STATE OF NEW YORK

S. 8309 A. 8809

SENATE - ASSEMBLY

January 17, 2024

IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to permanently extending the itemized deduction limit on individuals with income over ten million dollars (Part A); to amend part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to eliminating the expiration thereof (Part B); to amend the tax law, in relation to making technical corrections to the metropolitan commuter transportation mobility tax (Part C); to amend the tax law, in relation to the restriction upon issuing notices for a tax year that is the subject of a pending petition filed with the division of tax appeals (Part D); to amend the executive law and the tax law, in relation to creating the commercial security tax credit program (Part E); to amend section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness of certain provisions relating to mandatory electronic filing of tax documents; and to repeal certain provisions of the tax law and the administrative code of the city of New York relating to mandatory electronic filing by certain tax return preparers and the failure to electronically file returns (Part F); to repeal subdivision (e) of section 23 of part U of chapter 61 of the laws of 2011 relating to the expiration of the segregated sales tax account provisions (Part G); to amend the tax law, in relation to the filing of amended returns under article 28 thereof (Part H); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property and services (Part I); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part J); to amend the tax law, in relation to requiring sales tax from vacation rental marketplace providers (Part K); to

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

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amend the tax law, in relation to the taxation of adult-use cannabis products (Part L); to amend the real property tax law, in relation to clarifying the assessment ceiling for local public utility mass real property (Part M); to amend the real property tax law, in relation to requiring excess proceeds from a tax foreclosure sale to be returned to the former owner (Part N); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part O); and to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 59 of the laws of 2023 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 59 of the laws of 2023 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part P)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2024-2025 state fiscal year. Each component is wholly contained within a Part identified as Parts A through P. 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 a 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 three of this act sets forth the general effective date of this act.

PART A

Section 1. Paragraph 2 of subsection (g) of section 615 of the tax law, as amended by section 1 of part Q of chapter 59 of the laws of 2019, is amended to read as follows:

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine [~~and ending before two thousand twenty-five~~].

§ 2. Paragraph 2 of subdivision (g) of section 11-1715 of the administrative code of the city of New York, as amended by section 2 of part Q of chapter 59 of the laws of 2019, is amended to read as follows:

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal

revenue code for taxable years beginning after two thousand nine [~~and ending before two thousand twenty-five~~].

§ 3. This act shall take effect immediately.

PART B

Section 1. Section 12 of part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, as amended by section 1 of part O of chapter 59 of the laws of 2019, is amended to read as follows:

§ 12. This act shall take effect immediately; provided, however, that (i) section one of this act shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that were required to be filed with the internal revenue service at any time with respect to "listed transactions" as described in such paragraph 1, and shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that were required to be filed with the internal revenue service with respect to "reportable transactions" as described in such paragraph 1, other than "listed transactions", in which a taxpayer participated during any taxable year for which the statute of limitations for assessment has not expired as of the date this act shall take effect, and shall apply to returns or statements described in such paragraph 1 required to be filed by taxpayers (or persons as described in such paragraph) with the commissioner of taxation and finance on or after the sixtieth day after this act shall have become a law; and

(ii) sections two through four and seven through nine of this act shall apply to any tax liability for which the statute of limitations on assessment has not expired as of the date this act shall take effect[~~; and~~

~~(iii) provided, further, that the provisions of this act, except section five of this act, shall expire and be deemed repealed July 1, 2024; provided, that, such expiration and repeal shall not affect any requirement imposed pursuant to this act~~].

§ 2. This act shall take effect immediately.

PART C

Section 1. The opening paragraph of paragraph 2 of subsection (a) of section 801 of the tax law, as amended by section 1 of part N of chapter 59 of the laws of 2012, is amended to read as follows:

(A) For individuals, the tax is imposed at a rate of thirty-four hundredths (.34) percent of the net earnings from self-employment of individuals that are attributable to the MCTD**, in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester,** if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2024.

PART D

Section 1. Paragraph 2 of subsection (c) and paragraph 4 of subsection (d) of section 689 of the tax law, paragraph 2 of subsection (c) as

amended by chapter 40 of the laws of 1964 and paragraph 4 of subsection (d) as amended by chapter 28 of the laws of 1987, are amended to read as follows:

(2) the taxpayer has not previously filed with the tax commission a timely petition under subsection (b) **of this section** for the same taxable year unless the petition under this subsection relates to a separate claim for credit or refund properly filed under subsection (f) of section six hundred eighty-seven **of this part or relates to a refund or credit first claimed on an amended return for the taxable year**, and

(4) Restriction on further notices of deficiency. -- If the taxpayer files a petition with the tax commission under this section, no notice of deficiency under section six hundred eighty-one **of this part** may thereafter be issued by the tax commission for the same [~~taxable year~~] **tax return**, except in case of fraud or with respect to a change or correction required to be reported under section six hundred fifty-nine **of this article**.

§ 2. Paragraph 2 of subsection (c) and paragraph 4 of subsection (d) of section 1089 of the tax law, paragraph 2 of subsection (c) as added by chapter 188 of the laws of 1964 and paragraph 4 of subsection (d) as amended by chapter 817 of the laws of 1987, are amended to read as follows:

(2) the taxpayer has not previously filed with the tax commission a timely petition under subsection (b) **of this section** for the same taxable year unless the petition under this subsection relates to a separate claim for credit or refund properly filed under subsection (f) of section one thousand eighty-seven **of this article or relates to a refund or credit first claimed on an amended return for the taxable year**, and

(4) Restriction on further notices of deficiency.---If the taxpayer files a petition with the tax commission under this section, no notice of deficiency under section one thousand eighty-one **of this article** may thereafter be issued by the tax commission for the same [~~taxable year~~] **tax return**, except in case of fraud or with respect to an increase or decrease in federal taxable income or federal alternative minimum taxable income or federal tax or a federal change or correction or renegotiation, or computation or recomputation of tax, which is treated in the same manner as if it were a deficiency for federal income tax purposes, required to be reported under subdivision three of section two hundred eleven[~~, or under section two hundred nineteen-bb or under section two hundred nineteen-zz~~] **of this chapter**.

§ 3. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2024.

PART E

Section 1. The executive law is amended by adding a new section 845-e to read as follows:

§ 845-e. Commercial security tax credit program. 1. Definitions. For the purposes of this section:

(a) "Certificate of tax credit" means the document issued to a business entity by the division after the division has verified that the business entity has met all applicable eligibility criteria in subdivision two of this section. The certificate shall specify the exact amount of the tax credit under this section that a business entity may claim, pursuant to subdivision five of this section, and other information as required by the department of taxation and finance.

(b) "Qualified business" means a business with one hundred or fewer total employees that operates one or more physical retail business locations open to the public in New York state that incurs costs related to protection against retail theft of goods through retail theft prevention measures.

(c) "Qualified retail theft prevention measure expenses" means any combination of retail theft prevention measure costs paid or incurred by a qualified business during the taxable year that cumulatively exceed twelve thousand dollars for each New York retail location.

(d) "Retail theft prevention measure" means (i) the use of security officers as defined in paragraph (e) of this subdivision, (ii) security cameras, (iii) perimeter security lighting, (iv) interior or exterior locking or hardening measures, (v) alarm systems, (vi) access control systems, or (vii) other appropriate anti-theft devices as determined by the division to be eligible under this section.

