

PROGRAM BILL #25

S. _____
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

GENEMULA

(Enacts major components of legis-
lation relating to real property tax
levies, rent regulation, exemption
from local taxation and mandate
relief.)

Gen Mun.

AN ACT

to amend the general municipal law
and the education law, in relation
to establishing limits upon school
district and local government tax
levies; and providing for the repeal
of such provisions upon expiration
thereof (Part A); to amend chapter
576 of the laws of 1974 amending the
emergency housing rent control law
relating to the control of and
stabilization of rent in certain

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal

s20 Adams	s44 Farley	s58 Kennedy	s18 Montgomery	s23 Savino
s15 Addabbo	s02 Flanagan	s34 Klein	s54 Nozzolio	s28 Serrano
s55 Alesi	s08 Fuschillo	s26 Krueger	s53 O'Mara	s51 Seward
s11 Avella	s59 Gallivan	s27 Kruger	s37 Oppenheimer	s09 Skelos
s40 Ball	s12 Gianaris	s24 Lanza	s21 Parker	s14 Smith
s42 Bonacic	s22 Golgen	s39 Larkin	s13 Peralta	s25 Squadron
s46 Breslin	s47 Griffo	s01 LaValle	s30 Perkins	s16 Stavisky
s38 Carlucci	s60 Grisanti	s52 Libous	s61 Ranzenhofer	s35 Stewart-
s50 DeFrancisco	s06 Hannon	s45 Little	s48 Ritchie	Cousins
s32 Diaz	s36 Hassell-	s05 Marcellino	s33 Rivera	s49 Valasky
s17 Dilan	Thompson	s07 Martins	s56 Robach	s57 Young
s29 Duane	s10 Huntley	s62 Maziarz	s41 Saland	s03 Zeldin
s31 Espallat	s04 Johnson	s43 McDonald	s19 Sampson	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a107 Crouch	a095 Jaffee	a038 Miller, M.	a012 Saladino
a092 Abinanti	a014 Curran	a057 Jeffries	a052 Millman	a113 Sayward
a105 Amedore	a063 Cusick	a135 Johns	a103 Molinaro	a029 Scarborough
a084 Arroyo	a045 Cymbrowitz	a112 Jordan	a015 Montesano	a016 Schimel
a035 Aubry	a034 DenDekker	a099 Katz	a132 Morelle	a140 Schimminger
a124 Barclay	a061 Dinowitz	a074 Kavanagh	a039 Moya	a145 Schroeder
a040 Barron	a114 Duprey	a065 Kellner	a003 Murray	a064 Silver
a082 Benedetto	a004 Englebright	a100 Kirwan	a037 Nolan	a036 Simotas
a073 Bing	a071 Farrell	a129 Kolb	a128 Oaks	a146 Smardz
a122 Blankenbush	a123 Pinch	a025 Lancmen	a069 O'Donnell	a053 Spano
a055 Boyland	a007 Fitzpatrick	a091 Letimer	a051 Ortiz	a075 Stevenson
a008 Boyle	a137 Friend	a013 Lavine	a136 Palmesano	a011 Sweeney
a026 Braunstein	a143 Gabryszak	a050 Lento1	a088 Paulin	a110 Tedisco
a044 Brennan	a080 Galef	a125 Lifton	a141 Peoples-	a115 Tenney
a131 Bronson	a133 Gantt	a072 Linares	Stokes	a002 Thiele
a046 Brook-Krasny	a077 Gibson	a127 Lopez, P.	a058 Perry	a061 Titone
a147 Burling	a149 Giglio	a053 Lopez, V.	a087 Pretlow	a031 Titus
a117 Butler	a066 Glick	a001 Losquadro	a021 Ra	a062 Tobacco
a101 Cahill	a150 Goodell	a126 Lupardo	a097 Rabbitt	a041 Weinstein
a096 Calhoun	a075 Gottfried	a111 Magee	a009 Raia	a020 Weisenberg
a043 Canara	a005 Graf	a120 Magarelli	a006 Ramos	a024 Weprin
a106 Canestrari	a098 Gunther	a059 Maisel	a134 Reilich	a070 Wright
a089 Castelli	a130 Hanna	a060 Malliotakis	a109 Reilly	a054 Zebrowski
a086 Castro	a139 Hawley	a030 Markey	a078 Rivera, J.	a023
a138 Ceretto	a148 Hayes	a019 McDonough	a080 Rivera, N.	a027
a023 Clark	a083 Heastie	a104 McEneny	a076 Rivera, P.	a054
a047 Colton	a028 Hevesi	a017 McKeivitt	a119 Roberts	a116
a010 Conte	a048 Hiking	a108 McLaughlin	a056 Robinson	
a032 Cook	a018 Hooper	a022 Meng	a058 Rodriguez	
a142 Corwin	a144 Hoyt	a121 Miller, D.	a067 Rosenthal	
a085 Crespo	a042 Jacobs	a102 Miller, J.	a118 Russell	

1) Single House Bill (introduced and printed separately in either or both
houses). Uni-Bill (introduced simultaneously in both houses and printed as one
bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2 signed
copies of bill and 4 copies of memorandum in support (single-house); or 4 signed
copies of bill and 6 copies of memorandum in support (uni-bill).

PROGRAM BIT # 32

cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to reconrol of rents in Albany, chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, chapter 402 of the laws of 1983 amending the general business law relating to conversion of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland and the rent regulation reform act of 1997, in relation to extending the effectiveness thereof; to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to limiting rent increases after vacancy of a housing accommodation and the adjustment of maximum allowable rent based on apartment improvements; to amend the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law, the administrative code of the city of New York and the tax law, in relation to deregulation thresholds; to amend the real property tax law, in relation to tax exemption for new multiple dwellings and exemption of certain new or substantially rehabilitated multiple dwellings from local taxation and to amend the tax law, in relation to verification of income (Part B); to amend the state finance law, in relation to providing certain centralized services to political subdivisions and extending the authority of the commissioner of general services to aggregate purchases of energy for state agencies and political subdivisions; to amend the general municipal law, in relation to purchasing information technology and telecommunications; to amend the county law, in relation

to contracts for services; to amend the general municipal law, in relation to certain federal contracts; to amend the municipal home rule law, in relation to filing and publication of local laws; and providing for the repeal of certain provisions upon the expiration thereof (Subpart A); to amend the general municipal law and the highway law, in relation to mutual aid (Subpart B); to amend the general municipal law, in relation to apportioning the expenses of police department members in attending police training schools; to amend the criminal procedure law, in relation to the prosecution of the offense of identity theft; to amend the family court act, in relation to inter-county probation; to amend the mental hygiene law, in relation to payment of costs for prosecution of inmate-patients; and to repeal section 207-m of the general municipal law relating to salary increases for heads of police departments of municipalities, districts or authorities (Subpart C); to amend the general municipal law, in relation to filing requirements for municipalities regarding urban renewal plans and creation of urban renewal agencies and authorities (Subpart D); to amend the social services law, in relation to the use of debit or credit cards for child care assistance payments; and to amend the social services law, in relation to the length of licenses to board children, training of child protective service caseworkers, services plans, funding for children and family services, district-wide child welfare services plans, and non-residential services for victims of domestic violence (Subpart E); to amend the education law, in relation to census reporting; to amend the education law, in relation to transportation of children receiving special education services; to amend the education law, in relation to funding of certain capital projects and auditing of claims; to amend the education law, in relation to estab-

lishing a shared superintendent program; and to amend the education law, in relation to cost-sharing between districts; and to amend the general municipal law, in relation to accounts of officers to be examined; and providing for the repeal of certain provisions upon expiration thereof (Subpart F); to amend the mental hygiene law and the social services law, in relation to the implementation of medical support provisions (Subpart G); and to amend the state administrative procedure act, in relation to alternate methods for implementing regulatory mandates; and to amend the executive law, in relation to creation of the mandate relief council and providing for the expiration of such provisions (Subpart H) (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 major components of legislation
2 relating to real property tax levies, rent regulation, exemption from
3 local taxation and mandate relief. Each component is wholly contained
4 within a Part identified as Parts A through C. The effective date for
5 each particular provision contained within such Part is set forth in the
6 last section of such Part. Any provision in any section contained within
7 a Part, including the effective date of the Part, which makes a refer-
8 ence to a section "of this act", when used in connection with that
9 particular component, shall be deemed to mean and refer to the corre-
10 sponding section of the Part in which it is found. Section three of this
11 act sets forth the general effective date of this act.

12

PART A

13 Section 1. The general municipal law is amended by adding a new
14 section 3-c to read as follows:

15 § 3-c. Limit upon real property tax levies by local governments. 1.
16 Unless otherwise provided by law, the amount of real property taxes that
17 may be levied by or on behalf of any local government, other than the
18 city of New York and the counties contained therein, shall not exceed
19 the tax levy limit established pursuant to this section.

20 2. When used in this section:

21 (a) "Allowable levy growth factor" shall be the lesser of: (i) one and
22 two one-hundredths; or (ii) the sum of one plus the inflation factor;
23 provided, however, that in no case shall the levy growth factor be less
24 than one.

25 (b) "Available carryover" means the amount by which the tax levy for
26 the prior fiscal year was below the tax levy limit for such fiscal year,

1 if any, but no more than an amount that equals one and one-half percent
2 of the tax levy limit for such fiscal year.

3 (c) "Coming fiscal year" means the fiscal year of the local government
4 for which a tax levy limit shall be determined pursuant to this section.

5 (d) "Inflation factor" means the quotient of: (i) the average of the
6 national consumer price indexes determined by the United States depart-
7 ment of labor for the twelve-month period ending six months prior to the
8 start of the coming fiscal year minus the average of the national
9 consumer price indexes determined by the United States department of
10 labor for the twelve-month period ending six months prior to the start
11 of the prior fiscal year, divided by: (ii) the average of the national
12 consumer price indexes determined by the United States department of
13 labor for the twelve-month period ending six months prior to the start
14 of the prior fiscal year, with the result expressed as a decimal to four
15 places.

16 (e) "Local government" means a county, city, town, village, fire
17 district, or special district including but not limited to a district
18 created pursuant to article twelve or twelve-A, or governed by article
19 thirteen of the town law, or created pursuant to article five-A, five-B
20 or five-D of the county law, chapter five hundred sixteen of the laws of
21 nineteen hundred twenty-eight, or chapter two hundred seventy-three of
22 the laws of nineteen hundred thirty-nine, and shall include town
23 improvements provided pursuant to articles three-A and twelve-C of the
24 town law but shall not include the city of New York or the counties
25 contained therein.

26 (f) "Prior fiscal year" means the fiscal year of the local government
27 immediately preceding the coming fiscal year.

1 (g) "Tax levy limit" means the amount of taxes authorized to be levied
2 by or on behalf of a local government pursuant to this section,
3 provided, however, that the tax levy limit shall not include the follow-
4 ing:

5 (i) a tax levy necessary for expenditures resulting from court orders
6 or judgments against the local government arising out of tort actions
7 for any amount that exceeds five percent of the total tax levied in the
8 prior fiscal year;

9 (ii) in years in which the system average actuarial contribution rate
10 of the New York state and local employees' retirement system, as defined
11 by paragraph ten of subdivision a of section nineteen-a of the retire-
12 ment and social security law, increases by more than two percentage
13 points from the previous year, a tax levy necessary for expenditures for
14 the coming fiscal year for local government employer contributions to
15 the New York state and local employees' retirement system caused by
16 growth in the system average actuarial contribution rate minus two
17 percentage points;

18 (iii) in years in which the system average actuarial contribution rate
19 of the New York state and local police and fire retirement system, as
20 defined by paragraph eleven of subdivision a of section three hundred
21 nineteen-a of the retirement and social security law, increases by more
22 than two percentage points from the previous year, a tax levy necessary
23 for expenditures for the coming fiscal year for local government employ-
24 er contributions to the New York state and local police and fire retire-
25 ment system caused by growth in the system average actuarial contrib-
26 ution rate minus two percentage points;

27 (iv) in years in which the normal contribution rate of the New York
28 state teachers' retirement system, as defined by paragraph a of subdivi-

1 sion two of section five hundred seventeen of the education law,
2 increases by more than two percentage points from the previous year, a
3 tax levy necessary for expenditures for the coming fiscal year for local
4 government employer contributions to the New York state teachers'
5 retirement system caused by growth in the normal contribution rate minus
6 two percentage points.

7 (h) "Tax" or "taxes" shall include (i) a charge imposed upon real
8 property by or on behalf of a county, city, town, village or school
9 district for municipal or school district purposes, and (ii) special ad
10 valorem levies and special assessments as defined in subdivisions four-
11 teen and fifteen of section one hundred two of the real property tax
12 law.

13 3. (a) Subject to the provisions of subdivision five of this section,
14 beginning with the fiscal year that begins in two thousand twelve, no
15 local government shall adopt a budget that requires a tax levy that is
16 greater than the tax levy limit for the coming fiscal year. Provided
17 however the tax levy limit shall not prohibit a levy necessary to
18 support the expenditures pursuant to subparagraphs (i) through (iv) of
19 paragraph (g) of subdivision two of this section.

20 (b)(i) The commissioner of taxation and finance shall calculate a
21 quantity change factor for each local government for the coming fiscal
22 year based upon the physical or quantity change, as defined by section
23 twelve hundred twenty of the real property tax law, reported to the
24 commissioner of taxation and finance by the assessor or assessors pursu-
25 ant to section five hundred seventy-five of the real property tax law.
26 The quantity change factor shall show the percentage by which the full
27 value of the taxable real property in the local government has changed
28 due to physical or quantity change between the second final assessment

1 roll or rolls preceding the final assessment roll or rolls upon which
2 taxes are to be levied, and the final assessment roll or rolls imme-
3 diately preceding the final assessment roll or rolls upon which taxes
4 are to be levied.

5 (ii) After determining the quantity change factor for the local
6 government, the commissioner of taxation and finance shall proceed as
7 follows:

8 (A) If the quantity change factor is negative, the commissioner of
9 taxation and finance shall not determine a tax base growth factor for
10 the local government.

11 (B) If the quantity change factor is positive, the commissioner of
12 taxation and finance shall determine a tax base growth factor for the
13 local government which is equal to one plus the quantity change factor.

14 (iii) The commissioner of taxation and finance shall notify the state
15 comptroller and each local government of the applicable tax base growth
16 factors, if any, as soon thereafter as such factors are determined.

17 (c) Each local government shall calculate the tax levy limit applica-
18 ble to the coming fiscal year which shall be determined as follows:

19 (i) Ascertain the total amount of taxes levied for the prior fiscal
20 year.

21 (ii) Multiply the result by the tax base growth factor, calculated
22 pursuant to paragraph (b) of this subdivision, if any.

23 (iii) Add any payments in lieu of taxes that were receivable in the
24 prior fiscal year.

25 (iv) Subtract the tax levy necessary to support expenditures pursuant
26 to subparagraph (i) of paragraph (g) of subdivision two of this section
27 for the prior fiscal year, if any.

28 (v) Multiply the result by the allowable levy growth factor.

1 (vi) Subtract any payments in lieu of taxes receivable in the coming
2 fiscal year.

3 (vii) Add the available carryover, if any.

4 (d) Whenever the responsibility and associated cost of a local govern-
5 ment function is transferred to another local government, the state
6 comptroller shall determine the costs and savings on the affected local
7 governments attributable to such transfer for the first fiscal year
8 following the transfer, and notify such local governments of such deter-
9 mination and that they shall adjust their tax levy limits accordingly.

10 4. (a) When two or more local governments consolidate, the state comp-
11 troller shall determine the tax levy limit for the consolidated local
12 government for the first fiscal year following the consolidation based
13 on the respective tax levy limits of the component local governments
14 that formed such consolidated local government from the last fiscal year
15 prior to the consolidation.

16 (b) When a local government dissolves, the state comptroller shall
17 determine the tax levy limit for the local government that assumes the
18 debts, liabilities, and obligations of such dissolved local government
19 for the first fiscal year following the dissolution based on the respec-
20 tive tax levy limits of such dissolved local government and such local
21 government that assumes the debts, liabilities, and obligations of such
22 dissolved local government from the last fiscal year prior to the
23 dissolution.

24 (c) The tax levy limit established by this section shall not apply to
25 the first fiscal year after a local government is newly established or
26 constituted through a process other than consolidation or dissolution.

27 5. A local government may adopt a budget that requires a tax levy that
28 is greater than the tax levy limit for the coming fiscal year, not

1 including any levy necessary to support the expenditures pursuant to
2 subparagraphs (i) through (iv) of paragraph g of subdivision two of this
3 section, only if the governing body of such local government first
4 enacts, by a vote of sixty percent of the total voting power of such
5 body, a local law to override such limit for such coming fiscal year
6 only, or in the case of a district or fire district, a resolution,
7 approved by a vote of sixty percent of the total voting power of such
8 body, to override such limit for such coming fiscal year only.

9 6. In the event a local government's actual tax levy for a given
10 fiscal year exceeds the tax levy limit as established pursuant to this
11 section due to clerical or technical errors, the local government shall
12 place the excess amount of the levy in reserve in accordance with such
13 requirements as the state comptroller may prescribe, and shall use such
14 funds and any interest earned thereon to offset the tax levy for the
15 ensuing fiscal year. If, upon examination pursuant to sections thirty-
16 three and thirty-four of this chapter, the state comptroller finds that
17 a local government levied taxes in excess of the applicable tax levy
18 limit, the local government, as soon as practicable, shall place an
19 amount equal to the excess amount of the levy in such reserve in accord-
20 ance with this subdivision.

21 7. All local governments subject to the provisions of this section
22 shall, prior to adopting a budget for the coming fiscal year, submit to
23 the state comptroller, in a form and manner as he or she may prescribe,
24 any information necessary for calculating the tax levy limit for the
25 coming fiscal year.

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

1 § 2023-a. Limitations upon school district tax levies. 1. Generally.
2 Unless otherwise provided by law, the amount of taxes that may be levied
3 by or on behalf of any school district, other than a city school
4 district of a city with one hundred twenty-five thousand inhabitants or
5 more, shall not exceed the tax levy limit established pursuant to this
6 section, not including any tax levy necessary to support the expendi-
7 tures pursuant to subparagraphs (i) through (iv) of paragraph i of
8 subdivision two of this section.

9 2. Definitions. As used in this section:

10 a. "Allowable levy growth factor" shall be the lesser of: (i) one and
11 two one-hundredths; or (ii) the sum of one plus the inflation factor;
12 provided, however, that in no case shall the levy growth factor be less
13 than one.

14 b. "Available carryover" means the amount by which the tax levy for
15 the prior school year was below the applicable tax levy limit for such
16 school year, if any, but no more than an amount that equals one and
17 one-half percent of the tax levy limit for such school year.

18 c. "Capital local expenditures" means the taxes associated with budg-
19 eted expenditures resulting from the financing, refinancing, acquisi-
20 tion, design, construction, reconstruction, rehabilitation, improvement,
21 furnishing and equipping of, or otherwise providing for school district
22 capital facilities or school district capital equipment, including debt
23 service and lease expenditures, and transportation capital debt service,
24 subject to the approval of the qualified voters where required by law.

25 d. "Capital tax levy" means the tax levy necessary to support capital
26 local expenditures, if any.

27 e. "Coming school year" means the school year for which tax levy
28 limits are being determined pursuant to this section.

1 f. "Inflation factor" means the quotient of: (i) the average of the
2 national consumer price indexes determined by the United States depart-
3 ment of labor for the twelve-month period preceding January first of the
4 current year minus the average of the national consumer price indexes
5 determined by the United States department of labor for the twelve-month
6 period preceding January first of the prior year, divided by: (ii) the
7 average of the national consumer price indexes determined by the United
8 States department of labor for the twelve-month period preceding January
9 first of the prior year, with the result expressed as a decimal to four
10 places.

11 g. "Prior school year" means the school year immediately preceding the
12 coming school year.

13 h. "School district" means a common school district, union free school
14 district, central school district, central high school district or a
15 city school district in a city with less than one hundred twenty-five
16 thousand inhabitants.

17 i. "Tax levy limit" means the amount of taxes a school district is
18 authorized to levy pursuant to this section, provided, however, that the
19 tax levy limit shall not include the following:

20 (i) a tax levy necessary for expenditures resulting from court orders
21 or judgments against the school district arising out of tort actions for
22 any amount that exceeds five percent of the total tax levied in the
23 prior school year;

24 (ii) in years in which the system average actuarial contribution rate
25 of the New York state and local employees' retirement system, as defined
26 by paragraph ten of subdivision a of section nineteen-a of the retire-
27 ment and social security law, increases by more than two percentage
28 points from the previous year, a tax levy necessary for expenditures for

1 the coming fiscal year for school district employer contributions to the
2 New York state and local employees' retirement system caused by growth
3 in the system average actuarial contribution rate minus two percentage
4 points;

5 (iii) in years in which the normal contribution rate of the New York
6 state teachers' retirement system, as defined by paragraph a of subdivi-
7 sion two of section five hundred seventeen of this chapter, increases by
8 more than two percentage points from the previous year, a tax levy
9 necessary for expenditures for the coming fiscal year for school
10 district employer contributions to the New York state teachers' retire-
11 ment system caused by growth in the normal contribution rate minus two
12 percentage points; and

13 (iv) a capital tax levy.

14 2-a. Tax base growth factor. a. No later than February fifteenth of
15 each year, the commissioner of taxation and finance shall identify those
16 school districts for which tax base growth factors must be determined
17 for the coming school year, and shall notify the commissioner of the tax
18 base growth factors so determined, if any.

19 b. The commissioner of taxation and finance shall calculate a quantity
20 change factor for the coming school year for each school district based
21 upon the physical or quantity change, as defined by section twelve
22 hundred twenty of the real property tax law, reported to the commission-
23 er of taxation and finance by the assessor or assessors pursuant to
24 section five hundred seventy-five of the real property tax law. The
25 quantity change factor shall show the percentage by which the full value
26 of the taxable real property in the school district has changed due to
27 physical or quantity change between the second final assessment roll or
28 rolls preceding the final assessment roll or rolls upon which taxes are

1 to be levied, and the final assessment roll or rolls immediately preced-
2 ing the final assessment roll or rolls upon which taxes are to be
3 levied.

4 c. After determining the quantity change factor for a school district,
5 the commissioner of taxation and finance shall proceed as follows:

6 (i) If the quantity change factor is negative, the commissioner of
7 taxation and finance shall not determine a tax base growth factor for
8 the school district.

9 (ii) If the quantity change factor is positive, the commissioner of
10 taxation and finance shall determine a tax base growth factor for the
11 school district which is equal to one plus the quantity change factor.

12 3. Computation of tax levy limits. a. Each school district shall
13 calculate the tax levy limit for each school year which shall be deter-
14 mined as follows:

15 (1) Ascertain the total amount of taxes levied for the prior school
16 year.

17 (2) Multiply the result by the tax base growth factor, if any.

18 (3) Add any payments in lieu of taxes that were receivable in the
19 prior school year.

20 (4) Subtract the tax levy necessary to support the expenditures pursu-
21 ant to subparagraphs (i) and (iv) of paragraph i of subdivision two of
22 this section for the prior school year, if any.

23 (5) Multiply the result by the allowable levy growth factor.

24 (6) Subtract any payments in lieu of taxes receivable in the coming
25 fiscal year.

26 (7) Add the available carryover, if any.

27 b. On or before March first of each year, any school district subject
28 to the provisions of this section shall submit to the state comptroller,

1 the commissioner, and the commissioner of taxation and finance, in a
2 form and manner prescribed by the state comptroller, any information
3 necessary for the calculation of the tax levy limit; and the school
4 district's determination of the tax levy limit pursuant to this section
5 shall be subject to review by the commissioner and the commissioner of
6 taxation and finance.

7 4. Reorganized school districts. When two or more school districts
8 reorganize, the commissioner shall determine the tax levy limit for the
9 reorganized school district for the first school year following the
10 reorganization based on the respective tax levy limits of the school
11 districts that formed the reorganized district from the last school year
12 in which they were separate districts, provided that in the event of
13 formation of a new central high school district, the tax levy limits for
14 the new central high school district and its component school districts
15 shall be determined in accordance with a methodology prescribed by the
16 commissioner.

17 5. Erroneous levies. In the event a school district's actual tax levy
18 for a given school year exceeds the maximum allowable levy as estab-
19 lished pursuant to this section due to clerical or technical errors, the
20 school district shall place the excess amount of the levy in reserve in
21 accordance with such requirements as the state comptroller may
22 prescribe, and shall use such funds and any interest earned thereon to
23 offset the tax levy for the ensuing school year.

24 6. (a) Notwithstanding any other provision of law to the contrary, in
25 the event the trustee, trustees or board of education of a school
26 district that is subject to the provisions of this section proposes a
27 budget that will require a tax levy that exceeds the tax levy limit for
28 the corresponding school year, not including any levy necessary to

1 support the expenditures pursuant to subparagraphs (i) through (iv) of
2 paragraph i of subdivision two of this section, then such budget shall
3 be approved if sixty percent of the votes cast thereon are in the affir-
4 mative.

5 (b) Where the trustee, trustees or board of education proposes a budg-
6 et subject to the requirements of paragraph (a) of this subdivision, the
7 ballot for such budget shall include the following statement in substan-
8 tially the same form: "Adoption of this budget requires a tax levy
9 increase of _____ which exceeds the statutory tax levy increase limit
10 of _____ for this school fiscal year and therefore exceeds the state tax
11 cap and must be approved by sixty percent of the qualified voters pres-
12 ent and voting."

13 7. In the event that the original proposed budget is not approved by
14 the voters, the sole trustee, trustees or board of education may adopt a
15 final budget pursuant to subdivision eight of this section or resubmit
16 to the voters the original or a revised budget at a special district
17 meeting in accordance with subdivision three of section two thousand
18 seven of this part. Upon one defeat of such resubmitted budget, the
19 sole trustee, trustees or board of education shall adopt a final budget
20 pursuant to subdivision eight of this section.

21 8. Notwithstanding any other provision of law to the contrary, if the
22 qualified voters fail to approve the proposed school district budget
23 upon resubmission or upon a determination not to resubmit for a second
24 vote pursuant to subdivision seven of this section, the sole trustee,
25 trustees or board of education shall levy a tax no greater than the tax
26 that was levied for the prior school year.

27 9. Nothing in this section shall preclude the trustee, trustees, or
28 board of education of a school district, in their discretion, from

1 submitting additional items of expenditures to the voters for approval
2 as separate propositions or the voters from submitting propositions
3 pursuant to sections two thousand eight and two thousand thirty-five of
4 this part; provided however, except in the case of a proposition submit-
5 ted for any expenditure contained within subparagraphs (i) through (iv)
6 of paragraph i of subdivision two of this section, if any proposition,
7 or propositions collectively that are subject to a vote on the same
8 date, would require an expenditure of money that would require a tax
9 levy and would result in the tax levy limit being exceeded for the
10 corresponding school year then such proposition shall be approved if
11 sixty percent of the votes cast thereon are in the affirmative.

