STATE OF NEW YORK

8648

IN SENATE

February 26, 2024

Introduced by Sen. ASHBY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend section 1 of part C of chapter 58 of the laws of 2005 relating to authorizing reimbursements for expenditures made by or on behalf of social services districts for medical assistance for needy persons and the administration thereof, in relation to phasing out such reimbursements

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

Section 1. Subdivision (c) of section 1 of part C of chapter 58 of the laws of 2005 relating to authorizing reimbursements for expenditures made by or on behalf of social services districts for medical assistance for needy persons and the administration thereof, is amended and twelve new subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10), (c-11), (c-12) and (c-13) are added to read as follows:

(c) Commencing with the calendar year beginning January 1, 2006, calendar year social services district medical assistance expenditure amounts for each social services district shall be calculated by multiplying the results of the calculations performed pursuant to paragraph (b) of this section by a non-compounded trend factor, as follows:

(i) 2006 (January 1, 2006 through December 31, 2006): 3.5%;

(ii) 2007 (January 1, 2007 through December 31, 2007): 6.75% (3.25% plus the prior year's 3.5%);

(iii) 2008 (January 1, 2008 through December 31, 2008): 9.75% (3% plus the prior year's 6.75%);

(iv) 2009 (January 1, 2009 through December 31, 2009), and each succeeding calendar year **through December 31, 2024**: prior year's trend factor percentage plus 3%.

(c-2) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2024 through December 31, 2024, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 10% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure

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

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reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2025 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-3) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2025 through December 31, 2025, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 20% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2026 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-4) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2026 through December 31, 2026, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 30% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2027 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-5) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2027 through December 31, 2027, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 40% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2028 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-6) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2028 through December 31, 2028, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 50% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2029 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-7) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period

January 1, 2029 through December 31, 2029, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 60% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2030 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-8) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2030 through December 31, 2030, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 70% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2031 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-9) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2031 through December 31, 2031, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 80% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2032 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-10) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2032 through December 31, 2032, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 90% from the 2023 expenditures. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2033 fiscal year. This section shall apply only to the local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-11) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, commencing with the period January 1, 2033 through December 31, 2033, calendar year social services district medical assistance expenditure amounts for each social services district shall be reduced by 100% from the 2023 expenditures; and shall remain eliminated each year thereafter. No less than 100% of the annual savings from this medical assistance expenditure reduction, compared to the prior year medical assistance expenditure, shall be used for property tax levy reductions, or property tax rebates, effective in the local government's 2034 fiscal year. This section shall apply only to the

local governments as defined by, and subject to, the provisions of section 3-c of the general municipal law and section 2023-a of the education law.

(c-12) Notwithstanding the provisions of section seven of this act, any county that opted into the local sales tax intercept methodology shall receive a proportionate reduction in the sales tax intercept as described in subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10) and (c-11) of this section and use these recaptured funds for property tax reductions in the same manner as other local jurisdictions as described.

(c-13) The minimum amount of annual property tax levy reductions resulting from savings achieved as defined in subdivisions (c-2), (c-3), (c-4), (c-5), (c-6), (c-7), (c-8), (c-9), (c-10) and (c-11) of this section, shall be determined by the state comptroller and transmitted to each local government one hundred eighty days in advance of the start of the fiscal year for which the property tax reduction is to be effective.

§ 2. This act shall take effect immediately.