

STATE OF NEW YORK

2852--A

2019-2020 Regular Sessions

IN SENATE

January 30, 2019

Introduced by Sens. FLANAGAN, LAVALLE, GAUGHRAN -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend subpart H of part C of chapter 20 of the laws of 2015, relating to appropriating money for certain municipal corporations and school districts, in relation to authorizing funds in the case of certain tax certiorari challenges or agreed upon settlements; and to permit certain boards of education to establish a tax certiorari stabilization reserve fund

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

1 Section 1. Section 1 of subpart H of part C of chapter 20 of the laws
2 of 2015, relating to appropriating money for certain municipal corpo-
3 rations and school districts, as amended by section 1 of part AAA of
4 chapter 59 of the laws of 2018, is amended to read as follows:
5 Section 1. Contingent upon available funding, and not to exceed
6 \$69,000,000 moneys from the urban development corporation shall be
7 available for a local government entity, which for the purposes of this
8 section shall mean a county, city, town, village, school district or
9 special district, where (i) on or after June 25, 2015, an electric
10 generating facility located within such local government entity has
11 ceased operations, and (ii) the closing of such facility has caused a
12 reduction in the real property tax collections or payments in lieu of
13 taxes of at least twenty percent owed by such electric generating facil-
14 ity; or where, on or after April 1, 2018, a successful tax certiorari
15 challenge or an agreed upon settlement to the assessment of an electric
16 generating facility by the Long Island Power authority has resulted in
17 either a reduction in the real property tax collections or payments in
18 lieu of taxes of at least twenty percent, or in regards to a settlement
19 agreement a reduction in real property taxes or payments in lieu of

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

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1 taxes of at least twenty percent in the aggregate over the term of the
 2 settlement agreement, owed by such electric generating facility or has
 3 resulted in a real property tax levy increase of over twenty percent of
 4 a local government entity. Such moneys attributable to the cessation of
 5 operations, a successful tax certiorari challenge, or an agreed upon
 6 settlement, shall be paid annually on a first come, first served basis
 7 by the urban development corporation to such local government entity
 8 within a reasonable time upon confirmation from the state office of real
 9 property tax services or the local industrial development authority
 10 established pursuant to titles eleven and fifteen of article eight of
 11 the public authorities law, or the local industrial development agency
 12 established pursuant to article eighteen-A of the general municipal law
 13 that such cessation, tax certiorari judgment, or an agreed upon settle-
 14 ment has resulted in a reduction in the real property tax collections or
 15 payments in lieu of taxes, provided, however, that the urban development
 16 corporation shall not provide assistance to such local government entity
 17 for more than seven years in the case of the closing of an electric
 18 generating facility or in the case of a tax certiorari judgment or
 19 agreed upon settlement for not more than fifteen years, and shall award
 20 payments reflecting the loss of revenues due to the cessation of oper-
 21 ations, tax certiorari judgment or an agreed upon settlement as follows:

22	Award [Year]	<u>Years</u>	Maximum Potential Award
23	1		no more than eighty percent of loss of revenues
24	2		no more than seventy percent of loss of revenues
25	3		no more than sixty percent of loss of revenues
26	4		no more than fifty percent of loss of revenues
27	5		no more than forty percent of loss of revenues
28	6		no more than thirty percent of loss of revenues
29	<u>7-15</u>		no more than twenty percent of loss of revenues

30 A local government entity shall be eligible for only one payment of
 31 funds hereunder per year. A local government entity may seek assistance
 32 under the electric generation facility cessation and tax certiorari
 33 mitigation fund (i) once a generator has submitted its notice to the
 34 federally designated electric bulk system operator (BSO) serving the
 35 state of New York of its intent to retire the facility or of its intent
 36 to voluntarily remove the facility from service subject to any return-
 37 to-service provisions of any tariff, and that the facility also is inel-
 38 igible to participate in the markets operated by the BSO; or (ii) once a
 39 final judgment or settlement agreement in a tax certiorari proceeding
 40 has been filed or executed. The date of submission of a local govern-
 41 ment entity's application for assistance shall establish the order in
 42 which assistance is paid to program applicants, except that in no event
 43 shall assistance be paid to a local government entity until such time
 44 that an electric generating facility has either (i) retired or become
 45 ineligible to participate in the markets operated by the BSO, or (ii) a
 46 final judgment or settlement agreement in a tax certiorari proceeding
 47 has been filed or executed. For purposes of this section, any local
 48 government entity seeking assistance under the electric generation
 49 facility cessation and tax certiorari mitigation fund must submit an
 50 attestation to the department of public service that either (i) a facil-
 51 ity is no longer producing electricity and is no longer participating in
 52 markets operated by the BSO, or (ii) a final judgment or settlement
 53 agreement in a tax certiorari proceeding has been filed or executed.
 54 [~~After~~] For facilities that have ceased operations after receipt of such