12 § 3. Section 2023 of the education law, as amended by section 24 of
13 part A of chapter 436 of the laws of 1997, subdivision 1 as amended by
14 chapter 682 of the laws of 2002, subparagraphs (v) and (vi) of paragraph
15 b of subdivision 4 as separately amended by section 1 of part D-2 of
16 chapter 57 of the laws of 2007 and chapter 422 of the laws of 2007,
17 subparagraph (vii) of paragraph b of subdivision 4 as added by section 1
18 of part D-2 of chapter 57 of the laws of 2007, subparagraph (vii) of
19 paragraph b of subdivision 4 as added by chapter 422 of the laws of 2007
20 and paragraph b-1 of subdivision 4 as amended by section 5 of part B of
21 chapter 57 of the laws of 2008, is amended to read as follows:

22 § 2023. Levy of tax for certain purposes without vote; contingency
23 budget. 1. If the qualified voters shall neglect or refuse to vote the
24 sum estimated necessary for teachers' salaries, after applying thereto
25 the public school moneys, and other moneys received or to be received
26 for that purpose, or if they shall neglect or refuse to vote the sum
27 estimated necessary for ordinary contingent expenses, including the
28 purchase of library books and other instructional materials associated

1 with a library and expenses incurred for interschool athletics, field
2 trips and other extracurricular activities and the expenses for cafete-
3 ria or restaurant services, the sole trustee, board of trustees, or
4 board of education shall adopt a contingency budget including such
5 expenses and shall levy a tax, subject to the restrictions as set forth
6 in subdivision four of this section and subdivision eight of section two
7 thousand twenty-three-a of this part, for the same, in like manner as if
8 the same had been voted by the qualified voters, subject to the limita-
9 tions contained in subdivisions three and four of this section.

10 2. Notwithstanding the defeat of a school budget, school districts
11 shall continue to transport students to and from the regular school
12 program in accordance with the mileage limitations previously adopted by
13 the qualified voters of the school district. Such mileage limits shall
14 change only when amended by a special proposition passed by a majority
15 of the qualified voters of the school district. In cases where the
16 school budget is defeated by such qualified voters of the school
17 district, appropriations for transportation costs for purposes other
18 than for transportation to and from the regular school program, and
19 transportation that would constitute an ordinary contingent expense
20 pursuant to subdivision one of this section, shall be authorized in the
21 budget only after approval by the qualified voters of the district.

22 3. The administrative component of a contingency budget shall not
23 comprise a greater percentage of the contingency budget exclusive of the
24 capital component than the lesser of (1) the percentage the administra-
25 tive component had comprised in the prior year budget exclusive of the
26 capital component; or (2) the percentage the administrative component
27 had comprised in the last proposed defeated budget exclusive of the
28 capital component.

1 4. a. The contingency budget shall not result in a [percentage
2 increase in total spending over the district's total spending under the
3 school district budget for the prior school year that exceeds the lesser
4 of: (i) the result obtained when one hundred twenty percent is multi-
5 plied by the percentage increase in the consumer price index, with the
6 result rounded to two decimal places; or (ii) four percent.

7 b. The following types of expenditures shall be disregarded in deter-
8 mining total spending:

9 (i) expenditures resulting from a tax certiorari proceeding;

10 (ii) expenditures resulting from a court order or judgment against the
11 school district;

12 (iii) emergency expenditures that are certified by the commissioner as
13 necessary as a result of damage to, or destruction of, a school building
14 or school equipment;

15 (iv) capital expenditures resulting from the construction, acquisi-
16 tion, reconstruction, rehabilitation or improvement of school facili-
17 ties, including debt service and lease expenditures, subject to the
18 approval of the qualified voters where required by law;

19 (v) expenditures in the contingency budget attributable to projected
20 increases in public school enrollment, which, for the purpose of this
21 subdivision, may include increases attributable to the enrollment of
22 students attending a pre-kindergarten program established in accordance
23 with section thirty-six hundred two-e of this chapter, to be computed
24 based upon an increase in enrollment from the year prior to the base
25 year for which the budget is being adopted to the base year for which
26 the budget is being adopted, provided that where the trustees or board
27 of education have documented evidence that a further increase in enroll-
28 ment will occur during the school year for which the contingency budget

1 is prepared because of new construction, inception of a pre-kindergarten
2 program, growth or similar factors, the expenditures attributable to
3 such additional enrollment may also be disregarded;

4 (vi) non-recurring expenditures in the prior year's school district
5 budget; and

6 (vii) expenditures for payments to charter schools pursuant to section
7 twenty-eight hundred fifty-six of this chapter.

8 (vii) expenditures for self-supporting programs. For purposes of this
9 subparagraph, "self-supporting programs" shall mean any programs that
10 are entirely funded by private funds that cover all the costs of the
11 program.

12 b-1. Notwithstanding any other provision of this subdivision to the
13 contrary, in the event a state grant in aid provided to the district in
14 the prior year is eliminated and incorporated into a non-categorical
15 general state aid in the current school year, the amount of such grant
16 may be included in the computation of total spending for the prior
17 school year, provided that the commissioner has verified that the grant
18 in aid has been incorporated into such non-categorical general state
19 aid] tax levy greater than the tax levied for the prior school year.

20 [c.] b. The resolution of the trustee, board of trustees, or board of
21 education adopting a contingency budget shall incorporate by reference a
22 statement specifying the projected percentage increase or decrease in
23 total spending for the school year, and explaining the reasons for
24 disregarding any portion of an increase in spending in formulating the
25 contingency budget.

26 [d.] c. Notwithstanding any other provision of law to the contrary,
27 the trustees or board of education shall not be authorized to amend or
28 revise a final contingency budget where such amendment or revision would

1 result in total spending in excess of the spending limitation in para-
2 graph (a) of this subdivision; provided that the trustees or board of
3 education shall be authorized to add appropriations for[:

4 (i) the categories of expenditures excluded from the spending limita-
5 tions set forth in paragraph (b) of this subdivision, subject to
6 approval of the qualified voters where required by law;

7 (ii) expenditures resulting from an actual increase in enrollment over
8 the projected enrollment used to develop the contingency budget,
9 provided that where such actual enrollment is less than such projected
10 enrollment, it shall be the duty of the trustees or board of education
11 to use such excess funds to reduce taxes; and

12 (iii)] the expenditure of gifts, grants in aid for specific purposes
13 or for general use or insurance proceeds authorized pursuant to subdivi-
14 sion two of [subdivision] section seventeen hundred eighteen of this
15 chapter in addition to that which has been previously budgeted.

16 [e. For the purposes of this subdivision:

17 (i) "Base school year" shall mean the school year immediately preced-
18 ing the school year for which the contingency budget is prepared.

19 (ii) "Consumer price index" shall mean the percentage that represents
20 the average of the national consumer price indexes determined by the
21 United States department of labor, for the twelve month period preceding
22 January first of the current year.

23 (iii) "Current year" shall mean the calendar year in which the school
24 district budget is submitted for a vote of the qualified voters.

25 (iv) "Resident public school district enrollment shall mean the resi-
26 dent public school enrollment of the school district as defined in para-
27 graph n of subdivision one of section thirty-six hundred two of this
28 chapter.

1 (v) "Total spending" shall mean the total amount appropriated under
2 the school district budget for the school year.]

3 § 4. Paragraph a of subdivision 7 of section 1608 of the education
4 law, as amended by chapter 238 of the laws of 2007, is amended to read
5 as follows:

6 a. Each year, commencing with the proposed budget for the two thou-
7 sand--two thousand one school year, the trustee or board of trustees
8 shall prepare a property tax report card, pursuant to regulations of the
9 commissioner, and shall make it publicly available by transmitting it to
10 local newspapers of general circulation, appending it to copies of the
11 proposed budget made publicly available as required by law, making it
12 available for distribution at the annual meeting, and otherwise dissem-
13 inating it as required by the commissioner. Such report card shall
14 include: (i) the amount of total spending and total estimated school tax
15 levy that would result from adoption of the proposed budget and the
16 percentage increase or decrease in total spending and total school tax
17 levy from the school district budget for the preceding school year; and
18 (ii) the district's tax levy limit determined pursuant to section two
19 thousand twenty-three-a of this title, and the estimated school tax
20 levy, excluding any levy necessary to support the expenditures pursuant
21 to subparagraphs (i) through (iv) of paragraph i of subdivision two of
22 section two thousand twenty-three-a of this title, that would result
23 from adoption of the proposed budget; and (iii) the projected enrollment
24 growth for the school year for which the budget is prepared, and the
25 percentage change in enrollment from the previous year; and [(iii)] (iv)
26 the percentage increase in the consumer price index, as defined in para-
27 graph c of this subdivision; and [(iv)] (v) the projected amount of the
28 unappropriated unreserved fund balance that will be retained if the

1 proposed budget is adopted, the projected amount of the reserved fund
2 balance, the projected amount of the appropriated fund balance, the
3 percentage of the proposed budget that the unappropriated unreserved
4 fund balance represents, the actual unappropriated unreserved fund
5 balance retained in the school district budget for the preceding school
6 year, and the percentage of the school district budget for the preceding
7 school year that the actual unappropriated unreserved fund balance
8 represents.

9 § 5. Paragraph a of subdivision 7 of section 1716 of the education
10 law, as amended by chapter 238 of the laws of 2007, is amended to read
11 as follows:

12 a. Each year, commencing with the proposed budget for the two thou-
13 sand--two thousand one school year, the board of education shall prepare
14 a property tax report card, pursuant to regulations of the commissioner,
15 and shall make it publicly available by transmitting it to local newspa-
16 pers of general circulation, appending it to copies of the proposed
17 budget made publicly available as required by law, making it available
18 for distribution at the annual meeting, and otherwise disseminating it
19 as required by the commissioner. Such report card shall include: (i) the
20 amount of total spending and total estimated school tax levy that would
21 result from adoption of the proposed budget and the percentage increase
22 or decrease in total spending and total school tax levy from the school
23 district budget for the preceding school year; and (ii) the district's
24 tax levy limit determined pursuant to section two thousand
25 twenty-three-a of this title, and the estimated school tax levy, exclud-
26 ing any levy necessary to support the expenditures pursuant to subpara-
27 graphs (i) through (iv) of paragraph i of subdivision two of section two
28 thousand twenty-three-a of this title, that would result from adoption

1 of the proposed budget; and (iii) the projected enrollment growth for
2 the school year for which the budget is prepared, and the percentage
3 change in enrollment from the previous year; and [(iii)] (iv) the
4 percentage increase in the consumer price index, as defined in paragraph
5 c of this subdivision; and [(iv)] (v) the projected amount of the unap-
6 propriated unreserved fund balance that will be retained if the proposed
7 budget is adopted, the projected amount of the reserved fund balance,
8 the projected amount of the appropriated fund balance, the percentage of
9 the proposed budget that the unappropriated unreserved fund balance
10 represents, the actual unappropriated unreserved fund balance retained
11 in the school district budget for the preceding school year, and the
12 percentage of the school district budget for the preceding school year
13 that the actual unappropriated unreserved fund balance represents.

14 § 6. Section 2008 of the education law is amended by adding a new
15 subdivision 3 to read as follows:

16 3. Notwithstanding any other provision of law to the contrary, any
17 proposition submitted by the voters that requires the expenditure of
18 money shall be subject to the requirements set forth in subdivision nine
19 of section two thousand twenty-three-a of this part.

20 § 7. Section 2022 of the education law, as amended by section 23 of
21 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as
22 amended by section 8 of part C of chapter 58 of the laws of 1998, subdi-
23 vision 2-a as amended by section 3 of part A of chapter 60 of the laws
24 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part
25 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section
26 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added
27 by chapter 61 of the laws of 2003, is amended to read as follows:

1 § 2022. Vote on school district budgets and on the election of school
2 district trustees and board of education members. 1. Notwithstanding any
3 law, rule or regulation to the contrary, the election of trustees or
4 members of the board of education, and the vote upon the appropriation
5 of the necessary funds to meet the estimated expenditures, in any common
6 school district, union free school district, central school district or
7 central high school district shall be held at the annual meeting and
8 election on the third Tuesday in May, provided, however, that such
9 election shall be held on the second Tuesday in May if the commissioner
10 at the request of a local school board certifies no later than March
11 first that such election would conflict with religious observances.
12 [When such election or vote is taken by recording the ayes and noes of
13 the qualified voters attending, a majority of the qualified voters pres-
14 ent and voting, by a hand or voice vote, may determine to take up the
15 question of voting the necessary funds to meet the estimated expendi-
16 tures for a specific item separately, and the qualified voters present
17 and voting may increase the amount of any estimated expenditures or
18 reduce the same, except for teachers' salaries, and the ordinary contin-
19 gent expenses of the schools.] The sole trustee, board of trustees or
20 board of education of every common, union free, central or central high
21 school district and every city school district to which this article
22 applies shall hold a budget hearing not less than seven nor more than
23 fourteen days prior to the annual meeting and election or special
24 district meeting at which a school budget vote will occur, and shall
25 prepare and present to the voters at such budget hearing a proposed
26 school district budget for the ensuing school year.

27 2. Except as provided in subdivision four of this section, nothing in
28 this section shall preclude the trustees or board of education, in their

1 discretion, from submitting additional items of expenditure to the
2 voters for approval as separate propositions or the voters from submit-
3 ting propositions pursuant to [section] sections two thousand eight and
4 two thousand thirty-five of this [article] part; provided however that
5 such propositions shall be subject to the requirements set forth in
6 subdivision nine of section two thousand twenty-three-a of this part.

7 2-a. Every common, union free, central, central high school district
8 and city school district to which this article applies shall mail a
9 school budget notice to all qualified voters of the school district
10 after the date of the budget hearing, but no later than six days prior
11 to the annual meeting and election or special district meeting at which
12 a school budget vote will occur. The school budget notice shall compare
13 the percentage increase or decrease in total spending under the proposed
14 budget over total spending under the school district budget adopted for
15 the current school year, with the percentage increase or decrease in the
16 consumer price index, from January first of the prior school year to
17 January first of the current school year, and shall also include the
18 information required by paragraphs a and b of this subdivision. The
19 notice shall also set forth the date, time and place of the school budg-
20 et vote, in the same manner as in the notice of annual meeting, and
21 shall also include the district's tax levy limit pursuant to section two
22 thousand twenty-three-a of this part, and the estimated school tax levy,
23 excluding any levy necessary to support the expenditures pursuant to
24 subparagraphs (i) through (iv) of paragraph i of subdivision two of
25 section two thousand twenty-three-a of this part, that would result from
26 adoption of the proposed budget. Such notice shall be in a form
27 prescribed by the commissioner.

1 a. Commencing with the proposed budget for the two thousand one--two
2 thousand two school year, such notice shall also include a description
3 of how total spending and the tax levy resulting from the proposed budg-
4 et would compare with a projected contingency budget adopted pursuant to
5 section two thousand twenty-three of this article, assuming that such
6 contingency budget is adopted on the same day as the vote on the
7 proposed budget. Such comparison shall be in total and by component
8 (program, capital and administrative), and shall include a statement of
9 the assumptions made in estimating the projected contingency budget.

10 b. Commencing with the proposed budget for the two thousand eight--two
11 thousand nine school year, such notice shall also include, in a format
12 prescribed by the commissioner, an estimate of the tax savings that
13 would be available to an eligible homeowner under the basic school tax
14 relief (STAR) exemption authorized by section four hundred twenty-five
15 of the real property tax law if the proposed budget were adopted. Such
16 estimate shall be made in the manner prescribed by the commissioner, in
17 consultation with the office of real property services.

18 3. In all elections for trustees or members of boards of education or
19 votes involving the expenditure of money, or authorizing the levy of
20 taxes, the vote thereon shall be by ballot, or, in school districts that
21 prior to nineteen hundred ninety-eight conducted their vote at the annu-
22 al meeting, may be ascertained by taking and recording the ayes and noes
23 of such qualified voters attending and voting at such district meetings.

24 4. The budget adoption process shall conform to the requirements set
25 forth in section two thousand twenty-three-a of this part. In the event
26 that the original proposed budget is not approved by the voters, the
27 sole trustee, trustees or board of education may adopt a final budget
28 pursuant to subdivision five of this section or resubmit to the voters

1 the original or a revised budget pursuant to subdivision three of
2 section two thousand seven of this part. Upon one defeat of such resub-
3 mitted budget, the sole trustee, trustees or board of education shall
4 adopt a final budget pursuant to subdivision five of this section.
5 Notwithstanding any other provision of law to the contrary, the school
6 district budget for any school year, or any part of such budget or any
7 propositions involving the expenditure of money for such school year
8 shall not be submitted for a vote of the qualified voters more than
9 twice.

10 5. If the qualified voters fail to approve the proposed school
11 district budget upon resubmission or upon a determination not to resub-
12 mit for a second vote pursuant to subdivision four of this section, the
13 sole trustee, trustees or board of education, after applying thereto the
14 public school moneys and other moneys received or to be received for
15 that purpose, shall levy a tax for the sum necessary for teachers' sala-
16 ries and other ordinary contingent expenses in accordance with the
17 provisions of this subdivision and [section] sections two thousand twen-
18 ty-three and two thousand twenty-three-a of this article.

19 6. Notwithstanding the provisions of subdivision four of section eigh-
20 teen hundred four and subdivision five of section nineteen hundred six
21 of this title, subdivision one of section two thousand two of this arti-
22 cle, subdivision one of this section, subdivision two of section twen-
23 ty-six hundred one-a of this title and any other provision of law to the
24 contrary, the annual district meeting and election of every common,
25 union free, central and central high school district and the annual
26 meeting of every city school district in a city having a population of
27 less than one hundred twenty-five thousand inhabitants that is scheduled
28 to be held on the third Tuesday of May, two thousand three is hereby

1 adjourned until the first Tuesday in June, two thousand three. The trus-
2 tees or board of education of each such school district shall provide
3 notice of such adjourned meeting to the qualified voters in the manner
4 prescribed for notice of the annual meeting, and such notice shall
5 provide for an adjourned budget hearing. The adjourned district meeting
6 or district meeting and election shall be deemed the annual meeting or
7 annual meeting and election of the district for all purposes under this
8 title and the date of the adjourned meeting shall be deemed the state-
9 wide uniform voting day for all purposes under this title. Notwith-
10 standing the provisions of subdivision seven of section sixteen hundred
11 eight or subdivision seven of section seventeen hundred sixteen of this
12 title or any other provision of law, rule or regulation to the contrary,
13 in two thousand three the property tax report card shall be submitted to
14 the department no later than twenty days prior to the date of the
15 adjourned meeting and the department shall make its compilation avail-
16 able electronically at least seven days prior to such date.

17 § 8. Section 2035 of the education law is amended by adding a new
18 subdivision 3 to read as follows:

19 3. Any proposition submitted pursuant to this section shall be subject
20 to the requirements set forth in subdivision nine of section two thou-
21 sand twenty-three-a of this part.

22 § 9. Section 2601-a of the education law, as added by chapter 171 of
23 the laws of 1996, subdivision 2 as amended by section 6 and subdivision
24 4 as amended by section 8 of part M of chapter 57 of the laws of 2005,
25 subdivision 3 as amended by chapter 640 of the laws of 2008, subdivision
26 5 as amended by section 29 of part A of chapter 436 of the laws of 1997,
27 subdivision 6 as amended and subdivision 7 as added by chapter 474 of
28 the laws of 1996, is amended to read as follows:

1 § 2601-a. Procedures for adoption of school budgets in small city
2 school districts. 1. The board of education of each city school district
3 subject to this article shall provide for the submission of a budget for
4 approval of the voters pursuant to the provisions of this section and in
5 accordance with the requirements set forth in section two thousand twen-
6 ty-three-a of this title.

7 2. The board of education shall conduct all annual and special school
8 district meetings for the purpose of adopting a school district budget
9 in the same manner as a union free school district in accordance with
10 the provisions of article forty-one of this title, except as otherwise
11 provided by this section. The annual meeting and election of each such
12 city school district shall be held on the third Tuesday of May in each
13 year, provided, however that such annual meeting and election shall be
14 held on the second Tuesday in May if the commissioner at the request of
15 a local school board certifies no later than March first that such
16 election would conflict with religious observances, and any school budg-
17 et revote shall be held on the date and in the same manner specified in
18 subdivision three of section two thousand seven of this title. The
19 provisions of this article, and where applicable subdivisions nine and
20 nine-a of section twenty-five hundred two of this title, governing the
21 qualification and registration of voters, and procedures for the nomi-
22 nation and election of members of the board of education shall continue
23 to apply, and shall govern the qualification and registration of voters
24 and voting procedures with respect to the adoption of a school district
25 budget.

26 3. The board of education shall prepare a proposed school district
27 budget for the ensuing year in accordance with the provisions of section
28 seventeen hundred sixteen of this chapter, including all provisions

1 relating to required notices and appendices to the statement of expendi-
2 tures. No board of education shall incur a school district liability
3 except as authorized by the provisions of section seventeen hundred
4 eighteen of this chapter. Such proposed budget shall be presented in
5 three components: a program component, a capital component and an admin-
6 istrative component which shall be separately delineated in accordance
7 with regulations of the commissioner after consultation with local
8 school district officials. The administrative component shall include,
9 but need not be limited to, office and central administrative expenses,
10 traveling expenses and all compensation, salaries and benefits of all
11 school administrators and supervisors, including business administra-
12 tors, superintendents of schools and deputy, assistant, associate or
13 other superintendents under all existing employment contracts or collec-
14 tive bargaining agreements, any and all expenditures associated with the
15 operation of the board of education, the office of the superintendent of
16 schools, general administration, the school business office, consulting
17 costs not directly related to direct student services and programs,
18 planning and all other administrative activities. The program component
19 shall include, but need not be limited to, all program expenditures of
20 the school district, including the salaries and benefits of teachers and
21 any school administrators or supervisors who spend a majority of their
22 time performing teaching duties, and all transportation operating
23 expenses. The capital component shall include, but need not be limited
24 to, all transportation capital, debt service, and lease expenditures;
25 costs resulting from judgments in tax certiorari proceedings or the
26 payment of awards from court judgments, administrative orders or settled
27 or compromised claims; and all facilities costs of the school district,
28 including facilities lease expenditures, the annual debt service and

1 total debt for all facilities financed by bonds and notes of the school
2 district, and the costs of construction, acquisition, reconstruction,
3 rehabilitation or improvement of school buildings, provided that such
4 budget shall include a rental, operations and maintenance section that
5 includes base rent costs, total rent costs, operation and maintenance
6 charges, cost per square foot for each facility leased by the school
7 district, and any and all expenditures associated with custodial sala-
8 ries and benefits, service contracts, supplies, utilities, and mainte-
9 nance and repairs of school facilities. For the purposes of the develop-
10 ment of a budget for the nineteen hundred ninety-seven--ninety-eight
11 school year, the board of education shall separate its program, capital
12 and administrative costs for the nineteen hundred ninety-six--ninety-
13 seven school year in the manner as if the budget for such year had been
14 presented in three components. Except as provided in subdivision four of
15 this section, nothing in this section shall preclude the board, in its
16 discretion, from submitting additional items of expenditure to the
17 voters for approval as separate propositions or the voters from submit-
18 ting propositions pursuant to sections two thousand eight and two thou-
19 sand thirty-five of this chapter subject to the requirements set forth
20 in subdivision nine of section two thousand twenty-three-a of this part.

21 4. The budget adoption process shall conform to the requirements set
22 forth in section two thousand twenty-three-a of this title. In the event
23 the qualified voters of the district reject the budget proposed pursuant
24 to subdivision three of this section, the board may propose to the
25 voters a revised budget pursuant to subdivision three of section two
26 thousand seven of this title or may adopt a contingency budget pursuant
27 to subdivision five of this section and subdivision five of section two
28 thousand twenty-two of this title. The school district budget for any

1 school year, or any part of such budget or any propositions involving
2 the expenditure of money for such school year shall not be submitted for
3 a vote of the qualified voters more than twice. In the event the quali-
4 fied voters reject the resubmitted budget, the board shall adopt a
5 contingency budget in accordance with subdivision five of this section
6 and subdivision five of such section two thousand twenty-two of this
7 title.

8 5. If the qualified voters fail or refuse to vote the sum estimated to
9 be necessary for teachers' salaries and other ordinary contingent
10 expenses, the board shall adopt a contingency budget in accordance with
11 this subdivision and shall levy a tax for that portion of such sum
12 remaining after applying thereto the moneys received or to be received
13 from state, federal or other sources, in the same manner as if the budg-
14 et had been approved by the qualified voters; subject to the limitations
15 imposed in subdivision four of section two thousand twenty-three of this
16 chapter, subdivision eight of section two thousand twenty-three-a of
17 this title and this subdivision. The administrative component shall not
18 comprise a greater percentage of the contingency budget exclusive of the
19 capital component than the lesser of (1) the percentage the administra-
20 tive component had comprised in the prior year budget exclusive of the
21 capital component; or (2) the percentage the administrative component
22 had comprised in the last proposed defeated budget exclusive of the
23 capital component. Such contingency budget shall include the sum deter-
24 mined by the board to be necessary for:

25 (a) teachers' salaries, including the salaries of all members of the
26 teaching and supervising staff;

27 (b) items of expense specifically authorized by statute to be incurred
28 by the board of education, including, but not limited to, expenditures

1 for transportation to and from regular school programs included as ordi-
2 nary contingent expenses in subdivision twelve of section twenty-five
3 hundred three of this Chapter, expenditures for textbooks, required
4 services for non-public school students, school health services, special
5 education services, kindergarten and nursery school programs, and the
6 district's share of the administrative costs and costs of services
7 provided by a board of cooperative educational services;

8 (c) items of expense for legal obligations of the district, including,
9 but not limited to, contractual obligations, debt service, court orders
10 or judgments, orders of administrative bodies or officers, and standards
11 and requirements of the board of regents and the commissioner that have
12 the force and effect of law;

13 (d) the purchase of library books and other instructional materials
14 associated with a library;

15 (e) items of expense necessary to maintain the educational programs of
16 the district, preserve the property of the district or protect the
17 health and safety of students and staff, including, but not limited to,
18 support services, pupil personnel services, the necessary salaries for
19 the necessary number of non-teaching employees, necessary legal
20 expenses, water and utility charges, instructional supplies for teach-
21 ers' use, emergency repairs, temporary rental of essential classroom
22 facilities, and expenditures necessary to advise school district voters
23 concerning school matters; and

24 (f) expenses incurred for interschool athletics, field trips and other
25 extracurricular activities; and

26 (g) any other item of expense determined by the commissioner to be an
27 ordinary contingent expense in any school district.

1 6. The commissioner shall determine appeals raising questions as to
2 what items of expenditure are ordinary contingent expenses pursuant to
3 subdivision five of this section in accordance with section two thousand
4 twenty-four and three hundred ten of this chapter.

