

STATE OF NEW YORK

8313

2023-2024 Regular Sessions

IN ASSEMBLY

November 27, 2023

Introduced by M. of A. WALSH -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to adjusting the school tax relief (STAR) exemption for homes located outside a city with a population greater than one million (Part A); and to amend the tax law, the education law and the general municipal law, in relation to a real property tax freeze (Part B)

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

1 Section 1. This act enacts into law components of legislation relating
2 to certain real property taxes. Each component is wholly contained with-
3 in a Part identified as Parts A through B. The effective date for each
4 particular provision contained within such Part is set forth in the last
5 section of such Part. Any provision in any section contained within a
6 Part, including the effective date of the Part, which makes reference to
7 a section "of this act", when used in connection with that particular
8 component, shall be deemed to mean and refer to the corresponding
9 section of the Part in which it is found. Section three of this act sets
10 forth the general effective date of this act.

11 PART A

12 Section 1. Subparagraph (vi) of paragraph (b) of subdivision 2 of
13 section 425 of the real property tax law, as added by section 1 of part
14 D-1 of chapter 57 of the laws of 2007, and clause (A) as further amended
15 by subdivision (b) of section 1 of part W of chapter 56 of the laws of
16 2010, is amended and a new subparagraph (vii) is added to read as
17 follows:

18 (vi) For the two thousand nine--two thousand ten school year [~~and~~
19 ~~thereafter~~] through the two thousand twenty-three--two thousand twenty-

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

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1 four school year, for homes located outside a city with a population
2 greater than one million:

3 (A) The base figure for the enhanced STAR exemption shall equal the
4 prior year's base figure multiplied by the percentage increase in the
5 consumer price index for urban wage earners and clerical workers (CPI-W)
6 published by the United States department of labor, bureau of labor
7 statistics, for the third quarter of the calendar year preceding the
8 applicable school year, as compared to the third quarter of the prior
9 calendar year. If a base figure as so determined is not exactly equal to
10 a multiple of one hundred dollars, it shall be rounded to the nearest
11 multiple of one hundred dollars. It shall be the responsibility of the
12 commissioner to annually determine such base figures.

13 (B) The base figure for the basic STAR exemption shall be thirty thou-
14 sand dollars.

15 (vii) For the two thousand twenty-four--two thousand twenty-five
16 school year and thereafter, for homes located outside a city with a
17 population greater than one million, notwithstanding any other provision
18 of this section, the enhanced STAR exemption shall equal fifty percent
19 of the median assessed value of all homes outside a city with a popu-
20 lation greater than one million, as calculated by the comptroller and
21 the commissioner.

22 § 2. This act shall take effect immediately.

23 PART B

24 Section 1. Section 606 of the tax law is amended by adding a new
25 subsection (bbb) to read as follows:

26 (bbb) Real property tax freeze credit. (1) As used in this subsection:

27 (A) The term "freeze-compliant budget" means a budget of a taxing
28 jurisdiction that has met the requirements of section two thousand twen-
29 ty-three-c of the education law or section three-d of the general munic-
30 ipal law, whichever is applicable.

31 (B) The terms "independent special district" and "dependent school
32 district" have the same meaning as set forth in section three-d of the
33 general municipal law.

34 (C) The term "STAR exemption" means the school tax relief exemption
35 authorized by section four hundred twenty-five of the real property tax
36 law.

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

41 (E) The term "levy credit factor" means the allowable levy growth
42 factor for a taxing jurisdiction, as determined pursuant to section
43 three-c of the general municipal law or section two thousand twenty-
44 three-a of the education law, minus one.

45 (2) An individual taxpayer who meets the eligibility standards set
46 forth in paragraph three of this subsection and whose primary residence
47 is located in a taxing jurisdiction that has a freeze-compliant budget
48 for the fiscal year starting in two thousand twenty-five, two thousand
49 twenty-six or two thousand twenty-seven, whichever is applicable, shall
50 be allowed a credit against the taxes imposed by this article. Subject
51 to the provisions of paragraph six of this subsection, such credit shall
52 be determined as follows:

53 (A) If a school district other than a dependent school district has a
54 freeze-compliant budget for its fiscal year starting in two thousand

1 twenty-five, a credit shall be allowed for the eligible taxpayer's two
2 thousand twenty-five taxable year in the amount that is the greater of
3 (i) the amount by which the real property taxes imposed upon such resi-
4 dence by or on behalf of that school district for the fiscal year start-
5 ing in two thousand twenty-five exceeds the real property taxes so
6 imposed for the fiscal year starting in two thousand twenty-four, or
7 (ii) the product of the real property taxes imposed upon such residence
8 by or on behalf of that school district for the fiscal year starting in
9 two thousand twenty-four multiplied by the levy credit factor for that
10 school district for the fiscal year starting in two thousand twenty-
11 five.

12 (B) If a taxing jurisdiction, other than a school district or a city
13 with a dependent school district, has a freeze-compliant budget for its
14 fiscal year starting in two thousand twenty-six, a credit shall be
15 allowed for the eligible taxpayer's two thousand twenty-six taxable year
16 in the amount that is the greater of (i) the amount by which the real
17 property taxes imposed upon such residence by or on behalf of that
18 taxing jurisdiction for the fiscal year starting in two thousand twen-
19 ty-six exceeds the real property taxes so imposed for the fiscal year
20 starting in two thousand twenty-five, or (ii) the product of the real
21 property taxes imposed upon such residence by or on behalf of that
22 taxing jurisdiction for the fiscal year starting in two thousand twen-
23 ty-five multiplied by the levy credit factor for that taxing jurisdic-
24 tion for the fiscal year starting in two thousand twenty-six.