(e) "Security officers" means security officers, registered under article seven-A of the general business law, responsible for the security and theft deterrence in a qualified business, whether employed directly by such business or indirectly through a contractor.

2. Eligibility criteria. To be eligible for a tax credit under the commercial security tax credit program, an eligible business must:

(a) be a qualified business required to file a tax return pursuant to articles nine, nine-A or twenty-two of the tax law;

(b) have qualified retail theft prevention measure expenses that exceed twelve thousand dollars for each New York retail location during the taxable year;

(c) provide a certification in a manner and form prescribed by the commissioner that the business entity participates in a community anti-theft partnership as established by the division between businesses and relevant local law enforcement agencies; and

(d) may not owe past due state taxes or local property taxes unless the business entity is making payments and complying with an approved binding payment agreement entered into with the taxing authority.

3. Application and approval process. (a) A business entity must submit a complete application as prescribed by the commissioner by October thirty-first of each year.

(b) The commissioner shall establish procedures for business entities to submit applications. As part of the application, each business entity must:

(i) provide evidence of eligibility in a form and manner prescribed by the commissioner;

(ii) agree to allow the department of taxation and finance to share the business entity's tax information with the division. However, any information shared as a result of this program shall not be available for disclosure or inspection under the state freedom of information law pursuant to article six of the public officers law;

(iii) allow the division and its agents access to any and all books and records the division may require to confirm eligibility; and

(iv) agree to provide any additional information required by the division relevant to this section.

4. Certificate of tax credit. After reviewing a business entity's completed final application and determining that a business entity meets the eligibility criteria as set forth in this section, the division may issue to that business entity a certificate of tax credit. All applications will be processed by the division in the order they are received and certificates of tax credit may be issued in amounts that, in the

aggregate, do not exceed the annual cap as set forth in subdivision seven of this section.

5. Commercial security tax credit. (a) For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand twenty-six, a business entity in the commercial security tax credit program that meets the eligibility requirements of subdivision two of this section may be eligible to claim a credit equal to three thousand dollars for each retail location of the business entity located in New York state.

(b) A business entity may claim the tax credit in the taxable year that begins in the year for which it was allocated a credit by the division under this section.

(c) The credit shall be allowed as provided in section forty-nine, section one hundred eighty-seven-r, subdivision sixty of section two hundred ten-B and subsection (ppp) of section six hundred six of the tax law.

(d) The commissioner shall, in consultation with the department of taxation and finance, develop a certificate of tax credit that shall be issued by the commissioner to eligible businesses.

(e) The commissioner shall solely determine the eligibility of any applicant applying for entry into the program and shall remove any business entity from the program for failing to meet any of the requirements set forth in subdivision two and subdivision three of this section. In the event a business entity is removed from the program, the division shall notify the department of taxation and finance of such removal.

6. Maintenance of records. Each eligible business participating in the program shall keep all relevant records for the duration of their program participation for at least three years.

7. Cap on tax credit. The total amount of tax credits listed on certificates of tax credit issued by the division pursuant to this section may not exceed five million dollars per calendar year.

§ 2. The tax law is amended by adding a new section 49 to read as follows:

§ 49. Commercial security tax credit. (a) Allowance of credit. For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand twenty-six, a taxpayer required to file a return pursuant to articles nine, nine-A or twenty-two of this chapter shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (f) of this section. The amount of the credit is equal to the amount determined pursuant to section eight hundred forty-five-e of the executive law. No cost or expense paid or incurred by the taxpayer that is included as part of the calculation of this credit shall be the basis of any other tax credit allowed under this chapter.

(b) To be eligible for the commercial security tax credit, the taxpayer shall have been issued a certificate of tax credit by the division of criminal justice services pursuant to section eight hundred forty-five-e of the executive law, which certificate shall set forth the amount of the credit that may be claimed for the taxable year. The taxpayer shall be allowed to claim only the amount listed on the certificate of tax credit for the taxable year. A taxpayer that is a partner in a partnership, member of a limited liability company or shareholder in a subchapter S corporation that has received a certificate of tax credit shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or subchapter S corporation.

(c) Tax return requirement. The taxpayer shall be required to attach to its tax return in the form prescribed by the commissioner, proof of receipt of its certificate of tax credit issued by the division of criminal justice services.

(d) Information sharing. Notwithstanding any provision of this chapter, employees of the division of criminal justice services and the department shall be allowed and are directed to share and exchange:

(1) information derived from tax returns or reports that is relevant to a taxpayer's eligibility to participate in the commercial security tax credit program;

(2) information regarding the credit applied for, allowed or claimed pursuant to this section and taxpayers that are applying for the commercial security tax credit program or that are claiming such credit; and

(3) information contained in or derived from credit claim forms submitted to the department and applications for admission into the commercial security tax credit program. All information exchanged between the department and the division of criminal justice services shall not be subject to disclosure or inspection under the state's freedom of information law.

(e) Credit recapture. If a certificate of tax credit issued by the division of criminal justice services under section eight hundred forty-five-e of the executive law is revoked by the division, the amount of credit described in this section and claimed by the taxpayer prior to such revocation shall be added back to tax in the taxable year such revocation becomes final.

(f) Cross references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) article 9; section 187-r;

(2) article 9-A: section 210-B, subdivision 60;

(3) article 22: section 606, subdivision (ppp).

§ 3. The tax law is amended by adding a new section 187-r to read as follows:

§ 187-r. Commercial security tax credit. 1. Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article.

2. Application of credit. In no event shall the credit under this section be allowed in an amount that will reduce the tax payable to less than the applicable minimum tax fixed by section one hundred eighty-three of this article. If, however, the amount of credit allowable under this section for any taxable year reduces the tax to such amount, any amount of credit not deductible in such taxable year shall be treated as an overpayment of tax to be refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

§ 4. Section 210-B of the tax law is amended by adding a new subdivision 60 to read as follows:

60. Commercial security tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the taxes imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for the taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowable under this subdivision for the taxable year reduces the tax

to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

§ 5. Section 606 of the tax law is amended by adding a new subsection (ppp) to read as follows:

(ppp) Commercial security tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowed under this subsection for the taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest will be paid thereon.

§ 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (li) to read as follows:

(li) Commercial security tax credit under subsection (ppp)	Amount of credit under subdivision sixty of section two hundred ten-B

§ 7. This act shall take effect immediately.

PART F

Section 1. Paragraph 10 of subsection (g) of section 658 of the tax law is REPEALED.

§ 2. Paragraph 10 of subdivision (g) of section 11-1758 of the administrative code of the city of New York is REPEALED.

§ 3. Paragraph 5 of subsection (u) of section 685 of the tax law is REPEALED.

§ 4. Paragraph 5 of subdivision (t) of section 11-1785 of the administrative code of the city of New York is REPEALED.

§ 5. Subdivisions (a), (b), (c) and (d) of section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, subdivisions (a), (c) and (d) as amended by section 5 of part A of chapter 59 of the laws of 2019 and subdivision (b) as amended by section 5 of part G of chapter 60 of the laws of 2016, are amended to read as follows:

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law [~~and shall expire and be deemed repealed December 31, 2024~~], provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner

of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law;

(b) sections fourteen, fifteen, sixteen and seventeen of this act shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and

(c) sections fourteen-a and fifteen-a of this act shall take effect September 15, 2011 and expire and be deemed repealed December 31, 2012 but shall take effect only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is eighty-five percent or greater[~~;~~

~~(d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this act shall take effect January 1, 2025 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and~~].