5 7. Each year, the board of education shall prepare a school district
6 report card, pursuant to regulations of the commissioner, and shall make
7 it publicly available by transmitting it to local newspapers of general
8 circulation, appending it to copies of the proposed budget made publicly
9 available as required by law, making it available for distribution at
10 the annual meeting, and otherwise disseminating it as required by the
11 commissioner. Such report card shall include measures of the academic
12 performance of the school district, on a school by school basis, and
13 measures of the fiscal performance of the district, as prescribed by the
14 commissioner. Pursuant to regulations of the commissioner, the report
15 card shall also compare these measures to statewide averages for all
16 public schools, and statewide averages for public schools of comparable
17 wealth and need, developed by the commissioner. Such report card shall
18 include, at a minimum, any information on the school district regarding
19 pupil performance and expenditure per pupil required to be included in
20 the annual report by the regents to the governor and the legislature
21 pursuant to section two hundred fifteen-a of this chapter; and any other
22 information required by the commissioner. School districts (i) identi-
23 fied as having fifteen percent or more of their students in special
24 education, or (ii) which have fifty percent or more of their students
25 with disabilities in special education programs or services sixty
26 percent or more of the school day in a general education building, or
27 (iii) which have eight percent or more of their students with disabili-
28 ties in special education programs in public or private separate educa-

1 tional settings shall indicate on their school district report card
2 their respective percentages as defined in this paragraph and paragraphs
3 (i) and (ii) of this subdivision as compared to the statewide average.

4 § 10. Paragraph b-1 of subdivision 4 of section 3602 of the education
5 law, as amended by section 26 of part A of chapter 58 of the laws of
6 2011, is amended to read as follows:

7 b-1. Notwithstanding any other provision of law to the contrary, for
8 the two thousand seven--two thousand eight [through] school year and
9 thereafter, the additional amount payable to each school district pursu-
10 ant to this subdivision in the current year as total foundation aid,
11 after deducting the total foundation aid base, shall be deemed a state
12 grant in aid identified by the commissioner for general use for purposes
13 of [sections] section seventeen hundred eighteen [and two thousand twen-
14 ty-three] of this chapter.

15 § 11. Paragraph a of subdivision 1 of section 3635 of the education
16 law, as amended by chapter 69 of the laws of 1992, is amended to read as
17 follows:

18 a. Sufficient transportation facilities (including the operation and
19 maintenance of motor vehicles) shall be provided by the school district
20 for all the children residing within the school district to and from the
21 school they legally attend, who are in need of such transportation
22 because of the remoteness of the school to the child or for the
23 promotion of the best interest of such children. Such transportation
24 shall be provided for all children attending grades kindergarten through
25 eight who live more than two miles from the school which they legally
26 attend and for all children attending grades nine through twelve who
27 live more than three miles from the school which they legally attend and
28 shall be provided for each such child up to a distance of fifteen miles,

1 the distances in each case being measured by the nearest available route
2 from home to school. The cost of providing such transportation between
3 two or three miles, as the case may be, and fifteen miles shall be
4 considered for the purposes of this chapter to be a charge upon the
5 district and an ordinary contingent expense of the district. Transporta-
6 tion for a lesser distance than two miles in the case of children
7 attending grades kindergarten through eight or three miles in the case
8 of children attending grades nine through twelve and for a greater
9 distance than fifteen miles may be provided by the district with the
10 approval of the qualified voters, and, if provided, shall be offered
11 equally to all children in like circumstances residing in the district;
12 provided, however, that this requirement shall not apply to transporta-
13 tion offered pursuant to section thirty-six hundred thirty-five-b of
14 this article.

15 § 12. Nothing contained in this act shall impair or invalidate the
16 powers or duties, as authorized by law, of a control board, interim
17 finance authority or fiscal stability authority including such powers or
18 duties that may require the tax levy limit, as that term is defined in
19 section one or section two of this act, to be exceeded.

20 § 13. This act shall take effect immediately; provided, however, that
21 sections two through eleven of this act shall take effect July 1, 2011
22 and shall first apply to school district budgets and the budget adoption
23 process for the 2012-13 school year; and shall continue to apply to
24 school district budgets and the budget adoption process for any school
25 year beginning in any calendar year during which this act is in effect;
26 provided further, that if section 26 of part A of chapter 58 of the laws
27 of 2011 shall not have taken effect on or before such date then section
28 ten of this act shall take effect on the same date and in the same

1 manner as such chapter of the laws of 2011, takes effect; provided
2 further, that section one of this act shall first apply to the levy of
3 taxes by local governments for the fiscal year that begins in 2012 and
4 shall continue to apply to the levy of taxes by local governments for
5 any fiscal year beginning in any calendar year during which this act is
6 in effect; provided, further, that this act shall remain in full force
7 and effect at a minimum until and including June 15, 2016 and shall
8 remain in effect thereafter only so long as the public emergency requir-
9 ing the regulation and control of residential rents and evictions and
10 all such laws providing for such regulation and control continue as
11 provided in subdivision 3 of section 1 of the local emergency rent
12 control act, sections 26-501, 26-502 and 26-520 of the administrative
13 code of the city of New York, section 17 of chapter 576 of the laws of
14 1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946
15 constituting the emergency housing rent control law, and section 10 of
16 chapter 555 of the laws of 1982, amending the general business law and
17 the administrative code of the city of New York relating to conversions
18 of residential property to cooperative or condominium ownership in the
19 city of New York as such laws are continued by chapter 93 of the laws of
20 2011 and as such sections are amended from time to time.

21

PART B

22 Section 1. Short title. This act shall be known and may be cited as
23 the "rent act of 2011."

24 § 1-a. Section 17 of chapter 576 of the laws of 1974 amending the
25 emergency housing rent control law relating to the control of and

1 stabilization of rent in certain cases, as amended by chapter 93 of the
2 laws of 2011, is amended to read as follows:

3 § 17. Effective date. This act shall take effect immediately and
4 shall remain in full force and effect until and including the [twenty-
5 third] fifteenth day of June [2011] 2015; except that sections two and
6 three shall take effect with respect to any city having a population of
7 one million or more and section one shall take effect with respect to
8 any other city, or any town or village whenever the local legislative
9 body of a city, town or village determines the existence of a public
10 emergency pursuant to section three of the emergency tenant protection
11 act of nineteen seventy-four, as enacted by section four of this act,
12 and provided that the housing accommodations subject on the effective
13 date of this act to stabilization pursuant to the New York city rent
14 stabilization law of nineteen hundred sixty-nine shall remain subject to
15 such law upon the expiration of this act.

16 § 2. Subdivision 2 of section 1 of chapter 274 of the laws of 1946
17 constituting the emergency housing rent control law, as amended by chap-
18 ter 93 of the laws of 2011, is amended to read as follows:

19 2. The provisions of this act, and all regulations, orders and
20 requirements thereunder shall remain in full force and effect until and
21 including June [23, 2011] 15, 2015.

22 § 3. Section 2 of chapter 329 of the laws of 1963 amending the emer-
23 gency housing rent control law relating to reconrol of rents in Albany,
24 as amended by chapter 93 of the laws of 2011, is amended to read as
25 follows:

26 § 2. This act shall take effect immediately and the provisions of
27 subdivision 6 of section 12 of the emergency housing rent control law,

1 as added by this act, shall remain in full force and effect until and
2 including June [23, 2011] 15, 2015.

3 § 4. Section 10 of chapter 555 of the laws of 1982 amending the gener-
4 al business law and the administrative code of the city of New York
5 relating to conversion of residential property to cooperative or condo-
6 minium ownership in the city of New York, as amended by chapter 93 of
7 the laws of 2011, is amended to read as follows:

8 § 10. This act shall take effect immediately; provided, that the
9 provisions of sections one, two and nine of this act shall remain in
10 full force and effect only until and including June [23, 2011] 15, 2015;
11 provided further that the provisions of section three of this act shall
12 remain in full force and effect only so long as the public emergency
13 requiring the regulation and control of residential rents and evictions
14 continues as provided in subdivision 3 of section 1 of the local emer-
15 gency housing rent control act; provided further that the provisions of
16 sections four, five, six and seven of this act shall expire in accord-
17 ance with the provisions of section 26-520 of the administrative code of
18 the city of New York as such section of the administrative code is, from
19 time to time, amended; provided further that the provisions of section
20 26-511 of the administrative code of the city of New York, as amended by
21 this act, which the New York City Department of Housing Preservation and
22 Development must find are contained in the code of the real estate
23 industry stabilization association of such city in order to approve it,
24 shall be deemed contained therein as of the effective date of this act;
25 and provided further that any plan accepted for filing by the department
26 of law on or before the effective date of this act shall continue to be
27 governed by the provisions of section 352-eeee of the general business

1 law as they had existed immediately prior to the effective date of this
2 act.

3 § 5. Section 4 of chapter 402 of the laws of 1983 amending the general
4 business law relating to conversion of rental residential property to
5 cooperative or condominium ownership in certain municipalities in the
6 counties of Nassau, Westchester and Rockland, as amended by chapter 93
7 of the laws of 2011, is amended to read as follows:

8 § 4. This act shall take effect immediately; provided, that the
9 provisions of sections one and three of this act shall remain in full
10 force and effect only until and including June [23, 2011] 15, 2015; and
11 provided further that any plan accepted for filing by the department of
12 law on or before the effective date of this act shall continue to be
13 governed by the provisions of section 352-eee of the general business
14 law as they had existed immediately prior to the effective date of this
15 act.

16 § 6. Subdivision 6 of section 46 of chapter 116 of the laws of 1997
17 constituting the rent regulation reform act of 1997, as amended by chap-
18 ter 93 of the laws of 2011, is amended to read as follows:

19 6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-
20 eight-c of this act shall expire and be deemed repealed after June [23,
21 2011] 15, 2015;

22 § 7. Paragraph 5-a of subdivision c of section 26-511 of the adminis-
23 trative code of the city of New York, as added by chapter 116 of the
24 laws of 1997, is amended to read as follows:

25 (5-a) provides that, notwithstanding any provision of this chapter,
26 the legal regulated rent for any vacancy lease entered into after the
27 effective date of this paragraph shall be as hereinafter provided in
28 this paragraph. The previous legal regulated rent for such housing

1 accommodation shall be increased by the following: (i) if the vacancy
2 lease is for a term of two years, twenty percent of the previous legal
3 regulated rent; or (ii) if the vacancy lease is for a term of one year
4 the increase shall be twenty percent of the previous legal regulated
5 rent less an amount equal to the difference between (a) the two year
6 renewal lease guideline promulgated by the guidelines board of the city
7 of New York applied to the previous legal regulated rent and (b) the one
8 year renewal lease guideline promulgated by the guidelines board of the
9 city of New York applied to the previous legal regulated rent. In addi-
10 tion, if the legal regulated rent was not increased with respect to such
11 housing accommodation by a permanent vacancy allowance within eight
12 years prior to a vacancy lease executed on or after the effective date
13 of this paragraph, the legal regulated rent may be further increased by
14 an amount equal to the product resulting from multiplying such previous
15 legal regulated rent by six-tenths of one percent and further multiply-
16 ing the amount of rent increase resulting therefrom by the greater of
17 (A) the number of years since the imposition of the last permanent
18 vacancy allowance, or (B) if the rent was not increased by a permanent
19 vacancy allowance since the housing accommodation became subject to this
20 chapter, the number of years that such housing accommodation has been
21 subject to this chapter. Provided that if the previous legal regulated
22 rent was less than three hundred dollars the total increase shall be as
23 calculated above plus one hundred dollars per month. Provided, further,
24 that if the previous legal regulated rent was at least three hundred
25 dollars and no more than five hundred dollars in no event shall the
26 total increase pursuant to this paragraph be less than one hundred
27 dollars per month. Such increase shall be in lieu of any allowance
28 authorized for the one or two year renewal component thereof, but shall

1 be in addition to any other increases authorized pursuant to this chap-
2 ter including an adjustment based upon a major capital improvement, or a
3 substantial modification or increase of dwelling space or services, or
4 installation of new equipment or improvements or new furniture or
5 furnishings provided in or to the housing accommodation pursuant to this
6 section. The increase authorized in this paragraph may not be imple-
7 mented more than one time in any calendar year, notwithstanding the
8 number of vacancy leases entered into in such year.

9 § 8. Subdivision (a-1) of section 10 of section 4 of chapter 576 of
10 the laws of 1974, constituting the emergency tenant protection act of
11 nineteen seventy-four, as added by chapter 116 of the laws of 1997, is
12 amended to read as follows:

13 (a-1) provides that, notwithstanding any provision of this act, the
14 legal regulated rent for any vacancy lease entered into after the effec-
15 tive date of this subdivision shall be as hereinafter set forth. The
16 previous legal regulated rent for such housing accommodation shall be
17 increased by the following: (i) if the vacancy lease is for a term of
18 two years, twenty percent of the previous legal regulated rent; or (ii)
19 if the vacancy lease is for a term of one year the increase shall be
20 twenty percent of the previous legal regulated rent less an amount equal
21 to the difference between (a) the two year renewal lease guideline
22 promulgated by the guidelines board of the county in which the housing
23 accommodation is located applied to the previous legal regulated rent
24 and (b) the one year renewal lease guideline promulgated by the guide-
25 lines board of the county in which the housing accommodation is located
26 applied to the previous legal regulated rent. In addition, if the legal
27 regulated rent was not increased with respect to such housing accommo-
28 dation by a permanent vacancy allowance within eight years prior to a

1 vacancy lease executed on or after the effective date of this subdivi-
2 sion, the legal regulated rent may be further increased by an amount
3 equal to the product resulting from multiplying such previous legal
4 regulated rent by six-tenths of one percent and further multiplying the
5 amount of rent increase resulting therefrom by the greater of (A) the
6 number of years since the imposition of the last permanent vacancy
7 allowance, or (B) if the rent was not increased by a permanent vacancy
8 allowance since the housing accommodation became subject to this act,
9 the number of years that such housing accommodation has been subject to
10 this act. Provided that if the previous legal regulated rent was less
11 than three hundred dollars the total increase shall be as calculated
12 above plus one hundred dollars per month. Provided, further, that if the
13 previous legal regulated rent was at least three hundred dollars and no
14 more than five hundred dollars in no event shall the total increase
15 pursuant to this subdivision be less than one hundred dollars per month.
16 Such increase shall be in lieu of any allowance authorized for the one
17 or two year renewal component thereof, but shall be in addition to any
18 other increases authorized pursuant to this act including an adjustment
19 based upon a major capital improvement, or a substantial modification or
20 increase of dwelling space or services, or installation of new equipment
21 or improvements or new furniture or furnishings provided in or to the
22 housing accommodation pursuant to section six of this act. The increase
23 authorized in this subdivision may not be implemented more than one time
24 in any calendar year, notwithstanding the number of vacancy leases
25 entered into in such year.

26 § 9. Paragraph (n) of subdivision 2 of section 2 of chapter 274 of the
27 laws of 1946, constituting the emergency housing rent control law, as

1 amended by chapter 82 of the laws of 2003, is amended to read as
2 follows:

3 (n) any housing accommodation with a maximum rent of two thousand
4 dollars or more per month at any time between the effective date of this
5 paragraph and October first, nineteen hundred ninety-three which is or
6 becomes vacant on or after the effective date of this paragraph[,]; or,
7 for any housing accommodation with a maximum rent of two thousand
8 dollars or more per month at any time on or after the effective date of
9 the rent regulation reform act of 1997 and before the effective date of
10 the rent act of 2011, which is or becomes vacant on or after the effec-
11 tive date of the rent regulation reform act of 1997 and before the
12 effective date of the rent act of 2011. This exclusion shall apply
13 regardless of whether the next tenant in occupancy or any subsequent
14 tenant in occupancy is charged or pays less than two thousand dollars a
15 month; or, for any housing accommodation with a maximum rent of two
16 thousand five hundred dollars or more per month at any time on or after
17 the effective date of the rent act of 2011, which is or becomes vacant
18 on or after such effective date. This exclusion shall apply regardless
19 of whether the next tenant in occupancy or any subsequent tenant in
20 occupancy actually is charged or pays less than two thousand five
21 hundred dollars a month. [This] An exclusion pursuant to this paragraph
22 shall not apply, however, to or become effective with respect to housing
23 accommodations which the commissioner determines or finds that the land-
24 lord or any person acting on his or her behalf, with intent to cause the
25 tenant to vacate, has engaged in any course of conduct (including, but
26 not limited to, interruption or discontinuance of required services)
27 which interfered with or disturbed or was intended to interfere with or
28 disturb the comfort, repose, peace or quiet of the tenant in his or her

1 use or occupancy of the housing accommodations and in connection with
2 such course of conduct, any other general enforcement provision of this
3 law shall also apply.

4 § 10. Paragraph 13 of subdivision a of section 5 of section 4 of chap-
5 ter 576 of the laws of 1974, constituting the emergency tenant
6 protection act of nineteen seventy-four, as amended by chapter 82 of the
7 laws of 2003, is amended to read as follows:

8 (13) any housing accommodation with a legal regulated rent of two
9 thousand dollars or more per month at any time between the effective
10 date of this paragraph and October first, nineteen hundred ninety-three
11 which is or becomes vacant on or after the effective date of this para-
12 graph[,]; or, for any housing accommodation with a legal regulated rent
13 of two thousand dollars or more per month at any time on or after the
14 effective date of the rent regulation reform act of 1997 and before the
15 effective date of the rent act of 2011, which is or becomes vacant on or
16 after the effective date of the rent regulation reform act of 1997 and
17 before the effective date of the rent act of 2011. This exclusion shall
18 apply regardless of whether the next tenant in occupancy or any subse-
19 quent tenant in occupancy is charged or pays less than two thousand
20 dollars a month; or, for any housing accommodation with a legal regu-
21 lated rent of two thousand five hundred dollars or more per month at any
22 time on or after the effective date of the rent act of 2011, which is or
23 becomes vacant on or after such effective date. [This] An exclusion
24 pursuant to this paragraph shall apply regardless of whether the next
25 tenant in occupancy or any subsequent tenant in occupancy actually is
26 charged or pays less than two thousand five hundred dollars a month.
27 Provided however, that [this] an exclusion pursuant to this paragraph
28 shall not apply to housing accommodations which became or become subject

1 to this act (a) by virtue of receiving tax benefits pursuant to section
2 four hundred twenty-one-a or four hundred eighty-nine of the real prop-
3 erty tax law, except as otherwise provided in subparagraph (i) of para-
4 graph (f) of subdivision two of section four hundred twenty-one-a of the
5 real property tax law, or (b) by virtue of article seven-C of the multi-
6 ple dwelling law. This paragraph shall not apply, however, to or become
7 effective with respect to housing accommodations which the commissioner
8 determines or finds that the landlord or any person acting on his or her
9 behalf, with intent to cause the tenant to vacate, has engaged in any
10 course of conduct (including, but not limited to, interruption or
11 discontinuance of required services) which interfered with or disturbed
12 or was intended to interfere with or disturb the comfort, repose, peace
13 or quiet of the tenant in his or her use or occupancy of the housing
14 accommodations and in connection with such course of conduct, any other
15 general enforcement provision of this act shall also apply.

16 § 11. Subparagraph (k) of paragraph 2 of subdivision e of section
17 26-403 of the administrative code of the city of New York, as amended by
18 chapter 82 of the laws of 2003, is amended to read as follows:

19 (k) Any housing accommodation which becomes vacant on or after April
20 first, nineteen hundred ninety-seven and before the effective date of
21 the rent act of 2011, and where at the time the tenant vacated such
22 housing accommodation the maximum rent was two thousand dollars or more
23 per month; or, for any housing accommodation which is or becomes vacant
24 on or after the effective date of the rent regulation reform act of 1997
25 and before the effective date of the rent act of 2011 with a maximum
26 rent of two thousand dollars or more per month. This exclusion shall
27 apply regardless of whether the next tenant in occupancy or any subse-
28 quent tenant in occupancy is charged or pays less than two thousand

1 dollars a month; or, for any housing accommodation with a maximum rent
2 of two thousand five hundred dollars or more per month at any time on or
3 after the effective date of the rent act of 2011, which is or becomes
4 vacant on or after such effective date. This exclusion shall apply
5 regardless of whether the next tenant in occupancy or any subsequent
6 tenant in occupancy actually is charged or pays less than two thousand
7 five hundred dollars a month. Provided however, that [this] an exclu-
8 sion pursuant to this subparagraph shall not apply to housing accommo-
9 dations which became or become subject to this law by virtue of receiv-
10 ing tax benefits pursuant to section four hundred eighty-nine of the
11 real property tax law. This subparagraph shall not apply, however, to or
12 become effective with respect to housing accommodations which the
13 commissioner determines or finds that the landlord or any person acting
14 on his or her behalf, with intent to cause the tenant to vacate, has
15 engaged in any course of conduct (including, but not limited to, inter-
16 ruption or discontinuance of required services) which interfered with or
17 disturbed or was intended to interfere with or disturb the comfort,
18 repose, peace or quiet of the tenant in his or her use or occupancy of
19 the housing accommodations and in connection with such course of
20 conduct, any other general enforcement provision of this law shall also
21 apply.

22 § 12. Section 26-504.2 of the administrative code of the city of New
23 York, as amended by chapter 116 of the laws of 1997, subdivision a as
24 amended by chapter 82 of the laws of 2003 and subdivision b as added by
25 local law number 12 of the city of New York for the year 2000, is
26 amended to read as follows:

27 § 26-504.2 Exclusion of high rent accommodations. a. "Housing accommo-
28 dations" shall not include: any housing accommodation which becomes

1 vacant on or after April first, nineteen hundred ninety-seven and before
2 the effective date of the rent act of 2011 and where at the time the
3 tenant vacated such housing accommodation the legal regulated rent was
4 two thousand dollars or more per month[,]; or, for any housing accommo-
5 dation which is or becomes vacant on or after the effective date of the
6 rent regulation reform act of 1997 and before the effective date of the
7 rent act of 2011, with a legal regulated rent of two thousand dollars or
8 more per month. This exclusion shall apply regardless of whether the
9 next tenant in occupancy or any subsequent tenant in occupancy is
10 charged or pays less than two thousand dollars a month; or, for any
11 housing accommodation with a legal regulated rent of two thousand five
12 hundred dollars or more per month at any time on or after the effective
13 date of the rent act of 2011, which is or becomes vacant on or after
14 such effective date. This exclusion shall apply regardless of whether
15 the next tenant in occupancy or any subsequent tenant in occupancy actu-
16 ally is charged or pays less than two thousand five hundred dollars a
17 month. Provided however, that [this] an exclusion pursuant to this
18 subdivision shall not apply to housing accommodations which became or
19 become subject to this law (a) by virtue of receiving tax benefits
20 pursuant to section four hundred twenty-one-a or four hundred eighty-
21 nine of the real property tax law, except as otherwise provided in
22 subparagraph (i) of paragraph (f) of subdivision two of section four
23 hundred twenty-one-a of the real property tax law, or (b) by virtue of
24 article seven-C of the multiple dwelling law. This section shall not
25 apply, however, to or become effective with respect to housing accommo-
26 dations which the commissioner determines or finds that the landlord or
27 any person acting on his or her behalf, with intent to cause the tenant
28 to vacate, engaged in any course of conduct (including, but not limited

1 to, interruption or discontinuance of required services) which interfer-
2 ed with or disturbed or was intended to interfere with or disturb the
3 comfort, repose, peace or quiet of the tenant in his or her use or occu-
4 pancy of the housing accommodations and in connection with such course
5 of conduct, any other general enforcement provision of this law shall
6 also apply.

7 b. The owner of any housing accommodation that is not subject to this
8 law pursuant to the provisions of subdivision a of this section or
9 subparagraph k of paragraph 2 of subdivision e of section 26-403 of this
10 code shall give written notice certified by such owner to the first
11 tenant of that housing accommodation after such housing accommodation
12 becomes exempt from the provisions of this law or the city rent and
13 rehabilitation law. Such notice shall contain the last regulated rent,
14 the reason that such housing accommodation is not subject to this law or
15 the city rent and rehabilitation law, a calculation of how either the
16 rental amount charged when there is no lease or the rental amount
17 provided for in the lease has been derived so as to reach two thousand
18 dollars or more per month or, for a housing accommodation with a legal
19 regulated rent or maximum rent of two thousand five hundred dollars or
20 more per month on or after the effective date of the rent act of 2011,
21 which is or becomes vacant on or after such effective date, whether the
22 next tenant in occupancy or any subsequent tenant in occupancy actually
23 is charged or pays less than a legal regulated rent or maximum rent of
24 two thousand five hundred dollars or more per month, a statement that
25 the last legal regulated rent or the maximum rent may be verified by the
26 tenant by contacting the state division of housing and community
27 renewal, or any successor thereto, and the address and telephone number
28 of such agency, or any successor thereto. Such notice shall be sent by

1 certified mail within thirty days after the tenancy commences or after
2 the signing of the lease by both parties, whichever occurs first or
3 shall be delivered to the tenant at the signing of the lease. In addi-
4 tion, the owner shall send and certify to the tenant a copy of the
5 registration statement for such housing accommodation filed with the
6 state division of housing and community renewal indicating that such
7 housing accommodation became exempt from the provisions of this law or
8 the city rent and rehabilitation law, which form shall include the last
9 regulated rent, and shall be sent to the tenant within thirty days after
10 the tenancy commences or the filing of such registration, whichever
11 occurs later.

12 § 13. Subdivision a-2 of section 10 of section 4 of chapter 576 of the
13 laws of 1974, constituting the emergency tenant protection act of nine-
14 teen seventy-four, as added by chapter 82 of the laws of 2003, is
15 amended to read as follows:

16 [a-2.] (a-2) Provides that where the amount of rent charged to and
17 paid by the tenant is less than the legal regulated rent for the housing
18 accommodation, the amount of rent for such housing accommodation which
19 may be charged upon renewal or upon vacancy thereof may, at the option
20 of the owner, be based upon such previously established legal regulated
21 rent, as adjusted by the most recent applicable guidelines increases and
22 other increases authorized by law. Where, subsequent to vacancy, such
23 legal regulated rent, as adjusted by the most recent applicable guide-
24 lines increases and any other increases authorized by law is two thou-
25 sand dollars or more per month or, for any housing accommodation which
26 is or becomes vacant on or after the effective date of the rent act of
27 2011, is two thousand five hundred dollars or more per month, such hous-
28 ing accommodation shall be excluded from the provisions of this act

1 pursuant to paragraph thirteen of subdivision a of section five of this
2 act.

3 § 14. Paragraph 14 of subdivision c of section 26-511 of the adminis-
4 trative code of the city of New York, as added by chapter 82 of the laws
5 of 2003, is amended to read as follows:

6 (14) provides that where the amount of rent charged to and paid by the
7 tenant is less than the legal regulated rent for the housing accommo-
8 dation, the amount of rent for such housing accommodation which may be
9 charged upon renewal or upon vacancy thereof may, at the option of the
10 owner, be based upon such previously established legal regulated rent,
11 as adjusted by the most recent applicable guidelines increases and any
12 other increases authorized by law. Where, subsequent to vacancy, such
13 legal regulated rent, as adjusted by the most recent applicable guide-
14 lines increases and any other increases authorized by law is two thou-
15 sand dollars or more per month or, for any housing accommodation which
16 is or becomes vacant on or after the effective date of the rent act of
17 2011, is two thousand five hundred dollars or more per month, such hous-
18 ing accommodation shall be excluded from the provisions of this law
19 pursuant to section 26-504.2 of this chapter.

