

**GOVERNOR'S PROGRAM BILL
2011**

MEMORANDUM

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 cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to recontrol 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 establishing 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)

Purpose:

This bill would: (1) amend the General Municipal Law and the Education Law, in relation to establishing limits upon school district and local government tax levies; (2) strengthen and extend the rent regulation laws until June 15, 2015; and (3) enact into law major components of legislation necessary to effectuate mandate relief from statutory and regulatory mandates on local governments.

Part A

Summary of Provisions:

Section 1 of Part A of the bill would add a new § 3-c to the General Municipal Law to establish a real property tax levy limit for local governments, except the city of New York and any counties contained therein. Under the property tax levy limit:

- (1) Beginning with the fiscal year that begins in 2012, no local government would be authorized to increase its property tax levy by more than 2 percent or the rate of inflation, whichever is less;
- (2) A local government would include counties, towns, cities, villages, fire districts and all special districts;
- (3) A local government would be authorized to exceed the tax levy limit only if the governing body enacts, by a sixty percent vote, a local law, or for a special district or fire district, a resolution by a sixty percent vote, overriding the tax levy limit;
- (4) The levy limit would have limited exceptions including:

- i. Judgments or court orders arising out of tort actions that exceed five percent of the local government's levy;
 - ii. Limited growth in pension costs. Where the system average actuarial contribution rate increases by more than two percentage points from the previous year, the amount of contributions above two percentage points would be excluded from the limit;
- (5) The local government would be required to calculate the levy limit and submit relevant data to the State Comptroller for potential review and audit;
 - (6) The State Comptroller would be required to determine the tax levy limit for local governments that are consolidated or dissolved or where local government functions are transferred to another local government;
 - (7) Any excess levy funds that are collected due to error would be held in reserve.
 - (8) Adjustments to the limit would include:
 - i. a local government would be allowed to carryover to the current fiscal year the amount by which the tax levy for the prior fiscal year was below the levy limit for that year, but such carry over may not exceed 1.5 percent of said levy limit; and
 - ii. a local government would be allowed to adjust the levy limit upward, based on a growth factor calculated by the commissioner of tax and finance, to account for physical or quantity growth in the property tax base;

Section 2 of Part A of the bill would add a new 2023-a to the Education Law to establish a real property tax levy limit for school districts upon school districts, other than school districts with a population of 125,000 or more (the "Big 5" school districts). Under the school district real property tax cap:

- (1) Beginning with the fiscal year that begins in 2012, no school district would be authorized to increase its property tax levy by more than 2 percent or the rate of inflation, whichever is less;
- (2) If any school district that is subject to a tax levy limit proposes an

annual budget that would exceed the school district's tax levy limit, then the proposed budget must be approved by 60 percent of the vote.

- (3) If the proposed budget requires a tax levy that does not exceed the district's tax levy limit, then a majority vote is required for approval. Any trustee or board of education separate proposition or voter proposition that would cause the school district's tax levy limit to be exceeded must be approved by 60 percent of the vote;
- (4) School districts would calculate the tax levy limit and submit the information to the Commissioner of Education, State Comptroller and Commissioner of Taxation and Finance no later than March 1st of each year.
- (5) The tax levy limit would have the following limited exceptions including:
 - i. A tax levy necessary to support expenditures resulting from court orders or judgments against the school district arising out of tort actions for an amount over five percent of the total taxes levied in the prior school year;
 - ii. Limited growth in pension costs. Expenditures reflecting the contributions to the New York state and local employees' retirement system and New York state teachers' retirement system caused by the growth in the system average actuarial contribution rate above two percentage points; and
 - iii. Voter-approved capital expenditures.
- (6) A school district would be allowed to adjust the levy limit upward, based on a growth factor calculated by the commissioner of tax and finance, to account for physical or quantity growth in the property tax base;
- (7) The Commissioner of Education would determine the tax levy limits for school districts that are consolidated or reorganized;
- (8) Any excess levy funds that are collected due to clerical or technical errors would be held in reserve;
- (9) If the budget is defeated after two presentations to the voters, or after one defeat where the school district decides not to resubmit a budget to the voters, then the district would be required to adopt a budget with a tax levy less than or equal to that of the prior year;

Section 3 of Part A of the bill would amend Education Law section 2023 to conform with the requirement that a contingency budget would only authorize a tax levy less than or equal to that of the prior year.