§ 6. This act shall take effect immediately.

PART G

Section 1. Subdivision (e) of section 23 of part U of chapter 61 of the laws of 2011 is REPEALED.

§ 2. This act shall take effect immediately.

PART H

Section 1. Section 1136 of the tax law is amended by adding a new subdivision (d-1) to read as follows:

(d-1)(1) Notwithstanding subdivision (d) of this section, a return may be amended where such amendment would not result in the reduction or elimination of a past-due tax liability, as such term is defined in section one hundred seventy-one-v of this chapter. Provided, however, that a person required to collect tax, as defined in section eleven hundred thirty-one of this part, may amend a return within one hundred eighty days of the date such return was due if the past-due liability was self-assessed and reported by such person.

(2) Where there is no such past-due tax liability, an amended return that would result in the reduction or elimination of tax due shall be deemed a claim for credit or refund and must be filed within the time required for filing a claim for credit or refund under section eleven hundred thirty-nine of this part and otherwise meet the requirements of such section.

(3) Where the commissioner has determined the amount of tax due pursuant to paragraph one of subdivision (a) of section eleven hundred thirty-eight of this part, an original return may be filed within one hundred eighty days after mailing of notice of such determination. Provided, however, that nothing in this paragraph shall affect any

penalty or interest that may have accrued for such tax period on account of failure to timely file the original return.

(4) An assessment of tax, penalty and interest, including recovery of a previously paid refund, attributable to a change or correction on a return, may be made at any time within three years after such return is filed.

§ 2. Subdivision (a) of section 1145 of the tax law is amended by adding a new paragraph 8 to read as follows:

(8) Notwithstanding any other provision of this article, any person who willfully files or amends a return that contains false information to reduce or eliminate a liability shall be subject to a penalty not to exceed one thousand dollars per return. This penalty shall be in addition to any other penalty provided by law.

§ 3. The commissioner of taxation and finance shall be required to provide notice to persons required to collect tax of the amendments made by sections one and two of this act no later than September 1, 2024.

§ 4. This act shall take effect immediately, provided, however, the amendments made by section one of this act shall apply to returns filed or amended for quarterly periods, as described in subdivision (b) of section 1136 of the tax law, commencing on and after December 1, 2024.

PART I

Section 1. Subdivision jj of section 1115 of the tax law, as amended by section 1 of part M of chapter 59 of the laws of 2021, is amended to read as follows:

(jj) Tangible personal property or services otherwise taxable under this article sold to a related person shall not be subject to the taxes imposed by section eleven hundred five of this article or the compensating use tax imposed under section eleven hundred ten of this article where the purchaser can show that the following conditions have been met to the extent they are applicable: (1)(i) the vendor and the purchaser are referenced as either a "covered company" as described in section 243.2(f) or a "material entity" as described in section 243.2(l) of the Code of Federal Regulations in a resolution plan that has been submitted to an agency of the United States for the purpose of satisfying subparagraph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") or any successor law, or (ii) the vendor and the purchaser are separate legal entities pursuant to a divestiture directed pursuant to subparagraph 5 of paragraph (d) of section one hundred sixty-five of such act or any successor law; (2) the sale would not have occurred between such related entities were it not for such resolution plan or divestiture; and (3) in acquiring such property or services, the vendor did not claim an exemption from the tax imposed by this state or another state based on the vendor's intent to resell such services or property. A person is related to another person for purposes of this subdivision if the person bears a relationship to such person described in section two hundred sixty-seven of the internal revenue code. The exemption provided by this subdivision shall not apply to sales made, services rendered, or uses occurring after June thirtieth, two thousand [~~twenty-four~~] twenty-seven, except with respect to sales made, services rendered, or uses occurring pursuant to binding contracts entered into on or before such date; but in no case shall such exemption apply after June thirtieth, two thousand [~~twenty-seven~~] thirty.

§ 2. This act shall take effect immediately.

PART J

Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of section 1115 of the tax law, as amended by section 1 of part R of chapter 59 of the laws of 2023, is amended to read as follows:

(B) Until May thirty-first, two thousand [~~twenty-four~~] twenty-five, the food and drink excluded from the exemption provided by clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and bottled water, shall be exempt under this subparagraph: (i) when sold for one dollar and fifty cents or less through any vending machine that accepts coin or currency only; or (ii) when sold for two dollars or less through any vending machine that accepts any form of payment other than coin or currency, whether or not it also accepts coin or currency.

§ 2. This act shall take effect immediately.

PART K

Section 1. Subdivision (c) of section 1101 of the tax law, as added by chapter 93 of the laws of 1965, paragraphs 2, 3, 4 and 6 as amended by section 2 and paragraph 8 as added by section 3 of part AA of chapter 57 of the laws of 2010, and paragraph 5 as amended by chapter 575 of the laws of 1965, is amended to read as follows:

(c) When used in this article for the purposes of the tax imposed under subdivision (e) of section eleven hundred five of this article, the following terms shall mean:

(1) Hotel. A building or portion of it which is regularly used and kept open as such for the lodging of guests. The term "hotel" includes an apartment hotel, a motel, boarding house or club, whether or not meals are served.

(2) Occupancy. The use or possession, or the right to the use or possession, of any room in a hotel or vacation rental. "Right to the use or possession" includes the rights of a room remarketer as described in paragraph eight of this subdivision.

(3) Occupant. A person who, for a consideration, uses, possesses, or has the right to use or possess, any room in a hotel or vacation rental under any lease, concession, permit, right of access, license to use or other agreement, or otherwise. "Right to use or possess" includes the rights of a room remarketer as described in paragraph eight of this subdivision.

(4) Operator. Any person operating a hotel or vacation rental. Such term shall include a room remarketer and such room remarketer shall be deemed to operate a hotel, or portion thereof, with respect to which such person has the rights of a room remarketer.

(5) Permanent resident. Any occupant of any room or rooms in a hotel or vacation rental for at least ninety consecutive days shall be considered a permanent resident with regard to the period of such occupancy.

(6) Rent. The consideration received for occupancy, including any service or other charge or amount required to be paid as a condition for occupancy, valued in money, whether received in money or otherwise and whether received or collected by the vacation rental marketplace provider, operator or a room remarketer or another person on behalf of either of them.

(7) Room. Any room or rooms of any kind in any part or portion of a hotel or vacation rental, which is available for or let out for any purpose other than a place of assembly.

(8) Room remarketer. A person who reserves, arranges for, conveys, or furnishes occupancy, whether directly or indirectly, to an occupant for rent in a hotel for an amount determined by the room remarketer, directly or indirectly, whether pursuant to a written or other agreement. Such person's ability or authority to reserve, arrange for, convey, or furnish occupancy, directly or indirectly, and to determine rent therefor, shall be the "rights of a room remarketer". A room remarketer is not a permanent resident with respect to a room for which such person has the rights of a room remarketer.