20 § 15. Subparagraph (e) of paragraph 1 of subdivision g of section
21 26-405 of the administrative code of the city of New York, as amended by
22 chapter 253 of the laws of 1993, is amended to read as follows:

23 (e) The landlord and tenant by mutual voluntary written agreement
24 agree to a substantial increase or decrease in dwelling space or a
25 change in the services, furniture, furnishings or equipment provided in
26 the housing accommodations. An adjustment under this subparagraph shall
27 be equal to one-fortieth, in the case of a building with thirty-five or
28 fewer housing accommodations, or one-sixtieth, in the case of a building

1 with more than thirty-five housing accommodations where such adjustment
2 takes effect on or after September twenty-fourth, two thousand eleven,
3 of the total cost incurred by the landlord in providing such modifica-
4 tion or increase in dwelling space, services, furniture, furnishings or
5 equipment, including the cost of installation, but excluding finance
6 charges, provided further [than] that an owner who is entitled to a rent
7 increase pursuant to this subparagraph shall not be entitled to a
8 further rent increase based upon the installation of similar equipment,
9 or new furniture or furnishings within the useful life of such new
10 equipment, or new furniture or furnishings. The owner shall give written
11 notice to the city rent agency of any such adjustment pursuant to this
12 subparagraph[.]; or

13 § 16. Paragraph 13 of subdivision c of section 26-511 of the adminis-
14 trative code of the city of New York, as added by chapter 253 of the
15 laws of 1993, is amended to read as follows:

16 (13) provides that an owner is entitled to a rent increase where there
17 has been a substantial modification or increase of dwelling space or an
18 increase in the services, or installation of new equipment or improve-
19 ments or new furniture or furnishings provided in or to a tenant's hous-
20 ing accommodation, on written tenant consent to the rent increase. In
21 the case of a vacant housing accommodation, tenant consent shall not be
22 required. The permanent increase in the legal regulated rent for the
23 affected housing accommodation shall be one-fortieth, in the case of a
24 building with thirty-five or fewer housing accommodations, or one-sixti-
25 eth, in the case of a building with more than thirty-five housing accom-
26 modations where such permanent increase takes effect on or after Septem-
27 ber twenty-fourth, two thousand eleven, of the total cost incurred by
28 the landlord in providing such modification or increase in dwelling

1 space, services, furniture, furnishings or equipment, including the cost
2 of installation, but excluding finance charges. Provided further that an
3 owner who is entitled to a rent increase pursuant to this paragraph
4 shall not be entitled to a further rent increase based upon the instal-
5 lation of similar equipment, or new furniture or furnishings within the
6 useful life of such new equipment, or new furniture or furnishings.

7 § 17. Intentionally omitted.

8 § 18. Paragraph 1 of subdivision d of section 6 of section 4 of chap-
9 ter 576 of the laws of 1974, constituting the emergency tenant
10 protection act of nineteen seventy-four, as added by chapter 253 of the
11 laws of 1993, is amended to read as follows:

12 (1) there has been a substantial modification or increase of dwelling
13 space or an increase in the services, or installation of new equipment
14 or improvements or new furniture or furnishings, provided in or to a
15 tenant's housing accommodation, on written tenant consent to the rent
16 increase. In the case of a vacant housing accommodation, tenant consent
17 shall not be required. The permanent increase in the legal regulated
18 rent for the affected housing accommodation shall be one-fortieth, in
19 the case of a building with thirty-five or fewer housing accommodations,
20 or one-sixtieth, in the case of a building with more than thirty-five
21 housing accommodations where such permanent increase takes effect on or
22 after September twenty-fourth, two thousand eleven, of the total cost
23 incurred by the landlord in providing such modification or increase in
24 dwelling space, services, furniture, furnishings or equipment, including
25 the cost of installation, but excluding finance charges. Provided
26 further [than] that an owner who is entitled to a rent increase pursuant
27 to this paragraph shall not be entitled to a further rent increase based
28 upon the installation of similar equipment, or new furniture or

1 furnishings within the useful life of such new equipment, or new furni-
2 ture or furnishings.

3 § 19. Intentionally omitted.

4 § 20. Intentionally omitted.

5 § 21. Intentionally omitted.

6 § 22. Intentionally omitted.

7 § 23. Intentionally omitted.

8 § 24. Intentionally omitted.

9 § 25. The second undesignated paragraph of paragraph (a) of subdivi-
10 sion 4 of section 4 of chapter 274 of the laws of 1946, constituting the
11 emergency housing rent control law, as amended by chapter 21 of the laws
12 of 1962, clause 5 as amended by chapter 253 of the laws of 1993, is
13 amended to read as follows:

14 No application for adjustment of maximum rent based upon a sales price
15 valuation shall be filed by the landlord under this subparagraph prior
16 to six months from the date of such sale of the property. In addition,
17 no adjustment ordered by the commission based upon such sales price
18 valuation shall be effective prior to one year from the date of such
19 sale. Where, however, the assessed valuation of the land exceeds four
20 times the assessed valuation of the buildings thereon, the commission
21 may determine a valuation of the property equal to five times the equal-
22 ized assessed valuation of the buildings, for the purposes of this
23 subparagraph. The commission may make a determination that the valu-
24 ation of the property is an amount different from such equalized
25 assessed valuation where there is a request for a reduction in such
26 assessed valuation currently pending; or where there has been a
27 reduction in the assessed valuation for the year next preceding the
28 effective date of the current assessed valuation in effect at the time

1 of the filing of the application. Net annual return shall be the amount
2 by which the earned income exceeds the operating expenses of the proper-
3 ty, excluding mortgage interest and amortization, and excluding allow-
4 ances for obsolescence and reserves, but including an allowance for
5 depreciation of two per centum of the value of the buildings exclusive
6 of the land, or the amount shown for depreciation of the buildings in
7 the latest required federal income tax return, whichever is lower;
8 provided, however, that (1) no allowance for depreciation of the build-
9 ings shall be included where the buildings have been fully depreciated
10 for federal income tax purposes or on the books of the owner; or (2) the
11 landlord who owns no more than four rental units within the state has
12 not been fully compensated by increases in rental income sufficient to
13 offset unavoidable increases in property taxes, fuel, utilities, insur-
14 ance and repairs and maintenance, excluding mortgage interest and amor-
15 tization, and excluding allowances for depreciation, obsolescence and
16 reserves, which have occurred since the federal date determining the
17 maximum rent or the date the property was acquired by the present owner,
18 whichever is later; or (3) the landlord operates a hotel or rooming
19 house or owns a cooperative apartment and has not been fully compensated
20 by increases in rental income from the controlled housing accommodations
21 sufficient to offset unavoidable increases in property taxes and other
22 costs as are allocable to such controlled housing accommodations,
23 including costs of operation of such hotel or rooming house, but exclud-
24 ing mortgage interest and amortization, and excluding allowances for
25 depreciation, obsolescence and reserves, which have occurred since the
26 federal date determining the maximum rent or the date the landlord
27 commenced the operation of the property, whichever is later; or (4) the
28 landlord and tenant voluntarily enter into a valid written lease in good

1 faith with respect to any housing accommodation, which lease provides
2 for an increase in the maximum rent not in excess of fifteen per centum
3 and for a term of not less than two years, except that where such lease
4 provides for an increase in excess of fifteen per centum, the increase
5 shall be automatically reduced to fifteen per centum; or (5) the land-
6 lord and tenant by mutual voluntary written agreement agree to a
7 substantial increase or decrease in dwelling space or a change in the
8 services, furniture, furnishings or equipment provided in the housing
9 accommodations; provided that an owner shall be entitled to a rent
10 increase where there has been a substantial modification or increase of
11 dwelling space or an increase in the services, or installation of new
12 equipment or improvements or new furniture or furnishings provided in or
13 to a tenant's housing accommodation. The permanent increase in the maxi-
14 mum rent for the affected housing accommodation shall be one-fortieth,
15 in the case of a building with thirty-five or fewer housing accommo-
16 dations, or one-sixtieth, in the case of a building with more than thir-
17 ty-five housing accommodations where such permanent increase takes
18 effect on or after September twenty-fourth, two thousand eleven, of the
19 total cost incurred by the landlord in providing such modification or
20 increase in dwelling space, services, furniture, furnishings or equip-
21 ment, including the cost of installation, but excluding finance charges
22 provided further that an owner who is entitled to a rent increase pursu-
23 ant to this clause shall not be entitled to a further rent increase
24 based upon the installation of similar equipment, or new furniture or
25 furnishings within the useful life of such new equipment, or new furni-
26 ture or furnishings. The owner shall give written notice to the commis-
27 sion of any such adjustment pursuant to this clause; or (6) there has
28 been, since March first, nineteen hundred fifty, an increase in the

1 rental value of the housing accommodations as a result of a substantial
2 rehabilitation of the building or housing accommodation therein which
3 materially adds to the value of the property or appreciably prolongs its
4 life, excluding ordinary repairs, maintenance and replacements; or (7)
5 there has been since March first, nineteen hundred fifty, a major capi-
6 tal improvement required for the operation, preservation or maintenance
7 of the structure; or (8) there has been since March first, nineteen
8 hundred fifty, in structures containing more than four housing accommo-
9 dations, other improvements made with the express consent of the tenants
10 in occupancy of at least seventy-five per centum of the housing accom-
11 modations, provided, however, that no adjustment granted hereunder shall
12 exceed fifteen per centum unless the tenants have agreed to a higher
13 percentage of increase, as herein provided; or (9) there has been,
14 since March first, nineteen hundred fifty, a subletting without written
15 consent from the landlord or an increase in the number of adult occu-
16 pants who are not members of the immediate family of the tenant, and the
17 landlord has not been compensated therefor by adjustment of the maximum
18 rent by lease or order of the commission or pursuant to the federal act;
19 or (10) the presence of unique or peculiar circumstances materially
20 affecting the maximum rent has resulted in a maximum rent which is
21 substantially lower than the rents generally prevailing in the same area
22 for substantially similar housing accommodations.

23 § 26. Intentionally omitted.

24 § 27. Intentionally omitted.

25 § 28. Intentionally omitted.

26 § 29. Paragraph 12 of subdivision a of section 5 of section 4 of chap-
27 ter 576 of the laws of 1974, constituting the emergency tenant

1 protection act of nineteen seventy-four, as amended by chapter 116 of
2 the laws of 1997, is amended to read as follows:

3 (12) upon issuance of an order by the division, housing accommodations
4 which are: (1) occupied by persons who have a total annual income [in
5 excess of one hundred seventy-five thousand dollars per annum in each of
6 the two preceding calendar years, as defined in and subject to the limi-
7 tations and process set forth in section five-a of this act] as defined
8 in and subject to the limitations and process set forth in section
9 five-a of this act in excess of the deregulation income threshold, as
10 defined in section five-a of this act, in each of the two preceding
11 calendar years; and (2) have a legal regulated rent [of two thousand
12 dollars or more per month] that equals or exceeds the deregulation rent
13 threshold, as defined in section five-a of this act. Provided however,
14 that this exclusion shall not apply to housing accommodations which
15 became or become subject to this act (a) by virtue of receiving tax
16 benefits pursuant to section four hundred twenty-one-a or four hundred
17 eighty-nine of the real property tax law, except as otherwise provided
18 in subparagraph (i) of paragraph (f) of subdivision two of section four
19 hundred twenty-one-a of the real property tax law, or (b) by virtue of
20 article seven-C of the multiple dwelling law.

21 § 30. Section 5-a of section 4 of chapter 576 of the laws of 1974,
22 constituting the emergency tenant protection act of nineteen seventy-
23 four, as added by chapter 253 of the laws of 1993, subdivision (b) and
24 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as
25 added by chapter 116 of the laws of 1997, is amended to read as follows:

26 § 5-a. High income rent [decontrol] deregulation. (a) 1. For purposes
27 of this section, annual income shall mean the federal adjusted gross
28 income as reported on the New York state income tax return. Total annual

1 income means the sum of the annual incomes of all persons whose names
2 are recited as the tenant or co-tenant on a lease who occupy the housing
3 accommodation and all other persons that occupy the housing accommo-
4 dation as their primary residence on other than a temporary basis,
5 excluding bona fide employees of such occupants residing therein in
6 connection with such employment and excluding bona fide subtenants in
7 occupancy pursuant to the provisions of section two hundred twenty-six-b
8 of the real property law. In the case where a housing accommodation is
9 sublet, the annual income of the tenant or co-tenant recited on the
10 lease who will reoccupy the housing accommodation upon the expiration of
11 the sublease shall be considered.

12 2. Deregulation income threshold means total annual income equal to
13 one hundred seventy-five thousand dollars in each of the two preceding
14 calendar years for proceedings commenced before July first, two thousand
15 eleven. For proceedings commenced on or after July first, two thousand
16 eleven, the deregulation income threshold means the total annual income
17 equal to two hundred thousand dollars in each of the two preceding
18 calendar years.

19 3. Deregulation rent threshold means two thousand dollars for
20 proceedings commenced before July first, two thousand eleven. For
21 proceedings commenced on or after July first, two thousand eleven, the
22 deregulation rent threshold means two thousand five hundred dollars.

23 (b) On or before the first day of May in each calendar year, the owner
24 of each housing accommodation for which the legal regulated monthly rent
25 [is two thousand dollars or more per month] equals or exceeds the dereg-
26 ulation rent threshold may provide the tenant or tenants residing there-
27 in with an income certification form prepared by the division of housing
28 and community renewal on which such tenant or tenants shall identify all

1 persons referred to in subdivision (a) of this section and shall certify
2 whether the total annual income is in excess of [one hundred seventy-
3 five thousand dollars in each of the two preceding calendar years] the
4 deregulation income threshold in each of the two preceding calendar
5 years. Such income certification form shall state that the income level
6 certified to by the tenant may be subject to verification by the depart-
7 ment of taxation and finance pursuant to section one hundred seventy-
8 one-b of the tax law, and shall not require disclosure of any informa-
9 tion other than whether the aforementioned threshold has been exceeded.
10 Such income certification form shall clearly state that: (i) only
11 tenants residing in housing accommodations which had a legal regulated
12 monthly rent [of two thousand dollars or more per month] that equals or
13 exceeds the deregulation rent threshold are required to complete the
14 certification form; (ii) that tenants have protections available to them
15 which are designed to prevent harassment; (iii) that tenants are not
16 required to provide any information regarding their income except that
17 which is requested on the form and may contain such other information
18 the division deems appropriate. The tenant or tenants shall return the
19 completed certification to the owner within thirty days after service
20 upon the tenant or tenants. In the event that the total annual income as
21 certified is in excess of [one hundred seventy-five thousand dollars in
22 each such year] the deregulation income threshold in each of the two
23 preceding calendar years, the owner may file the certification with the
24 state division of housing and community renewal on or before June thir-
25 tieth of such year. Upon filing such certification with the division,
26 the division shall, within thirty days after the filing, issue an order
27 providing that such housing accommodation shall not be subject to the
28 provisions of this act upon the expiration of the existing lease. A copy

1 of such order shall be mailed by regular and certified mail, return
2 receipt requested, to the tenant or tenants and a copy thereof shall be
3 mailed to the owner.

4 (c) 1. In the event that the tenant or tenants either fail to return
5 the completed certification to the owner on or before the date required
6 by subdivision (b) of this section or the owner disputes the certifi-
7 cation returned by the tenant or tenants, the owner may, on or before
8 June thirtieth of such year, petition the state division of housing and
9 community renewal to verify, pursuant to section one hundred seventy-
10 one-b of the tax law, whether the total annual income exceeds [one
11 hundred seventy-five thousand dollars in each of the two preceding
12 calendar years] the deregulation income threshold in each of the two
13 preceding calendar years. Within twenty days after the filing of such
14 request with the division, the division shall notify the tenant or
15 tenants that such tenant or tenants named on the lease must provide the
16 division with such information as the division and the department of
17 taxation and finance shall require to verify whether the total annual
18 income exceeds [one hundred seventy-five thousand dollars in each such
19 year] the deregulation income threshold in each of the two preceding
20 calendar years. The division's notification shall require the tenant or
21 tenants to provide the information to the division within sixty days of
22 service upon such tenant or tenants and shall include a warning in bold
23 faced type that failure to respond will result in an order being issued
24 by the division providing that such housing accommodations shall not be
25 subject to the provisions of this act.

26 2. If the department of taxation and finance determines that the total
27 annual income is in excess of [one hundred seventy-five thousand dollars
28 in each of the two preceding calendar years] the deregulation income

1 threshold in each of the two preceding calendar years, the division
2 shall, on or before November fifteenth of such year, notify the owner
3 and tenants of the results of such verification. Both the owner and the
4 tenants shall have thirty days within which to comment on such verifica-
5 tion results. Within forty-five days after the expiration of the
6 comment period, the division shall, where appropriate, issue an order
7 providing that such housing accommodation shall not be subject to the
8 provisions of this act upon expiration of the existing lease. A copy of
9 such order shall be mailed by regular and certified mail, return receipt
10 requested, to the tenant or tenants and a copy thereof shall be sent to
11 the owner.

12 3. In the event the tenant or tenants fail to provide the information
13 required pursuant to paragraph one of this subdivision, the division
14 shall issue, on or before December first of such year, an order provid-
15 ing that such housing accommodation shall not be subject to the
16 provisions of this act upon the expiration [or] of the current lease. A
17 copy of such order shall be mailed by regular and certified mail, return
18 receipt requested, to the tenant or tenants and a copy thereof shall be
19 sent to the owner.

20 4. The provisions of the state freedom of information act shall not
21 apply to any income information obtained by the division pursuant to
22 this section.

23 (d) This section shall apply only to paragraph twelve of subdivision a
24 of section five of this act.

25 (e) Upon receipt of such order of [decontrol] deregulation pursuant to
26 this section, an owner shall offer the housing accommodation subject to
27 such order to the tenant at a rent not in excess of the market rent,
28 which for the purposes of this section means a rent obtainable in an

1 arm's length transaction. Such rental offer shall be made by the owner
2 in writing to the tenant by certified and regular mail and shall inform
3 the tenant that such offer must be accepted in writing within ten days
4 of receipt. The tenant shall respond within ten days after receipt of
5 such offer. If the tenant declines the offer or fails to respond within
6 such period, the owner may commence an action or proceeding for the
7 eviction of such tenant.

8 § 31. Paragraph (m) of subdivision 2 of section 2 of chapter 274 of
9 the laws of 1946, constituting the emergency housing rent control law,
10 as amended by chapter 116 of the laws of 1997, is amended to read as
11 follows:

12 (m) upon the issuance of an order of [~~decontrol~~] deregulation by the
13 division, housing accommodations which: (1) are occupied by persons who
14 have a total annual income, as defined in and subject to the limitations
15 and process set forth in section two-a of this law, in excess of [one
16 hundred seventy-five thousand dollars in each of the two preceding
17 calendar years, as defined in and subject to the limitations and process
18 set forth in section two-a of this law] the deregulation income thresh-
19 old as defined in section two-a of this law in each of the two preceding
20 calendar years; and (2) have a maximum rent [of two thousand dollars or
21 more per month] that equals or exceeds the deregulation rent threshold
22 as defined in section two-a of this law.

23 § 32. Section 2-a of chapter 274 of the laws of 1946, constituting the
24 emergency housing rent control law, as added by chapter 253 of the laws
25 of 1993, subdivision (b) and paragraphs 1 and 2 of subdivision (c) as
26 amended and subdivision (e) as added by chapter 116 of the laws of 1997,
27 is amended to read as follows:

1 § 2-a. (a) 1. For purposes of this section, annual income shall mean
2 the federal adjusted gross income as reported on the New York state
3 income tax return. Total annual income means the sum of the annual
4 incomes of all persons who occupy the housing accommodation as their
5 primary residence on other than a temporary basis, excluding bona fide
6 employees of such occupants residing therein in connection with such
7 employment and excluding bona fide subtenants in occupancy pursuant to
8 the provisions of section two hundred twenty-six-b of the real property
9 law. In the case where a housing accommodation is sublet, the annual
10 income of the sublessor shall be considered.

11 2. Deregulation income threshold means total annual income equal to
12 one hundred seventy-five thousand dollars in each of the two preceding
13 calendar years for proceedings commenced before July first, two thousand
14 eleven. For proceedings commenced on or after July first, two thousand
15 eleven, the deregulation income threshold means the total annual income
16 equal to two hundred thousand dollars in each of the two preceding
17 calendar years.

18 3. Deregulation rent threshold means two thousand dollars for
19 proceedings commenced prior to July first, two thousand eleven. For
20 proceedings commenced on or after July first, two thousand eleven, the
21 deregulation rent threshold means two thousand five hundred dollars.

22 (b) On or before the first day of May in each calendar year, the owner
23 of each housing accommodation for which the maximum monthly rent [is two
24 thousand dollars or more per month] equals or exceeds the deregulation
25 rent threshold may provide the tenant or tenants residing therein with
26 an income certification form prepared by the division of housing and
27 community renewal on which such tenant or tenants shall identify all
28 persons referred to in subdivision (a) of this section and shall certify

1 whether the total annual income is in excess of [one hundred seventy-
2 five thousand dollars in each of the two preceding calendar years] the
3 deregulation income threshold in each of the two preceding calendar
4 years. Such income certification form shall state that the income level
5 certified to by the tenant may be subject to verification by the depart-
6 ment of taxation and finance pursuant to section one hundred seventy-
7 one-b of the tax law and shall not require disclosure of any income
8 information other than whether the aforementioned threshold has been
9 exceeded. Such income certification form shall clearly state that: (i)
10 only tenants residing in housing accommodations which had a maximum
11 monthly rent equal to or in excess of [two thousand dollars or more per
12 month] the deregulation rent threshold are required to complete the
13 certification form; (ii) that tenants have protections available to them
14 which are designed to prevent harassment; (iii) that tenants are not
15 required to provide any information regarding their income except that
16 which is requested on the form and may contain such other information
17 the division deems appropriate. The tenant or tenants shall return the
18 completed certification to the owner within thirty days after service
19 upon the tenant or tenants. In the event that the total annual income as
20 certified is in excess of [one hundred seventy-five thousand dollars in
21 each such year] the deregulation income threshold in each of the two
22 preceding calendar years, the owner may file the certification with the
23 state division of housing and community renewal on or before June thir-
24 tieth of such year. Upon filing such certification with the division,
25 the division shall, within thirty days after the filing, issue an order
26 of [decontrol] deregulation providing that such housing accommodations
27 shall not be subject to the provisions of this law as of the first day
28 of June in the year next succeeding the filing of the certification by

1 the owner. A copy of such order shall be mailed by regular and certified
2 mail, return receipt requested, to the tenant or tenants and a copy
3 thereof shall be mailed to the owner.

4 (c) 1. In the event that the tenant or tenants either fail to return
5 the completed certification to the owner on or before the date required
6 by subdivision (b) of this section or the owner disputes the certifi-
7 cation returned by the tenant or tenants, the owner may, on or before
8 June thirtieth of such year, petition the state division of housing and
9 community renewal to verify, pursuant to section one hundred seventy-
10 one-b of the tax law, whether the total annual income exceeds [one
11 hundred seventy-five thousand dollars in each of the two preceding
12 calendar years] the deregulation income threshold in each of the two
13 preceding calendar years. Within twenty days after the filing of such
14 request with the division, the division shall notify the tenant or
15 tenants that such tenant or tenants must provide the division with such
16 information as the division and the department of taxation and finance
17 shall require to verify whether the total annual income exceeds [one
18 hundred seventy-five thousand dollars in each such year] the deregu-
19 lation income threshold in each of the two preceding calendar years.
20 The division's notification shall require the tenant or tenants to
21 provide the information to the division within sixty days of service
22 upon such tenant or tenants and shall include a warning in bold faced
23 type that failure to respond will result in an order of [decontrol]
24 deregulation being issued by the division for such housing accommo-
25 dation.

26 2. If the department of taxation and finance determines that the total
27 annual income is in excess of [one hundred seventy-five thousand dollars
28 in each of the two preceding calendar years] the deregulation income

1 threshold in each of the two preceding calendar years, the division
2 shall, on or before November fifteenth of such year, notify the owner
3 and tenants of the results of such verification. Both the owner and the
4 tenants shall have thirty days within which to comment on such verifica-
5 tion results. Within forty-five days after the expiration of the
6 comment period, the division shall, where appropriate, issue an order of
7 [~~decontrol~~] deregulation providing that such housing accommodation shall
8 not be subject to the provisions of this law as of the first day of
9 March in the year next succeeding the filing of the owner's petition
10 with the division. A copy of such order shall be mailed by regular and
11 certified mail, return receipt requested, to the tenant or tenants and a
12 copy thereof shall be sent to the owner.

13 3. In the event the tenant or tenants fail to provide the information
14 required pursuant to paragraph one of this subdivision, the division
15 shall issue, on or before December first of such year, an order of
16 [~~decontrol~~] deregulation providing that such housing accommodation shall
17 not be subject to the provisions of this law as of the first day of
18 March in the year next succeeding the last day on which the tenant or
19 tenants were required to provide the information required by such para-
20 graph. A copy of such order shall be mailed by regular and certified
21 mail, return receipt requested, to the tenant or tenants and a copy
22 thereof shall be sent to the owner.

23 4. The provisions of the state freedom of information act shall not
24 apply to any income information obtained by the division pursuant to
25 this section.

26 (d) This section shall apply only to paragraph (m) of subdivision two
27 of section two of this law.

1 (e) Upon receipt of such order of [~~decontrol~~] deregulation pursuant to
2 this section, an owner shall offer the housing accommodation subject to
3 such order to the tenant at a rent not in excess of the market rent,
4 which for the purposes of this section means a rent obtainable in an
5 arm's length transaction. Such rental offer shall be made by the owner
6 in writing to the tenant by certified and regular mail and shall inform
7 the tenant that such offer must be accepted in writing within ten days
8 of receipt. The tenant shall respond within ten days after receipt of
9 such offer. If the tenant declines the offer or fails to respond within
10 such period, the owner may commence an action or proceeding for the
11 eviction of such tenant.

12 § 33. Subparagraph (j) of paragraph 2 of subdivision e of section
13 26-403 of the administrative code of the city of New York, as amended by
14 chapter 116 of the laws of 1997, is amended to read as follows:

15 (j) Upon the issuance of an order of [~~decontrol~~] deregulation by the
16 division, housing accommodations which: (1) are occupied by persons who
17 have a total annual income, as defined in and subject to the limitations
18 and process set forth in section 26-403.1 of this chapter, in excess of
19 [one hundred seventy-five thousand dollars per annum] the deregulation
20 income threshold, as defined in section 26-403.1 of this chapter, in
21 each of the two preceding calendar years[, as defined in and subject to
22 the limitations and process set forth in section 26-403.1 of this chap-
23 ter]; and (2) have a maximum rent [of two thousand dollars or more per
24 month] that equals or exceeds the deregulation rent threshold, as
25 defined in section 26-403.1 of this chapter. Provided however, that
26 this exclusion shall not apply to housing accommodations which became or
27 become subject to this law by virtue of receiving tax benefits pursuant
28 to section four hundred eighty-nine of the real property tax law.