25 (C) If a school district other than a dependent school district has a
26 freeze-compliant budget for its fiscal year starting in two thousand
27 twenty-six, a credit shall be allowed for the eligible taxpayer's two
28 thousand twenty-six taxable year in the amount by which the real proper-
29 ty taxes imposed upon such residence by or on behalf of such school
30 district for the fiscal year starting in two thousand twenty-six exceeds
31 the real property taxes so imposed for the fiscal year identified as
32 follows:

33 (i) if the school district's budget for the fiscal year starting in
34 two thousand twenty-five was a freeze-compliant budget, a credit shall
35 be allowed for the eligible taxpayer's two thousand twenty-six taxable
36 year in the amount of the credit for school district taxes allowed for
37 the eligible taxpayer's two thousand twenty-five taxable year; together
38 with the amount that is the greater of (I) the amount by which the real
39 property taxes imposed upon such residence by or on behalf of that
40 school district for the fiscal year starting in two thousand twenty-six
41 exceeds the real property taxes so imposed for the fiscal year starting
42 in two thousand twenty-five, or (II) the product of the real property
43 taxes imposed upon such residence by or on behalf of such school
44 district for the fiscal year starting in two thousand twenty-five multi-
45 plied by the levy credit factor for that school district for the fiscal
46 year starting in two thousand twenty-six.

47 (ii) if the school district's budget for the fiscal year starting in
48 two thousand twenty-five was not a freeze-compliant budget, a credit
49 shall be allowed for the eligible taxpayer's two thousand twenty-six
50 taxable year in the amount that is the greater of (I) the amount by
51 which the real property taxes imposed upon such residence by or on
52 behalf of that school district for the fiscal year starting in two thou-
53 sand twenty-six exceeds the real property taxes so imposed for the
54 fiscal year starting in two thousand twenty-five, or (II) the product of
55 the real property taxes imposed upon such residence by or on behalf of
56 such school district for the fiscal year starting in two thousand twen-

1 ty-five multiplied by the levy credit factor for such school district
2 for the fiscal year starting in two thousand twenty-six.

3 (D) If a taxing jurisdiction, other than a school district or a city
4 with a dependent school district, has a freeze-compliant budget for its
5 fiscal year starting in two thousand twenty-seven:

6 (i) if the taxing jurisdiction's budget for the fiscal year starting
7 in two thousand twenty-six was a freeze-compliant budget, a credit shall
8 be allowed for the eligible taxpayer's two thousand twenty-seven taxable
9 year in the amount of the credit for the taxes imposed by or on behalf
10 of such taxing jurisdiction allowed for the eligible taxpayer's two
11 thousand twenty-six taxable year; together with the amount that is the
12 greater of (I) the amount by which the real property taxes imposed upon
13 such residence by or on behalf of such taxing jurisdiction for the
14 fiscal year starting in two thousand twenty-seven exceeds the real prop-
15 erty taxes imposed upon such residence by or on behalf of that taxing
16 jurisdiction for the fiscal year starting in two thousand twenty-six, or
17 (II) the product of the real property taxes imposed upon such residence
18 by or on behalf of such taxing jurisdiction for the fiscal year starting
19 in two thousand twenty-six multiplied by the levy credit factor for such
20 taxing jurisdiction for the fiscal year starting in two thousand twen-
21 ty-seven.

22 (ii) if the taxing jurisdiction's budget for the fiscal year starting
23 in two thousand twenty-six was not a freeze-compliant budget, a credit
24 shall be allowed for the eligible taxpayer's two thousand twenty-seven
25 taxable year in the amount that is the greater of (I) the amount by
26 which the real property taxes imposed upon such residence by or on
27 behalf of such taxing jurisdiction for the fiscal year starting in two
28 thousand twenty-seven exceeds the real property taxes so imposed for the
29 fiscal year starting in two thousand twenty-six, or (II) the product of
30 the real property taxes imposed upon such residence by or on behalf of
31 such taxing jurisdiction for the fiscal year starting in two thousand
32 twenty-six multiplied by the levy credit factor for such taxing juris-
33 isdiction for the fiscal year starting in two thousand twenty-seven.

34 (E) If a city with a dependent school district has a freeze-compliant
35 budget for its fiscal year starting in two thousand twenty-five, a tax
36 credit shall be allowed for the eligible taxpayer's two thousand twen-
37 ty-five taxable year in the amount equivalent to sixty-seven percent of
38 the amount that is the greater of (i) the amount by which the real prop-
39 erty taxes imposed upon such residence by or on behalf of that city for
40 the fiscal year starting in two thousand twenty-five exceeds the real
41 property taxes so imposed for the fiscal year starting in two thousand
42 twenty-four, or (ii) the product of the real property taxes imposed upon
43 such residence by or on behalf of such city for the fiscal year starting
44 in two thousand twenty-four multiplied by the levy credit factor for
45 such city for the fiscal year starting in two thousand twenty-five.