Sections 4 and 5 would amend Education Law §§ 1608 and 1716 to require school districts to include information about the applicable tax levy limit on their property tax report cards.

Sections 6 and 8 would amend Education Law §§ 2008 and 2035 to conform voter propositions with the requirement that if the proposition would cause the school district's tax levy limit to be exceeded, then it must be approved by 60 percent of the vote.

Section 7 would amend Education Law § 2022 to include conforming changes regarding school budget votes, trustee or board of education separate propositions, voter propositions and to require that information about the applicable tax levy limit be included in the school budget notice.

Section 9 would amend Education Law § 2601-a to conform school budget and proposition votes in small city school districts with the tax levy limit requirements and process.

Section 10 would amend Education Law § 3602 to include a technical conforming amendment relating to a contingency budgets reference.

Section 11 would amend Education Law § 3635 to clarify that voter approval for transportation mileage' changes is maintained.

Section 12 of the bill would clarify that nothing in this act would impair the powers or duties of a control board, interim finance authority or fiscal stability authority.

Section 13 of the bill would provide for the effective date of the bill.

Existing Law:

GML § 3-b, places a limitation on real estate taxes in New York City, and Article 8, § 10 sets certain limitations on property tax rates. Under existing law, voters outside of the Big 5 school districts--whose budgets are not voted on independently because the budgets of the Big 5 are included in the budgets of their cities—can approve a school district budget at the district's annual meeting (generally the 3rd Tuesday in May). If a school budget is defeated, the district can adopt a contingency budget or call a special district meeting (generally the 3rd Tuesday in June) to re-present the defeated budget or to present an amended budget. In the event no budget is approved by voters, the district must adopt a contingency budget.

Prior Legislative History:

While several of the matters covered by this bill have been the subject matter of bills by members of the Assembly, Senate, or the Executive, this is a new bill.

Statement in Support:

New York property owners pay among the highest taxes in the nation. When you combine State and local taxes, New York has the second highest property taxes in the nation. The median U.S. property tax paid is \$1,917 and in New York it is \$3,755--96 percent higher than the national median. Moreover, New York has the highest local taxes in America as a percentage of personal income--79 percent above the national average. Local property tax levies in New York grew by 73 percent from 1998 to 2008, more than twice the rate of inflation during that period. And New York--especially Upstate New York--continues to lose population and jobs at a rate greater than the national average, while taxes continue to rise.

New York property taxes have long been a problem. From 2006-2008, when property taxes were measured as a percentage of home value, the top sixteen counties in the nation were all in New York State. Local property taxes are rising at rate much faster than inflation--for the five years from 2002 to 2007, inflation was at 2.9 percent annually, whereas property tax revenues increased at higher rates for every major class of local governments.

This bill is a comprehensive property tax cap that will help end the devastating impact of property taxes on homeowners throughout New York. The tax cap will apply to all school districts and local governments (i.e. counties, towns, villages and special districts) except for New York City, the counties within New York City, and the Big Five school districts. It will be set at the rate of inflation or 2 percent, whichever is less. For local governments, any property tax levy increase above the inflation rate would be prohibited, unless endorsed both 2/3 of the local governing board. For schools, any property tax levy increase above the rate of inflation would be prohibited, unless approved by 60% of the voters. This vote will be part of their regular budget voting process and for other municipalities and special districts, a referendum will not be required. The cap will apply directly to independent special districts and to town or county component special districts as part of their parent municipalities' tax levies.

Only limited exceptions will be allowed for the cap, such as one-time needs for large legal settlements or capital expenditures. Counties will also be covered, but with appropriate exceptions for certain state mandated social service programs.

Other states have property tax caps, including Massachusetts, Illinois, California and Michigan. New Jersey was the most recent state to enact a property tax cap.

Budget Implications:

This bill would have no direct fiscal implications for the State.

Effective Date:

This bill would take effect immediately and apply to the 2012-13 school year, provided that section 1, dealing with local governments, would first apply to the fiscal year that begins in 2012, and provided further that the act would remain in full force and effect only so long as the laws providing for rent regulation and control remain in effect.

