

STATE OF NEW YORK

959

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. WALSH, SIMPSON, JENSEN, BEEPHAN -- read once and referred to the Committee on Real Property Taxation

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); to amend the tax law, the education law and the general municipal law, in relation to a real property tax freeze (Part B); and to amend the state finance law, in relation to providing supplemental state assistance to local governments that are compliant with certain property tax levy limits (Part C)

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 C. 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

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

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2010, is amended and a new subparagraph (vii) is added to read as follows:

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

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

(B) The base figure for the basic STAR exemption shall be thirty thousand dollars.

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

§ 2. This act shall take effect immediately.

PART B

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

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

(A) The term "freeze-compliant budget" means a budget of a taxing jurisdiction that has met the requirements of section two thousand twenty-three-c of the education law or section three-d of the general municipal law, whichever is applicable.

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

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

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

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

(2) An individual taxpayer who meets the eligibility standards set forth in paragraph three of this subsection and whose primary residence is located in a taxing jurisdiction that has a freeze-compliant budget for the fiscal year starting in two thousand twenty-six, two thousand twenty-seven or two thousand twenty-eight, whichever is applicable, shall be allowed a credit against the taxes imposed by this article.

Subject to the provisions of paragraph six of this subsection, such credit shall be determined as follows:

(A) If a school district other than a dependent school district has a freeze-compliant budget for its fiscal year starting in two thousand twenty-six, a credit shall be allowed for the eligible taxpayer's two thousand twenty-six taxable year in the amount that is the greater of (i) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in two thousand twenty-six exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-five, or (ii) the product of the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in two thousand twenty-five multiplied by the levy credit factor for that school district for the fiscal year starting in two thousand twenty-six.

(B) If a taxing jurisdiction, other than a school district or a city with a dependent school district, has a freeze-compliant budget for its fiscal year starting in two thousand twenty-seven, a credit shall be allowed for the eligible taxpayer's two thousand twenty-seven taxable year in the amount that is the greater of (i) the amount by which the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in two thousand twenty-seven exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-six, or (ii) the product of the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in two thousand twenty-six multiplied by the levy credit factor for that taxing jurisdiction for the fiscal year starting in two thousand twenty-seven.

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

(i) if the school district's budget for the fiscal year starting in two thousand twenty-six was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-seven taxable year in the amount of the credit for school district taxes allowed for the eligible taxpayer's two thousand twenty-six taxable year; together with the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in two thousand twenty-seven exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-six, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such school district for the fiscal year starting in two thousand twenty-six multiplied by the levy credit factor for that school district for the fiscal year starting in two thousand twenty-seven.

(ii) if the school district's budget for the fiscal year starting in two thousand twenty-six was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-seven taxable year in the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in two thousand twenty-seven exceeds the real property taxes so imposed for the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (B) If the tax bill pertaining to the eligible taxpayer's primary
55 residence includes relieved taxes or other taxes that were previously

1 billed but not paid, those taxes shall be disregarded when determining
2 the aggregate tax liability of such residence.

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

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

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

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

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

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

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

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

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

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

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

51 § 2023-c. Certification of compliance with property tax freeze
52 requirements. A school district that is subject to the provisions of
53 section two thousand twenty-three-a of this part shall comply with the
54 requirements of subdivision two of this section in order to render its
55 taxpayers eligible for the real property tax freeze credit authorized by
56 subsection (bbb) of section six hundred six of the tax law for a fiscal

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

19 1. Definitions. As used in this section:

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

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

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

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

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

51 f. "Shared services" means functional consolidations by which one
52 eligible school district completely provides a service or function for
53 another eligible school district, which no longer engages in that func-
54 tion or service; shared or cooperative services between and among eligi-
55 ble school districts; and regionalized delivery of services between and
56 among eligible school districts. These shared services may be for

1 services or functions including but not limited to: procurement, real
2 estate and facility management, fleet management, business and financial
3 services, administrative services, payroll administration, time and
4 attendance, benefits administration and other transactional human
5 resources functions, contract management, grants management, transporta-
6 tion services, facilities and functions, human services facilities and
7 functions, customer service facilities and functions and information
8 technology infrastructure, processes, services and functions.

