

STATE OF NEW YORK

8313--A

2023-2024 Regular Sessions

IN ASSEMBLY

November 27, 2023

Introduced by M. of A. WALSH -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to adjusting the school tax relief (STAR) exemption for homes located outside a city with a population greater than one million (Part A); to amend the tax law, the education law and the general municipal law, in relation to a real property tax freeze (Part B); and to amend the state finance law, in relation to providing supplemental state assistance to local governments that are compliant with certain property tax levy limits (Part C)

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

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

11 PART A

12 Section 1. Subparagraph (vi) of paragraph (b) of subdivision 2 of
13 section 425 of the real property tax law, as added by section 1 of part
14 D-1 of chapter 57 of the laws of 2007, and clause (A) as further amended
15 by subdivision (b) of section 1 of part W of chapter 56 of the laws of

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

LBD13365-05-3

1 2010, is amended and a new subparagraph (vii) is added to read as
2 follows:

3 (vi) For the two thousand nine--two thousand ten school year [~~and~~
4 ~~thereafter~~] through the two thousand twenty-three--two thousand twenty-
5 four school year, for homes located outside a city with a population
6 greater than one million:

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

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

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

26 § 2. This act shall take effect immediately.

27 PART B

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

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

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

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

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

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

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

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

1 to the provisions of paragraph six of this subsection, such credit shall
2 be determined as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (G) If a city with a dependent school district has a freeze-compliant
55 budget for its fiscal year starting in two thousand twenty-five but does
56 not have a freeze-compliant budget for its fiscal year starting in two

1 thousand twenty-six, a tax credit shall be allowed for the eligible
2 taxpayer's two thousand twenty-six taxable year an amount representing
3 thirty-three percent of the amount that is the greater of (I) the amount
4 by which the real property taxes imposed upon such residence by that
5 city for the fiscal year starting in two thousand twenty-five exceeds
6 the real property taxes so imposed for the fiscal year starting in two
7 thousand twenty-four or (II) the product of the real property taxes
8 imposed upon such residence by or on behalf of such city for the fiscal
9 year starting in two thousand twenty-four multiplied by the levy credit
10 factor for such city for the fiscal year starting in two thousand twenty-
11 five.

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

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

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

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

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

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

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

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

54 (B) If the tax bill pertaining to the eligible taxpayer's primary
55 residence includes relieved taxes or other taxes that were previously

1 billed but not paid, those taxes shall be disregarded when determining
2 the aggregate tax liability of such residence.

3 (C) If the tax bill pertaining to the eligible taxpayer's primary
4 residence includes usage charges, unit charges or other charges that are
5 based upon the consumption of a service, those charges shall be disre-
6 garded when determining the aggregate tax liability of such residence.

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

11 (i) A physical improvement to the eligible taxpayer's primary resi-
12 dence.

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

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

23 (E) In the case of property consisting of a cooperative apartment
24 corporation that is described by paragraph (k) of subdivision two of
25 section four hundred twenty-five of the real property tax law, an eligi-
26 ble owner shall be allowed a credit in the amount equal to sixty percent
27 of the average tax credit in that taxing jurisdiction for that fiscal
28 year, as determined by the commissioner, or in the case of a cooperative
29 apartment corporation that is described by subparagraph (iv) of para-
30 graph (k) of subdivision two of section four hundred twenty-five of the
31 real property tax law, a credit of twenty percent of such average tax
32 credit.

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

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

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

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

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

51 § 2023-c. Certification of compliance with property tax freeze
52 requirements. A school district that is subject to the provisions of
53 section two thousand twenty-three-a of this part must comply with the
54 requirements of subdivision two of this section in order to render its
55 taxpayers eligible for the real property tax freeze credit authorized by
56 subsection (bbb) of section six hundred six of the tax law for a fiscal

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

19 1. Definitions. As used in this section:

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

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

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

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

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

51 f. "Shared services" means functional consolidations by which one
52 eligible school district completely provides a service or function for
53 another eligible school district, which no longer engages in that func-
54 tion or service; shared or cooperative services between and among eligi-
55 ble school districts; and regionalized delivery of services between and
56 among eligible school districts. These shared services may be for

1 services or functions including but not limited to: procurement, real
2 estate and facility management, fleet management, business and financial
3 services, administrative services, payroll administration, time and
4 attendance, benefits administration and other transactional human
5 resources functions, contract management, grants management, transporta-
6 tion services, facilities and functions, human services facilities and
7 functions, customer service facilities and functions and information
8 technology infrastructure, processes, services and functions.

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

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

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

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

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

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

51 (ii) The chief financial officer of a school district that is a signa-
52 tory to a government efficiency plan shall submit to the superintendent
53 of the lead district by May fifteenth, two thousand twenty-six, a writ-
54 ten certification that in his or her professional opinion, full imple-
55 mentation by the end of the two thousand twenty-seven--two thousand
56 twenty-eight school year of the cooperation agreements, mergers, effi-

1 ciencies and/or shared services that are to be taken by such school
2 district itself as specified in such plan will result in the savings set
3 forth in such plan attributable to such school district.