(9) Vacation rental. A building or portion of it that is used for the lodging of guests. The term "vacation rental" includes a house, an apartment, a condominium, a cooperative unit, a cabin, a cottage, a bungalow, or a similar furnished living unit, or one or more rooms therein, where sleeping accommodations are provided for the lodging of paying occupants, the typical occupants are transients or travelers, and the relationship between the operator and occupant is not that of a landlord and tenant. It is not necessary that meals are served. A building or portion of a building may qualify as a vacation rental whether or not amenities, including but not limited to daily housekeeping services, concierge services, or linen services, are provided.

(10) (i) Vacation rental marketplace provider. A person who, pursuant to an agreement with an operator, facilitates the occupancy of a vacation rental by such operator or operators. A person "facilitates the occupancy of a vacation rental" for purposes of this paragraph when the person meets both of the following conditions: (A) such person provides the forum in which, or by means of which, the sale of the occupancy takes place or the offer of such sale is accepted, including a shop, store, or booth, an internet website, catalog, or similar forum; and (B) such person or an affiliate of such person collects the rent paid by a customer to an operator for the occupancy of a vacation rental, or contracts with a third party to collect such rent.

(ii) For the purposes of this article, the term "vacation rental marketplace provider" shall not include a "room remarketer" as defined in paragraph eight of this subdivision. For purposes of this paragraph, persons are affiliated if one person has an ownership interest of more than five percent, whether direct or indirect, in another, or where an ownership interest of more than five percent, whether direct or indirect, is held in each of such persons by another person or by a group of other persons that are affiliated persons with respect to each other.

§ 2. Subdivision (a) of section 1104 of the tax law, as added by chapter 3 of the laws of 2004, is amended to read as follows:

(a) Imposition. In addition to any other fee or tax imposed by this article or any other law, on and after April first, two thousand five, there is hereby imposed within the territorial limits of a city with a population of a million or more and there shall be paid a unit fee on every occupancy of a unit in a hotel or vacation rental in such city at the rate of one dollar and fifty cents per unit per day, except that such unit fee shall not be imposed upon (1) occupancy by a permanent resident or (2) where the rent per unit is not more than at the rate of two dollars per day.

§ 3. Paragraph 1 of subdivision (e) of section 1105 of the tax law, as amended by section 1 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

(1) The rent for every occupancy of a room or rooms in a hotel or vacation rental in this state, except that the tax shall not be imposed

upon (i) a permanent resident, or (ii) where the rent is not more than at the rate of two dollars per day.

§ 4. Subdivisions 1 and 2 of section 1131 of the tax law, subdivision 1 as amended by section 2 of part G of chapter 59 of the laws of 2019 and subdivision 2 as added by chapter 93 of the laws of 1965, are amended to read as follows:

(1) "Persons required to collect tax" or "person required to collect any tax imposed by this article" shall include: every vendor of tangible personal property or services; every recipient of amusement charges; every operator of a hotel **or vacation rental; every vacation rental marketplace provider with respect to the rent for every occupancy of a vacation rental it facilitates as described in paragraph ten of subdivision (c) of section eleven hundred one of this article**; and every marketplace provider with respect to sales of tangible personal property it facilitates as described in paragraph one of subdivision (e) of section eleven hundred one of this article. Said terms shall also include any officer, director or employee of a corporation or of a dissolved corporation, any employee of a partnership, any employee or manager of a limited liability company, or any employee of an individual proprietorship who as such officer, director, employee or manager is under a duty to act for such corporation, partnership, limited liability company or individual proprietorship in complying with any requirement of this article, or has so acted; and any member of a partnership or limited liability company. Provided, however, that any person who is a vendor solely by reason of clause (D) or (E) of subparagraph (i) of paragraph [~~(8)~~] **eight** of subdivision (b) of section eleven hundred one of this article shall not be a "person required to collect any tax imposed by this article" until twenty days after the date by which such person is required to file a certificate of registration pursuant to section eleven hundred thirty-four of this part. **Such terms shall not include an operator of a vacation rental who rents out the operator's own property for three days or fewer in a calendar year and does not use a vacation rental marketplace provider to facilitate such rental.**

(2) "Customer" shall include: every purchaser of tangible personal property or services; every patron paying or liable for the payment of any amusement charge; and every occupant of a room or rooms in a hotel **or vacation rental**.

§ 5. Section 1132 of the tax law is amended by adding a new subdivision (m) to read as follows:

(m)(l) A vacation rental marketplace provider with respect to a sale for every occupancy of a vacation rental it facilitates: (A) shall have all the obligations and rights of a vendor under this article and article twenty-nine of this chapter and under any regulations adopted pursuant thereto, including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file returns, remit tax, and the right to accept a certificate or other documentation from a customer substantiating an exemption or exclusion from tax, the right to receive the refund authorized by subdivision (e) of this section and the credit allowed by subdivision (f) of section eleven hundred thirty-seven of this part subject to the provisions of such subdivisions; and (B) shall keep such records and information and cooperate with the commissioner to ensure the proper collection and remittance of tax imposed, collected or required to be collected under this article and article twenty-nine of this chapter.

(2) An operator is relieved from the duty to collect tax in regard to a particular rent for the occupancy of a vacation rental subject to tax

under subdivision (e) of section eleven hundred five of this article and shall not include the rent from such occupancy in its taxable sales for purposes of section eleven hundred thirty-six of this part if, in regard to such occupancy: (A) the operator of the vacation rental can show that such occupancy was facilitated by a vacation rental marketplace provider from whom such operator has received in good faith a properly completed certificate of collection in a form prescribed by the commissioner, certifying that the vacation rental marketplace provider is registered to collect sales tax and will collect sales tax on all taxable sales of occupancy of a vacation rental by the operator facilitated by the vacation rental marketplace provider, and with such other information as the commissioner may prescribe; and (B) any failure of the vacation rental marketplace provider to collect the proper amount of tax in regard to such sale was not the result of such operator providing the vacation rental marketplace provider with incorrect information. This provision shall be administered in a manner consistent with subparagraph (i) of paragraph one of subdivision (c) of this section as if a certificate of collection were a resale or exemption certificate for purposes of such subparagraph, including with regard to the completeness of such certificate of collection and the timing of its acceptance by the operator. Provided that, with regard to any sales of occupancy of a vacation rental by an operator that are facilitated by a vacation rental marketplace provider who is affiliated with such operator within the meaning of paragraph ten of subdivision (c) of section eleven hundred one of this article, the operator shall be deemed liable as a person under a duty to act for such vacation rental marketplace provider for purposes of subdivision one of section eleven hundred thirty-one of this part.

(3) The commissioner may, at their discretion: (A) develop a standard provision, or approve a provision developed by a vacation rental marketplace provider, in which the vacation rental marketplace provider obligates itself to collect the tax on behalf of all operators for whom the vacation rental marketplace provider facilitates sales of occupancy of a vacation rental, with respect to all sales that it facilitates for such operators where the rental occurs in the state; and (B) provide by regulation or otherwise that the inclusion of such provision in the publicly-available agreement between the vacation rental marketplace provider and operator will have the same effect as an operator's acceptance of a certificate of collection from such vacation rental marketplace provider under paragraph two of this subdivision.