PART B

Summary of Provisions:

Section 1 of the bill provides that the bill may be cited at "The Rent Act of 2011".

Section 1-a of the bill amends the EHRCL relating to the control of and stabilization of rent in certain cases to provide that such provisions shall remain in effect until and including the twenty third day of June 2015 so long as localities determine the existence of a public emergency.

Section 2 of the bill would amend the EHRCL to provide that such provisions shall remain in effect until and including June 23, 2015.

Section 3 of the bill would amend the EHRCL relating to reconrol of rents in Albany to provide that such provisions shall remain in effect until and including June 23, 2015.

Section 4 of the bill would amend the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative and condominium ownership in the city of New York to provide that such provisions shall remain in effect until and including June 23, 2015.

Section 5 of the bill would amend the general business law relating to the conversion of rental residential property to cooperative and condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland to provide that such provisions shall remain in effect until and including June 23, 2015.

Section 6 of the bill would amend provisions of the rent regulation reform act of 1997 to provide that such provisions shall continue until and including June 23, 2015.

Section 7 of the bill would amend the RSL to provide that not more than one vacancy increase may be added to the legal regulated rent in any given year.

Section 8 of the bill would amend section 10(a-1) of the ETPA to provide that not more than one vacancy increase could be added to the legal regulated rent in any given year.

Section 9 of the bill would amend section 2(2)(n) of the EHRCL to provide that after the effective date of this Act, the threshold rent amount to deregulate a residential unit upon vacancy shall be two thousand five hundred dollars.

Section 10 of the bill would amend section 5(a)13 of the ETPA to provide that after the effective date of this Act, the threshold rent amount to deregulate a residential unit upon vacancy shall be two thousand five hundred dollars.

Section 11 of the bill would amend section 26-403e(k) of the RCL to provide that after the effective date of this Act, the threshold rent amount to deregulate a residential unit upon vacancy shall be two thousand five hundred dollars.

Section 12 of the bill would amend section 26-504.2 of the RSL to provide that after the effective date of this Act, the threshold rent amount to deregulate a residential unit upon vacancy shall be two thousand five hundred dollars.

Section 13 of the bill would amend section 10(a-2) of the ETPA to conform the provisions which allow for deregulation where there is a preferential rent to the same two thousand five hundred dollar level.

Section 14 of the bill would amend section 26-511(c)14 of the RSL to conform the provisions which allow for deregulation where there is a preferential rent to the same two thousand five hundred dollar level.

Section 15 of the bill would amend section 26-405g.(1)(e) of the RCL to provide an adjustment for a rent increase based upon individual apartment improvements which shall be equal to one-sixtieth of the total cost of the individual apartment improvements instead of one-fortieth, for those buildings with more than thirty five housing accommodations commencing on September 24, 2011.

Section 16 of the bill is would amend Section 26-511(c)(13) of the RSL to provide an adjustment for a rent increase based upon individual apartment improvements which shall be equal to one-sixtieth of the total cost of the individual apartment improvements instead of one-fortieth, for those buildings with more than thirty five housing accommodations commencing on September 24, 2011.

Section 17 of the bill is intentionally omitted.

Section 18 of the bill would amend section 6d(1) of the ETPA to provide an adjustment for a rent increase based upon individual apartment improvements which shall be equal to one-sixtieth of the total cost of the individual apartment improvements instead of one-fortieth, for those buildings with more than thirty five housing accommodations commencing on September 24, 2011.

Section 19 of the bill is intentionally omitted.

Section 20 of the bill is intentionally omitted.

Section 21 of the bill is intentionally omitted.

Section 22 of the bill is intentionally omitted.

Section 23 of the bill is intentionally omitted.

Section 24 of the bill is intentionally omitted.

Section 25 of the bill would amend section 4(4)(a)(v)5 of the EHRCL to provide that for buildings with more than thirty five housing accommodations a rent increase based on individual apartment improvements shall be computed on one sixtieth, rather than one fortieth of their allowable costs on or after September 24, 2011.

Section 26 of the bill is intentionally omitted.