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

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

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

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

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

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

52 (ii) The chief financial officer of a school district that is a signa-
53 tory to a government efficiency plan shall submit to the superintendent
54 of the lead district by May fifteenth, two thousand twenty-seven, a
55 written certification that in such chief financial officer's profes-
56 sional opinion, full implementation by the end of the two thousand twen-

1 ty-eight--two thousand twenty-nine school year of the cooperation agree-
2 ments, mergers, efficiencies and/or shared services that are to be taken
3 by such school district itself as specified in such plan will result in
4 the savings set forth in such plan attributable to such school district.

5 (iii) The chief financial officer of each eligible school district
6 that is a signatory to a government efficiency plan shall submit to the
7 lead district by May fifteenth, two thousand twenty-seven, a written
8 certification that in such chief financial officer's professional opin-
9 ion, full implementation of the cooperation agreements, mergers, effi-
10 ciencies and/or shared services as specified for all of the eligible
11 school districts that are signatories to such plan will result in
12 savings over the aggregate two thousand twenty-six--two thousand twen-
13 ty-seven school year tax levies for all eligible school districts that
14 are signatories to such plan of at least one percent in each of the two
15 thousand twenty-eight--two thousand twenty-nine, the two thousand twen-
16 ty-nine--two thousand thirty and the two thousand thirty--two thousand
17 thirty-one school years.

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

36 4. School district government efficiency plans submitted by a single
37 eligible school district. 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, eligible school districts are
42 strongly encouraged to develop a single government efficiency plan for
43 all of the eligible school districts in their board of cooperation
44 educational services district. However, the superintendent of each
45 eligible school district that is not participating in a government effi-
46 ciency plan with more than one signatory may submit to the director of
47 the budget by June first, two thousand twenty-seven, a government effi-
48 ciency plan that demonstrates three year savings and efficiencies of at
49 least one percent per year from shared services, cooperation agreements
50 and/or mergers or efficiencies over such eligible school district's two
51 thousand twenty-six--two thousand twenty-seven school year tax levy.

52 (i) In the event an eligible school district chooses to submit such a
53 government efficiency plan, the superintendent of such eligible school
54 district shall submit to the director of the budget by June first, two
55 thousand twenty-seven, a written certification that such eligible school
56 district agrees to undertake its best efforts to fully implement by the

1 end of the two thousand twenty-eight--two thousand twenty-nine school
2 year the cooperation agreements, mergers, efficiencies and/or shared
3 services specified in such plan.

4 (ii) In the event a school district chooses to submit such a govern-
5 ment efficiency plan, the chief financial officer of such eligible
6 school district shall submit to the director of the budget by June
7 first, two thousand twenty-seven, an analysis of the savings set forth
8 in 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 two thousand twenty-eight--two thou-
11 sand twenty-nine school year, as well as a written certification that in
12 such chief financial officer's professional opinion, full implementation
13 of the cooperation agreements, mergers, efficiencies and/or shared
14 services as specified in such plan will result in savings over its two
15 thousand twenty-six--two thousand twenty-seven school year tax levy of
16 at least one percent in each of the two thousand twenty-eight--two thou-
17 sand twenty-nine, the two thousand twenty-nine--two thousand thirty and
18 the two thousand thirty--two thousand thirty-one school years.

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

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

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

1 thousand twenty-six and comply with the requirements of subdivision two
2 of this section, and both the city and its dependent school district
3 shall jointly comply with the requirements of subdivision three or
4 subdivision four of this section, in order to render its taxpayers
5 eligible for the real property tax freeze credit authorized by
6 subsection (bbb) of section six hundred six of the tax law for a fiscal
7 year starting in two thousand twenty-seven or two thousand twenty-eight.

