STATE OF NEW YORK

2385

2025-2026 Regular Sessions

IN SENATE

January 16, 2025

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

AN ACT to amend the state finance law, in relation to enhanced aid and incentives for municipalities

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

Section 1. Section 54 of the state finance law is amended by adding a new subdivision 12 to read as follows:

12. a. Enhanced aid and incentives for municipalities. Notwithstanding any inconsistent provision of this section or of any other provision of law to the contrary, the payment of enhanced aid and incentives for municipalities for the support of local government for state fiscal years commencing April first, two thousand twenty-six and thereafter, shall be paid from an appropriation made for the enhanced aid and incentives for municipalities program pursuant to the aid to localities budget for such state fiscal years in a manner consistent with this subdivision. Enhanced aid and incentives for municipalities will be apportioned to eligible municipalities by the director of the budget on a per-capita basis, based on population. Municipalities in Tier 1 would receive eighty percent of the appropriation provided annually and municipalities in Tier 2 would receive twenty percent of the appropriation provided annually.

b. Definitions. As used in this subdivision, unless otherwise expressly stated:

(i) "Municipalities" means a city with a population less than one million, town or village.

(ii) "Enhanced aid and incentives for municipalities" means aid in addition to the total of all aid payable to municipalities pursuant to this subdivision.

(iii) "Population" means population data based upon the most recent federal decennial census.

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

LBD02537-01-5

(iv) "Per-capita basis" means the amount of the appropriation provided annually divided by the population of the eligible municipality.

(v) "Tier 1" means a town with a population equal to fifteen thousand or less or a village with a population equal to ten thousand or less or a city with a population equal to twenty thousand or less.

(vi) "Tier 2" means a town with a population greater than fifteen thousand or a village with a population greater than ten thousand or a city with a population greater than twenty thousand and less than one million.

§ 2. This act shall take effect April 1, 2026, subject to appropriation for the enhanced aid and incentives for municipalities in the 2026-2027 enacted state budget; provided that the director of the budget shall notify the legislative bill drafting commission upon the occurrence of such an appropriation for the enhanced aid and incentives for municipalities in the 2026-2027 enacted state budget in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.