Section 27 of the bill is intentionally omitted.

Section 28 of the bill is intentionally omitted.

Section 29 of the bill would amend section 5(a)12 of the ETPA to provide that effective with the next high rent/high income deregulation cycle, the thresholds for such deregulation are increased to the total annual household income for each of the two preceding years of two hundred thousand dollars and the legal regulated rent threshold to two thousand five hundred dollars.

Section 30 of the bill would amend section 5-a of the ETPA to define the deregulation income and rent thresholds in conformance with the description set forth in the section 29 above and amends the high rent/high income deregulation procedures accordingly.

Section 31 of the bill would amend section 22 (m) of the EHRCL to provide that effective with the present high rent/high income deregulation cycle that the thresholds for such deregulation are increased to the total annual income for each of the two preceding years of two hundred thousand dollars and the legal regulated rent threshold to two thousand five hundred dollars.

Section 32 of the bill would amend section 2-a of the EHRCL define the deregulation income and rent thresholds in conformance with the description of those set forth in the section 31 above and would amend the high rent/high income deregulation procedures accordingly.

Section 33 of the bill would amend Section 26-403e(2)(j) of the RCL to modify the deregulation income and rent thresholds in conformance with the amendments made in Section 34 of the bill.

Section 34 of the bill would amend Section 26-403.1 of the RCL to define the deregulation income and rent thresholds in conformance with the description of those set forth in section 31 of the bill and would amend the high rent/high income deregulation procedure accordingly.

Section 35 of the bill would amend section 26-504.1 of the RSL to modify the deregulation income and rent thresholds to conform to the amendments contained in Section 36 of the bill.

Section 36 of the bill would amend Section 26-504.3 of the RSL to define the deregulation income and rent thresholds in conformance with the description of those set forth in section 29 of the bill and would amend the high rent/high income deregulation procedure accordingly.

Section 37 of the bill would amend subdivision (3)(b) of Section 171-b of the Tax Law to enable the New York State Department of Taxation and Finance to provide DHCR with information to effectuate the high income deregulation provisions of this statute.

Section 38 of the bill would amend the opening subparagraph (i) of paragraph (a) of subdivision 2 of Section 421-a of the Real Property Tax Law to extend the operative provisions of such law through June 15, 2015 and further provide that for the period January 1, 2007 through June 30, 2009 the construction period may be extended for six years, although benefits will be granted only for three years of construction.

Section 39 of the bill would amend clause (A) of subparagraph (ii) of paragraph (a) of subdivision 2 of section 421-a of the Real Property Tax Law to extend the operative provisions of such law through June 15, 2015 and further provide that for the period January 1, 2007 through June 30, 2009 the construction period may be extended for six years, although benefits will be granted only for three years of construction.

Section 40 of the bill would amend clause (A) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the Real Property Tax Law to extend the operative provisions of such law through June 15, 2015 and further provide that for the period January 1, 2007 through June 30, 2009 the construction period may be extended for six years, although benefits will be granted only for three years of construction.

Section 41 of the bill would amend clause (A) of subparagraph (iv) of paragraph (a) of subdivision 2 of section 421-a of the Real Property Tax Law to extend the operative provisions of such law through 2015.

Section 42 of the bill would amend subparagraph (ii) of paragraph (c) of subdivision 2 of section 421-a of the Real Property Tax Law to extend the provisions of such law through June 15, 2015.

Section 43 of the bill adds a new Section 421-m to the Real Property Tax Law which allows a city, town or village (Section 421-a or 421-c are not applicable) by local law to provide

a real estate tax exemption for the construction or substantial rehabilitation of multiple dwellings where at least twenty percent of the units are affordable units.

Section 44 authorizes DHCR to promulgate regulations to implement and enforce this act including any law renewed or continued by this Act that it administers.

Section 45 provides for severability, if any provision is found to be invalid.

Section 46 of the bill contains additional effective date provisions relating to the continuation of an emergency requiring the regulation of residential rents and evictions retroactive to June 24, 2011 and to clarify that amendment to the provisions concerning high rent/high income deregulation will not be used as the basis for technical dismissals or defaults during the pending high income/high rent deregulation cycle.