46 (F) If a city with a dependent school district has a freeze-compliant
47 budget for its fiscal year starting in two thousand twenty-six:

48 (i) if the city's budget for the fiscal year starting in two thousand
49 twenty-five was a freeze-compliant budget, a credit shall be allowed for
50 the eligible taxpayer's two thousand twenty-six taxable year in an
51 amount equivalent to thirty-three percent of the amount that is the
52 greater of (I) the amount by which the real property taxes imposed upon
53 such residence by that city for the fiscal year starting in two thousand
54 twenty-five exceeds the real property taxes so imposed for the fiscal
55 year starting in two thousand twenty-four, or (II) the product of the
56 real property taxes imposed upon such residence by or on behalf of such

1 city for the fiscal year starting in two thousand twenty-four multiplied
2 by the levy credit factor for such city for the fiscal year starting in
3 two thousand twenty-five; together with the amount of the credit for the
4 taxes imposed by or on behalf of such city allowed for the eligible
5 taxpayer's two thousand twenty-five taxable year; and together with an
6 amount equivalent to sixty-seven percent of the amount that is the
7 greater of (I) the amount by which the real property taxes imposed upon
8 such residence by that city for the fiscal year starting in two thousand
9 twenty-six exceeds the real property taxes so imposed for the fiscal
10 year starting in two thousand twenty-five; or (II) the product of the
11 real property taxes imposed upon such residence by or on behalf of such
12 city for the fiscal year starting in two thousand twenty-five multiplied
13 by the levy credit factor for such city for the fiscal year starting in
14 two thousand twenty-six; and a credit shall be allowed for the eligible
15 taxpayer's two thousand twenty-seven taxable year in an amount equiv-
16 alent to thirty-three percent of the amount that is the greater of (I)
17 the amount by which the real property taxes imposed upon such residence
18 by that city for the fiscal year starting in two thousand twenty-six
19 exceeds the real property taxes so imposed for the fiscal year starting
20 in two thousand twenty-five, or (II) the product of the real property
21 taxes imposed upon such residence by or on behalf of such city for the
22 fiscal year starting in two thousand twenty-five multiplied by the levy
23 credit factor for such city for the fiscal year starting in two thousand
24 twenty-six; together with an amount equivalent to forty-nine and one-
25 quarter percent of the amount of the credit for the taxes imposed by or
26 on behalf of such city allowed for the eligible taxpayer's two thousand
27 twenty-five taxable year.

28 (ii) if the city's budget for the fiscal year starting in two thousand
29 twenty-five was not a freeze-compliant budget, a credit shall be allowed
30 for the eligible taxpayer's two thousand twenty-six taxable year in an
31 amount equivalent to sixty-seven percent of the amount that is the
32 greater of (I) the amount by which the real property taxes imposed upon
33 such residence by that city for the fiscal year starting in two thousand
34 twenty-six exceeds the real property taxes so imposed for the fiscal
35 year starting in two thousand twenty-five or (II) the product of the
36 real property taxes imposed upon such residence by or on behalf of such
37 city for the fiscal year starting in two thousand twenty-five multiplied
38 by the levy credit factor for such city for the fiscal year starting in
39 two thousand twenty-six; and a credit shall be allowed for the eligible
40 taxpayer's two thousand twenty-seven taxable year in an amount equiv-
41 alent to thirty-three percent of the amount that is the greater of (I)
42 the amount by which the real property taxes imposed upon such residence
43 by that city for the fiscal year starting in two thousand twenty-six
44 exceeds the real property taxes so imposed for the fiscal year starting
45 in two thousand twenty-five or (II) the product of the real property
46 taxes imposed upon such residence by or on behalf of such city for the
47 fiscal year starting in two thousand twenty-five multiplied by the levy
48 credit factor for such city for the fiscal year starting in two thousand
49 twenty-six.

50 (G) If a city with a dependent school district has a freeze-compliant
51 budget for its fiscal year starting in two thousand twenty-five but does
52 not have a freeze-compliant budget for its fiscal year starting in two
53 thousand twenty-six, a tax credit shall be allowed for the eligible
54 taxpayer's two thousand twenty-six taxable year an amount representing
55 thirty-three percent of the amount that is the greater of (I) the amount
56 by which the real property taxes imposed upon such residence by that

1 city for the fiscal year starting in two thousand twenty-five exceeds
2 the real property taxes so imposed for the fiscal year starting in two
3 thousand twenty-four or (II) the product of the real property taxes
4 imposed upon such residence by or on behalf of such city for the fiscal
5 year starting in two thousand twenty-four multiplied by the levy credit
6 factor for such city for the fiscal year starting in two thousand twen-
7 ty-five.

8 (3) To be eligible for such credit, the taxpayer (or taxpayers filing
9 joint returns) must meet the following criteria:

10 (A) For the two thousand twenty-five taxable year, the taxpayer's
11 primary residence must have qualified for the STAR exemption for the two
12 thousand twenty-five--two thousand twenty-six school year, or would have
13 so qualified if an application for such exemption had been submitted in
14 a timely manner.

15 (B) For the two thousand twenty-six taxable year, the taxpayer's
16 primary residence must have qualified for the STAR exemption for the two
17 thousand twenty-six--two thousand twenty-seven school year, or would
18 have so qualified if an application for such exemption had been submit-
19 ted in a timely manner.

20 (C) For the two thousand twenty-seven taxable year, the taxpayer's
21 primary residence must have qualified for the STAR exemption for the two
22 thousand twenty-seven--two thousand twenty-eight school year, or would
23 have so qualified if an application for such exemption had been submit-
24 ted in a timely manner.

