

# STATE OF NEW YORK

10860

## IN ASSEMBLY

April 8, 2026

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law and the education law, in relation to payments in lieu of taxes

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

1 Section 1. Subparagraph (i) of paragraph (b) of subdivision 3 of  
2 section 3-c of the general municipal law, as amended by section 2 of  
3 subpart C of part C of chapter 20 of the laws of 2015, is amended to  
4 read as follows:

5 (i) The commissioner of taxation and finance shall calculate a quanti-  
6 ty change factor for each local government for the coming fiscal year  
7 based upon the physical or quantity change, as defined by section twelve  
8 hundred twenty of the real property tax law, reported to the commission-  
9 er of taxation and finance by the assessor or assessors pursuant to  
10 section five hundred seventy-five of the real property tax law. The  
11 quantity change factor shall show the percentage by which the full value  
12 of the taxable real property in the local government has changed due to  
13 physical or quantity change between the second final assessment roll or  
14 rolls preceding the final assessment roll or rolls upon which taxes are  
15 to be levied, and the final assessment roll or rolls immediately preced-  
16 ing the final assessment roll or rolls upon which taxes are to be  
17 levied. The commissioner of taxation and finance shall, as appropriate,  
18 promulgate rules and regulations regarding the calculation of the quan-  
19 tity change factor which may adjust the calculation based on the devel-  
20 opment on tax exempt land, including the change in assessed value for  
21 each property on the exempt side of the tax rolls under a payment in  
22 lieu of tax agreement; provided, however, that where a local government  
23 has elected pursuant to paragraph (e) of this subdivision, the commis-  
24 sioner shall include the equivalent taxable value determined pursuant to  
25 such paragraph in lieu of including the full assessed value of such  
26 property.

27 § 2. Subdivision 3 of section 3-c of the general municipal law is  
28 amended by adding a new paragraph (e) to read as follows:

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

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1 (e)(i) Notwithstanding any other provision of this section, a local  
2 government may elect to include, for purposes of calculating the quanti-  
3 ty change factor, the equivalent taxable value of real property subject  
4 to a payment in lieu of taxes agreement.

5 (ii) The equivalent taxable value shall be determined by dividing the  
6 portion of the payment in lieu of taxes attributable to real property  
7 taxation by the applicable tax rate or rates for the levy year, as  
8 determined by the commissioner of taxation and finance.

9 (iii) In no event shall the full assessed value of property subject to  
10 a payment in lieu of taxes agreement be included in the quantity change  
11 factor.

12 (iv) A local government may exercise the option provided in this para-  
13 graph only upon adoption of a local law or resolution, following a  
14 public hearing, expressly electing such treatment. Such election shall  
15 remain in effect unless subsequently repealed by local law or resol-  
16 ution.

17 (v) The commissioner of taxation and finance shall promulgate regu-  
18 lations necessary to implement this paragraph, including methodologies  
19 for allocating payments in lieu of taxes among affected taxing jurisdic-  
20 tions and ensuring uniform application.

21 § 3. Paragraph b of subdivision 2-a of section 2023-a of the education  
22 law, as amended by section 3 of subpart C of part C of chapter 20 of the  
23 laws of 2015, is amended to read as follows:

24 b. The commissioner of taxation and finance shall calculate a quantity  
25 change factor for the coming school year for each school district based  
26 upon the physical or quantity change, as defined by section twelve  
27 hundred twenty of the real property tax law, reported to the commission-  
28 er of taxation and finance by the assessor or assessors pursuant to  
29 section five hundred seventy-five of the real property tax law. The  
30 quantity change factor shall show the percentage by which the full value  
31 of the taxable real property in the school district has changed due to  
32 physical or quantity change between the second final assessment roll or  
33 rolls preceding the final assessment roll or rolls upon which taxes are  
34 to be levied, and the final assessment roll or rolls immediately preced-  
35 ing the final assessment roll or rolls upon which taxes are to be  
36 levied. The commissioner of taxation and finance shall, as appropriate,  
37 promulgate rules and regulations regarding the calculation of the quan-  
38 tity change factor which may adjust the calculation based on the devel-  
39 opment on tax exempt land, including the change in assessed value for  
40 each property on the exempt side of the tax rolls under a payment in  
41 lieu of tax agreement; provided, however, that where a school district  
42 has made an election pursuant to paragraph d of this subdivision, the  
43 commissioner shall include the equivalent taxable value determined  
44 pursuant to such election in lieu of including the full assessed value  
45 of such property.

46 § 4. Subdivision 2-a of section 2023-a of the education law is amended  
47 by adding a new paragraph d to read as follows:

48 d. (i) A school district may elect to include the equivalent taxable  
49 value of property subject to a payment in lieu of taxes agreement in the  
50 calculation of its quantity change factor, consistent with paragraph (e)  
51 of subdivision three of section three-c of the general municipal law.

52 (ii) Such election shall be made by resolution of the board of educa-  
53 tion following a public meeting and shall remain in effect unless  
54 rescinded by subsequent resolution.

55 (iii) In no event shall the full assessed value of property subject to  
56 a payment in lieu of taxes agreement be included.

1 (iv) Nothing in this act shall be construed to alter, repeal, or modi-  
2 fy the allowable levy growth factor, override requirements, or the  
3 inclusion and subtraction of payments in lieu of taxes as otherwise  
4 required by law.

5 § 5. This act shall take effect immediately and shall apply to taxable  
6 years commencing on or after the first of January next succeeding the  
7 date upon which it shall have become a law. Effective immediately, the  
8 addition, amendment and/or repeal of any rule or regulation necessary  
9 for the implementation of this act on its effective date are authorized  
10 to be made and completed on or before such effective date.