1 § 34. Section 26-403.1 of the administrative code of the city of New
2 York, as added by chapter 253 of the laws of 1993, subdivision (b) and
3 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as
4 added by chapter 116 of the laws of 1997, is amended to read as follows:

5 § 26-403.1 High income rent [decontrol] deregulation. (a) 1. For
6 purposes of this section, annual income shall mean the federal adjusted
7 gross income as reported on the New York state income tax return. Total
8 annual income means the sum of the annual incomes of all persons who
9 occupy the housing accommodation as their primary residence other than
10 on a temporary basis, excluding bona fide employees of such occupants
11 residing therein in connection with such employment and excluding bona
12 fide subtenants in occupancy pursuant to the provisions of section two
13 hundred twenty-six-b of the real property law. In the case where a hous-
14 ing accommodation is sublet, the annual income of the sublessor shall be
15 considered.

16 2. Deregulation income threshold means total annual income equal to
17 one hundred seventy-five thousand dollars in each of the two preceding
18 calendar years for proceedings commenced prior to July first, two thou-
19 sand eleven. For proceedings commenced on or after July first, two
20 thousand eleven, the deregulation income threshold means the total annu-
21 al income equal to two hundred thousand dollars in each of the two
22 preceding calendar years.

23 3. Deregulation rent threshold means two thousand dollars for
24 proceedings commenced before July first, two thousand eleven. For
25 proceedings commenced on or after July first, two thousand eleven, the
26 deregulation rent threshold means two thousand five hundred dollars.

27 (b) On or before the first day of May in each calendar year, the owner
28 of each housing accommodation for which the maximum rent [is two thou-

1 sand dollars or more per month] equals or exceeds the deregulation rent
2 threshold may provide the tenant or tenants residing therein with an
3 income certification form prepared by the division of housing and commu-
4 nity renewal on which such tenant or tenants shall identify all persons
5 referred to in subdivision (a) of this section and shall certify whether
6 the total annual income is in excess of [one hundred seventy-five thou-
7 sand dollars in each of the two preceding calendar years] the deregu-
8 lation income threshold in each of the two preceding calendar years.
9 Such income certification form shall state that the income level certi-
10 fied to by the tenant may be subject to verification by the department
11 of taxation and finance pursuant to section one hundred seventy-one-b of
12 the tax law and shall not require disclosure of any income information
13 other than whether the aforementioned threshold has been exceeded. Such
14 income certification form shall clearly state that: (i) only tenants
15 residing in housing accommodations which have a maximum monthly rent [of
16 two thousand dollars or more per month] that equals or exceeds the
17 deregulation rent threshold are required to complete the certification
18 form; (ii) that tenants have protections available to them which are
19 designed to prevent harassment; (iii) that tenants are not required to
20 provide any information regarding their income except that which is
21 requested on the form and may contain such other information the divi-
22 sion deems appropriate. The tenant or tenants shall return the completed
23 certification to the owner within thirty days after service upon the
24 tenant or tenants. In the event that the total annual income as certi-
25 fied is in excess of [one hundred seventy-five thousand dollars in each
26 such year] the deregulation income threshold in each of the two preced-
27 ing calendar years, the owner may file the certification with the state
28 division of housing and community renewal on or before June thirtieth of

1 such year. Upon filing such certification with the division, the divi-
2 sion shall, within thirty days after the filing, issue an order of
3 [decontrol] deregulation providing that such housing accommodations
4 shall not be subject to the provisions of this law as of the first day
5 of June in the year next succeeding the filing of the certification by
6 the owner. A copy of such order shall be mailed by regular and certified
7 mail, return receipt requested, to the tenant or tenants and a copy
8 thereof shall be mailed to the owner.

9 (c) 1. In the event that the tenant or tenants either fail to return
10 the completed certification to the owner on or before the date required
11 by subdivision (b) of this section or the owner disputes the certif-
12 ication returned by the tenant or tenants, the owner may, on or before
13 June thirtieth of such year, petition the state division of housing and
14 community renewal to verify, pursuant to section one hundred seventy-
15 one-b of the tax law, whether the total annual income exceeds [one
16 hundred seventy-five thousand dollars in each of the two preceding
17 calendar years] the deregulation income threshold in each of the two
18 preceding calendar years. Within twenty days after the filing of such
19 request with the division, the division shall notify the tenant or
20 tenants that such tenant or tenants must provide the division with such
21 information as the division and the department of taxation and finance
22 shall require to verify whether the total annual income exceeds [one
23 hundred seventy-five thousand dollars in each such year] the deregu-
24 lation income threshold in each of the two preceding calendar years.
25 The division's notification shall require the tenant or tenants to
26 provide the information to the division within sixty days of service
27 upon such tenant or tenants and shall include a warning in bold faced
28 type that failure to respond will result in an order of [decontrol]

1 deregulation being issued by the division for such housing accommo-
2 dation.

3 2. If the department of taxation and finance determines that the total
4 annual income is in excess of [one hundred seventy-five thousand dollars
5 in each of the two preceding calendar years] the deregulation income
6 threshold in each of the two preceding calendar years, the division
7 shall, on or before November fifteenth of such year, notify the owner
8 and tenants of the results of such verification. Both the owner and the
9 tenants shall have thirty days within which to comment on such verifica-
10 tion results. Within forty-five days after the expiration of the
11 comment period, the division shall, where appropriate, issue an order of
12 [~~decontrol~~] deregulation providing that such housing accommodation shall
13 not be subject to the provisions of this law as of the first day of
14 March in the year next succeeding the filing of the owner's petition
15 with the division. A copy of such order shall be mailed by regular and
16 certified mail, return receipt requested, to the tenant or tenants and a
17 copy thereof shall be sent to the owner.

18 3. In the event the tenant or tenants fail to provide the information
19 required pursuant to paragraph one of this subdivision, the division
20 shall issue, on or before December first of such year, an order of
21 [~~decontrol~~] deregulation providing that such housing accommodation shall
22 not be subject to the provisions of this law as of the first day of
23 March in the year next succeeding the last day on which the tenant or
24 tenants were required to provide the information required by such para-
25 graph. A copy of such order shall be mailed by regular and certified
26 mail, return receipt requested, to the tenant or tenants and a copy
27 thereof shall be sent to the owner.

1 4. The provisions of the state freedom of information act shall not
2 apply to any income information obtained by the division pursuant to
3 this section.

4 (d) This section shall apply only to subparagraph (j) of paragraph two
5 of subdivision e of section 26-403 of this [code] chapter.

6 (e) Upon receipt of such order of [decontrol] deregulation pursuant to
7 this section, an owner shall offer the housing accommodation subject to
8 such order to the tenant at a rent not in excess of the market rent,
9 which for the purposes of this section means a rent obtainable in an
10 arm's length transaction. Such rental offer shall be made by the owner
11 in writing to the tenant by certified and regular mail and shall inform
12 the tenant that such offer must be accepted in writing within ten days
13 of receipt. The tenant shall respond within ten days after receipt of
14 such offer. If the tenant declines the offer or fails to respond within
15 such period, the owner may commence an action or proceeding for the
16 eviction of such tenant.

17 § 35. Section 26-504.1 of the administrative code of the city of New
18 York, as amended by chapter 116 of the laws of 1997, is amended to read
19 as follows:

20 § 26-504.1 Exclusion of accommodations of high income renters. Upon
21 the issuance of an order by the division, "housing accommodations" shall
22 not include housing accommodations which: (1) are occupied by persons
23 who have a total annual income, as defined in and subject to the limita-
24 tions and process set forth in section 26-504.3 of this chapter, in
25 excess of [one hundred seventy-five thousand dollars per annum] the
26 deregulation income threshold, as defined in section 26-504.3 of this
27 chapter, for each of the two preceding calendar years[, as defined in
28 and subject to the limitations and process set forth in section 26-504.3

1 of this chapter]; and (2) have a legal regulated monthly rent [of two
2 thousand dollars or more per month] that equals or exceeds the deregu-
3 lation rent threshold, as defined in section 26-504.3 of this chapter.
4 Provided, however, that this exclusion shall not apply to housing accom-
5 modations which became or become subject to this law (a) by virtue of
6 receiving tax benefits pursuant to section four hundred twenty-one-a or
7 four hundred eighty-nine of the real property tax law, except as other-
8 wise provided in subparagraph (i) of paragraph (f) of subdivision two of
9 section four hundred twenty-one-a of the real property tax law, or (b)
10 by virtue of article seven-C of the multiple dwelling law.

11 § 36. Section 26-504.3 of the administrative code of the city of New
12 York, as added by chapter 253 of the laws of 1993, subdivision (b) and
13 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as
14 added by chapter 116 of the laws of 1997, is amended to read as follows:

15 § 26-504.3 High income rent [decontrol] deregulation. (a) 1. For
16 purposes of this section, annual income shall mean the federal adjusted
17 gross income as reported on the New York state income tax return. Total
18 annual income means the sum of the annual incomes of all persons whose
19 names are recited as the tenant or co-tenant on a lease who occupy the
20 housing accommodation and all other persons that occupy the housing
21 accommodation as their primary residence on other than a temporary
22 basis, excluding bona fide employees of such occupants residing therein
23 in connection with such employment and excluding bona fide subtenants in
24 occupancy pursuant to the provisions of section two hundred twenty-six-b
25 of the real property law. In the case where a housing accommodation is
26 sublet, the annual income of the tenant or co-tenant recited on the
27 lease who will reoccupy the housing accommodation upon the expiration of
28 the sublease shall be considered.

1 2. Deregulation income threshold means total annual income equal to
2 one hundred seventy-five thousand dollars in each of the two preceding
3 calendar years for proceedings commenced before July first, two thousand
4 eleven. For proceedings commenced on or after July first, two thousand
5 eleven, the deregulation income threshold means the total annual income
6 equal to two hundred thousand dollars in each of the two preceding
7 calendar years.

8 3. Deregulation rent threshold means two thousand dollars for
9 proceedings commenced before July first, two thousand eleven. For
10 proceedings commenced on or after July first, two thousand eleven, the
11 deregulation rent threshold means two thousand five hundred dollars.

12 (b) On or before the first day of May in each calendar year, the owner
13 of each housing accommodation for which the legal regulated rent [is two
14 thousand dollars or more per month] equals or exceeds the deregulation
15 rent threshold may provide the tenant or tenants residing therein with
16 an income certification form prepared by the division of housing and
17 community renewal on which such tenant or tenants shall identify all
18 persons referred to in subdivision (a) of this section and shall certify
19 whether the total annual income is in excess of [one hundred seventy-
20 five thousand dollars in each of the two preceding calendar years] the
21 deregulation income threshold in each of the two preceding calendar
22 years. Such income certification form shall state that the income level
23 certified to by the tenant may be subject to verification by the depart-
24 ment of taxation and finance pursuant to section one hundred seventy-
25 one-b of the tax law and shall not require disclosure of any income
26 information other than whether the aforementioned threshold has been
27 exceeded. Such income certification form shall clearly state that: (i)
28 only tenants residing in housing accommodations which have a legal regu-

1 lated monthly rent [of two thousand dollars or more per month], that
2 equals or exceeds the deregulation rent threshold are required to
3 complete the certification form; (ii) that tenants have protections
4 available to them which are designed to prevent harassment; (iii) that
5 tenants are not required to provide any information regarding their
6 income except that which is requested on the form and may contain such
7 other information the division deems appropriate. The tenant or tenants
8 shall return the completed certification to the owner within thirty days
9 after service upon the tenant or tenants. In the event that the total
10 annual income as certified is in excess of [one hundred seventy-five
11 thousand dollars in each such year] the deregulation income threshold in
12 each of the two preceding calendar years, the owner may file the certifi-
13 cation with the state division of housing and community renewal on or
14 before June thirtieth of such year. Upon filing such certification with
15 the division, the division shall, within thirty days after the filing,
16 issue an order providing that such housing accommodation shall not be
17 subject to the provisions of this act upon the expiration of the exist-
18 ing lease. A copy of such order shall be mailed by regular and certified
19 mail, return receipt requested, to the tenant or tenants and a copy
20 thereof shall be mailed to the owner.

21 (c) 1. In the event that the tenant or tenants either fail to return
22 the completed certification to the owner on or before the date required
23 by subdivision (b) of this section or the owner disputes the certifi-
24 cation returned by the tenant or tenants, the owner may, on or before
25 June thirtieth of such year, petition the state division of housing and
26 community renewal to verify, pursuant to section one hundred seventy-
27 one-b of the tax law, whether the total annual income exceeds [one
28 hundred seventy-five thousand dollars in each of the two preceding

1 calendar years] the deregulation income threshold in each of the two
2 preceding calendar years. Within twenty days after the filing of such
3 request with the division, the division shall notify the tenant or
4 tenants named on the lease that such tenant or tenants must provide the
5 division with such information as the division and the department of
6 taxation and finance shall require to verify whether the total annual
7 income exceeds [one hundred seventy-five thousand dollars in each such
8 year] the deregulation income threshold in each of the two preceding
9 calendar years. The division's notification shall require the tenant or
10 tenants to provide the information to the division within sixty days of
11 service upon such tenant or tenants and shall include a warning in bold
12 faced type that failure to respond will result in an order being issued
13 by the division providing that such housing accommodation shall not be
14 subject to the provisions of this law.

15 2. If the department of taxation and finance determines that the total
16 annual income is in excess of [one hundred seventy-five thousand dollars
17 in each of the two preceding calendar years] the deregulation income
18 threshold in each of the two preceding calendar years, the division
19 shall, on or before November fifteenth of such year, notify the owner
20 and tenants of the results of such verification. Both the owner and the
21 tenants shall have thirty days within which to comment on such verifica-
22 tion results. Within forty-five days after the expiration of the
23 comment period, the division shall, where appropriate, issue an order
24 providing that such housing accommodation shall not be subject to the
25 provisions of this law upon the expiration of the existing lease. A copy
26 of such order shall be mailed by regular and certified mail, return
27 receipt requested, to the tenant or tenants and a copy thereof shall be
28 sent to the owner.

1 3. In the event the tenant or tenants fail to provide the information
2 required pursuant to paragraph one of this subdivision, the division
3 shall issue, on or before December first of such year, an order provid-
4 ing that such housing accommodation shall not be subject to the
5 provisions of this law upon the expiration of the current lease. A copy
6 of such order shall be mailed by regular and certified mail, return
7 receipt requested, to the tenant or tenants and a copy thereof shall be
8 sent to the owner.

9 4. The provisions of the state freedom of information act shall not
10 apply to any income information obtained by the division pursuant to
11 this section.

12 (d) This section shall apply only to section 26-504.1 of this [code]
13 chapter.

14 (e) Upon receipt of such order of [~~decontrol~~] deregulation pursuant to
15 this section, an owner shall offer the housing accommodation subject to
16 such order to the tenant at a rent not in excess of the market rent,
17 which for the purposes of this section means a rent obtainable in an
18 arm's length transaction. Such rental offer shall be made by the owner
19 in writing to the tenant by certified and regular mail and shall inform
20 the tenant that such offer must be accepted in writing within ten days
21 of receipt. The tenant shall respond within ten days after receipt of
22 such offer. If the tenant declines the offer or fails to respond within
23 such period, the owner may commence an action or proceeding for the
24 eviction of such tenant.

25 § 37. Paragraph (b) of subdivision 3 of section 171-b of the tax law,
26 as amended by chapter 116 of the laws of 1997, is amended to read as
27 follows:

1 (b) The department, when requested by the division of housing and
2 community renewal, shall verify the total annual income of all persons
3 residing in housing accommodations as their primary residence subject to
4 rent regulation and shall notify the commissioner of the division of
5 housing and community renewal as may be appropriate whether the total
6 annual income exceeds [one hundred seventy-five thousand dollars per
7 annum in each of the two preceding calendar years] the applicable dereg-
8 ulation income threshold in each of the two preceding calendar years.
9 No other information regarding the annual income of such persons shall
10 be provided.

11 § 38. Subparagraph (i) of paragraph (a) of subdivision 2 of section
12 421-a of the real property tax law, as amended by chapter 288 of the
13 laws of 1985, is amended to read as follows:

14 (i) Within a city having a population of one million or more, new
15 multiple dwellings, except hotels, shall be exempt from taxation for
16 local purposes, other than assessments for local improvements, for the
17 tax year or years immediately following taxable status dates occurring
18 subsequent to the commencement and prior to the completion of
19 construction, but not to exceed three such tax years, except for new
20 multiple dwellings the construction of which commenced between January
21 first, two thousand seven, and June thirtieth, two thousand nine, shall
22 have an additional thirty-six months to complete construction and shall
23 be eligible for full exemption from taxation for the first three years
24 of the period of construction; any eligible project that seeks to
25 utilize the six-year period of construction authorized by this section
26 must apply for a preliminary certificate of eligibility within one year
27 of the effective date of the rent act of 2011, provided, however that
28 such multiple dwellings shall be eligible for a maximum of three years

1 of benefits during the construction period, and shall continue to be
2 exempt from such taxation in tax years immediately following the taxable
3 status date first occurring after the expiration of the exemption herein
4 conferred during construction so long as used at the completion of
5 construction for dwelling purposes for a period not to exceed ten years
6 in the aggregate after the taxable status date immediately following the
7 completion thereof, as follows:

8 (A) except as otherwise provided herein there shall be full exemption
9 from taxation during the period of construction or the period of three
10 years immediately following commencement of construction, whichever
11 expires sooner, except for new multiple dwellings the construction of
12 which commenced between January first, two thousand seven, and June
13 thirtieth, two thousand nine, shall have an additional thirty-six months
14 to complete construction and shall be eligible for full exemption from
15 taxation for the first three years of the period of construction; any
16 eligible project that seeks to utilize the six-year period of
17 construction authorized by this section must apply for a preliminary
18 certificate of eligibility within one year of the effective date of the
19 rent act of 2011, provided, however that such multiple dwellings shall
20 be eligible for a maximum of three years of benefits during the
21 construction period, and for two years following such period;

22 (B) followed by two years of exemption from eighty per cent of such
23 taxation;

24 (C) followed by two years of exemption from sixty per cent of such
25 taxation;

26 (D) followed by two years of exemption from forty per cent of such
27 taxation;

1 (E) followed by two years of exemption from twenty per cent of such
2 taxation;

3 The following table shall illustrate the computation of the tax
4 exemption:

5 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
6 During Construction (maximum three years);	100%
7 <u>except construction commenced between January</u>	
8 <u>first, two thousand seven and June</u>	
9 <u>thirtieth, two thousand nine (maximum</u>	
10 <u>three years)</u>	
11 Following completion of work	
12 Year:	
13 1	100%
14 2	100
15 3	80
16 4	80
17 5	60
18 6	60
19 7	40
20 8	40
21 9	20
22 10	20

1 § 39. Clause (A) of subparagraph (ii) of paragraph (a) of subdivision
2 2 of section 421-a of the real property tax law, as amended by chapter
3 288 of the laws of 1985, is amended to read as follows:

4 (A) Within a city having a population of one million or more the local
5 housing agency may adopt rules and regulations providing that except in
6 areas excluded by local law new multiple dwellings, except hotels, shall
7 be exempt from taxation for local purposes, other than assessments for
8 local improvements, for the tax year or years immediately following
9 taxable status dates occurring subsequent to the commencement and prior
10 to the completion of construction, but not to exceed three such tax
11 years, except for new multiple dwellings the construction of which
12 commenced between January first, two thousand seven, and June thirtieth,
13 two thousand nine, shall have an additional thirty-six months to
14 complete construction and shall be eligible for full exemption from
15 taxation for the first three years of the period of construction; any
16 eligible project that seeks to utilize the six-year period of
17 construction authorized by this section must apply for a preliminary
18 certificate of eligibility within one year of the effective date of the
19 rent act of 2011, provided, however that such multiple dwellings shall
20 be eligible for a maximum of three years of benefits during the
21 construction period, and shall continue to be exempt from such taxation
22 in tax years immediately following the taxable status date first occur-
23 ring after the expiration of the exemption herein conferred during such
24 construction so long as used at the completion of construction for
25 dwelling purposes for a period not to exceed fifteen years in the aggre-
26 gate, as follows:

27 a. except as otherwise provided herein there shall be full exemption
28 from taxation during the period of construction or the period of three

1 years immediately following commencement of construction, whichever
2 expires sooner, except for new multiple dwellings the construction of
3 which commenced between January first, two thousand seven, and June
4 thirtieth, two thousand nine, shall have an additional thirty-six months
5 to complete construction and shall be eligible for full exemption from
6 taxation for the first three years of the period of construction; any
7 eligible project that seeks to utilize the six-year period of
8 construction authorized by this section must apply for a preliminary
9 certificate of eligibility within one year of the effective date of the
10 rent act of 2011, provided, however that such multiple dwellings shall
11 be eligible for a maximum of three years of benefits during the
12 construction period, and for eleven years following such period;

13 b. followed by one year of exemption from eighty percent of such taxa-
14 tion;

15 c. followed by one year of exemption from sixty percent of such taxa-
16 tion;

17 d. followed by one year of exemption from forty percent of such taxa-
18 tion;

19 e. followed by one year of exemption from twenty percent of such taxa-
20 tion.

21 § 40. Clause (A) of subparagraph (iii) of paragraph (a) of subdivision
22 2 of section 421-a of the real property tax law, as amended by chapter
23 702 of the laws of 1992, is amended to read as follows:

24 (A) Within a city having a population of one million or more the local
25 housing agency may adopt rules and regulations providing that new multi-
26 ple dwellings, except hotels, shall be exempt from taxation for local
27 purposes, other than assessments for local improvements, for the tax
28 year or years immediately following taxable status dates occurring

1 subsequent to the commencement and prior to the completion of
2 construction, but not to exceed three such tax years, except for new
3 multiple dwellings the construction of which commenced between January
4 first, two thousand seven, and June thirtieth, two thousand nine, shall
5 have an additional thirty-six months to complete construction and shall
6 be eligible for full exemption from taxation for the first three years
7 of the period of construction; any eligible project that seeks to
8 utilize the six-year period of construction authorized by this section
9 must apply for a preliminary certificate of eligibility within one year
10 of the effective date of the rent act of 2011, provided, however that
11 such multiple dwellings shall be eligible for a maximum of three years
12 of benefits during the construction period, and shall continue to be
13 exempt from such taxation in tax years immediately following the taxable
14 status date first occurring after the expiration of the exemption herein
15 conferred during such construction so long as used at the completion of
16 construction for dwelling purposes for a period not to exceed twenty-
17 five years in the aggregate, provided that the area in which the project
18 is situated is a neighborhood preservation program area as determined by
19 the local housing agency as of June first, nineteen hundred eighty-five,
20 or is a neighborhood preservation area as determined by the New York
21 city planning commission as of June first, nineteen hundred eighty-five,
22 or is an area that was eligible for mortgage insurance provided by the
23 rehabilitation mortgage insurance corporation as of May first, nineteen
24 hundred ninety-two or is an area receiving funding for a neighborhood
25 preservation project pursuant to the neighborhood reinvestment corpo-
26 ration act (42 U.S.C. §§180 et seq.) as of June first, nineteen hundred
27 eighty-five, as follows:

1 a. except as otherwise provided herein there shall be full exemption
2 from taxation during the period of construction or the period of three
3 years immediately following commencement of construction, whichever
4 expires sooner, except for new multiple dwellings the construction of
5 which commenced between January first, two thousand seven, and June
6 thirtieth, two thousand nine, shall have an additional thirty-six months
7 to complete construction and shall be eligible for full exemption from
8 taxation for the first three years of the period of construction; any
9 eligible project that seeks to utilize the six-year period of
10 construction authorized by this section must apply for a preliminary
11 certificate of eligibility within one year of the effective date of the
12 rent act of 2011, provided, however that such multiple dwellings shall
13 be eligible for a maximum of three years of benefits during the
14 construction period, and for twenty-one years following such period;

15 b. followed by one year of exemption from eighty percent of such taxa-
16 tion;

17 c. followed by one year of exemption from sixty percent of such taxa-
18 tion;

19 d. followed by one year of exemption from forty percent of such taxa-
20 tion;

21 e. followed by one year of exemption from twenty percent of such taxa-
22 tion.

23 § 41. The opening paragraph of clause (A) of subparagraph (iv) of
24 paragraph (a) of subdivision 2 of section 421-a of the real property tax
25 law, as amended by chapter 618 of the laws of 2007, is amended to read
26 as follows:

27 Unless excluded by local law, in the city of New York, the benefits of
28 this subparagraph shall be available in the borough of Manhattan for new

1 multiple dwellings on tax lots now existing or hereafter created south
2 of or adjacent to either side of one hundred tenth street [which] that
3 commence construction after July first, nineteen hundred ninety-two and
4 before [December twenty-eighth] June fifteenth, two thousand [ten]
5 fifteen only if:

6 § 42. Subparagraph (ii) of paragraph (c) of subdivision 2 of section
7 421-a of the real property tax law, as amended by chapter 618 of the
8 laws of 2007, is amended to read as follows:

9 (ii) construction is commenced after January first, nineteen hundred
10 seventy-five and before [December twenty-eighth] June fifteenth, two
11 thousand [ten] fifteen provided, however, that such commencement period
12 shall not apply to multiple dwellings eligible for benefits under
13 subparagraph (iv) of paragraph (a) of this subdivision;

14 § 43. The real property tax law is amended by adding a new section
15 421-m to read as follows:

16 § 421-m. Exemption of certain new or substantially rehabilitated
17 multiple dwellings from local taxation. 1. (a) A city, town or village
18 may, by local law, provide for the exemption of multiple dwellings
19 constructed or substantially rehabilitated in a benefit area designated
20 in such local law from taxation and special ad valorem levies, but not
21 special assessments, as provided in this section. Subsequent to the
22 adoption of such a local law, any other municipal corporation in which
23 the designated benefit area is located may likewise exempt such property
24 from its taxation and special ad valorem levies by local law, or in the
25 case of a school district, by resolution.

26 (b) As used in this section, the term "benefit area" means the area
27 within a city, town or village, designated by local law, to which an
28 exemption, established pursuant to this section, applies.

1 (c) The term "substantial rehabilitation" means all work necessary to
 2 bring a property into compliance with all applicable laws and regu-
 3 lations including but not limited to the installation, replacement or
 4 repair of heating, plumbing, electrical and related systems and the
 5 elimination of all hazardous and immediately hazardous violations in the
 6 structure in accordance with state and local laws and regulations of
 7 state and local agencies. Substantial rehabilitation may also include
 8 reconstruction or work to improve the habitability or prolong the useful
 9 life of the property; provided substantial rehabilitation shall not
 10 include ordinary maintenance or repair.