25 (4) For each year this credit is allowed, the commissioner shall
26 determine the taxpayer's eligibility for this credit utilizing the
27 information available to the commissioner. When the commissioner has
28 determined a taxpayer to be eligible for this credit, the commissioner
29 shall advance a payment of the amount determined in accordance with this
30 subsection. The taxpayer shall not apply for such credit in conjunction
31 with the filing of his or her return. A taxpayer who has failed to
32 receive an advance payment that he or she believes was due to him or
33 her, or who has received an advance payment that he or she believes is
34 less than the amount that was due to him or her, may request payment of
35 the claimed deficiency in a manner prescribed by the commissioner.

36 (5) If the amount of the credit allowed under this subsection, if any,
37 shall exceed the taxpayer's tax for the taxable year, the excess shall
38 be treated as an overpayment of tax to be credited or refunded in
39 accordance with the provisions of section six hundred eighty-six of this
40 article, provided, however, that no interest shall be paid thereon.

41 (6) The following provisions shall apply to the calculation of the
42 credit pursuant to paragraph two of this subsection:

43 (A) If the tax bill pertaining to the eligible taxpayer's primary
44 residence includes taxes levied by or on behalf of multiple taxing
45 jurisdictions, the credit shall be based upon the change in the aggre-
46 gate tax liability of such residence, provided that any tax appearing on
47 the tax bill that is not attributable to a freeze-compliant budget shall
48 be disregarded when determining the aggregate tax liability of such
49 residence.

50 (B) If the tax bill pertaining to the eligible taxpayer's primary
51 residence includes relieved taxes or other taxes that were previously
52 billed but not paid, those taxes shall be disregarded when determining
53 the aggregate tax liability of such residence.

54 (C) If the tax bill pertaining to the eligible taxpayer's primary
55 residence includes usage charges, unit charges or other charges that are

1 based upon the consumption of a service, those charges shall be disregarded when determining the aggregate tax liability of such residence.

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3 (D) Notwithstanding the foregoing provisions of this subsection, no credit shall be allowed to the extent that the tax liability of the eligible taxpayer's primary residence increased due to one or more of the following events:

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7 (i) A physical improvement to the eligible taxpayer's primary residence.

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9 (ii) A removal or reduction of an exemption on the eligible taxpayer's primary residence, including a reduction of the STAR exempt amount calculated pursuant to subdivision two of section four hundred twenty-five of the real property tax law.

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13 (iii) A revaluation that caused the assessment of the eligible taxpayer's primary residence to increase by a percentage that is greater than the applicable change in level of assessment. As used herein, the terms "revaluation" and "change in level of assessment" shall have the same meanings as set forth in sections one hundred two and twelve hundred twenty of the real property tax law, respectively.

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19 (E) In the case of property consisting of a cooperative apartment corporation that is described by paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, an eligible owner shall be allowed a credit in the amount equal to sixty percent of the average tax credit in that taxing jurisdiction for that fiscal year, as determined by the commissioner, or in the case of a cooperative apartment corporation that is described by subparagraph (iv) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, a credit of twenty percent of such average tax credit.

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29 (F) In the case of property consisting of a mobile home that is described by paragraph (l) of subdivision two of section four hundred twenty-five of the real property tax law, an eligible owner shall be allowed a credit in the amount equal to twenty-five percent of the average tax credit in that taxing jurisdiction for that fiscal year, as determined by the commissioner.

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35 (G) In the case of a city with a dependent school district, it shall be presumed that sixty-seven percent of the city tax bill is for school district purposes and that thirty-three percent is for general city purposes.

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39 (H) The amount of the credit shall be rounded to the nearest dollar, except where such amount is greater than zero and less than one dollar and fifty cents, in which case the amount of the credit shall be rounded up to two dollars.

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43 (7) No credit shall be allowed under this subsection in relation to property located within a city with a population of one million or more.

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

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47 § 2023-c. Certification of compliance with property tax freeze requirements. A school district that is subject to the provisions of section two thousand twenty-three-a of this part must comply with the requirements of subdivision two of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by subsection (bbb) of section six hundred six of the tax law for a fiscal year starting in two thousand twenty-five. The property tax cuts will be extended for a second year in jurisdictions which comply with the tax cap and have a state approved government efficiency plan which demonstrate three year savings and efficiencies of at least one percent per

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1 year from shared services, cooperation agreements and/or mergers or
2 efficiencies. The director of the budget shall consider past efficien-
3 cies, shared services and reforms in their approval process. While
4 localities may offer a variety of approaches it is anticipated that the
5 county government or board of cooperative educational services will
6 convene and facilitate a process and submit a county wide or board of
7 cooperative educational services region wide plan for approval. A
8 school district that is subject to the provisions of section two thou-
9 sand twenty-three-a of this part must comply with the requirements of
10 subdivision two and either subdivision three or subdivision four of this
11 section in order to render its taxpayers eligible for the real property
12 tax freeze credit authorized by subsection (bbb) of section six hundred
13 six of the tax law for a fiscal year starting in two thousand twenty-
14 six.

15 1. Definitions. As used in this section:

16 a. "Mergers" means: reorganizations of eligible school districts
17 pursuant to sections fifteen hundred five, fifteen hundred eleven
18 through fifteen hundred thirteen, fifteen hundred twenty-four, fifteen
19 hundred twenty-six, seventeen hundred five, eighteen hundred one through
20 eighteen hundred three, or twenty-two hundred eighteen of this title; or
21 reorganizations, consolidations, or dissolutions of eligible school
22 districts in which one or more eligible school districts are terminated
23 and another eligible school district assumes jurisdiction over the
24 terminated school district or districts pursuant to any other provision
25 of law.