Existing Law:

Currently, the deregulation rent threshold for rent controlled and rent stabilized units is \$2000 per month. For high rent/high income deregulation the household income must be equal or exceed \$175,000 per year for two consecutive years. The rent threshold has been unchanged since 1993 and the legislature decreased the income threshold in 1997.

IAI's are presently calculated for all buildings subject to these laws by adding one-fortieth of their cost to the rent. In addition, upon vacancy, even if there is more than one vacancy for the apartment in any given year, an owner is also entitled to an increase of twenty percent over the previous legal rent for a two year lease. For a one year lease, the increase of twenty percent is reduced by the difference between the two and one year lease renewal guidelines promulgated by the Rent Guidelines Board. An additional longevity increase is added, consisting of six-tenths of one percent for each year since the imposition of the last vacancy allowance, provided there has been no such vacancy allowance within eight years.

Various rent regulatory protections, as well as certain provisions in the General Business Law and the Administrative Code of the City of New York relating to the conversion of residential real property to cooperative or condominium ownership sunsetted on June 23, 2011.

Section 421-a of the Real Property Tax Law expired on December 28, 2010.

Prior legislative history:

While several of the matters covered by this bill have been the subject matter of bills by members of the assembly, senate, or the executive, this is a new bill.

Statement in Support

This legislation truly represents a sea change in providing the protections necessary for over two million New Yorkers who call their apartments "home". New York City in particular is

unique in its use of rental accommodations to house its citizens. This housing stock is one of its aspects that give the City its unique character and diversity.

The 2008 Housing Vacancy Survey conducted by New York City indicates that 28% of rent stabilized units are occupied by households that are below 125% of poverty level; that 21% of rent stabilized tenants are paying 50% or more of their income for housing; and that 62% of rent stabilized tenancies are families that make \$50,000 a year or less.

The shortage of even more of these kinds of accommodations is the basis of a housing emergency that forms the rationale for rent regulations.

Because such emergency conditions have been subject to review and re-appraisal, the legislature meets and periodically considers what is good and necessary in such regulations for New York's residents. However, for the last seventeen years, need for such sober and studied analysis has instead become the victim of a political dynamic where the very continuation of the system had to be "horse traded" against reduction of even some of its most rudimentary core protections.

Conventional wisdom was that such erosion had become an inevitable fact of life. Conventional wisdom was wrong.

This bill reverses that trend with respect to deregulation and provides for closing certain long term gaps in the rent regulatory system.

The High Rent Vacancy and High Income/High Rent deregulation provisions of New York State's rent regulatory schemes when first enacted were intended to eliminate the protections of rent regulation in specific narrow circumstances. The so-called "luxury decontrol" thresholds, first introduced in 1993 and amended in 1997, currently allow for the deregulation of vacant apartments when the regulated rent reaches \$2000 per month. Occupied units can be deregulated when the regulated rent reaches \$2000 per month and the tenants have an income of \$175,000 or more for two consecutive years. This structure sought to provide the protections of rent regulation for ordinary tenants while allowing for deregulation of high-rent "luxury" apartments occupied by wealthier New Yorkers.

In the seventeen years since this "luxury decontrol" system was put in place, the basic rents for rent stabilized apartments have increased each year by the annual adjustment factors approved by the appropriate Rent Guidelines Board. However, while rents have steadily increased, the deregulation threshold has not changed. As a result, more and more units are being decontrolled – leaving more and more ordinary New Yorkers without the vital protections that the rent regulation provides.

This legislation will, for the first time, increase the High Rent Vacancy and High Rent / High Income deregulation threshold taking it from that historical level of \$2,000 per month to \$2,500 per month. This increase will restore the delicate balance between tenant protections and appropriate deregulation that was struck when these current decontrol laws were adopted.

Similarly, the income threshold will be increased above its present \$175,000 limit, but still below the \$250,000 income threshold in effect when the high rent/high income deregulation was originally enacted. DHCR estimates that approximately 32,000 families in the upcoming year will potentially not be subject to this process because of this legislation.

The substantive modifications to laws governing individual apartment improvements increases are also truly historic.