11 (d) The term "multiple dwelling" means a dwelling, other than a hotel,
 12 which is to be occupied or is occupied as the residence or home of three
 13 or more families living independently of one another, whether such
 14 dwelling is rented or owned as a cooperative or condominium.

15 2. (a) Eligible new or substantially rehabilitated multiple dwellings
 16 in a designated benefit area shall be exempt according to the following
 17 schedule:

18 CONSTRUCTION OR SUBSTANTIAL REHABILITATION OF CERTAIN

19 MULTIPLE DWELLINGS

20 <u>During construction or</u>	<u>Exemption</u>
21 <u>substantial rehabilitation</u>	
22 <u>(maximum three years)</u>	<u>100%</u>
23 <u>Following completion of work year:</u>	
24 <u>1 through 12</u>	<u>100%</u>
25 <u>13-14</u>	<u>80%</u>
26 <u>15-16</u>	<u>60%</u>
27 <u>17-18</u>	<u>40%</u>
28 <u>19-20</u>	<u>20%</u>

1 (b) Provided that taxes shall be paid during any such period at least
2 in the amount of the taxes paid on such land and any improvements there-
3 on during the tax year preceding the commencement of such exemption.
4 Provided further that no other exemption may be granted concurrently to
5 the same improvements under any other section of law.

6 3. To be eligible for exemption under this section:

7 (a) Such construction or substantial rehabilitation shall take place
8 on vacant, predominantly vacant or under-utilized land, or on land
9 improved with a non-conforming use or on land containing one or more
10 substandard or structurally unsound dwellings, or a dwelling that has
11 been certified as unsanitary by the local health agency.

12 (b) Such construction or substantial rehabilitation was commenced on
13 or after the effective date of the local law, ordinance or resolution
14 described in subdivision one of this section, but no later than June
15 fifteenth, two thousand fifteen.

16 (c) At least twenty percent of the units shall be affordable to indi-
17 viduals or families of low and moderate income whose incomes at the time
18 of initial occupancy do not exceed ninety percent of the area median
19 income adjusted for family size and the individual or family shall pay
20 in rent or monthly carrying charges no more than thirty percent of their
21 adjusted gross income as reported in their federal income tax return, or
22 would be reported if such return were required, less such personal
23 exemptions and deductions and medical expenses as are actually taken by
24 the taxpayer, as verified according to procedures established by the
25 state division of housing and community renewal. Such procedures shall
26 be published through notice in the state register without further action
27 required for the promulgation of regulations pursuant to the state
28 administrative procedure act.

1 (d) Such construction or substantial rehabilitation is carried out
2 with the assistance of grants, loans or subsidies for the construction
3 or substantial rehabilitation of affordable housing from any federal,
4 state or local agency or instrumentality thereof.

5 4. Application for exemption under this section shall be made on a
6 form prescribed by the commissioner and filed with the assessor on or
7 before the applicable taxable status date.

8 5. In the case of property which is used partially as a multiple
9 dwelling and partially for commercial or other purposes, the property
10 shall be eligible for the exemption authorized by this section if:

11 (a) The square footage of the portion used as a multiple dwelling
12 represents at least fifty percent of the square footage of the entire
13 property;

14 (b) At least twenty percent of the units are affordable to individuals
15 or families of low and moderate income, as determined according to the
16 criteria set forth in paragraph (c) of subdivision three of this
17 section; and

18 (c) The requirements of this section are otherwise satisfied with
19 respect to the portion of the property used as a multiple dwelling.

20 6. The exemption authorized by this section shall not be available in
21 a jurisdiction to which the provisions of section four hundred twenty-
22 one-a or four hundred twenty-one-c of this article are applicable.

23 7. A city, town or village providing an exemption pursuant to the
24 authority of this section shall develop an income monitoring and compli-
25 ance plan to meet the criteria of paragraph (c) of subdivision three of
26 this section and such plan shall be reviewed, evaluated and approved by
27 the state division of housing and community renewal as a condition of
28 providing such exemption. Such plan shall include an annual certifi-

1 ication that the multiple dwelling receiving an exemption meets the
2 requirements of this section. Such certification shall be provided to
3 the assessor and the state division of housing and community renewal. If
4 such requirements are not met, then the multiple dwelling shall not
5 qualify for the exemption in that year.

6 § 44. The division of housing and community renewal shall, pursuant to
7 this act, promulgate rules and regulations to implement and enforce all
8 provisions of this act and any law renewed or continued by this act.

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

18 § 46. This act shall take effect immediately and shall be deemed to
19 have been in full force and effect on and after June 24, 2011; provided,
20 however, that:

21 (a) the amendments to chapter 4 of title 26 of the administrative code
22 of the city of New York made by sections seven, twelve, fourteen,
23 sixteen, thirty-five and thirty-six of this act shall expire on the same
24 date as such chapter expires and shall not affect the expiration of such
25 chapter as provided under section 26-520 of such law;

26 (b) the amendments to section 4 of chapter 576 of the laws of 1974
27 constituting the emergency tenant protection act of nineteen seventy-
28 four made by sections eight, ten, thirteen, eighteen, twenty-nine and

1 thirty of this act shall expire on the same date as such act expires and
2 shall not affect the expiration of such act as provided in section 17 of
3 chapter 576 of the laws of 1974;

4 (c) the amendments to section 2 of the emergency housing rent control
5 law made by sections nine, twenty-five, thirty-one and thirty-two of
6 this act shall expire on the same date as such law expires and shall not
7 affect the expiration of such law as provided in subdivision 2 of
8 section 1 of chapter 274 of the laws of 1946;

9 (d) the amendments to chapter 3 of title 26 of the administrative code
10 of the city of New York made by sections eleven, fifteen, thirty-three
11 and thirty-four of this act shall remain in full force and effect only
12 as long as the public emergency requiring the regulation and control of
13 residential rents and evictions continues, as provided in subdivision 3
14 of section 1 of the local emergency housing rent control act;

15 (e) the amendments to section 421-a of the real property tax law made
16 by sections thirty-eight, thirty-nine, forty, forty-one and forty-two of
17 this act shall be deemed to have been in full force and effect as of
18 December 28, 2010; and

19 (f) the amendments made by sections thirty through thirty-seven of
20 this act shall not be grounds for dismissal of any owner application for
21 deregulation where a notice or application for such deregulation, that
22 is filed or served between May 1, 2011 through July 1, 2011, used the
23 income and rent deregulation thresholds in effect prior to the effective
24 date of such sections. Any tenant failure to respond to such notice or
25 application because of the use of such income or deregulation thresholds
26 shall constitute grounds to afford such tenant an additional opportunity
27 to respond.

1

PART C

2 Section 1. This act enacts into law major components of legislation
3 relating to mandate relief. Each component is wholly contained within a
4 Subpart identified as Subparts A through H. The effective date for each
5 particular provision contained within such Subpart is set forth in the
6 last section of such Subpart. Any provision in any section contained
7 within a Subpart, including the effective date of the Subpart, which
8 makes a reference to a section "of this act", when used in connection
9 with that particular component, shall be deemed to mean and refer to the
10 corresponding section of the Subpart in which it is found. Section three
11 of this act sets forth the general effective date of this act.

12.

SUBPART A

13 Section 1. Subdivisions 3 and 5 of section 97-g of the state finance
14 law, subdivision 3 as amended by section 45 of part K of chapter 81 of
15 the laws of 2002 and subdivision 5 as added by chapter 710 of the laws
16 of 1964, are amended to read as follows:

17 3. Moneys of the fund shall be available to the commissioner of gener-
18 al services for the purchase of food, supplies and equipment for [state
19 institutions and other] state agencies, and for the purpose of furnish-
20 ing or providing centralized services to or for [state institutions and
21 other] state agencies; provided further that such moneys shall be avail-
22 able to the commissioner of general services for purposes pursuant to
23 items (d) and (f) of subdivision four of this section to or for poli-
24 tical subdivisions. Beginning the first day of April, two thousand two,
25 moneys in such fund shall also be transferred by the state comptroller

1 to the revenue bond tax fund account of the general debt service fund in
2 amounts equal to those required for payments to authorized issuers for
3 revenue bonds issued pursuant to article five-C of this chapter for the
4 purpose of lease purchases and installment purchases by or for state
5 agencies and institutions for personal or real property purposes.

6 5. The amount expended from such fund for the above-stated purposes
7 shall be charged against the [state institution or] agency or political
8 subdivisions above receiving such food, supplies, equipment and services
9 and all payments received therefor shall be credited to such fund.

10 § 2. Subdivision 4 of section 97-g of the state finance law, as
11 amended by chapter 410 of the laws of 2009, is amended to read as
12 follows:

13 4. The term "centralized services" as used in this section shall mean
14 and include only (a) communications services, (b) mail, messenger and
15 reproduction services, (c) computer services, (d) fuels, including
16 natural gas, hydrogen, biofuels and gasoline, and automotive services,
17 (e) renovation and maintenance services, (f) purchases of electricity,
18 renewable energy, renewable energy credits or attributes from the power
19 authority of the state of New York and, in consultation with the power
20 authority of the state of New York, from other suppliers, (g) real prop-
21 erty management services, (h) building design and construction services,
22 (i) parking services, (j) distribution of United States department of
23 agriculture donated foods to eligible recipients, pursuant to all appli-
24 cable statutes and regulations, (k) distribution of federal surplus
25 property donations to all eligible recipients, pursuant to applicable
26 statutes and regulations, and (l) payments and related services for
27 lease purchases and installment purchases by or for state agencies and
28 institutions for personal property purposes financed through the issu-

1 ance of certificates of participation. The services defined in items (a)
2 through (c), (e), (g) and (h) of this subdivision shall be provided to
3 state agencies and institutions only.

4 § 3. Intentionally omitted

5 § 4. Section 103 of the general municipal law is amended by adding a
6 new subdivision 1-b to read as follows:

7 1-b. A political subdivision or any district therein shall have the
8 option of purchasing information technology and telecommunications hard-
9 ware, software and professional services through cooperative purchasing
10 permissible pursuant to federal general services administration informa-
11 tion technology schedule seventy or any successor schedule. A political
12 subdivision or any district therein that purchases through general
13 services administration schedule seventy, information technology and
14 consolidated schedule contracts shall comply with federal schedule
15 ordering procedures as provided in federal acquisition regulation
16 8.405-1 or 8.405-2 or successor regulations, whichever is applicable.
17 Adherence to such procedures shall constitute compliance with the
18 competitive bidding requirements under this section.

19 § 5. Subdivision 3 of section 103 of the general municipal law, as
20 amended by chapter 343 of the laws of 2007, is amended to read as
21 follows:

22 3. Notwithstanding the provisions of subdivision one of this section,
23 any officer, board or agency of a political subdivision or of any
24 district therein authorized to make purchases of materials, equipment or
25 supplies, or to contract for services, may make such purchases, or may
26 contract for services, other than services subject to article [eight or]
27 nine of the labor law, when available, through the county in which the
28 political subdivision or district is located or through any county with-

1 in the state subject to the rules established pursuant to subdivision
2 two of section four hundred eight-a of the county law; provided that the
3 political subdivision or district for which such officer, board or agen-
4 cy acts shall accept sole responsibility for any payment due the vendor
5 or contractor. All purchases and all contracts for such services shall
6 be subject to audit and inspection by the political subdivision or
7 district for which made. Prior to making such purchases or contracts the
8 officer, board or agency shall consider whether such contracts will
9 result in cost savings after all factors, including charges for service,
10 material, and delivery, have been considered. No officer, board or agen-
11 cy of a political subdivision or of any district therein shall make any
12 purchase or contract for any such services through the county in which
13 the political subdivision or district is located or through any county
14 within the state when bids have been received for such purchase or such
15 services by such officer, board or agency, unless such purchase may be
16 made or the contract for such services may be entered into upon the same
17 terms, conditions and specifications at a lower price through the coun-
18 ty.

19 § 6. Subdivision 2 of section 408-a of the county law, as amended by
20 section 2 of part X of chapter 62 of the laws of 2003, is amended to
21 read as follows:

22 2. The board of supervisors may, in the case of any purchase contract
23 or any contract for services, other than services subject to article
24 [eight or] nine of the labor law, of the county to be awarded to the
25 lowest responsible bidder after advertisement for bids, authorize the
26 inclusion of a provision whereby purchases may be made or such services
27 may be obtained under such contract by any political subdivision or fire
28 company (as both are defined in section one hundred of the general

1 municipal law) or district. In such event, the board shall adopt rules
2 prescribing the conditions under which, and the manner in which,
3 purchases may be made or services may be obtained by such political
4 subdivision, fire company or district.

5 § 7. Section 104 of the general municipal law, as amended by chapter
6 137 of the laws of 2008, is amended to read as follows:

7 § 104. Purchase through office of general services; certain federal
8 contracts. 1. Notwithstanding the provisions of section one hundred
9 three of this article or of any other general, special or local law, any
10 officer, board or agency of a political subdivision, of a district ther-
11 ein, of a fire company or of a voluntary ambulance service authorized to
12 make purchases of materials, equipment, food products, or supplies, or
13 services available pursuant to sections one hundred sixty-one and one
14 hundred sixty-seven of the state finance law, may make such purchases,
15 except of printed material, through the office of general services
16 subject to such rules as may be established from time to time pursuant
17 to sections one hundred sixty-three and one hundred sixty-seven of the
18 state finance law [or through the general services administration pursu-
19 ant to section 1555 of the federal acquisition streamlining act of 1994,
20 P.L. 103-355]; provided that any such purchase shall exceed five hundred
21 dollars and that the political subdivision, district, fire company or
22 voluntary ambulance service for which such officer, board or agency acts
23 shall accept sole responsibility for any payment due the vendor. All
24 purchases shall be subject to audit and inspection by the political
25 subdivision, district, fire company or voluntary ambulance service for
26 which made. No officer, board or agency of a political subdivision, or a
27 district therein, of a fire company or of a voluntary ambulance service
28 shall make any purchase through such office when bids have been received

1 for such purchase by such officer, board or agency, unless such purchase
2 may be made upon the same terms, conditions and specifications at a
3 lower price through such office. Two or more fire companies or voluntary
4 ambulance services may join in making purchases pursuant to this
5 section, and for the purposes of this section such groups shall be
6 deemed "fire companies or voluntary ambulance services."

7 2. Notwithstanding the provisions of section one hundred three of this
8 article or of any other general, special or local law, any officer,
9 board or agency of a political subdivision, or of a district therein,
10 may make purchases from federal general service administration supply
11 schedules pursuant to section 211 of the federal e-government act of
12 2002, P.L. 107-347, and pursuant to section 1122 of the national defense
13 authorization act for fiscal year 1994, P.L. 103-160, or any successor
14 schedules in accordance with procedures established pursuant thereto.
15 Prior to making such purchases the officer, board or agency shall
16 consider whether such purchases will result in cost savings after all
17 factors, including charges for service, material, and delivery, have
18 been considered.

19 § 8. Subdivision 2 of section 27 of the municipal home rule law, as
20 amended by chapter 259 of the laws of 1987, is amended to read as
21 follows:

22 2. Each such certified copy shall contain the text only of the local
23 law without the brackets and without the matter within the brackets, the
24 matter with a line run through it, or the italicizing or underscoring,
25 if any, to indicate the changes made by it, except that each such certi-
26 fied copy of a local law enacted by a city with a population of one
27 million or more shall be printed in the same form as the official copy
28 of the proposed local law which became the local law provided that line

1 numbers, the printed number of the bill and explanatory matter shall be
2 omitted[, and also have attached thereto a certificate executed by the
3 corporation counsel, municipal attorney or other principal law officer
4 to the effect that it contains the correct text and that all proper
5 proceedings have been had or taken for the enactment of such local law,
6 which certificate shall constitute presumptive evidence thereof,
7 provided that any failure or omission so to certify shall not invalidate
8 such local law].

9 § 9. This act shall take effect immediately, provided, however that:

10 1. sections one, four, five, six and seven of this act shall expire
11 and be deemed repealed 3 years after they shall have become a law;

12 2. the amendments to subdivision 4 of section 97-g of the state
13 finance law made by section two of this act shall not affect the expira-
14 tion and reversion of such subdivision as provided in section 3 of chap-
15 ter 410 of the laws of 2009, and shall expire and be deemed repealed
16 therewith;

17 3. sections four, five, six and seven of this act shall apply to any
18 contract let or awarded on or after such effective date.

19

SUBPART B

20 Section 1. Section 99-r of the general municipal law, as amended by
21 section 1 of part B of chapter 494 of the laws of 2009, is amended to
22 read as follows:

23 § 99-r. Contracts for services. Notwithstanding any other provisions
24 of law to the contrary, the governing board of any municipal corporation
25 may enter into agreements and/or contracts with any state agency includ-
26 ing any department, board, bureau, commission, division, office, coun-

1 cil, committee, or officer of the state, whether permanent or temporary,
2 or a public benefit corporation or public authority, or a soil and water
3 conservation district, and any unit of the state university of New York,
4 pursuant to and consistent with sections three hundred fifty-five and
5 sixty-three hundred one of the education law within or without such
6 municipal corporation to provide or receive fuel, equipment, maintenance
7 and repair, supplies, water supply, street sweeping or maintenance,
8 sidewalk maintenance, right-of-way maintenance, storm water and other
9 drainage, sewage disposal, landscaping, mowing, or any other services of
10 government. Such state agency, soil and water conservation district, or
11 unit of the state university of New York, within the limits of any
12 specific statutory appropriation authorized and made available therefor
13 by the legislature or by the governing body responsible for the opera-
14 tion of such state agency, soil and water conservation district, or unit
15 of the state university of New York may contract with any municipal
16 corporation for such services as herein provided and may provide, in
17 agreements and/or contracts entered into pursuant to this section, for
18 the reciprocal provision of services or other consideration of approxi-
19 mately equivalent value, including, but not limited to, routine and/or
20 emergency services, monies, equipment, buildings and facilities, materi-
21 als or a commitment to provide future routine and/or emergency services,
22 monies, equipment, buildings and facilities or materials. Any such
23 contract may be entered into by direct negotiations and shall not be
24 subject to the provisions of section one hundred three of this chapter.

25 § 2. Paragraph (e) of subdivision 4 of section 10-c of the highway
26 law, as amended by chapter 413 of the laws of 1991, is amended to read
27 as follows:

1 (e) Funds allocated for local street or highway projects under this
2 subdivision shall be used to undertake work on a project either with the
3 municipality's own forces or by contract, provided however, that whenever
4 er the estimate for the construction contract work exceeds one hundred
5 thousand dollars but does not exceed two hundred fifty thousand dollars
6 such work must be performed either with the municipality's own forces or
7 by contract let by competitive bid in accordance with the provisions of
8 section one hundred three of the general municipal law and provided
9 further, however, that whenever the estimate for the construction
10 contract work exceeds two hundred fifty thousand dollars such work must
11 be performed by contract let by competitive bid in accordance with the
12 provisions of section one hundred three of the general municipal law.

13 § 3. Section 102 of the general municipal law, as added by chapter 861
14 of the laws of 1953 and subdivision 2 as amended by chapter 537 of the
15 laws of 1984, is amended to read as follows:

16 § 102. Deposits on plans and specifications. 1. Notwithstanding any
17 inconsistent provision of any general, special or local law, the offi-
18 cer, board or agency of any political subdivision or of any district
19 therein, charged with the duty of preparing plans and specifications for
20 and awarding or entering into contracts for the performance of public
21 work, [shall] may require, as a deposit to guarantee the safe return of
22 such plans and specifications, the payment of a fixed sum of money, not
23 exceeding one hundred dollars for each copy thereof, by persons or
24 corporations desiring a copy thereof. Any person or corporation desiring
25 a copy of such plans and specifications and making the [deposit] payment
26 required by this section shall be furnished with one copy of the plans
27 and specifications.

1 2. If a proposal is duly submitted by any person or corporation making
2 the deposit required by subdivision one and such proposal is accompanied
3 by a certified check or other security in accordance with the require-
4 ments contained in the plans and specifications or in the public adver-
5 tisement for bids, and if the copy of the plans and specifications used
6 by such person or corporation, other than the successful bidder, is
7 returned in good condition within thirty days following the award of the
8 contract covered by such plans and specifications or the rejection of
9 the bid of such person or corporation, the full amount of such deposit
10 for one copy of the plans and specifications shall be returned to such
11 person or corporation, including the successful bidder. Partial
12 reimbursement, in an amount equal to the full amount of such deposit for
13 one set of plans and specifications per unsuccessful bidder or non-bid-
14 der less the actual cost of reproduction of the plans and specifications
15 as determined by the officer, board or agency of any political subdivi-
16 sion or of any district therein, charged with the duty of preparing the
17 plans and specifications, shall be made for the return of all other
18 copies of the plans and specifications in good condition within thirty
19 days following the award of the contract or the rejection of the bids
20 covered by such plans and specifications.

21 § 4. This act shall take effect immediately.

22 SUBPART C

23 Section 1. Section 72-c of the general municipal law, as amended by
24 chapter 229 of the laws of 1992, is amended to read as follows:

25 § 72-c. Expenses of members of the police department and other peace
26 officers in attending police training schools. The board or body of a

1 county, city, town or village authorized to appropriate and to raise
2 money by taxation and to make payments therefrom, is hereby authorized,
3 in its discretion, to appropriate and to raise money by taxation and to
4 make payments from such moneys, for the annual expenses of the members
5 of the police department of such municipal corporation in attending a
6 police training school, as provided by the regulations of the depart-
7 ment, either within such municipal corporation or elsewhere within the
8 state; and for the payment of reasonable expenses of such members and
9 other police officers or peace officers of the municipality while going
10 to, attending, and returning from any training school conducted by or
11 under the auspices of the federal bureau of investigation, whether with-
12 in or without the state. Notwithstanding any inconsistent provision of
13 any general, special or local law to the contrary, whenever a member of
14 the police department of a municipal corporation[, having a population
15 of ten thousand or less,] has attended a police training school, the
16 expense of which was borne by such municipal corporation, terminates
17 employment with such municipal corporation and commences employment with
18 any other municipal corporation or employer county sheriff, such employ-
19 er municipal corporation or employer county sheriff shall reimburse the
20 prior employer municipal corporation[, having a population of ten thou-
21 sand or less,] for such expenses, including, salary, tuition, enrollment
22 fees, books, and the cost of transportation to and from training school,
23 as follows: on a pro rata basis, to be calculated by subtracting from
24 the number of days in the three years following the date of the member's
25 graduation from police training school, the number of days between the
26 date of the member's graduation from training school and the date of the
27 termination of employment with the municipal corporation which paid for
28 such training, and multiplying the difference by the per diem cost of

1 such expenses, to be calculated by dividing the total cost of such
2 expenses by the number of days in the three years following the date of
3 the member's graduation, if such change in employment occurs within
4 three years of such member's graduation from police training school.
5 Provided, however, the employer municipal corporation or employer county
6 sheriff shall not be required to reimburse the prior employer municipal
7 corporation for that portion of such expenses which is reimbursable by
8 the member to the prior employer municipal corporation under the terms
9 of an employment or labor agreement. Provided, further, however, the
10 employer municipal corporation or employer county sheriff shall not be
11 required to reimburse the prior employer municipal corporation for such
12 basic training if such change in employment occurs after the expiration
13 of the validity of the member's certificate attesting to the satisfac-
14 tory completion of an approved municipal police basic training program.

15 § 2. Section 207-m of the general municipal law is REPEALED.

16 § 3. The opening paragraph and paragraph (1) of subdivision 4 of
17 section 20.40 of the criminal procedure law, paragraph (1) as amended by
18 chapter 346 of the laws of 2007, are amended to read as follows:

19 A person may be convicted in an appropriate criminal court of a
20 particular county, of an offense of which the criminal courts of this
21 state have jurisdiction pursuant to section 20.20, committed either by
22 his or her own conduct or by the conduct of another for which he or she
23 is legally accountable pursuant to section 20.00 of the penal law, when:

24 (1) An offense of identity theft or unlawful possession of personal
25 [identification] identifying information and all criminal acts committed
26 as part of the same criminal transaction as defined in subdivision two
27 of section 40.10 of this chapter may be prosecuted (i) in any county in
28 which part of the offense took place regardless of whether the defendant

1 was actually present in such county, or (ii) in the county in which the
2 person who suffers financial loss resided at the time of the commission
3 of the offense, or (iii) in the county where the person whose personal
4 [identification] identifying information was used in the commission of
5 the offense resided at the time of the commission of the offense. The
6 law enforcement agency of any such county shall take a police report of
7 the matter and provide the complainant with a copy of such report at no
8 charge.

9 § 4. Section 176 of the family court act is amended to read as
10 follows:

11 § 176. Inter-county probation. [If a person placed under probation by
12 the family court resides in or moves to a county other than the county
13 in which he was placed on probation, the family court which placed him
14 on probation may transfer the proceedings to the county in which the
15 probationer resides or to which he has moved or may place him under the
16 supervision of the probation service attached to the family court in
17 which the probationer resides or to which he has moved.]

18 1. Where a person placed on probation resides in another jurisdiction
19 within the state at the time of the order of disposition, the family
20 court which placed him or her on probation shall transfer supervision to
21 the probation department in the jurisdiction in which the person
22 resides. Where, after a probation disposition is pronounced, a proba-
23 tioner requests to reside in another jurisdiction within the state, the
24 family court which placed him or her on probation may, in its
25 discretion, approve a change in residency and, upon approval, shall
26 transfer supervision to the probation department serving the county of
27 the probationer's proposed new residence. Any transfer under this subdi-

1 vision must be in accordance with rules adopted by the commissioner of
2 the division of criminal justice services.

3 2. Upon completion of a transfer as authorized pursuant to subdivision
4 one of this section, the family court within the jurisdiction of the
5 receiving probation department shall assume all powers and duties of the
6 family court which placed the probationer on probation and shall have
7 sole jurisdiction in the case. The family court which placed the proba-
8 tioner on probation shall immediately forward its entire case record to
9 the receiving court.

10 3. Upon completion of a transfer as authorized pursuant to subdivision
11 one of this section, the probation department in the receiving jurisdic-
12 tion shall assume all powers and duties of the probation department in
13 the jurisdiction of the family court which placed the probationer on
14 probation.

15 § 5. The mental hygiene law is amended by adding a new section 29.28
16 to read as follows:

17 § 29.28 Payment of costs for prosecution of inmate-patients.

18 (a) When an inmate-patient, as defined in subdivision (a) of section
19 29.27 of this article, who was committed from a state correctional
20 facility, is alleged to have committed an offense while in the custody
21 of the department, the department of corrections and community super-
22 vision shall pay all reasonable costs for the prosecution of such
23 offense, including but not limited to, costs for: a grand jury impaneled
24 to hear and examine evidence of such offense, petit jurors, witnesses,
25 the defense of any inmate financially unable to obtain counsel in
26 accordance with the provisions of the county law, the district attorney,
27 the costs of the sheriff and the appointment of additional court attend-
28 ants, officers or other judicial personnel.