26 b. "Cooperation agreements" means agreements entered into between
27 eligible school districts to implement the sharing or consolidation of
28 functions or services, including but not limited to: procurement, real
29 estate and facility management, fleet management, business and financial
30 services, administrative services, payroll administration, time and
31 attendance, benefits administration and other transactional human
32 resources functions, contract management, grants management, transporta-
33 tion services, facilities and function, human services facilities and
34 functions, customer service facilities and functions and information
35 technology infrastructure, process, services and functions.

36 c. "Eligible school district" means a school district that is subject
37 to section two thousand twenty-three-a of this part, but shall not mean
38 a school district that is subject to article fifty-two of this title.

39 d. "Government efficiency plan" means a plan that identifies cooper-
40 ation agreements, shared services and/or mergers or efficiencies to be
41 fully implemented by one or more eligible school districts that are
42 signatories to the plan.

43 e. "Lead district" means the eligible school district that is partic-
44 ipating in a government efficiency plan with more than one signatory
45 that has elected to submit the government efficiency plan to the direc-
46 tor of the budget on behalf of all signatories to the plan.

47 f. "Shared services" means functional consolidations by which one
48 eligible school district completely provides a service or function for
49 another eligible school district, which no longer engages in that func-
50 tion or service; shared or cooperative services between and among eligi-
51 ble school districts; and regionalized delivery of services between and
52 among eligible school districts. These shared services may be for
53 services or functions including but not limited to: procurement, real
54 estate and facility management, fleet management, business and financial
55 services, administrative services, payroll administration, time and
56 attendance, benefits administration and other transactional human

1 resources functions, contract management, grants management, transporta-
2 tion services, facilities and functions, human services facilities and
3 functions, customer service facilities and functions and information
4 technology infrastructure, processes, services and functions.

5 2. Certification of compliance with tax levy limit. a. Upon the
6 adoption of the budget of an eligible school district, the chief execu-
7 tive officer of such school district shall certify to the state comp-
8 troller, the commissioner of taxation and finance and the commissioner
9 that the budget so adopted does not exceed the tax levy limit prescribed
10 by section two thousand twenty-three-a of this part. Such certification
11 shall be made in a form and manner prescribed by the state comptroller
12 in consultation with the commissioner of taxation and finance and the
13 commissioner.

14 b. In order for such certification to give rise to a real property tax
15 freeze credit under subsection (bbb) of section six hundred six of the
16 tax law, such certification shall be made no later than the twenty-first
17 day of the fiscal year to which it applies.

18 c. If such a certification has been made and the actual tax levy of
19 the school district exceeds the applicable tax levy limit, the excess
20 amount shall be placed in reserve and used in the manner prescribed by
21 subdivision five of section two thousand twenty-three-a of this part,
22 even if a tax levy in excess of the tax levy limit had been duly author-
23 ized for the applicable fiscal year by the school district voters.

24 d. Notwithstanding any provision of law to the contrary, every school
25 district that is subject to the provisions of section two thousand twen-
26 ty-three-a of this part shall report both its proposed budget and its
27 adopted budget to the office of the state comptroller and the commis-
28 sioner at the time and in the manner as they may prescribe, whether or
29 not such budget has been or will be certified as provided by this subdivi-
30 sion.

31 3. School district government efficiency plans submitted by lead
32 district. a. The superintendent of each lead district shall submit to
33 the director of the budget by June first, two thousand twenty-six, a
34 government efficiency plan that demonstrates three year savings and
35 efficiencies of at least one percent per year from shared services,
36 cooperation agreements and/or mergers or efficiencies over the aggregate
37 two thousand twenty-five--two thousand twenty-six school year tax levies
38 for all eligible school districts that are signatories to such plan.

39 (i) The superintendent of each eligible school district that is a
40 signatory to a government efficiency plan shall submit to the super-
41 intendent of the lead district by May fifteenth, two thousand twenty-
42 six, a written certification that the eligible school district agrees to
43 undertake its best efforts to fully implement by the end of the two
44 thousand twenty-seven--two thousand twenty-eight school year the cooper-
45 ation agreements, mergers, efficiencies and/or shared services specified
46 for the eligible school district in such plan.

47 (ii) The chief financial officer of a school district that is a signa-
48 tory to a government efficiency plan shall submit to the superintendent
49 of the lead district by May fifteenth, two thousand twenty-six, a writ-
50 ten certification that in his or her professional opinion, full imple-
51 mentation by the end of the two thousand twenty-seven--two thousand
52 twenty-eight school year of the cooperation agreements, mergers, effi-
53 ciencies and/or shared services that are to be taken by such school
54 district itself as specified in such plan will result in the savings set
55 forth in such plan attributable to such school district.

1 (iii) The chief financial officer of each eligible school district
2 that is a signatory to a government efficiency plan shall submit to the
3 lead district by May fifteenth, two thousand twenty-six, a written
4 certification that in his or her professional opinion, full implementa-
5 tion of the cooperation agreements, mergers, efficiencies and/or shared
6 services as specified for all of the eligible school districts that are
7 signatories to such plan will result in savings over the aggregate two
8 thousand twenty-five--two thousand twenty-six school year tax levies for
9 all eligible school districts that are signatories to such plan of at
10 least one percent in each of the two thousand twenty-seven--two thousand
11 twenty-eight, the two thousand twenty-eight--two thousand twenty-nine
12 and the two thousand twenty-nine--two thousand thirty school years.