8 1. Definitions. As used in this section:

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

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

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

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

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

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

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

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

1 tions, contract management, grants management, transportation services,
2 facilities and functions, human services facilities and functions,
3 customer service facilities and functions and information technology
4 infrastructure, processes, services and functions.

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

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

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

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

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

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

51 (ii) The chief financial officer of a local government unit and the
52 chief fiscal officer of the dependent school district, that is a signa-
53 tory to a government efficiency plan shall submit to the chief executive
54 officer of the lead local government unit by May fifteenth, two thousand
55 twenty-seven, a written certification that in such chief financial offi-
56 cer's professional opinion, full implementation by the end of the local

1 fiscal year beginning in two thousand twenty-nine, of the cooperation
2 agreements, mergers, efficiencies and/or shared services that are to be
3 taken by such local government unit itself as specified in such plan
4 will result in the savings set forth in the government efficiency plan
5 attributable to such local government unit or dependent school district.

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

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

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

54 (i) In the event a local government unit chooses to submit such a
55 government efficiency plan, the chief executive officer or budget offi-
56 cer of such local government unit shall submit to the director of the

1 budget by June first, two thousand twenty-seven, a written certification
2 that such local government unit agrees to undertake its best efforts to
3 fully implement by the end of the local fiscal year beginning in two
4 thousand twenty-nine the cooperation agreements, mergers, efficiencies
5 and/or shared services specified in such plan.

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

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

29 § 4. This act shall take effect immediately.

30 PART C

31 Section 1. The state finance law is amended by adding a new section
32 54-n to read as follows:

33 § 54-n. Supplemental state assistance to property tax limit compliant
34 local governments. 1. Beginning with the state fiscal year beginning
35 April first, two thousand twenty-six, and in each state fiscal year
36 thereafter, there shall be paid to the cities, counties, towns and
37 villages of the state that are in compliance with the property tax limit
38 established pursuant to section three-c of the general municipal law, a
39 supplemental apportionment of state aid in the amounts provided in this
40 section, in addition to the amounts provided for by section fifty-four
41 of this article.

42 2. The total pool of funding for the supplemental apportionment to be
43 paid pursuant to subdivision one of this section shall be equal to the
44 difference between the appropriation for aid and incentives to munici-
45 palities in the prior state fiscal year's enacted budget and the amount
46 appropriated in the two thousand eight--two thousand nine enacted budg-
47 et, adjusted for inflation as determined by the consumer price index and
48 calculated in the same manner as determined by the secretary of the
49 United States treasury for purposes of section 1(f) of the United States
50 Internal Revenue Code of 1954, as amended. For purposes of this section,
51 the term "consumer price index" shall mean the Chained Consumer Price
52 Index for All Urban Consumers (C-CPI-U) published by the United States
53 department of labor, bureau of labor statistics.

1 3. Eligible cities, counties, towns and villages pursuant to subdivi-
2 sion one of this section shall receive a portion of the supplemental
3 assistance under this section equal to the portion of their share of the
4 amount provided for pursuant to section fifty-four of this article.

5 4. Payments under this section shall be made pursuant to the same
6 schedule provided for in section fifty-four of this article.

7 5. Any additional monies in the total pool of funding as described in
8 subdivision two of this section at the end of a fiscal year resulting
9 from cities, counties, towns and villages that overrode the property tax
10 limit established pursuant to section three-c of the general municipal
11 law shall not be reappropriated.

12 § 2. This act shall take effect immediately.

13 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
14 sion, section or part of this act shall be adjudged by any court of
15 competent jurisdiction to be invalid, such judgment shall not affect,
16 impair, or invalidate the remainder thereof, but shall be confined in
17 its operation to the clause, sentence, paragraph, subdivision, section
18 or part thereof directly involved in the controversy in which such judg-
19 ment shall have been rendered. It is hereby declared to be the intent of
20 the legislature that this act would have been enacted even if such
21 invalid provisions had not been included herein.

22 § 3. This act shall take effect immediately provided, however, that
23 the applicable effective dates of Parts A through C of this act shall be
24 as specifically set forth in the last section of such Parts.