1 renewal program assisted by state loans, periodic subsidies or capital
2 grants shall be filed with the commissioner. From time to time prior to
3 completion, and with reasonable promptness after [each] any urban
4 renewal program assisted by state loans, periodic subsidies or capital
5 grants shall have been completed, upon request of the commissioner, the
6 municipality or agency shall file with the commissioner a detailed
7 statement of the cost thereof.

8 Upon receipt of a copy of a proposed urban renewal program, or any
9 proposed change therein, the commissioner may transmit his criticism and
10 suggestions to the municipality or agency, as the case may be. No change
11 in an urban renewal program assisted by state loans, periodic subsidies
12 or capital grants may be made by a municipality or agency without the
13 approval of the commissioner.

14 § 2. Subdivision 1 of section 553 of the general municipal law, as
15 amended by chapter 681 of the laws of 1963, subparagraph 1 of paragraph
16 (a) as amended by chapter 213 of the laws of 1966, is amended to read as
17 follows:

18 1. (a) Upon the establishment of a municipal urban renewal agency by
19 special act of the legislature, the mayor of the city or village wherein
20 such agency is established, or the town board of the town, shall file
21 within six months after the effective date of the special act of the
22 legislature establishing such agency or before the first day of July,
23 nineteen hundred sixty-four, whichever date shall be later, [in the
24 office of the commissioner, and a duplicate] in the office of the secre-
25 tary of state, a certificate signed by him setting forth: (1) the effec-
26 tive date of the special act establishing the agency; (2) the name of
27 the agency; (3) the names of the members and their terms of office,

1 specifying which member is the chairman; and (4) facts establishing the
2 need for the establishment of an agency in such city, town or village.

3 (b) Every such agency shall be perpetual in duration, except that if
4 [(1) such certificate is not filed with and approved by the commissioner
5 within six months after the effective date of the special act of the
6 legislature establishing such agency or before the first day of July,
7 nineteen hundred sixty-four, whichever date shall be later, or if (2)],
8 at the expiration of ten years subsequent to the effective date of the
9 special act, there shall be outstanding no bonds or other obligations
10 theretofore issued by such agency or by the municipality for or on [in]
11 behalf of the agency, then the corporate existence of such agency shall
12 thereupon terminate and it shall [there upon] thereupon be deemed to be
13 and shall be dissolved.

14 § 3. Subdivision 2 of section 553 of the general municipal law, as
15 added by chapter 921 of the laws of 1962, is amended to read as follows:

16 2. An agency shall be a corporate governmental agency, constituting a
17 public benefit corporation. Except as otherwise provided by special act
18 of the Legislature, an agency shall consist of not less than three nor
19 more than five members who shall be appointed by the mayor of a city or
20 village or the town board of a town and who shall serve at the pleasure
21 of the appointing authority. A member shall continue to hold office
22 until his successor is appointed and has qualified. The mayor of a city
23 or village, or the town board of a town, shall designate the first
24 chairman [and file with the commissioner a certificate of appointment or
25 re-appointment of any member]. Such members shall receive no compen-
26 sation for their services but shall be entitled to the necessary
27 expenses, including traveling expenses, incurred in the discharge of
28 their duties.

1 § 4. This act shall take effect immediately.

2 SUBPART E

3 Section 1. Section 410-x of the social services law is amended by
4 adding a new subdivision 8 to read as follows:

5 8. Notwithstanding any provision of law to the contrary, child care
6 assistance payments made pursuant to this section may be made by direct
7 deposit or debit card, as elected by the recipient, and administered
8 electronically, and in accordance with such guidelines, as may be set
9 forth by regulation of the office of children and family services. The
10 office of children and family services may enter into contracts on
11 behalf of local social services districts for such direct deposit or
12 debit card services in accordance with section twenty-one-a of this
13 chapter.

14 § 2. Subdivision 2 of section 378 of the social services law, as
15 amended by chapter 555 of the laws of 1978, is amended to read as
16 follows:

17 2. Such certificates and licenses shall be valid for not more than
18 [one year] two years after date of issue but may be renewed or extended
19 subject to regulations established by the [department] office of chil-
20 dren and family services.

21 § 3. This act shall take effect immediately.

22 SUBPART F

1 Section 1. Subdivision 1 of section 3241 of the education law, as
2 amended by chapter 971 of the laws of 1969, is amended to read as
3 follows:

4 1. The board of education of each city, except in cities having a
5 population of one hundred twenty-five thousand or more, shall constitute
6 a permanent census board in such city. Such board shall, under its regu-
7 lations, cause a census of the children in its city to be taken and to
8 be amended from day to day, as changes of residence shall occur among
9 persons in such cities within the ages prescribed in subdivision two of
10 this section and as other persons shall come within the ages prescribed
11 therein and as other persons within such ages shall become residents of
12 such cities, so that there shall always be on file with such board a
13 complete census giving the facts and information required in subdivision
14 two of this section; provided, however, that for pre-school students
15 from birth to five years of age, such census may be prepared and filed
16 biennially on or before the fifteenth day of October.

17 § 2. Section 3242 of the education law, as amended by chapter 425 of
18 the laws of 1993, is amended to read as follows:

19 § 3242. School census in school districts. The trustees or board of
20 education of every school district may cause a census to be taken of all
21 children between birth and eighteen years of age, including all such
22 facts and information as are required in the census provided for in
23 section thirty-two hundred forty-one of this chapter. Such census shall
24 be prepared annually for children between ages five and eighteen who are
25 entitled to attend the public schools without payment of tuition in
26 duplicate in their respective school districts, and one copy thereof
27 filed with the teacher or principal and the other copy filed with the
28 district superintendent or superintendent on or before the [fifteen]

1 fifteenth day of October. For pre-school students from birth to five
2 years of age, such census may be prepared and filed biennially on or
3 before the fifteenth day of October. Such census shall include the
4 reports and information required from cities as provided in section
5 thirty-two hundred forty-one. All information regarding a [handicapped
6 person] student with a disability under the age of twenty-one years
7 shall be filed annually with the superintendent of the board of cooper-
8 ative educational services of which said district may be a part.

9 § 3. Section 3635 of the education law is amended by adding a new
10 subdivision 8 to read as follows:

11 8. a. The trustees or board of education of a school district may, at
12 its discretion, provide student transportation based upon patterns of
13 actual ridership. The actual ridership shall be determined by a school
14 district based upon documented history and experience that yields a
15 consistent pattern of eligible pupils not using district transportation;
16 or modeling of future ridership; or the sharing of transportation
17 regionally; or other criteria approved by the commissioner; provided
18 however that any methodology shall require an additional ten percent in
19 seating capacity above the number of seats derived using such methodol-
20 ogy which shall be available in case of unanticipated riders.

21 Nothing in this subdivision shall be construed to reduce or relieve
22 school districts from the responsibility of providing transportation to
23 students otherwise eligible for such transportation. Nothing in this
24 subdivision shall be construed to authorize a school district to have
25 standing passengers in violation of section thirty-six hundred thirty-
26 five-c of this article, and unanticipated ridership shall not be deemed
27 an unforeseen occurrence for purposes of subdivision two of such section
28 after the first day in which such unanticipated ridership occurs.

1 Any school district that, at its discretion, has elected to provide
2 student transportation based upon patterns of actual ridership shall
3 place such plans on the school district's website, if one exists, on or
4 before August fifteenth of the school year in which the transportation
5 plan will be implemented and shall be required to have a back up plan as
6 part of their emergency management practices for pupil transportation in
7 the event that a bus is filled beyond capacity.

8 b. The commissioner shall evaluate the effectiveness of this subdivi-
9 sion including the methodologies used by school districts to determine
10 the patterns of actual ridership and whether such methodologies ensure
11 that all students otherwise eligible receive transportation and that
12 student safety is assured.

13 § 4. Clause (b) of subparagraph 3 of paragraph e of subdivision 6 of
14 section 3602 of the education law, as amended by section 1 of part F of
15 chapter 383 of the laws of 2001, is amended to read as follows:

16 (b) Such assumed amortization for a project approved by the commis-
17 sioner on or after the later of the first day of December, two thousand
18 one or thirty days after the date upon which this subdivision shall have
19 become a law and prior to the first day of July, two thousand eleven or
20 for any debt service related to projects approved by the commissioner
21 prior to such date where a bond, capital note or bond anticipation note
22 is first issued on or after [such date] the first day of December, two
23 thousand one to fund such projects, shall commence: (i) eighteen months
24 after such approval or (ii) on the date of receipt by the commissioner
25 of a certification by the district that a general construction contract
26 has been awarded for such project by the district, whichever is later,
27 and such assumed amortization for a project approved by the commissioner
28 on or after the first day of July, two thousand eleven shall commence:

1 (iii) eighteen months after such approval or (iv) on the date of receipt
2 by the commissioner of both the final certificate of substantial
3 completion of the project issued by the architect or engineer and the
4 final cost report for such project, whichever is later or (v) upon the
5 date of a finding by the commissioner that the certificate of substan-
6 tial completion of the project has been issued by the architect or engi-
7 neer, but the district is unable to complete the final cost report
8 because of circumstances beyond the control of the district. Such
9 assumed amortization shall provide for equal semiannual payments of
10 principal and interest based on an interest rate established pursuant to
11 subparagraph five of this paragraph for such purpose for the school year
12 during which such certification is received. The first installment of
13 obligations issued by the school district in support of such projects
14 may mature not later than the dates established pursuant to sections
15 21.00 and 22.10 of the local finance law.

16 § 5. Subdivision 35 of section 1604 of the education law, as added by
17 chapter 263 of the laws of 2005, is amended to read as follows:

18 35. a. In their discretion, to adopt a resolution establishing the
19 office of claims auditor and appoint a claims auditor who shall hold his
20 or her position subject to the pleasure of such trustees. In its
21 discretion, the trustees may adopt a resolution establishing the office
22 of deputy claims auditor who shall act as claims auditor in the absence
23 of the claims auditor. Such claims auditor shall report directly to the
24 trustees. No person shall be eligible for appointment to the office of
25 claims auditor or deputy claims auditor who shall also be:

26 (1) a trustee of the school district;

27 (2) the clerk or treasurer of the school district;

1 (3) the superintendent of schools or other official of the district
2 responsible for business management;

3 (4) the person designated as purchasing agent; or

4 (5) clerical or professional personnel directly involved in accounting
5 and purchasing functions of the school district.

6 b. Such claims auditor or deputy claims auditor shall not be required
7 to be a resident of the district, and the [position] positions of claims
8 auditor and deputy claims auditor shall be classified in the exempt
9 class of the civil service. The trustees, at any time after the estab-
10 lishment of the office of claims auditor or deputy claims auditor, may
11 adopt a resolution abolishing such office, whereupon such office shall
12 be abolished. When the office of claims auditor shall have been estab-
13 lished and a claims auditor shall have been appointed and shall have
14 qualified, the powers and duties of the trustees with respect to claims
15 auditing, and allowing or rejecting all accounts, charges, claims or
16 demands against the school district, shall devolve upon and thereafter
17 be exercised by such claims auditor during the continuance of such
18 office. The trustees shall be permitted to delegate the claims audit
19 function to one or more independent entities by using (1) inter-muni-
20 cipal cooperative agreements, (2) shared services to the extent authorized
21 by section nineteen hundred fifty of this title, or (3) independent
22 contractors, to fulfill this function.

23 c. When the trustees delegate the claims audit function using an
24 inter-municipal cooperative agreement, shared service authorized by
25 section nineteen hundred fifty of this title, or an independent contrac-
26 tor, the trustees shall be responsible for auditing all claims for
27 services from the entity providing the delegated claims auditor, either
28 directly or through a delegation to a different independent entity.

1 § 6. Subdivision 20-a of section 1709 of the education law, as
2 amended by chapter 263 of the laws of 2005, is amended to read as
3 follows:

4 20-a. a. In its discretion to adopt a resolution establishing the
5 office of claims auditor and appoint a claims auditor who shall hold his
6 or her position subject to the pleasure of such board of education. In
7 its discretion, the board of education may adopt a resolution establish-
8 ing the office of deputy claims auditor who shall act as claims auditor
9 in the absence of the claims auditor. Such claims auditor shall report
10 directly to the board of education. No person shall be eligible for
11 appointment to the office of claims auditor or deputy claims auditor who
12 shall also be:

13 (1) a member of the board of education;

14 (2) the clerk or treasurer of the board of education;

15 (3) the superintendent of schools or other official of the district
16 responsible for business management;

17 (4) the person designated as purchasing agent; or

18 (5) clerical or professional personnel directly involved in accounting
19 and purchasing functions of the school district.

20 b. Such claims auditor or deputy claims auditor shall not be required
21 to be a resident of the district, and such position shall be classified
22 in the exempt class of the civil service. Such board of education, at
23 any time after the establishment of the office of claims auditor or
24 deputy claims auditor, may adopt a resolution abolishing such office,
25 whereupon such office shall be abolished. When the office of claims
26 auditor shall have been established and a claims auditor shall have been
27 appointed and shall have qualified, the powers and duties of the board
28 of education with respect to claims auditing, allowing or rejecting all

1 accounts, charges, claims or demands against the school district shall
2 devolve upon and thereafter be exercised by such claims auditor, during
3 the continuance of such office. A board shall be permitted to delegate
4 the claims audit function to one or more independent entities by using
5 (1) inter-municipal cooperative agreements, (2) shared services to the
6 extent authorized by section nineteen hundred fifty of this title, or
7 (3) independent contractors, to fulfill this function.

8 c. When the board of education delegates the claims audit function
9 using an inter-municipal cooperative agreement, shared service author-
10 ized by section nineteen hundred fifty of this title, or an independent
11 contractor, the board shall be responsible for auditing all claims for
12 services from the entity providing the delegated claims auditor, either
13 directly or through a delegation to a different independent entity.

14 § 7. Paragraph e of subdivision 2 of section 1711 of the education
15 law, as amended by chapter 263 of the laws of 2005, is amended to read
16 as follows:

17 e. To have supervision and direction of associate, assistant and other
18 superintendents, directors, supervisors, principals, teachers, lectur-
19 ers, medical inspectors, nurses, claims auditors, deputy claims audi-
20 tors, attendance officers, janitors and other persons employed in the
21 management of the schools or the other educational activities of the
22 district authorized by this chapter and under the direction and manage-
23 ment of the board of education; to transfer teachers from one school to
24 another, or from one grade of the course of study to another grade in
25 such course, and to report immediately such transfers to such board for
26 its consideration and actions; to report to such board violations of
27 regulations and cases of insubordination, and to suspend an associate,
28 assistant or other superintendent, director, supervisor, expert, princi-

1 pal, teacher or other employee until the next regular meeting of such
2 board, when all facts relating to the case shall be submitted to such
3 board for its consideration and action.

4 § 8. Subdivision 1 of section 1724 of the education law, as amended by
5 chapter 259 of the laws of 1975, is amended to read as follows:

6 1. No claim against a central school district or a union free school
7 district, except for compensation for services of an officer or employee
8 engaged at agreed wages by the hour, day, week, month or year or for the
9 principal of or interest on indebtedness of the district, shall be paid
10 unless an itemized voucher therefor approved by the officer whose action
11 gave rise or origin to the claim, shall have been presented to the board
12 of education of the district and shall have been audited and allowed;
13 provided, however that in the case of a school district with a public
14 school enrollment of ten thousand students or more, the board of educa-
15 tion may, at its discretion, use a risk-based or sampling methodology to
16 determine which claims are to be audited in lieu of auditing all claims
17 so long as it is determined by resolution of the board of education that
18 the methodology for choosing the sample provides reasonable assurance
19 that all the claims represented in the sample are proper charges against
20 the school district. The board of education shall be authorized, but
21 not required, to prescribe the form of such voucher.

22 § 9. Subdivision 5 of section 2503 of the education law, as amended by
23 chapter 263 of the laws of 2005, is amended to read as follows:

24 5. Shall create, abolish, maintain and consolidate such positions,
25 divisions, boards or bureaus as, in its judgment, may be necessary for
26 the proper and efficient administration of its work; shall appoint prop-
27 erly qualified persons to fill such positions, including a superinten-
28 dent of schools, such associate, assistant and other superintendents,

1 directors, supervisors, principals, teachers, lecturers, special
2 instructors, medical inspectors, nurses, claims auditors, deputy claims
3 auditors, attendance officers, secretaries, clerks, custodians, janitors
4 and other employees and other persons or experts in educational, social
5 or recreational work or in the business management or direction of its
6 affairs as said board shall determine necessary for the efficient
7 management of the schools and other educational, social, recreational
8 and business activities; and shall determine their duties except as
9 otherwise provided herein.

10 § 10. Subdivision 5 of section 2508 of the education law, as amended
11 by chapter 263 of the laws of 2005, is amended to read as follows:

12 5. To have supervision and direction of associate, assistant and other
13 superintendents, directors, supervisors, principals, teachers, lectur-
14 ers, medical inspectors, nurses, claims auditors, deputy claims audi-
15 tors, attendance officers, janitors and other persons employed in the
16 management of the schools or the other educational activities of the
17 district authorized by this chapter and under the direction and manage-
18 ment of the board of education; to transfer teachers from one school to
19 another, or from one grade of the course of study to another grade in
20 such course, and to report immediately such transfers to such board for
21 its consideration and action; to report to such board violations of
22 regulations and cases of insubordination, and to suspend an associate,
23 assistant or other superintendent, director, supervisor, expert, princi-
24 pal, teacher or other employee until the next regular meeting of such
25 board, when all facts relating to the case shall be submitted to such
26 board for its consideration and action.

27 § 11. Subdivision 2 of section 2523 of the education law, as amended
28 by chapter 263 of the laws of 2005, is amended to read as follows:

1 2. Such moneys shall be disbursed only on the signature of such treas-
2 urer by checks payable to the person or persons entitled thereto. The
3 board of education may in its discretion require that such checks-other
4 than checks for salary, be countersigned by another officer of such
5 district. When authorized by resolution of the board of education such
6 checks may be signed with the facsimile signature of the treasurer and
7 other district officer whose signature is required, as reproduced by a
8 machine or device commonly known as a check-signer. Each check drawn by
9 the treasurer shall state the fund against which it is drawn. No fund
10 shall be overdrawn nor shall any check be drawn upon one fund to pay a
11 claim chargeable to another. No money shall be paid out by the treasurer
12 except upon the warrant of the clerk of the board of education after
13 audit and allowance by such board, or if a claims auditor or deputy
14 claims auditor shall have been appointed, except upon the warrant of
15 such claims auditor or deputy claims auditor after audit and allowance
16 thereof; provided, however, when provision for payment has been made in
17 the annual budget the treasurer may pay, without such warrant or prior
18 audit and allowance, (a) the principal of and interest on bonds, notes
19 or other evidences of indebtedness of the district or for the payment of
20 which the district shall be liable, and (b) compensation for services of
21 officers or employees engaged at agreed wages by the hour, day, week,
22 month or year upon presentation of a duly certified payroll; and
23 provided further that in the case of a city school district with a
24 public school enrollment of ten thousand students or more, the board of
25 education may, at its discretion, use a risk-based or sampling methodol-
26 ogy to determine which claims are to be audited in lieu of auditing all
27 claims so long as it is determined by resolution of the board of educa-
28 tion that the methodology for choosing the sample provides reasonable

1 assurance that all the claims represented in the sample are proper
2 charges against the school district. By resolution duly adopted, the
3 board may determine to enter into a contract to provide for the deposit
4 of the periodic payroll of the school district in a bank or trust compa-
5 ny for disbursement by it in accordance with provisions of section ninety-
6 six-b of the banking law.

7 § 12. Subdivision 1 of section 2524 of the education law, as amended
8 by chapter 263 of the laws of 2005, is amended to read as follows:

9 1. No claim against a city school district, except for compensation
10 for services of an officer or employee engaged at agreed wages by the
11 hour, day, week, month or year or for the principal of or interest on
12 indebtedness of the district, shall be paid unless an itemized voucher
13 therefor approved by the officer whose action gave rise or origin to the
14 claim, shall have been presented to the board of education, or the
15 claims auditor or deputy claims auditor of the city school district and
16 shall have been audited and allowed, provided that in the case of a city
17 school district with a public school enrollment of ten thousand students
18 or more, the board of education may, at its discretion, use a risk-based
19 or sampling methodology to determine which claims are to be audited in
20 lieu of auditing all claims so long as it is determined by resolution of
21 the board of education that the methodology for choosing the sample
22 provides reasonable assurance that all the claims represented in the
23 sample are proper charges against the school district. The board of
24 education shall be authorized, but not required, to prescribe the form
25 of such voucher.

26 § 13. Section 2525 of the education law, as amended by chapter 263 of
27 the laws of 2005, is amended to read as follows:

1 § 2525. Audit of claims. 1. The board of education, in considering any
2 claim or where applicable a sampling of claims, may require any person
3 presenting the same to be sworn before it or before any member thereof
4 and to give testimony relative to the justness and accuracy of such
5 claim, and may take evidence and examine witnesses under oath in respect
6 to the claim, and for that purpose may issue subpoenas for the attend-
7 ance of witnesses. When a claim or where applicable a sampling of claims
8 has been finally audited by the board of education the clerk of such
9 board shall endorse thereon or attach thereto a certificate of such
10 audit and file the same as a public record in his or her office. When
11 any claim has been so audited and a certificate thereof so filed, the
12 clerk of the board of education shall draw a warrant specifying the name
13 of the claimant, the amount allowed and the fund, function and object
14 chargeable therewith and such other information as may be deemed neces-
15 sary and essential, directed to the treasurer of the district, authoriz-
16 ing and directing him or her to pay to the claimant the amount allowed
17 upon his or her claim. A copy of such warrant shall be filed in the
18 office of the clerk.

19 2. In a city school district in which the office of claims auditor or
20 deputy claims auditor has been created, the claims auditor or deputy
21 claims auditor in considering a claim or where applicable a sampling of
22 claims, may require any person presenting the same to be sworn before
23 him or her and to give testimony relative to the justness and accuracy
24 of such claim, and may take evidence and examine witnesses under oath in
25 respect to the claim, and for that purpose may issue subpoenas for the
26 attendance of witnesses. When a claim, or where applicable a sampling of
27 claims, has been finally audited by the claims auditor or deputy claims
28 auditor he or she shall endorse thereon or attach thereto a certificate

1 of such audit and file the same as a public record in his or her office.
2 When any claim has been so audited and a certificate thereof so filed,
3 the claims auditor or deputy claims auditor shall draw a warrant speci-
4 fying the number of the claim, the name of the claimant, the amount
5 allowed and the fund, function and object chargeable therewith and such
6 other information as may be deemed necessary or essential, directed to
7 the treasurer of the district, authorizing and directing him or her to
8 pay to the claimant the amount allowed upon his or her claim. In the
9 case of a city school district with a public school enrollment of ten
10 thousand students or more, the board of education may, at its
11 discretion, use a risk-based or sampling methodology to determine which
12 claims are to be audited in lieu of auditing all claims so long as it is
13 determined by resolution of the board of education that the methodology
14 for choosing the sample provides reasonable assurance that all the
15 claims represented in the sample are proper charges against the school
16 district. A copy of such warrant shall be filed in the office of the
17 clerk.

18 § 14. Section 2526 of the education law, as amended by chapter 263 of
19 the laws of 2005, is amended to read as follows:

20 § 2526. Claims auditor. 1. The board of education of a city school
21 district may adopt a resolution establishing the office of claims audi-
22 tor and appoint a claims auditor who shall hold his or her position
23 subject to the pleasure of such board of education. In its discretion,
24 the board may adopt a resolution establishing the office of deputy
25 claims auditor who shall act as claims auditor in the absence of the
26 claims auditor. Such claims auditor shall report directly to the board
27 of education. No person shall be eligible for appointment to the office
28 of claims auditor or deputy claims auditor who shall be:

- 1 (1) a member of the board of education;
- 2 (2) the clerk or treasurer of the board of education;
- 3 (3) the superintendent of schools or other official of the district
- 4 responsible for business management;
- 5 (4) the person designated as purchasing agent; or
- 6 (5) clerical or professional personnel directly involved in accounting
- 7 and purchasing functions of the school district.

8 1-a. The [position] positions of claims auditor and deputy claims
9 auditor shall be classified in the exempt class of civil service. Such
10 board of education, at any time after the establishment of the office of
11 claims auditor or deputy claims auditor, may adopt a resolution abolish-
12 ing such office, whereupon such office shall be abolished.

13 2. When the office of claims auditor shall have been established and a
14 claims auditor shall have been appointed and shall have qualified, the
15 powers and duties of the board of education with respect to claims
16 auditing, allowing or rejecting all accounts, charges, claims or demands
17 against the city school district shall devolve upon and thereafter be
18 exercised by such claims auditor, during the continuance of such office.
19 The board of education shall be permitted to delegate the claims audit
20 function to one or more independent entities by using (1) inter-munici-
21 pal cooperative agreements, (2) shared services to the extent authorized
22 by section nineteen hundred fifty of this title, or (3) independent
23 contractors, to fulfill this function.

24 3. When the board of education delegates the claims audit function
25 using an inter-municipal cooperative agreement, shared service author-
26 ized by section nineteen hundred fifty of this title, or an independent
27 contractor, the board shall be responsible for auditing all claims for

1 services from the entity providing the delegated claims auditor, either
2 directly or through a delegation to a different independent entity.

3 § 15. Section 2527 of the education law, as amended by chapter 263 of
4 the laws of 2005, is amended to read as follows:

5 § 2527. Official undertakings. The clerk of the board of education or,
6 where the office of claims auditor or deputy claims auditor has been
7 created, the claims auditor or deputy claims auditor, and the treasurer,
8 collector and such other officers and employees as the board of educa-
9 tion shall designate, shall, before they enter upon the duties of their
10 respective offices or positions, each execute to the school district and
11 file with the school district clerk an official undertaking in such sum
12 and with such corporate surety as the board of education shall direct
13 and approve. The board of education may, at any time, require any such
14 officer or employee to file a new official undertaking for such sum and
15 with such corporate surety as the board shall approve. Such undertakings
16 as shall have been approved by the board of education shall forthwith be
17 filed with the school district clerk. The expense of any undertaking
18 executed pursuant to this section shall be a school district charge.

19 § 16. Subdivision 2-a of section 2554 of the education law, as amended
20 by chapter 263 of the laws of 2005, is amended to read as follows:

21 2-a. a. In its discretion to adopt a resolution establishing the
22 office of claims auditor and appoint a claims auditor who shall hold his
23 or her position subject to the pleasure of the board. In its discretion,
24 the board may adopt a resolution establishing one or more offices of
25 deputy claims auditor who shall act as claims auditor in the absence of
26 the claims auditor. Such claims auditor shall report directly to the
27 board of education. No person shall be eligible for appointment to the
28 office of claims auditor or deputy claims auditor who shall be

- 1 (1) a member of the board of education;
- 2 (2) a clerk or treasurer of the board of education;
- 3 (3) the superintendent of schools or other official of the district
- 4 responsible for business management;
- 5 (4) the person designated as purchasing agent; or
- 6 (5) clerical or professional personnel directly involved in accounting
- 7 and purchasing functions of the school district.