13 b. The chief financial officer of each lead district shall submit the
14 following documents to the director of the budget on or before June
15 first, two thousand twenty-six: (i) the government efficiency plan;
16 (ii) a list of all eligible school districts that are signatories to
17 such plan; (iii) all of the certifications required by paragraph a of
18 this subdivision; and (iv) an analysis of the aggregate amount of
19 savings set forth in such plan attributable to all eligible school
20 districts that are signatories to such plan that will be achieved if the
21 cooperation agreements, mergers, efficiencies and/or shared services
22 identified in such plan are fully implemented by the end of the two
23 thousand twenty-seven--two thousand twenty-eight school year. The
24 director of the budget shall review such documents and shall consider
25 past efficiencies, shared services and reforms in their approval process
26 to determine whether the requirements of this subdivision have been met
27 with respect to each eligible school district that is a signatory to the
28 government efficiency plan and shall notify the commissioner of taxation
29 and finance of such determinations no later than July thirty-first, two
30 thousand twenty-six.

31 4. School district government efficiency plans submitted by a single
32 eligible school district. a. While localities may offer a variety of
33 approaches it is anticipated that the county government or board of
34 cooperative educational services will convene and facilitate a process
35 and submit a county wide or board of cooperative educational services
36 region wide plan for approval. As such, eligible school districts are
37 strongly encouraged to develop a single government efficiency plan for
38 all of the eligible school districts in their board of cooperation
39 educational services district. However, the superintendent of each
40 eligible school district that is not participating in a government effi-
41 ciency plan with more than one signatory may submit to the director of
42 the budget by June first, two thousand twenty-six, a government effi-
43 ciency plan that demonstrates three year savings and efficiencies of at
44 least one percent per year from shared services, cooperation agreements
45 and/or mergers or efficiencies over such eligible school district's two
46 thousand twenty-five--two thousand twenty-six school year tax levy.

47 (i) In the event an eligible school district chooses to submit such a
48 government efficiency plan, the superintendent of such eligible school
49 district shall submit to the director of the budget by June first, two
50 thousand twenty-six, a written certification that such eligible school
51 district agrees to undertake its best efforts to fully implement by the
52 end of the two thousand twenty-seven--two thousand twenty-eight school
53 year the cooperation agreements, mergers, efficiencies and/or shared
54 services specified in such plan.

55 (ii) In the event a school district chooses to submit such a govern-
56 ment efficiency plan, the chief financial officer of such eligible

1 school district shall submit to the director of the budget by June
2 first, two thousand twenty-six, an analysis of the savings set forth in
3 such plan that will be achieved if the cooperation agreements, shared
4 services and/or mergers or efficiencies identified in such plan are
5 fully implemented by the end of the two thousand twenty-seven--two thou-
6 sand twenty-eight school year, as well as a written certification that
7 in his or her professional opinion, full implementation of the cooper-
8 ation agreements, mergers, efficiencies and/or shared services as speci-
9 fied in such plan will result in savings over its two thousand twenty-
10 five--two thousand twenty-six school year tax levy of at least one
11 percent in each of the two thousand twenty-seven--two thousand twenty-
12 eight, the two thousand twenty-eight--two thousand twenty-nine and the
13 two thousand twenty-nine--two thousand thirty school years.

14 b. The director of the budget shall review the documents referred to
15 in paragraph a of this subdivision and shall consider past efficiencies,
16 shared services and reforms in their approval process to determine
17 whether the requirements of this subdivision have been met with respect
18 to an eligible school district that has submitted a government efficien-
19 cy plan and shall notify the commissioner of taxation and finance of
20 such determination no later than July thirty-first, two thousand twen-
21 ty-six.

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

24 § 3-d. Certification of compliance with property tax freeze require-
25 ments. A municipal corporation or an independent special district that
26 is subject to the provisions of section three-c of this article must
27 comply with the requirements of subdivision two of this section in order
28 to render its taxpayers eligible for the real property tax freeze credit
29 authorized by subsection (bbb) of section six hundred six of the tax law
30 for a fiscal year starting in two thousand twenty-six. The property tax
31 cuts will be extended for a second year in jurisdictions which comply
32 with the tax cap and have a state approved government efficiency plan
33 which demonstrate three year savings and efficiencies of at least one
34 percent per year from shared services, cooperation agreements and/or
35 mergers or efficiencies. The director of the budget shall consider past
36 efficiencies, shared services and reforms in their approval process.
37 While localities may offer a variety of approaches it is anticipated
38 that the county government or board of cooperative educational services
39 will convene and facilitate a process and submit a county wide or board
40 of cooperative educational services region wide plan for approval. A
41 municipal corporation or an independent special district that is subject
42 to the provisions of section three-c of this article must comply with
43 the requirements of subdivision two and either subdivision three or
44 subdivision four of this section in order to render its taxpayers eligi-
45 ble for the real property tax freeze credit authorized by subsection
46 (bbb) of section six hundred six of the tax law for a fiscal year start-
47 ing in two thousand twenty-seven. Provided however, that a city with a
48 dependent school district must comply with the requirements of subdivi-
49 sion two of this section in order to render its taxpayers eligible for
50 the real property tax freeze credit authorized by subsection (bbb) of
51 section six hundred six of the tax law for a fiscal year starting in two
52 thousand twenty-five and comply with the requirements of subdivision two
53 of this section, and both the city and its dependent school district
54 must jointly comply with the requirements of subdivision three or subdivi-
55 vision four of this section, in order to render its taxpayers eligible
56 for the real property tax freeze credit authorized by subsection (bbb)

1 of section six hundred six of the tax law for a fiscal year starting in
2 two thousand twenty-six or two thousand twenty-seven.