§ 6. Section 1133 of the tax law is amended by adding a new subdivision (g) to read as follows:

(g) A vacation rental marketplace provider is relieved of liability under this section for failure to collect the correct amount of tax to the extent that the vacation rental marketplace provider can show that the error was due to incorrect or insufficient information given to the vacation rental marketplace provider by the operator. Provided, however, this subdivision shall not apply if the operator and vacation rental marketplace provider are affiliated within the meaning of paragraph ten of subdivision (c) of section eleven hundred one of this article.

§ 7. Subdivision (a) of section 1134 of the tax law is amended by adding a new paragraph 7 to read as follows:

(7) An operator of a vacation rental, as defined in paragraph nine of subdivision (c) of section eleven hundred one of this article, is relieved of the requirement to register in paragraph one of this subdivision if its sales of occupancy are wholly facilitated by one or more vacation rental marketplace providers from whom the operator has

received in good faith a certificate of collection that meets the requirements set forth in paragraph two of subdivision (m) of section eleven hundred thirty-two of this part or the vacation rental marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between the vacation rental marketplace provider and the operator as described in subdivision (m) of section eleven hundred thirty-two of this part.

§ 8. Paragraph 4 of subdivision (a) of section 1136 of the tax law, as amended by section 5 of part G of chapter 59 of the laws of 2019, is amended to read as follows:

(4) The return of a vendor of tangible personal property or services shall show such vendor's receipts from sales and the number of gallons of any motor fuel or diesel motor fuel sold and also the aggregate value of tangible personal property and services and number of gallons of such fuels sold by the vendor, the use of which is subject to tax under this article, and the amount of tax payable thereon pursuant to the provisions of section eleven hundred thirty-seven of this part. The return of a recipient of amusement charges shall show all such charges and the amount of tax thereon, and the return of an operator required to collect tax on rents shall show all rents received or charged and the amount of tax thereon. The return of a marketplace seller shall exclude the receipts from a sale of tangible personal property facilitated by a marketplace provider if, in regard to such sale: (A) the marketplace seller has timely received in good faith a properly completed certificate of collection from the marketplace provider or the marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between the marketplace provider and the marketplace seller as described in subdivision one of section eleven hundred thirty-two of this part, and (B) the information provided by the marketplace seller to the marketplace provider about such tangible personal property is accurate. **The return of an operator shall exclude the rent from occupancy of a vacation rental facilitated by a vacation rental marketplace provider if, in regard to such sale: (A) the vacation rental operator has timely received in good faith a properly completed certificate of collection from the vacation rental marketplace provider or the vacation rental marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between the vacation rental marketplace provider and the operator as described in subdivision (m) of section eleven hundred thirty-two of this part, and (B) the information provided by the operator to the vacation rental marketplace provider about such rent and such occupancy is accurate.**

§ 9. Subparagraph (B) of paragraph 3 of subdivision (a) of section 1138 of the tax law, as amended by chapter 456 of the laws of 1998, is amended to read as follows:

(B) The liability, pursuant to subdivision (a) of section eleven hundred thirty-three of this article, of any officer, director or employee of a corporation or of a dissolved corporation, member or employee of a partnership or employee of an individual proprietorship who as such officer, director, employee or member is under a duty to act for such corporation, partnership or individual proprietorship in complying with any requirement of this article for the tax imposed, collected or required to be collected, or for the tax required to be paid or paid over to the [~~**tax commission**~~] **commissioner** under this article, and the amount of such tax liability (whether or not a return is filed under this article, whether or not such return when filed is incorrect or insufficient, or where the tax shown to be due on the

return filed under this article has not been paid or has not been paid in full) shall be determined by the [~~tax commission~~] **commissioner** in the manner provided for in paragraphs one and two of this subdivision. Such determination shall be an assessment of the tax and liability for the tax with respect to such person unless such person, within ninety days after the giving of notice of such determination, shall apply to the division of tax appeals for a hearing. If such determination is identical to or arises out of a previously issued determination of tax of the corporation, dissolved corporation, partnership or individual proprietorship for which such person is under a duty to act, an application filed with the division of tax appeals on behalf of the corporation, dissolved corporation, partnership or individual proprietorship shall be deemed to include any and all subsequently issued personal determinations and a separate application to the division of tax appeals for a hearing shall not be required. The [~~tax commission~~] **commissioner** may, nevertheless, of [~~its~~] **their** own motion, redetermine such determination of tax or liability for tax. Where the [~~tax commission~~] **commissioner** determines or redetermines that the amount of tax claimed to be due from a vendor of tangible personal property or services, a recipient of amusement charges, or an operator of a hotel **or vacation rental** is erroneous or excessive in whole or in part, [~~it~~] **they** shall redetermine the amount of tax properly due from any such person as a person required to collect tax with respect to such vendor, recipient, or operator, and if such amount is less than the amount of tax for which such person would have been liable in the absence of such determination or redetermination, [~~it~~] **they** shall reduce such liability accordingly. Furthermore, the [~~tax commission~~] **commissioner** may, of [~~its~~] **their** own motion, abate on behalf of any such person, any part of the tax determined to be erroneous or excessive whether or not such tax had become finally and irrevocably fixed with respect to such person but no claim for abatement may be filed by any such person. The provisions of this paragraph shall not be construed to limit in any manner the powers of the attorney general under subdivision (a) of section eleven hundred forty-one **of this part** or the powers of the [~~tax commission~~] **commissioner** to issue a warrant under subdivision (b) of such section against any person whose liability has become finally and irrevocably fixed.

§ 10. Section 1142 of the tax law is amended by adding a new subdivision 16 to read as follows:

16. To publish on the department's website information regarding vacation rental marketplace providers that have a valid certificate of authority and, if necessary to protect sales tax revenue, provide by regulation or otherwise that a vacation rental operator will be relieved of the requirement to register and the duty to collect tax on the rent for occupancy of a vacation rental facilitated by a vacation rental marketplace provider only if, in addition to the conditions prescribed by paragraph two of subdivision (m) of section eleven hundred thirty-two and paragraph six of subdivision (a) of section eleven hundred thirty-four of this part being met, such vacation rental marketplace provider has a valid certificate of authority at the commencement of the quarterly period covered thereby.

§ 11. Subparagraph (i) of paragraph 3 of subdivision (a) of section 1145 of the tax law, as amended by section 48 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(i) Any person required to obtain a certificate of authority under section eleven hundred thirty-four of this part who, without possessing a valid certificate of authority, (A) sells tangible personal property

or services subject to tax, receives amusement charges or operates a hotel **or vacation rental**, (B) purchases or sells tangible personal property for resale, (C) sells petroleum products, or (D) sells cigarettes shall, in addition to any other penalty imposed by this chapter, be subject to a penalty in an amount not exceeding five hundred dollars for the first day on which such sales or purchases are made, plus an amount not exceeding two hundred dollars for each subsequent day on which such sales or purchases are made, not to exceed ten thousand dollars in the aggregate.

§ 12. Subparagraph (v) of paragraph 4 of subdivision (a) of section 1210 of the tax law, as amended by section 2 of part WW of chapter 60 of the laws of 2016, is amended to read as follows:

(v) shall provide that, for purposes of the tax described in subdivision (e) of section eleven hundred five of this chapter, "permanent resident" means any occupant of any room or rooms in a hotel **or vacation rental** for at least one hundred eighty consecutive days with regard to the period of such occupancy;

§ 13. Subdivisions (a) and (b) of section 1817 of the tax law, as amended by section 53 of part K of chapter 61 of the laws of 2011, are amended to read as follows:

(a) Any person required to obtain a certificate of authority under section eleven hundred thirty-four of this chapter who, without possessing a valid certificate of authority, willfully (1) sells tangible personal property or services subject to tax, receives amusement charges or operates a hotel **or vacation rental**, (2) purchases or sells tangible personal property for resale, or (3) sells petroleum products; and any person who fails to surrender a certificate of authority as required by such article shall be guilty of a misdemeanor.

