

# STATE OF NEW YORK

7685--A

2023-2024 Regular Sessions

## IN SENATE

October 4, 2023

Introduced by Sen. ASHBY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- 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); and to amend the tax law, the education law and the general municipal law, in relation to a real property tax freeze (Part B)

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

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

11 PART A

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

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

LBD13365-02-3

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

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

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

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

24 § 2. This act shall take effect immediately.

25 PART B

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the real property taxes imposed upon such residence by or on behalf of  
2 such school district for the fiscal year starting in two thousand twen-  
3 ty-five multiplied by the levy credit factor for such school district  
4 for the fiscal year starting in two thousand twenty-six.

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

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

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

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

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

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

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

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

52 (G) If a city with a dependent school district has a freeze-compliant  
53 budget for its fiscal year starting in two thousand twenty-five but does  
54 not have a freeze-compliant budget for its fiscal year starting in two  
55 thousand twenty-six, a tax credit shall be allowed for the eligible  
56 taxpayer's two thousand twenty-six taxable year an amount representing

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

49 § 2023-c. Certification of compliance with property tax freeze  
50 requirements. A school district that is subject to the provisions of  
51 section two thousand twenty-three-a of this part must comply with the  
52 requirements of subdivision two of this section in order to render its  
53 taxpayers eligible for the real property tax freeze credit authorized by  
54 subsection (bbb) of section six hundred six of the tax law for a fiscal  
55 year starting in two thousand twenty-five. The property tax cuts will  
56 be extended for a second year in jurisdictions which comply with the tax

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

17 1. Definitions. As used in this section:

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

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

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

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

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

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

1 services, administrative services, payroll administration, time and  
2 attendance, benefits administration and other transactional human  
3 resources functions, contract management, grants management, transporta-  
4 tion services, facilities and functions, human services facilities and  
5 functions, customer service facilities and functions and information  
6 technology infrastructure, processes, services and functions.

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

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

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

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

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

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

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

1 district itself as specified in such plan will result in the savings set  
2 forth in such plan attributable to such school district.

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

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

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

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

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

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

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

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

1 vision four of this section, in order to render its taxpayers eligible  
2 for the real property tax freeze credit authorized by subsection (bbb)  
3 of section six hundred six of the tax law for a fiscal year starting in  
4 two thousand twenty-six or two thousand twenty-seven.

5 1. Definitions. As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 local government unit itself as specified in such plan will result in  
2 the savings set forth in the government efficiency plan attributable to  
3 such local government unit or dependent school district.

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

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

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

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

1 fully implement by the end of the local fiscal year beginning in two  
2 thousand twenty-eight the cooperation agreements, mergers, efficiencies  
3 and/or shared services specified in such plan.

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

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

25 § 4. This act shall take effect immediately.

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

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