ending six months prior to the start
49 of the prior fiscal year, divided by: (ii) the average of the national
50 consumer price indexes determined by the United States department of
51 labor for the twelve-month period ending six months prior to the start
52 of the prior fiscal year, with the result expressed as a decimal to four
53 places.

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

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

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

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

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

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

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

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

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

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

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

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

29 (vii) Add the available carryover, if any.

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

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

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

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

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

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

6 § 6. This act shall take effect immediately and sections four and five
7 of this act shall first apply to the levy of taxes by local governments
8 for the fiscal year that begins in 2020.