3 1. Definitions. As used in this section:

4 (a) "Mergers" means: consolidations or dissolutions of local govern-
5 ment units in accordance with article seventeen-A of this chapter or
6 reorganizations, consolidations, or dissolutions of local government
7 units in which one or more local government units are terminated and
8 another local government unit assumes jurisdiction over the terminated
9 local government unit or units pursuant to any other provision of law.

10 (b) "Cooperation agreements" means agreements entered into between
11 local government units to implement the sharing or consolidation of
12 functions or services, including but not limited to: procurement, real
13 estate and facility management, fleet management, business and financial
14 services, administrative services, payroll administration, time and
15 attendance, benefits administration and other transactional human
16 resources functions, contract management, grants management, transporta-
17 tion services, facilities and function, human services facilities and
18 functions, customer service facilities and functions and information
19 technology infrastructure, process, services and functions.

20 (c) "Dependent school district" means a school district that is
21 subject to article fifty-two of the education law and that has a popu-
22 lation of less than one million.

23 (d) "Government efficiency plan" means a plan that identifies cooper-
24 ation agreements, shared services and/or mergers or efficiencies to be
25 fully implemented by one or more local government units that are signa-
26 atories to the plan.

27 (e) "Independent special district" means a special district as defined
28 by section one hundred two of the real property tax law that either (i)
29 has a separate independent elected board, and either has the authority
30 to levy a tax, or can require a municipal corporation to levy a tax on
31 its behalf, or (ii) has a separate independent board appointed by the
32 governing body of another municipal corporation and either has the
33 authority to levy a tax or can require a municipal corporation to levy a
34 tax on its behalf.

35 (f) "Lead local government unit" means the local government unit that
36 is participating in a government efficiency plan with more than one
37 signatory that has elected to submit the government efficiency plan to
38 the director of the budget on behalf of all signatories to the plan.

39 (g) "Local government unit" means a municipal corporation or an inde-
40 pendent special district that is subject to the provisions of section
41 three-c of this article.

42 (h) "Shared services" means functional consolidations by which one
43 local government unit completely provides a service or function for
44 another local government unit, which no longer engages in that function
45 or service; shared or cooperative services between and among local
46 government units; and regionalized delivery of services between and
47 among local government units. These shared services may be for services
48 or functions including but not limited to: procurement, real estate and
49 facility management, fleet management, business and financial services,
50 administrative services, payroll administration, time and attendance,
51 benefits administration and other transactional human resources func-
52 tions, contract management, grants management, transportation services,
53 facilities and functions, human services facilities and functions,
54 customer service facilities and functions and information technology
55 infrastructure, processes, services and functions.

1 2. Certification of compliance with tax levy limit. (a) Upon the
2 adoption of the budget of a local government unit, the chief executive
3 officer or budget officer of such local government unit shall certify to
4 the state comptroller and the commissioner of taxation and finance that
5 the budget so adopted does not exceed the tax levy limit prescribed in
6 section three-c of this article and, if the governing body of the local
7 government unit did enact a local law or approve a resolution to over-
8 ride the tax levy limit, that such local law or resolution was subse-
9 quently repealed. Such certification shall be made in a form and manner
10 prescribed by the state comptroller in consultation with the commission-
11 er of taxation and finance.

12 (b) In order for such certification to give rise to a real property
13 tax freeze credit under subsection (bbb) of section six hundred six of
14 the tax law, such certification shall be made no later than the twenty-
15 first day of the fiscal year to which it applies.

16 (c) Notwithstanding any other law to the contrary, if such a certif-
17 ication has been made and the actual tax levy of the local government
18 unit exceeds the applicable tax levy limit, the excess amount shall be
19 placed in reserve and used in the manner prescribed by subdivision six
20 of section three-c of this article, even if a tax levy in excess of the
21 tax levy limit had been authorized for the applicable fiscal year by a
22 duly adopted local law or resolution.

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

28 3. Local government government efficiency plans submitted by lead
29 local government unit. (a) The chief executive officer or budget officer
30 of each lead local government unit shall submit to the director of the
31 budget by June first, two thousand twenty-six, a government efficiency
32 plan that demonstrates three year savings and efficiencies of at least
33 one percent per year from shared services, cooperation agreements and/or
34 mergers or efficiencies over the aggregate tax levies for fiscal years
35 beginning in two thousand twenty-five for all local government units and
36 dependent school districts that are signatories to such plan.

37 (i) The chief executive officer or budget officer of each local
38 government unit and dependent school district that is a signatory to a
39 government efficiency plan shall submit to the chief executive officer
40 or budget officer of the lead local government unit by May fifteenth,
41 two thousand twenty-six, a written certification that the local govern-
42 ment unit or dependent school district agrees to undertake its best
43 efforts to fully implement by the end of the local fiscal year beginning
44 in two thousand twenty-eight the cooperation agreements, mergers, effi-
45 ciencies and/or shared services specified for the local government unit
46 or dependent school district in such plan.