(b) Any person required to obtain a certificate of authority under section eleven hundred thirty-four of this chapter who within five years after a determination by the commissioner, pursuant to such section, to suspend, revoke or refuse to issue a certificate of authority has become final, and without possession of a valid certificate of authority (1) sells tangible personal property or services subject to tax, receives amusement charges or operates a hotel **or vacation rental**, (2) purchases or sells tangible personal property for resale, or (3) sells petroleum products, shall be guilty of a misdemeanor. It shall be an affirmative defense that such person performed the acts described in this subdivision without knowledge of such determination. Any person who violates a provision of this subdivision, upon conviction, shall be subject to a fine in any amount authorized by this article, but not less than five hundred dollars, in addition to any other penalty provided by law.

§ 14. This act shall take effect immediately and shall apply to collections of rent by an operator or vacation rental marketplace provider on or after September 1, 2024.

PART L

Section 1. Subdivision (a) of section 493 of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(a) There is hereby imposed a tax on adult-use cannabis products sold by a distributor to a person who sells adult-use cannabis products at retail at the [~~following rates:~~

~~(1) cannabis flower at the rate of five-tenths of one cent per milligram of the amount of total THC, as reflected on the product label;~~

~~(2) concentrated cannabis at the rate of eight-tenths of one cent per milligram of the amount of total THC, as reflected on the product label; and~~

~~(3) cannabis edible product at the rate of three cents per milligram of the amount of total THC, as reflected on the product label. This tax shall accrue at the time of such sale or transfer. Where~~] rate of nine percent of the amount charged for the sale or transfer of such adult-use cannabis products to such retailer; provided that where a person who distributes adult-use cannabis is licensed under the cannabis law as a microbusiness or registered organization and such person sells adult-use cannabis products at retail, such person shall be liable for the tax, [~~and~~] such tax shall accrue at the time of the retail sale, and the amount subject to the tax imposed by this subdivision shall be seventy-five percent of the amount charged by such person for the sale or transfer of such products to a retail customer.

§ 2. Subdivision (a) of section 496-b of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(a) The provisions of part four of article [~~twenty-seven~~] twenty-eight of this chapter shall apply to the taxes imposed by section four hundred ninety-three of this article in the same manner and with the same force and effect as if the language of such article had been incorporated in full into this section and had expressly referred to the tax imposed by this article, except to the extent that any provision of such article is either inconsistent with a provision of this article or is not relevant to this article.

§ 3. This act shall take effect immediately; provided, however, that section one of this act shall apply to sales of adult-use cannabis products on or after June 1, 2024, and section two of this act shall apply to sales of adult-use cannabis products on or after December 1, 2024.

PART M

Section 1. Paragraph (i) of subdivision 12 of section 102 of the real property tax law, as added by chapter 416 of the laws of 1987, is amended to read as follows:

(i) When owned by other than a telephone company as such term is defined in paragraph (d) hereof, all lines, wires, poles, supports and inclosures for electrical conductors upon, above and underground used in connection with the transmission or switching of electromagnetic voice, video and data signals between different entities separated by air, street or other public domain, except that such property shall not include: (A) station connections; (B) fire and surveillance alarm system property; (C) such property used in the transmission of news wire services; and (D) such property primarily or exclusively used in the transmission of news or entertainment radio, television or cable television signals for immediate, delayed or ultimate exhibition to the public, whether or not a fee is charged therefor.

§ 2. This act shall take effect immediately.

PART N

Section 1. Subdivision 1 of section 1102 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

1. "Charges" or "legal charges" means:

(a) the cost of the mailing or service of notices required or authorized by this article;

(b) the cost of publication of notices required or authorized by this title;

(c) the amount of any interest and penalties imposed by law;

(d) the cost of recording or filing legal documents required or authorized by this article; [~~and~~]

(e) the reasonable and necessary cost of any search of the public record required or authorized to satisfy the notice requirements of this article, and [~~the~~] other reasonable and necessary expenses [~~for legal services of~~] incurred by a tax district in connection with a proceeding to foreclose a tax lien, including, and without limitation, administrative, auction and reasonable attorney fees and/or costs associated with the foreclosure process; provided, that: (i) a charge of up to [~~one~~] either two hundred fifty dollars per parcel, or two percent of the sum of the taxes, interest and penalties due on the parcel, whichever is greater, shall be deemed reasonable and necessary to cover the combined costs of such searches and [~~legal expenses~~] the other reasonable and necessary costs and expenses delineated in this paragraph, and such an amount may be charged without substantiation, even if salaried employees of the tax district performed [~~the search or legal~~] some or all of such services; and (ii) a tax district may charge a greater amount with respect to one or more parcels upon demonstration to the satisfaction of the court having jurisdiction that such greater amount was reasonable and necessary; and

(f) the amount owed to the tax district by virtue of a judgment lien, a mortgage lien, or any other lien held by the tax district that is not a delinquent tax lien.

Charges shall be deemed a part of the delinquent tax for purposes of redemption.

§ 2. Subdivision 2 of section 1104 of the real property tax law, as amended by chapter 532 of the laws of 1994, paragraph (iii) as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

2. The provisions of this article shall not be applicable to a county, city or town which: (i) on January first, nineteen hundred ninety-three, was authorized to enforce the collection of delinquent taxes pursuant to a county charter, city charter, administrative code or special law; (ii) adopted a local law, no later than July first, nineteen hundred ninety-four, providing that the collection of taxes in such county, city or town shall continue to be enforced pursuant to such charter, code or special law, as such charter, code or special law may from time to time be amended; and (iii) filed a copy of such local law with the commissioner no later than August first, nineteen hundred ninety-four. Provided, however, that notwithstanding any provisions of any general, special or local law to the contrary, if such charter, code or special law does not include provisions allowing for any "surplus" as defined by section eleven hundred ninety-five of this article to be paid to the former owner or other parties whose interests were extinguished by the foreclosure of a delinquent tax lien, then until such charter, code of special law is amended to include such provisions, any claims for surplus within such tax district shall be administered in a manner substantially similar to that prescribed by title six of this article.

§ 3. Paragraph (d) of subdivision 2 of section 1136 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

(d) In directing any conveyance pursuant to this subdivision, the judgment shall direct the enforcing officer of the tax district to prepare and execute a deed conveying title to the parcel or parcels of real property concerned. Such title shall be full and complete in the absence of an agreement between tax districts as herein provided that it shall be subject to the tax liens of one or more tax districts. Upon the execution of such deed, the grantee shall be seized of an estate in fee simple absolute in such parcel unless the conveyance is expressly made subject to tax liens of a tax district as herein provided, and all persons, including the state, infants, incompetents, absentees and non-residents, who may have had any right, title, interest, claim, lien or equity of redemption in or upon such parcel, shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. **Nothing contained herein shall be construed to preclude any such person from filing a claim pursuant to title six of this article for a share of any surplus that may be attributable to the sale of such parcel.**

§ 4. Subdivision 3 of section 1136 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

3. When no answer has been interposed. **(a)** The court shall make a final judgment awarding to such tax district the possession of any parcel of real property described in the petition of foreclosure not redeemed as provided in this title and as to which no answer is interposed as provided herein. In addition thereto such judgment shall contain a direction to the enforcing officer of the tax district to prepare, execute and cause to be recorded a deed conveying to such tax district full and complete title to such parcel.