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

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

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

50 (i) In the event an eligible school district chooses to submit such a
51 government efficiency plan, the superintendent of such eligible school
52 district shall submit to the director of the budget by June first, two
53 thousand twenty-six, a written certification that such eligible school
54 district agrees to undertake its best efforts to fully implement by the
55 end of the two thousand twenty-seven--two thousand twenty-eight school

1 year the cooperation agreements, mergers, efficiencies and/or shared
2 services specified in such plan.

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

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

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

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

1 of this section, and both the city and its dependent school district
2 must jointly comply with the requirements of subdivision three or subdivi-
3 vision four of this section, in order to render its taxpayers eligible
4 for the real property tax freeze credit authorized by subsection (bbb)
5 of section six hundred six of the tax law for a fiscal year starting in
6 two thousand twenty-six or two thousand twenty-seven.

7 1. Definitions. As used in this section:

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

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

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

27 (d) "Government efficiency plan" means a plan that identifies cooper-
28 ation agreements, shared services and/or mergers or efficiencies to be
29 fully implemented by one or more local government units that are signa-
30 tories to the plan.

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

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

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

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

1 facilities and functions, human services facilities and functions,
2 customer service facilities and functions and information technology
3 infrastructure, processes, services and functions.

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

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

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

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

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

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

50 (ii) The chief financial officer of a local government unit and the
51 chief fiscal officer of the dependent school district, that is a signa-
52 tory to a government efficiency plan shall submit to the chief executive
53 officer of the lead local government unit by May fifteenth, two thousand
54 twenty-six, a written certification that in his or her professional
55 opinion, full implementation by the end of the local fiscal year begin-
56 ning in two thousand twenty-eight, of the cooperation agreements, merg-

1 ers, efficiencies and/or shared services that are to be taken by such
2 local government unit itself as specified in such plan will result in
3 the savings set forth in the government efficiency plan attributable to
4 such local government unit or dependent school district.

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

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

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

53 (i) In the event a local government unit chooses to submit such a
54 government efficiency plan, the chief executive officer or budget offi-
55 cer of such local government unit shall submit to the director of the
56 budget by June first, two thousand twenty-six, a written certification

1 that such local government unit agrees to undertake its best efforts to
2 fully implement by the end of the local fiscal year beginning in two
3 thousand twenty-eight the cooperation agreements, mergers, efficiencies
4 and/or shared services specified in such plan.

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

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

26 § 4. This act shall take effect immediately.

27 PART C

28 Section 1. The state finance law is amended by adding a new section
29 54-n to read as follows:

30 § 54-n. Supplemental state assistance to property tax limit compliant
31 local governments. 1. Beginning with the state fiscal year beginning
32 April first, two thousand twenty-five, and in each state fiscal year
33 thereafter, there shall be paid to the cities, counties, towns and
34 villages of the state that are in compliance with the property tax limit
35 established pursuant to section three-c of the general municipal law, a
36 supplemental apportionment of state aid in the amounts provided in this
37 section, in addition to the amounts provided for by section fifty-four
38 of this article.

39 2. The total pool of funding for the supplemental apportionment to be
40 paid pursuant to subdivision one of this section shall be equal to the
41 difference between the appropriation for aid and incentives to munici-
42 palities in the prior state fiscal year's enacted budget and the amount
43 appropriated in the two thousand eight--two thousand nine enacted budg-
44 et, adjusted for inflation as determined by the consumer price index and
45 calculated in the same manner as determined by the secretary of the
46 United States treasury for purposes of section 1(f) of the United States
47 Internal Revenue Code of 1954, as amended. For purposes of this section,
48 the term "consumer price index" shall mean the Chained Consumer Price
49 Index for All Urban Consumers (C-CPI-U) published by the United States
50 department of labor, bureau of labor statistics.

51 3. Eligible cities, counties, towns and villages pursuant to subdivi-
52 sion one of this section shall receive a portion of the supplemental
53 assistance under this section equal to the portion of their share of the
54 amount provided for pursuant to section fifty-four of this article.

1 4. Payments under this section shall be made pursuant to the same
2 schedule provided for in section fifty-four of this article.

3 5. Any additional monies in the total pool of funding as described in
4 subdivision two of this section at the end of a fiscal year resulting
5 from cities, counties, towns and villages that overrode the property tax
6 limit established pursuant to section three-c of the general municipal
7 law shall not be reappropriated.

8 § 2. This act shall take effect immediately.

9 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
10 sion, section or part of this act shall be adjudged by any court of
11 competent jurisdiction to be invalid, such judgment shall not affect,
12 impair, or invalidate the remainder thereof, but shall be confined in
13 its operation to the clause, sentence, paragraph, subdivision, section
14 or part thereof directly involved in the controversy in which such judg-
15 ment shall have been rendered. It is hereby declared to be the intent of
16 the legislature that this act would have been enacted even if such
17 invalid provisions had not been included herein.

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