47 (ii) The chief financial officer of a local government unit and the
48 chief fiscal officer of the dependent school district, that is a signa-
49 tory to a government efficiency plan shall submit to the chief executive
50 officer of the lead local government unit by May fifteenth, two thousand
51 twenty-six, a written certification that in his or her professional
52 opinion, full implementation by the end of the local fiscal year begin-
53 ning in two thousand twenty-eight, of the cooperation agreements, merg-
54 ers, efficiencies and/or shared services that are to be taken by such
55 local government unit itself as specified in such plan will result in

1 the savings set forth in the government efficiency plan attributable to
2 such local government unit or dependent school district.

3 (iii) The chief financial officer of each local government unit and
4 dependent school district that is a signatory to a government efficiency
5 plan shall submit to the lead local government unit by May fifteenth,
6 two thousand twenty-six, a written certification that in his or her
7 professional opinion, full implementation of the cooperation agreements,
8 mergers, efficiencies and/or shared services as specified for all of the
9 local government units and dependent school districts that are signato-
10 ries to such plan will result in savings over the aggregate tax levies
11 for fiscal years beginning in two thousand twenty-five for all local
12 government units that are signatories to such plan of at least one
13 percent in each of the fiscal years beginning in two thousand twenty-
14 eight, beginning in two thousand twenty-nine and beginning in two thou-
15 sand thirty.

16 (b) The chief financial officer of each lead local government unit
17 shall submit the following documents to the director of the budget on or
18 before June first, two thousand twenty-six: (i) the government effi-
19 ciency plan; (ii) a list of all local government units and dependent
20 school districts that are signatories to such plan; (iii) all of the
21 certifications required by paragraph (a) of this subdivision; and (iv)
22 an analysis of the aggregate amount of savings set forth in such plan
23 attributable to all local government units and dependent school
24 districts that are signatories to such plan that will be achieved if the
25 cooperation agreements, shared services and/or mergers or efficiencies
26 identified in such plan are fully implemented by the end of the local
27 fiscal year beginning in two thousand twenty-eight. The director of the
28 budget shall review such documents and shall consider past efficiencies,
29 shared services and reforms in their approval process to determine
30 whether the requirements of this subdivision have been met with respect
31 to each local government unit and dependent school district that is a
32 signatory to the government efficiency plan and shall notify the commis-
33 sioner of taxation and finance of such determinations no later than July
34 thirty-first, two thousand twenty-six.

35 4. Local government government efficiency plans submitted by a single
36 local government unit. (a) While localities may offer a variety of
37 approaches it is anticipated that the county government or board of
38 cooperative educational services will convene and facilitate a process
39 and submit a county wide or board of cooperative educational services
40 region wide plan for approval. As such, local government units are
41 strongly encouraged to develop a single government efficiency plan for
42 all of the local government units in their county. However, the chief
43 executive officer or budget officer of each local government unit that
44 is not participating in a government efficiency plan with more than one
45 signatory may submit to the director of the budget by June first, two
46 thousand twenty-six, a government efficiency plan that demonstrates
47 three year savings and efficiencies of at least one percent per year
48 from shared services, cooperation agreements and/or mergers or efficien-
49 cies over such local government unit's tax levy for the fiscal year
50 beginning in two thousand twenty-five.

51 (i) In the event a local government unit chooses to submit such a
52 government efficiency plan, the chief executive officer or budget offi-
53 cer of such local government unit shall submit to the director of the
54 budget by June first, two thousand twenty-six, a written certification
55 that such local government unit agrees to undertake its best efforts to
56 fully implement by the end of the local fiscal year beginning in two

1 thousand twenty-eight the cooperation agreements, mergers, efficiencies
2 and/or shared services specified in such plan.

3 (ii) In the event a local government unit chooses to submit such a
4 government efficiency plan, the chief financial officer of such local
5 government unit shall submit to the director of the budget by June
6 first, two thousand twenty-six, an analysis of the savings set forth in
7 such plan that will be achieved if the cooperation agreements, shared
8 services and/or mergers or efficiencies identified in such plan are
9 fully implemented by the end of the local fiscal year beginning in two
10 thousand twenty-eight, as well as a written certification that in his or
11 her professional opinion, full implementation of the cooperation agree-
12 ments, mergers, efficiencies and/or shared services as specified in such
13 plan will result in savings over its tax levy for the fiscal year begin-
14 ning in two thousand twenty-five of at least one percent in each of the
15 fiscal years beginning in two thousand twenty-eight, beginning in two
16 thousand twenty-nine and beginning in two thousand thirty.

17 (b) The director of the budget shall review the documents referred to
18 in paragraph (a) of this subdivision and shall consider past efficien-
19 cies, shared services and reforms in their approval process to determine
20 whether the requirements of this subdivision have been met with respect
21 to a local government unit that has submitted a government efficiency
22 plan and shall notify the commissioner of taxation and finance of such
23 determination no later than July thirty-first, two thousand twenty-six.

24 § 4. This act shall take effect immediately.

25 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
26 sion, section or part of this act shall be adjudged by any court of
27 competent jurisdiction to be invalid, such judgment shall not affect,
28 impair, or invalidate the remainder thereof, but shall be confined in
29 its operation to the clause, sentence, paragraph, subdivision, section
30 or part thereof directly involved in the controversy in which such judg-
31 ment shall have been rendered. It is hereby declared to be the intent of
32 the legislature that this act would have been enacted even if such
33 invalid provisions had not been included herein.

34 § 3. This act shall take effect immediately provided, however, that
35 the applicable effective date of Parts A through B of this act shall be
36 as specifically set forth in the last section of such Parts.