(b) Alternatively, at the request of the enforcing officer, the court may make a final judgment authorizing the enforcing officer to prepare, execute and cause to be recorded a deed conveying full and complete title to such parcel directly to a party other than the tax district, without the tax district taking title thereto.

(c) Upon the execution of such deed, the tax district**, or the grantee as the case may be,** shall be seized of an estate in fee simple absolute in such parcel and all persons, including the state, infants, incompetents, absentees and non-residents who may have had any right, title, interest, claim, lien or equity of redemption in or upon such parcel shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. **Nothing contained herein shall be construed to preclude any such person from filing a claim pursuant to title six of this article for a share of any surplus that may be attributable to the sale of such parcel.**

§ 5. Section 1136 of the real property tax law is amended by adding a new subdivision 4 to read as follows:

4. (a) Notwithstanding any other provision of law to the contrary, when a parcel is subject to a judgment of foreclosure issued pursuant to this section but has not yet been conveyed to a third party, the tax district may, at its discretion, convey title to the parcel back to the former owner or owners, or to the successor or successors in interest if any, upon payment of the taxes, penalties, interest and other lawful charges owed to the tax district, subject to the provisions of paragraph (b) of this subdivision.

(b) If immediately prior to the issuance of the judgment of foreclosure, any other person had any right, title, interest, claim, lien or equity of redemption in or upon such parcel, the deed conveying the

parcel back to the former owner or owners, or to their successor or successors in interest, shall state that the conveyance shall become subject to the right, title, interest, claim, lien or equity of redemption of any other person that had been extinguished by the judgment of foreclosure, once such right, title, interest, claim, lien or equity of redemption has been reinstated nunc pro tunc pursuant to the provisions of this paragraph. Upon the execution of such deed, the tax district shall cause a copy thereof to be filed with the court, which shall direct the reinstatement of any such right, title, interest, claim, lien or equity of redemption in such parcel nunc pro tunc.

§ 6. Section 1166 of the real property tax law, as amended by chapter 532 of the laws of 1994, subdivision 1 as amended by chapter 500 of the laws of 2015, is amended to read as follows:

§ 1166. Real property acquired by tax district; right of sale. 1. Whenever any tax district shall become vested with the title to real property, and whenever an enforcing officer shall have been authorized to sell and convey real property directly to another party, by virtue of a foreclosure proceeding brought pursuant to the provisions of this article, such tax district or enforcing officer is hereby authorized to sell and convey [~~the~~] such real property [~~so acquired~~], which shall include any and all gas, oil or mineral rights associated with such real property, either with or without advertising for bids, notwithstanding the provisions of any general, special or local law.

2. No such sale shall be effective unless and until such sale shall have been approved and confirmed by a majority vote of the governing body of the tax district, except that no such approval shall be required when the property is sold at public auction to the highest bidder.

3. The provisions of title six of this article shall govern the distribution of any surplus attributable to such sales.

§ 7. Article 11 of the real property tax law is amended by adding a new title 6 to read as follows:

TITLE 6

DISTRIBUTION OF SURPLUS

Section 1195. Definitions.

1196. Determination of existence and amount of surplus.

1197. Claims for surplus.

§ 1195. Definitions. In addition to the definitions set forth in section eleven hundred two of this article, for purposes of this title:

1. "Public sale" means a sale resulting from a public auction conducted in accordance with the provisions of section two hundred thirty-one of the real property actions and proceedings law.

2. "Surplus" means the net gain, if any, realized by the tax district upon the sale of tax-foreclosed property, as determined in the manner set forth in section eleven hundred ninety-six of this article. Where no such gain was realized, no surplus shall be attributable to that sale.

3. "Tax-foreclosed property" means a parcel as to which a judgment of foreclosure has been issued pursuant to section eleven hundred thirty-six of this article.

§ 1196. Determination of existence and amount of surplus. 1. (a) Within forty-five days after the sale of tax-foreclosed property, the enforcing officer shall determine whether a surplus is attributable to such sale and if so, the amount thereof. Such determination shall be made by ascertaining the sum of the total amount of taxes due plus interest, penalties and other charges as defined by section eleven

hundred two of this article, and subtracting such sum from whichever of the following is applicable:

(i) where the sale was a public sale, the amount paid for the property;

(ii) where the sale was not a public sale, the full value of the property as shown on the most recent tax roll, or if available, an estimate of the property's value developed by the enforcing officer. Provided, that the enforcing officer may develop such an estimate only where it has been demonstrated to the satisfaction of such officer that the property is worth significantly more or less than the full value shown on the most recent tax roll. Nothing contained herein shall be construed to impose any obligation upon the enforcing officer to develop estimated values for this purpose.

(b) For purposes of this subdivision, where the enforcing officer has been notified that the tax district intends to retain tax-foreclosed property for a public use, the property shall be deemed to have been sold on the date that the enforcing officer was so notified, and the enforcing officer shall determine the existence and amount of a surplus relative to such property in the manner provided by subparagraph (ii) of paragraph (a) of this subdivision.

2. (a) If the enforcing officer determines that no surplus is attributable to the sale, such enforcing officer shall submit a report to the court describing the circumstances of the sale, stating that no surplus was attributable to the sale and demonstrating how the enforcing officer reached that conclusion.

(b) If the enforcing officer determines that a surplus is attributable to the sale, such enforcing officer shall submit a report to the court describing the circumstances of the sale, stating that a surplus was attributable to the sale, and demonstrating how the amount of the surplus was determined. Such surplus shall be paid to the court therewith. Within ten days of submitting such report, the enforcing officer shall notify the former property owner that a surplus was attributable to the sale of such property, that such surplus has been paid into court, and that the court will notify the interested parties of the procedure to be followed in order to make a claim for a share of the surplus.

(c) Where the enforcing officer's determination of surplus is based upon such enforcing officer's estimate of the property's value, the enforcing officer's report to the court shall set forth an explanation of how this estimate was made, including the evidence upon which it was based.

3. Upon approval by the court of the enforcing officer's report, the tax district shall have no further responsibilities in relation to the parcel or any surplus attributable thereto, subject to the extent the court directs otherwise pursuant to section eleven hundred ninety-seven of this title.

§ 1197. Claims for surplus. 1. Any person who had any right, title, interest, claim, lien or equity of redemption in or upon a parcel immediately prior to the issuance of the judgment of foreclosure may file a claim with the court having jurisdiction for a share of any surplus resulting from the sale of such property. Such claims shall be administered and adjudicated, and such surplus shall be distributed, in the same manner as in an action to foreclose a mortgage pursuant to article thirteen of the real property actions and proceedings law, subject to the provisions of this section.

2. (a) Where the property was sold by a public sale, the amount paid for the property shall be accepted as the full value of the property. No party may maintain a claim for surplus or any other claim or action against the tax district on the basis that the amount paid for the property did not fairly represent the property's value.

