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:

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

(i) The commissioner of taxation and finance shall calculate a quantity change factor for each local government for the coming fiscal year based upon the physical or quantity change, as defined by section twelve hundred twenty of the real property tax law, reported to the commissioner of taxation and finance by the assessor or assessors pursuant to section five hundred seventy-five of the real property tax law. The quantity change factor shall show the percentage by which the full value of the taxable real property in the local government has changed due to physical or quantity change between the second final assessment roll or rolls preceding the final assessment roll or rolls upon which taxes are to be levied, and the final assessment roll or rolls immediately preceding the final assessment roll or rolls upon which taxes are to be levied. The commissioner of taxation and finance shall, as appropriate, promulgate rules and regulations regarding the calculation of the quantity change factor which may adjust the calculation based on the development on tax exempt land**, including the change in assessed value for each property on the exempt side of the tax rolls under a payment in lieu of tax agreement; provided, however, that where a local government has elected pursuant to paragraph (e) of this subdivision, the commissioner shall include the equivalent taxable value determined pursuant to such paragraph in lieu of including the full assessed value of such property**.

§ 2. Subdivision 3 of section 3-c of the general municipal law is 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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(e)(i) Notwithstanding any other provision of this section, a local government may elect to include, for purposes of calculating the quantity change factor, the equivalent taxable value of real property subject to a payment in lieu of taxes agreement.

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

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

(iv) A local government may exercise the option provided in this paragraph only upon adoption of a local law or resolution, following a public hearing, expressly electing such treatment. Such election shall remain in effect unless subsequently repealed by local law or resolution.

(v) The commissioner of taxation and finance shall promulgate regulations necessary to implement this paragraph, including methodologies for allocating payments in lieu of taxes among affected taxing jurisdictions and ensuring uniform application.

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

b. The commissioner of taxation and finance shall calculate a quantity change factor for the coming school year for each school district based upon the physical or quantity change, as defined by section twelve hundred twenty of the real property tax law, reported to the commissioner of taxation and finance by the assessor or assessors pursuant to section five hundred seventy-five of the real property tax law. The quantity change factor shall show the percentage by which the full value of the taxable real property in the school district has changed due to physical or quantity change between the second final assessment roll or rolls preceding the final assessment roll or rolls upon which taxes are to be levied, and the final assessment roll or rolls immediately preceding the final assessment roll or rolls upon which taxes are to be levied. The commissioner of taxation and finance shall, as appropriate, promulgate rules and regulations regarding the calculation of the quantity change factor which may adjust the calculation based on the development on tax exempt land, including the change in assessed value for each property on the exempt side of the tax rolls under a payment in lieu of tax agreement; provided, however, that where a school district has made an election pursuant to paragraph d of this subdivision, the commissioner shall include the equivalent taxable value determined pursuant to such election in lieu of including the full assessed value of such property.

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

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

(ii) Such election shall be made by resolution of the board of education following a public meeting and shall remain in effect unless rescinded by subsequent resolution.

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

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

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