8 b. The [position] positions of claims auditor or deputy claims auditor
9 shall be classified in the exempt class of civil service. The board of
10 education, at any time after the establishment of the office of claims
11 auditor or deputy claims auditor, may adopt a resolution abolishing the
12 office. When the office of claims auditor shall have been established
13 and a claims auditor shall have been appointed and shall have qualified,
14 the powers and duties of the board of education with respect to auditing
15 accounts, charges, claims or demands against the city school district
16 shall devolve upon and thereafter be exercised by such claims auditor,
17 during the continuance of the office. The board of education shall be
18 permitted to delegate the claims audit function to one or more independ-
19 ent entities by using (1) inter-municipal cooperative agreements, or (2)
20 independent contractors, to fulfill this function.

21 c. When the board of education delegates the claims audit function
22 using an inter-municipal cooperative agreement, shared service author-
23 ized by section nineteen hundred fifty of this title, or an independent
24 contractor, the board shall be responsible for auditing all claims for
25 services from the entity providing the delegated claims auditor, either
26 directly or through a delegation to a different independent entity.

27 § 17. Subdivision 2 of section 2562 of the education law, as amended
28 by chapter 263 of the laws of 2005, is amended to read as follows:

1 2. The said board of education may require any person presenting for
2 settlement an account or claim for any cause whatever against it to be
3 sworn before it or a committee thereof, or before the claims auditor or
4 deputy claims auditor, or before any person designated by said board,
5 touching such account or claim, and when so sworn, to answer orally as
6 to any facts relative to the justness of such account or claim. A member
7 of the board, the claims auditor, or any other person designated as
8 hereinbefore stated, shall have the power to administer an oath to any
9 person who shall give testimony to the justness of such account or
10 claim, and for the purpose of securing such testimony may issue subpoe-
11 nas for the attendance of witnesses. Wilful false swearing before the
12 said board of education, a committee thereof, the claims auditor or
13 deputy claims auditor, or before any person designated as hereinbefore
14 stated, is perjury and punishable as such.

15 § 18. Subdivision 6 of section 2566 of the education law, as amended
16 by chapter 263 of the laws of 2005, is amended to read as follows:

17 6. To have supervision and direction of associate, assistant, district
18 and other superintendents, directors, supervisors, principals, teachers,
19 lecturers, medical inspectors, nurses, claims auditors, deputy claims
20 auditors, attendance officers, janitors and other persons employed in
21 the management of the schools or the other educational activities of the
22 city authorized by this chapter and under the direction and management
23 of the board of education, except that in the city school districts of
24 the cities of Buffalo and Rochester to also appoint, within the amounts
25 budgeted therefor, such associate, assistant and district superinten-
26 dents and all other supervising staff who are excluded from the right to
27 bargain collectively pursuant to article fourteen of the civil service
28 law; to transfer teachers from one school to another, or from one grade

1 of the course of study to another grade in such course, and to report
2 immediately such transfers to said board for its consideration and
3 action; to report to said board of education violations of regulations
4 and cases of insubordination, and to suspend an associate, assistant,
5 district or other superintendent, director, supervisor, expert, princi-
6 pal, teacher or other employee until the next regular meeting of the
7 board, when all facts relating to the case shall be submitted to the
8 board for its consideration and action.

9 § 19. Paragraph a of subdivision 1 of section 2576 of the education
10 law, as amended by chapter 263 of the laws of 2005, is amended to read
11 as follows:

12 a. The salary of the superintendent of schools, associate, district or
13 assistant or other superintendents, examiners, directors, supervisors,
14 principals, teachers, lecturers, special instructors, claims auditors,
15 deputy claims auditors, medical inspectors, nurses, attendance officers,
16 clerks, custodians and janitors and the salary, fees or compensation of
17 all other employees appointed or employed by said board of education. In
18 addition, the expenses of personnel utilized to fulfill the internal
19 audit function pursuant to section twenty-one hundred sixteen-b of this
20 [chapter] title.

21 § 20. Subdivisions 2 and 4 of section 2580 of the education law,
22 subdivision 2 as amended by chapter 263 of the laws of 2005 and subdivi-
23 sion 4 as amended by chapter 452 of the laws of 1964, are amended to
24 read as follows:

25 2. Such funds shall be disbursed by authority of the board of educa-
26 tion upon written orders drawn on the city treasurer or other fiscal
27 officer of the city. Such orders shall be signed by the superintendent
28 of schools and the secretary of the board of education or such other

1 officers as the board may authorize. If a claims auditor or deputy
2 claims auditor shall have been appointed, orders shall be signed by
3 [the] such claims auditor; provided, however, that the board may
4 require, in addition, the signature of such other officer or officers as
5 it may by resolution direct. Orders shall be numbered consecutively and
6 shall specify the purpose for which they are drawn and the person or
7 corporation to whom they are payable.

8 4. It shall be unlawful for a city treasurer or other officer having
9 the custody of such city funds to permit their use for any purpose other
10 than that for which they are lawfully authorized; they shall be paid out
11 only on audit of the board of education or as otherwise provided herein;
12 provided, however, that the board of education may, at its discretion,
13 use a risk-based or sampling methodology to determine which claims are
14 to be audited in lieu of auditing all claims so long as it is determined
15 by resolution of the board of education that the methodology for choos-
16 ing the sample provides reasonable assurance that all the claims repres-
17 ented in the sample are proper charges against the school district.
18 Payments from such funds shall be made only by checks signed by the
19 treasurer or other custodian of such moneys and payable to the person or
20 persons entitled thereto and countersigned either by the comptroller, or
21 in a city having no comptroller, by an officer designated by the officer
22 or body having the general control of the financial affairs of such
23 city. The board of education of such city shall make, in addition to
24 such classification of its funds and accounts as it desires for its own
25 use and information, such further classification of the funds under its
26 management and control and of the disbursements thereof as the comp-
27 troller of the city, or the officer or body having the general control
28 of the financial affairs of such city, shall require, and such board

1 shall furnish such data in relation to such funds and their disburse-
2 ments as the comptroller or such other financial officer or body of the
3 city shall require.

4 § 21. The education law is amended by adding a new section 1527-c to
5 read as follows:

6 § 1527-c. Shared superintendent program. Notwithstanding any other
7 provision of law, rule or regulation to the contrary, the governing
8 board of a school district with an enrollment of less than one thousand
9 students in the previous year shall be authorized to enter into a school
10 superintendent sharing contract with no more than two additional school
11 districts each of which had fewer than one thousand in enrolled pupils
12 in the previous year. Each shared superintendent arrangement shall be
13 governed by the boards of education of the school districts participat-
14 ing in the shared contract. Provided however, that this section shall
15 not be construed to alter, affect or impair any employment contract
16 which is in effect on or before July first, two thousand thirteen. Any
17 school district which has entered into a school superintendent sharing
18 program will continue to be eligible to complete such contract notwith-
19 standing that the enrollment of the school district exceeded one thou-
20 sand students after entering into a shared superintendent contract.

21 § 22. Section 1604 of the education law is amended by adding a new
22 subdivision 21-b to read as follows:

23 21-b. a. The trustees are authorized to provide regional transporta-
24 tion services by rendering such services jointly with other school
25 districts or boards of cooperative educational services. Such services
26 may include pupil transportation between home and school, transportation
27 during the day to and from school and a special education program or
28 service or a program at a board of cooperative educational services or

1 an approved shared program at another school district, transportation
2 for field trips or to and from extracurricular activities, and cooper-
3 ative school bus maintenance.

4 b. The trustees are authorized to enter into a contract with another
5 school district, a county, municipality, or the state office of children
6 and family services to provide transportation for children, including
7 contracts to provide such transportation as regional transportation
8 services, provided that the contract cost is appropriate. In determining
9 the appropriate transportation contract cost, the transportation service
10 provider school district shall use a calculation consistent with requ-
11 lations adopted by the commissioner for the purpose of assuring that
12 charges reflect the true costs that would be incurred by a prudent
13 person in the conduct of a competitive transportation business.

14 § 23. Paragraphs g and h of subdivision 25 of section 1709 of the
15 education law, paragraph g as added by chapter 367 of the laws of 1979
16 and paragraph h as added by chapter 700 of the laws of 1993, are amended
17 to read as follows:

18 g. The board of education is authorized to provide regional transpor-
19 tation services by rendering such services jointly with other school
20 districts or boards of cooperative educational services. Such services
21 may include pupil transportation between home and school, transportation
22 during the day to and from school and a special education program or
23 service or a program at a board of cooperative educational services or
24 an approved shared program at another school district, transportation
25 for field trips or to and from extracurricular activities, and cooper-
26 ative school bus maintenance.

27 h. The board of education is authorized to enter into a contract with
28 another school district, a county, municipality, or the state [division

1 for youth] office of children and family services to provide transporta-
2 tion for children, including contracts to provide such transportation as
3 regional transportation services, provided that the contract cost is
4 appropriate. In determining the appropriate transportation contract
5 cost, the transportation service provider school district shall use a
6 calculation consistent with regulations adopted by the commissioner for
7 the purpose of assuring that charges reflect the true costs that would
8 be incurred by a prudent person in the conduct of a competitive trans-
9 portation business.

10 § 24. Paragraph b of subdivision 2 of section 33 of the general
11 municipal law, as added by chapter 267 of the laws of 2005, is amended
12 to read as follows:

13 b. In undertaking such audits the comptroller's review shall include,
14 but not be limited to:

15 (1) examining, auditing and evaluating financial documents and records
16 of school districts, BOCES and charter schools,

17 (2) assessing the current financial practices of school districts,
18 BOCES and charter schools to ensure that they are consistent with estab-
19 lished standards, including whether any school district that uses a
20 risk-based or sampling methodology to determine which claims are to be
21 audited in lieu of auditing all claims has adopted a methodology that
22 provides reasonable assurance that all the claims represented in the
23 sample are proper charges against the school district; and

24 (3) determining that school districts, BOCES, and charter schools
25 provide for adequate protections against any fraud, theft, or profes-
26 sional misconduct.

27 § 25. The comptroller shall review the effectiveness of allowing
28 school districts to use a risk-based or sampling methodology to deter-

1 mine which claims are to be audited in lieu of auditing all claims
2 including whether this practice maintains adequate school district
3 fiscal accountability and any recommendations for improvements or
4 modifications that should be made and whether school districts should be
5 authorized to continue such practice. Such report shall be issued to the
6 governor and the legislature by January 15, 2014.

7 § 26. This act shall take effect immediately provided, however, that
8 the provisions of section three of this act shall expire June 30, 2014
9 when upon such date the provisions of such section shall be deemed
10 repealed; provided, further that the provisions of sections eight, elev-
11 en, twelve, thirteen and twenty of this act shall expire July 1, 2014
12 when upon such date the provisions of such sections shall be deemed
13 repealed.

14

SUBPART G

15 Section 1. Paragraph 1 of subdivision (c) of section 81.44 of the
16 mental hygiene law, as added by chapter 175 of the laws of 2008, is
17 amended to read as follows:

18 1. serve a copy of the statement of death upon the court examiner, the
19 duly appointed personal representative of the decedent's estate, or, if
20 no [person] personal representative has been appointed, then upon the
21 personal representative named in the decedent's will or any trust
22 instrument, if known, upon the local department of social services and
23 upon the public administrator of the chief fiscal officer of the county
24 in which the guardian was appointed, and

25 § 2. Subdivision 4 of section 458-b of the social services law is
26 amended by adding a new paragraph (d) to read as follows:

1 (d) Payments pursuant to this section may be made by direct deposit or
2 debit card, as elected by the recipient, and administered electron-
3 ically, and in accordance with section twenty-one-a of this chapter and
4 with such guidelines as may be set forth by regulation of the office of
5 children and family services. The office of children and family services
6 may enter into contracts on behalf of local social services districts
7 for such direct deposit or debit card services in accordance with
8 section twenty-one-a of this chapter.

9 § 3. This act shall take effect immediately; provided, however that
10 section one of this act shall take effect on the ninetieth day after it
11 shall have become law; provided, further, that section two of this act
12 shall take effect on the same date and in the same manner as section 4
13 of part F of chapter 58 of the laws of 2010, takes effect.

14

SUBPART H

15 Section 1. Section 204-a of the state administrative procedure act,
16 as added by chapter 479 of the laws of 2001, is amended to read as
17 follows:

18 § 204-a. Alternate methods for implementing regulatory mandates. 1. As
19 used in this section:

20 (a) "local government" means any county, city, town, village, school
21 district, fire district or other special district;

22 (b) "regulatory mandate" means any rule which requires one or more
23 local governments to create a new program, increase the level of service
24 for an existing program or otherwise comply with mandatory requirements;
25 and

1 (c) "petition" means a document submitted by a local government seek-
2 ing approval of an alternate method for implementing a regulatory
3 mandate.

4 2. A local government, or two or more local governments acting joint-
5 ly, may seek approval for an alternate method of implementing a regula-
6 tory mandate by submitting to the appropriate state agency a petition
7 which shall include but not be limited to:

8 (a) for each involved local government, an indication that submission
9 has been approved by the governing body of the local government or by an
10 officer duly authorized by the governing body to do so;

11 (b) an identification of the regulatory mandate which is the subject
12 of the petition and information sufficient to establish that the
13 proposed alternate method of implementation is consistent with and will
14 effectively carry out the objectives of the regulatory mandate;

15 (c) information [on the process used by the local government to ensure
16 that all stakeholders have been appropriately involved in the process of
17 developing the alternate method, including where relevant the date of
18 any hearing, forum or other meeting to seek input on the alternate meth-
19 od] sufficient to establish that the proposed alternate method of imple-
20 mentation is consistent with and will effectively carry out the objec-
21 tives of the regulatory mandate;

22 (d) documentation that the petition has been submitted to the author-
23 ized agents of any certified or recognized employee organizations
24 representing employees who would be effected by implementation of the
25 alternate method;

26 (e) [a proposed plan and timetable for compiling and reporting infor-
27 mation to facilitate evaluation of the effectiveness of the alternate
28 method;]

1 (f) if] whether the state [provides] has provided financial assistance
2 for complying with the regulatory mandate[, any proposed amount or
3 percentage of such assistance which would be returned to the state due
4 to savings from implementing the alternate method]; and

5 [(g)] (f) the name, public office address and telephone number of the
6 representative of the local government who will coordinate requests for
7 additional information on the petition; and

8 [3. Two] (g) where two or more local governments [may submit a peti-
9 tion] have petitioned jointly, [provided that each local government
10 meets the requirements of paragraphs (a), (c), (d) and (g) of subdivi-
11 sion two of this section, and provided that the petition] information
12 which addresses the manner in which responsibility for implementation
13 will be allocated between or among the participating local governments.

14 [4] 3. The agency shall cause a notice of the petition to be
15 published in the state register and a newspaper of general circulation
16 in the impacted community and shall receive comments on the petition for
17 a period of thirty days. Such notice shall either include the full text
18 of the information set forth in the petition or shall set forth the
19 address of a website on which the full text has been posted. The notice
20 shall include the name, public office address and telephone number, and
21 may include a fax number and electronic mail address, of an agency
22 representative from whom additional information on the petition can be
23 obtained and to whom comments on the petition may be submitted.

24 [5. (a)] 4. Not later than thirty days after the last day of the
25 comment period, the agency shall approve or disapprove the petition. The
26 agency may approve the petition without change or with such conditions
27 or modifications as the agency deems appropriate. Notice of the agency
28 determination shall be provided in writing to the local government and

1 shall be published in the state register. The agency shall not grant a
2 petition unless it determines that the petition has met the requirements
3 of subdivision two of this section and that the local government has
4 established that the alternate method is consistent with and will effec-
5 tively carry out the objectives of the regulatory mandate; provided,
6 however, that no petition shall be approved which would result in the
7 contravention of any environmental, health or safety standard or would
8 reduce any benefits or rights accorded by law or rule to third parties.
9 In approving a petition, an agency may waive a statutory provision only
10 if it is specifically authorized by law to waive such provision. An
11 approval shall include a timetable for agency evaluation of the effec-
12 tiveness of the alternate method.

13 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-
14 sion, upon receipt of an objection to a petition from the authorized
15 agent of any certified or recognized employee organization representing
16 employees who would be affected by implementation of the alternate meth-
17 od, the agency shall provide any such organizations with an opportunity
18 for a hearing. If an adjudicatory proceeding is requested, the petition
19 shall not be approved unless the agency determines by a preponderance of
20 the evidence that implementing the alternate method would not affect
21 such employees by contravening any environmental, health or safety stan-
22 dard, reducing any rights or benefits or violating the terms of any
23 negotiated agreement, and that all other requirements of this section
24 have been met. The provisions of this subdivision are in addition to and
25 shall not be construed to impair or modify any rights of such employees
26 under any other law, regulation or contract.

27 5. A local government that objects to a state agency determination to
28 modify or disapprove its petition may appeal in writing to the mandate

1 relief council, who, upon review of the agency's findings and determi-
2 nation, may approve, modify or disapprove the petition.

3 6. Nothing in this section shall require a local government to
4 commence or continue an alternate method of implementation if it deter-
5 mines in its sole discretion not to do so, except to the extent that a
6 local government has committed to commencing or continuing an alternate
7 method in a joint petition submitted pursuant to subdivision [three] two
8 of this section.

9 7. A state agency may rescind its approval of a petition [at any time
10 if it determines, based on the information reported pursuant to para-
11 graph (e) of subdivision two of this section or other information avail-
12 able to it, that the alternate method is not effectively carrying out
13 the objectives of the regulatory mandate or is being implemented in a
14 manner detrimental to the public interest] only after a hearing,
15 provided, however, that the agency may suspend its approval of a peti-
16 tion prior to a hearing if it finds that immediate suspension is neces-
17 sary to address an imminent threat to health or safety. Notice of a
18 hearing must be provided to the petitioner at least thirty days prior to
19 the hearing and must be posted on the agency's website. Such notice must
20 state the basis for the agency's decision to seek rescission and inform
21 the local government that it may request information relied upon by the
22 agency in making its determination, which information must be provided
23 to the local government at least seven days in advance of the hearing.
24 After such hearing, the agency may rescind its approval upon a finding
25 that the alternative method of implementation is not consistent with or
26 does not effectively carry out the objectives of the regulatory mandate.

27 [7.] 8. Notwithstanding any other provision of law, implementation of
28 an alternate method approved by an agency pursuant to this section shall

1 be deemed to lawfully meet all requirements of the regulatory mandate.
2 An agency shall retain the authority to enforce compliance with the
3 alternate method in the same manner as it may enforce compliance with
4 the underlying rule. Any action on a petition by a state agency shall be
5 subject to review pursuant to article seventy-eight of the civil prac-
6 tice law and rules.

7 [8.] 9. In accordance with the timetable established pursuant to
8 subdivision [four] three of this section, the agency shall evaluate the
9 effectiveness of the alternate method in carrying out the objectives of
10 the regulatory mandate. The evaluation shall identify any savings or
11 other benefits, and any costs or other disadvantages, of implementing
12 the alternate method, and shall address the desirability of incorporat-
13 ing the alternate method into the rules of the agency. Notice of avail-
14 ability of the evaluation shall be published in the state register.

15 § 2. The executive law is amended by adding a new section 666 to read
16 as follows:

17 § 666. Mandate relief council. 1. Definitions. a. "Mandate" means any
18 requirement that a local government perform or administer any program,
19 project or activity, required or imposed by a state law or state agency
20 that requires a higher level of service for an existing local government
21 program, project or activity.

22 b. "Local government" means a county, city, town, village, school
23 district, or special district.

24 c. "State agency" or "agency" means any state agency, department,
25 office, board, bureau, division, committee, council or office under the
26 direction or control of the executive.

27 2. Mandate relief council. There is hereby created within the execu-
28 tive department the mandate relief council, which shall be comprised of

1 eleven members as follows: the secretary to the governor, who shall
2 chair the council, the counsel to the governor, the director of the
3 division of the budget, the secretary of state, and three additional
4 members to be appointed by the governor from among his or her executive
5 chamber staff, two members to be appointed by the temporary president of
6 the senate, and two members to be appointed by the speaker of the assem-
7 bly.

8 a. Six members of the council, or their designees in the case of the
9 director of the division of the budget and the secretary of state, shall
10 constitute a quorum.

11 b. The council shall meet regularly upon the call of its chair and as
12 frequently as its business may require. The members of the council shall
13 serve without compensation but shall receive reimbursement for their
14 reasonable and necessary expenses.

15 c. The council shall, upon request of a local government or one of the
16 members of the council, identify and review mandates that can be elimi-
17 nated or reformed, and make such other and further inquiries, reports
18 and recommendations as the council may deem necessary and prudent to
19 effectuate its mission of mandate relief. In identifying and determining
20 whether such mandates are unsound, unduly burdensome or costly, the
21 council shall receive and consider public comment about them and shall
22 review them in light of cost-benefit principles and such other and
23 further factors as the council shall deem necessary and prudent. The
24 council shall not make a referral to the governor that a mandate be
25 eliminated or reformed regarding any of the following mandates:

26 (i) those which are required to comply with federal laws or rules or
27 to meet eligibility standards for federal entitlements;

1 (ii) those which reapportion the costs of activities between boards of
2 education, counties, and municipalities;

3 (iii) those which implement provisions of the state constitution; and

4 (iv) those which the council determines are necessary for the mainte-
5 nance of the public health or safety of the people of New York state.

6 d. All votes of the council, and all deliberations and reports of its
7 proceedings shall be open to the public pursuant to article seven of the
8 public officers law.

9 3. Council actions on regulatory mandates. Upon a determination that a
10 mandate in any regulation, rule or order of any state agency has been
11 imposed upon any local government in an unsound, unduly burdensome or
12 costly manner so as to necessitate that it be eliminated or reformed,
13 the council shall have the power to:

14 a. refer a request by a local government for a review of such regula-
15 tory mandate, for petition by such local government for a waiver,
16 modification or repeal of such regulatory mandate pursuant to section
17 two hundred four-a of the state administrative procedure act. In the
18 event the council votes to make such referral on behalf of a local
19 government, the state agency that is charged with reviewing the petition
20 shall provide the technical assistance and support for such local
21 government to properly prepare and submit such petition. In the event
22 that such state agency reviewing the petition of the local government
23 pursuant to section two hundred four-a of the state administrative
24 procedure act does not provide the remedy sought by such local govern-
25 ment, the council may hear and consider an appeal of such decision and
26 grant such relief as it deems appropriate, including the making of a
27 referral to the governor for the waiving, modifying or repealing of such
28 regulatory mandate. The council shall adopt procedures by which it

1 shall consider, decide and effectuate the remedies of such appeals
2 consistent with this section.

3 b. upon a two-thirds vote, refer a regulation to the governor for
4 repeal or modification, where the council has previously determined that
5 such regulation imposes upon any local government a mandate in an
6 unsound, unduly burdensome or costly manner, so as to necessitate that
7 it be eliminated or reformed. Upon receipt of such referral by the
8 council, the governor shall within sixty days, direct the state agency
9 responsible for the promulgation, repeal or modification of such regu-
10 lation to effectuate such repeal or modification of the regulation
11 pursuant to the procedures that such agency would otherwise be required
12 to follow under the law, had such agency on its own accord sought to
13 repeal or modify the regulation.

14 4. Council actions on statutory mandates. The council may, upon a vote
15 of seven members, refer a statute to the governor for repeal or modifi-
16 cation, where the council has previously determined that such statute
17 imposes upon any local government a mandate in an unsound, unduly
18 burdensome or costly manner, so as to necessitate that it be eliminated
19 or reformed. Upon receipt of the referral by the council, the governor,
20 within sixty days, shall have prepared a governor's program bill, for
21 introduction in both houses of the legislature, to effectuate such
22 repeal or modification of the statute.

23 5. Local government request. A local government may, by resolution of
24 its governing body, ask the council to review a specific statute, regu-
25 lation, rule or order of state government to determine whether such
26 statute, regulation, rule or order of state government is an unfunded
27 mandate or is otherwise unsound, unduly burdensome or costly so as to
28 require that it be eliminated or reformed. No local government may make

1 more than three such requests in each calendar year. Upon such review,
2 the council shall, by majority vote, determine whether such mandate has
3 been imposed upon such local government in an unsound, unduly burdensome
4 or costly manner, so as to necessitate that it be eliminated or
5 reformed. A determination of the council shall resolve any dispute
6 regarding whether such a statute, regulation, rule or order constitutes
7 such an unfunded mandate, but shall not be deemed a judicial determi-
8 nation under the law.

9 6. Appeals. Upon an appeal of a petition previously decided by a state
10 agency pursuant to section two hundred four-a of the state administra-
11 tive procedure act, the council, upon request of the local government,
12 shall review the state agency's determination and may affirm, modify or
13 reject such determination. Such appeal shall not preclude or limit a
14 local government or any other party with standing from pursuing any
15 right it may have pursuant to a proceeding instituted in accordance with
16 the provisions of article seventy-eight of the civil practice law and
17 rules or any other statute.

18 7. Reports. The council shall by December fifteenth of each year
19 report to the governor and legislature regarding its activities, and
20 regarding the issues, statutes, regulations, rules and orders which it
21 reviewed, examined, proposed, referred, and/or considered. Such reports,
22 which shall be adopted upon a majority vote of the members of the coun-
23 cil, or their designees in the case of the director of the division of
24 the budget or the secretary of state. All reports of the council shall
25 be posted on a publicly accessible website.

26 8. Assistance of other agencies. To effectuate the purposes of this
27 section, any state agency shall, at the request of the council, provide

1 to the council such facilities, assistance and data as will enable the
2 council to properly carry out its responsibilities and duties.

3 § 3. This act shall take effect immediately; provided, however, that
4 section one of this act shall take effect on the thirtieth day after it
5 shall have become a law and shall expire January 1, 2015 or upon the
6 departure from office of the fifty-sixth governor whichever comes first,
7 provided however that section two of this act shall take effect January
8 15, 2012 and shall expire January 1, 2015 or upon the departure from
9 office of the fifty-sixth governor whichever comes first.

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

19 § 3. This act shall take effect immediately provided, however, that
20 the applicable effective date of Subparts A through H of this act shall
21 be as specifically set forth in the last section of such Subparts.

22 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
23 sion, section or part of this act shall be adjudged by any court of
24 competent jurisdiction to be invalid, such judgment shall not affect,
25 impair, or invalidate the remainder thereof, but shall be confined in
26 its operation to the clause, sentence, paragraph, subdivision, section
27 or part thereof directly involved in the controversy in which such judg-
28 ment shall have been rendered. It is hereby declared to be the intent of

1 the legislature that this act would have been enacted even if such
2 invalid provisions had not been included herein.

3 § 3. This act shall take effect immediately provided, however, that
4 the applicable effective date of Parts A through C of this act shall be
5 as specifically set forth in the last section of such Parts; provided,
6 however that Part B of this act shall remain in full force and effect at
7 a minimum until and including June 15, 2015.