(b) Where the property was sold by other than a public sale, a claimant may make a motion, upon notice to the enforcing officer, for the surplus to be recalculated on the basis that the property's full value on the date of the sale was substantially higher than the value used to measure the surplus pursuant to subparagraph (ii) of paragraph (a) of subdivision one of section eleven hundred ninety-six of this title. If the court or its referee finds that a preponderance of the evidence supports the claimant's position, the court may direct the enforcing officer to recalculate the surplus based upon the property's value as determined by the court or referee. The court may further direct the enforcing officer to pay the difference into court to be distributed as required by this section.

3. Where the court has appointed a referee to preside over the proceedings pursuant to subdivision two of section thirteen hundred sixty-one of the real property actions and proceedings law, it shall not be necessary for such referee to make a report of such proceedings; nor shall it be necessary for the court to confirm by order or otherwise such proceedings.

4. At the conclusion of such proceedings, any surplus funds that have not been claimed shall be deemed abandoned but shall be paid to the tax district, not to the state comptroller, and shall be used by the tax district to reduce its tax levy.

5. Notwithstanding any provision of this section or any other law to the contrary, in the case of abandoned real property, no person other than the tax district shall have any right to any surplus attributable thereto. For purposes of this title, real property shall be deemed abandoned if it:

(a) has been included on a local municipal roll, registry or list of vacant and abandoned residential property pursuant to section eleven hundred eleven-a of this article, or

(b) has been certified as abandoned commercial or industrial real property pursuant to article nineteen-A of the real property actions and proceedings law, or

(c) has been included on the statewide registry of vacant and abandoned property pursuant to section thirteen hundred ten of the real property actions and proceedings law.

6. To the extent the provisions of article thirteen of the real property actions and proceedings law are inconsistent with the provisions of this article, the provisions of this article shall govern.

§ 8. Severability clause. If any clause, sentence, paragraph, subdivision, section or subpart contained in any 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 subpart contained in any 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.

§ 9. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after May 25, 2023, provided that:

1. In a tax district that is subject to the provisions of title 6 of article 11 of the real property tax law as added by section seven of this act, where a tax-foreclosed property has been sold on or after May 25, 2023 and prior to the effective date of this act, the enforcing officer of the tax district shall have six months from the effective date of this act to submit to the court the report required by section 1196 of the real property tax law as added by section seven of this act regarding the existence and amount of surplus and to pay such surplus to the court.

2. Whether or not a tax district is subject to the provisions of title 6 of article 11 of the real property tax law as added by section seven of this act, where a tax-foreclosed property was sold prior to May 25, 2023, a claim for surplus attributable to such sale may be maintained if and only if a proceeding to compel such tax district to distribute such surplus to the petitioner or petitioners had been initiated pursuant to subdivision 1 of section 7803 of the civil practice law and rules, such proceeding was commenced in a timely manner as provided by section 217 of such chapter, and such proceeding was still active on the effective date of this act.

PART O

Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part OO of chapter 56 of the laws of 2023, is amended to read as follows:

2. a. Notwithstanding any other provision of law or regulation to the contrary, from April nineteenth, two thousand twenty-one to March thirty-first, two thousand twenty-two, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section shall also be available to such off-track betting corporation for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

b. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-two to March thirty-first, two thousand twenty-three, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporations for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

c. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-three to March thirty-first, two thousand twenty-four, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this

section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

d. **Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-four to March thirty-first, two thousand twenty-five, one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.**

e. Prior to a corporation being able to utilize the funds authorized by paragraph c **or d** of this subdivision, the corporation must attest that the surcharge monies from section five hundred thirty-two of this chapter are being held separate and apart from any amounts otherwise authorized to be retained from pari-mutuel pools and all surcharge monies have been and will continue to be paid to the localities as prescribed in law. Once this condition is satisfied, the corporation must submit an expenditure plan to the gaming commission for review. Such plan shall include the corporation's outstanding liabilities, projected revenue for the upcoming year, a detailed explanation of how the funds will be used, and any other information necessary to detail such plan as determined by the commission. Upon review, the commission shall make a determination as to whether the requirements of this paragraph have been satisfied and notify the corporation of expenditure plan approval. In the event the commission determines the requirements of this paragraph have not been satisfied, the commission shall notify the corporation of all deficiencies necessary for approval. As a condition of such expenditure plan approval, the corporation shall provide a report to the commission no later than [~~October first, two thousand twenty-three~~] **the last day of the calendar year for which the funds are requested**, which shall include an accounting of the use of such funds. At such time, the commission may cause an independent audit to be conducted of the corporation's books to ensure that all moneys were spent as indicated in such approved plan. The audit shall be paid for from money in the fund established by this section. If the audit determines that a corporation used the money authorized under this section for a purpose other than one listed in their expenditure plan, then the corporation shall reimburse the capital acquisition fund for the unauthorized amount.

§ 2. This act shall take effect immediately.

PART P

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [~~twenty-four~~] **twenty-five**; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [~~twenty-four~~] **twenty-five**; and (iv) no

in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

(iii) Of the sums retained by a receiving track located in Westchester county on races received from a franchised corporation, for the period commencing January first, two thousand eight and continuing through June thirtieth, two thousand [~~twenty-four~~] twenty-five, the amount used exclusively for purses to be awarded at races conducted by such receiving track shall be computed as follows: of the sums so retained, two and one-half percent of the total pools. Such amount shall be increased or decreased in the amount of fifty percent of the difference in total commissions determined by comparing the total commissions available after July twenty-first, nineteen hundred ninety-five to the total commissions that would have been available to such track prior to July twenty-first, nineteen hundred ninety-five.

§ 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~twenty-four~~] twenty-five and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [~~twenty-four~~] twenty-five. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, each off-track betting corporation branch office and each simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

§ 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

1. The provisions of this section shall govern the simulcasting of races conducted at harness tracks located in another state or country during the period July first, nineteen hundred ninety-four through June thirtieth, two thousand [~~twenty-four~~] twenty-five. This section shall supersede all inconsistent provisions of this chapter.

§ 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June

thirtieth, two thousand [~~twenty-four~~] twenty-five. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article:

§ 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

Notwithstanding any other provision of this chapter, for the period July twenty-fifth, two thousand one through September eighth, two thousand [~~twenty-three~~] twenty-four, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races run at all in-state thoroughbred tracks which are conducting racing programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article.

§ 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, [~~2024~~] 2025; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

§ 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and

be deemed repealed on July 1, [~~2024~~] 2025; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

§ 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets are presented for payment before April first of the year following the year of their purchase, less an amount that shall be established and retained by such franchised corporation of between twelve to seventeen percent of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one percent of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five percent of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six percent of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the commission.

Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one-half percent plus twenty percent of the breaks, and for super exotic bets seven and one-half percent plus fifty percent of the breaks.

For the period April first, two thousand one through December thirty-first, two thousand [~~twenty-four~~] twenty-five, such tax on all wagers shall be one and six-tenths percent, plus, in each such period, twenty percent of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one percent of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets and for the period April first, two thousand one through December thirty-first, two thousand [~~twenty-four~~] twenty-five, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

§ 10. This act shall take effect immediately.

§ 2. 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.

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