1 attestation, the department of public service shall confirm such infor-
2 mation with the BSO. In the case that the BSO confirms to the department
3 of public service that the facility is no longer producing electricity
4 and participating in markets operated by such BSO, it shall be deemed
5 that the electric generating facility located within the local govern-
6 ment entity has ceased operation. The department of public service shall
7 provide such confirmation to the urban development corporation upon
8 receipt. ~~[The]~~ For a facility with a tax certiorari judgment or settle-
9 ment, the department of public service shall submit such attestation to
10 the urban development corporation upon receipt of the determination of
11 the amount of such annual payment which shall be determined by the pres-
12 ident of the urban development corporation based on the amount of the
13 differential between the annual real property taxes and payments in lieu
14 of taxes imposed upon the facility, exclusive of interest and penalties,
15 during the last year of operations and either (i) the current real prop-
16 erty taxes and payments in lieu of taxes imposed upon the facility,
17 exclusive of interest and penalties after the cessation of operations or
18 final judgment or settlement agreement in a tax certiorari proceeding,
19 or (ii) the annual reduction on real property taxes or payments in lieu
20 of taxes during the term of a settlement agreement from a tax certiorari
21 proceeding. The total amount awarded from this program shall not exceed
22 \$69,000,000.

23 § 2. Tax certiorari stabilization reserve fund. (a) Definitions. As
24 used in this section:

25 (i) "Board of education" or "board" shall mean the board of education
26 of either: the Port Jefferson union free school district, the North-
27 port-East Northport union free school district, the North Shore central
28 school district, the Island Park union free school district, or any
29 other school district that is impacted by a tax certiorari action
30 brought by the Long Island Power Authority.

31 (ii) "Tax certiorari stabilization reserve fund" shall mean the tax
32 certiorari stabilization reserve fund established pursuant to this
33 section.

34 (iii) "School district" or "district" shall mean either: the Port
35 Jefferson union free school district, the Northport-East Northport union
36 free school district, the North Shore central school district, the
37 Island Park union free school district, or any other school district
38 that is impacted by a tax certiorari action brought by the Long Island
39 Power Authority.

40 (b) The board of education is hereby authorized to establish a tax
41 certiorari stabilization reserve fund to lessen or prevent increases in
42 the school district's real property tax levy resulting from decreases in
43 revenue due to a tax certiorari settlement or judgment provided, howev-
44 er, that no such fund shall be established unless approved by a majority
45 vote of the voters present and voting on a separate ballot proposition
46 therefor at either a special district meeting which the board of educa-
47 tion may call for such purpose or at the annual district meeting and
48 election, to be noticed and conducted in either case in accordance with
49 article 41 of the education law. Such separate proposition shall set
50 forth the maximum allowable balance to be deposited and held in the tax
51 certiorari stabilization reserve fund. Moneys shall be paid into and
52 withdrawn from the fund and the fund shall be administered as follows:

53 (i) The board of education is hereby authorized to receive payments
54 into its tax certiorari stabilization reserve fund from any annual funds
55 it is eligible to receive from the electric generating facility cessa-
56 tion fund. Such received allocations from the electric generating facil-

1 ity cessation fund shall not count against the district's maximum allow-
2 able fund balance for its tax certiorari stabilization reserve fund.
3 (ii) Moneys may be withdrawn from the tax certiorari stabilization
4 reserve fund for any fiscal year to be expended for any lawful purpose
5 to lessen or prevent increases in the district's tax levy. Withdrawals
6 from the fund shall be disclosed in a manner consistent with the
7 required disclosures of similar reserve funds held by the district,
8 including disclosures of similar reserve funds held by the district,
9 including disclosures required by the property tax report card prepared
10 by the district pursuant to the provisions of subdivision 7 of section
11 1716 of the education law; and deposits and withdrawals made in each
12 fiscal year shall be subject to the district's annual budget approval
13 process.

14 § 3. This act shall take effect immediately, provided, however, that
15 the amendments to section 1 of subpart H of part C of chapter 20 of the
16 laws of 2015 made by section one of this act shall not affect the repeal
17 of such subpart and shall be deemed repealed therewith.