The downward modification of the IAI increase from 1/40th of the allowable costs to 1/60th of the allowable costs, is the first modification of this increase since the inception of Rent Stabilization over forty years ago.

The modification is clearly appropriate. It tempers the need to assure that apartments are improved and maintained against the upward spiral of rents. It takes measure of the pressure created to install increasingly elaborate improvements, more for the purpose of meeting deregulation thresholds, than being responsive to the need for upgrades. At the same time, retaining the present recoupment formula for buildings (as that term is generally used for rent regulations purposes) with thirty five units and below, recognizes the different economic considerations attendant on owners maintaining smaller property holdings. Because of this legislation DHCR estimates that 543,000, or 62% of all rent stabilized housing accommodations will now be subject to lower increases for individual apartment improvements.

DHCR is also further authorized to promulgate regulations for the implementation and enforcement of these laws. Assuring the appropriate oversight of these new provisions and those rent laws continued by this Act is a significant responsibility and a continuing challenge, but such challenges cannot ultimately stand in the way of doing what is right.

The provisions limiting the automatic increases attendant upon vacancy to only one vacancy in any given year is consistent with assuring fair compensation for owners under the Rent Stabilization Law without over-compensating owners for fortuitous vacancies not really contemplated by the rent regulatory system.

The bill also provides needed incentives for new construction of housing by extending and renewing the tax benefit program under Section 421-a of the Real Property Tax Law which had expired without renewal.

Further, in recognition of the difficult economic challenges related to new construction, it provides an additional three years for owners to place their buildings in service from the initial date of commencement of construction; but without adding to the overall tax benefit periods otherwise provided for under the 421-a program.

The addition of 421-m to the Real Property Tax Law is one more incentive that communities that may not previously have had benefit of such an exemption program, may now encourage the creation of more affordable housing within their borders.

Budget Implications:

DHCR may need to add or re-allocate staff in assuring that the laws renewed by this Act continue to be properly enforced and new provisions implemented.

Effective Date:

This bill takes effect retroactively as of June 24, 2011.

PART C

Section 1 describes the contents of Part C.

Subpart A:

Sections 1 and 2 would amend State Finance Law (“SFL”) § 97-g (3), (4) & (5) to authorize the Office of General Service’s (“OGS”) to provide centralized services in the form of purchases of electricity to political subdivisions, including school districts.

Section 3 is intentionally omitted.

Section 4 would amend General Municipal Law (“GML”) § 103 by adding a new section 1-b to authorize local governments, including school districts, to directly purchase (“piggyback”) from Federal General Services Administration Schedule 70 (information technology and telecommunications hardware, software and professional services).

Sections 5 and 6 would amend GML § 103 (3) and County Law § 408-a (2) to authorize local governments to piggyback on county public works contracts.

Section 7 would amend GML § 104 to authorize local governments, including school districts, to directly purchase from federal General Services Administration e-government and defense supply contracts.

Section 8 would amend Municipal Home Rule Law (“MRHL”) § 27 (2) to ease the signature requirements for the filing of local laws with the Department of State.

Section 9 contains the respective effective dates for Subpart A.

Subpart B:

Section 1 would amend GML § 99-r to authorize local municipalities and public authorities to exchange services, materials, equipment.

Section 2 would amend Highway Law § 10-c (4)(e) to increase the competitive bidding threshold for Consolidated Local Street and Highway Improvement Program ("CHIPS") work from \$100,000 up to \$250,000 to expand the ability of municipalities to use their own labor to perform CHIPS work.

Section 3 would amend GML § 102 to eliminate the requirement that local governments collect and return deposits for copies of plans and specifications.

Section 4 contains the respective effective dates for Subpart B.

Subpart C:

Section 1 would amend GML § 72-c to allow municipalities with populations of 10,000 or more to also recover the costs of police training from new municipal employers.

Section 2 repeal GML § 207-m to remove statutory salary requirements for municipal chiefs of police.

Section 3 would amend CPL § 20.40 (4)(1) to alter the venue requirements for identity theft crimes to allow one district attorney to prosecute such crimes that occurs in multiple counties.

Section 4 would amend FCA § 176 to allow intrastate transfers of people sentenced to interim probation supervision.

Section 5 would amend Mental Hygiene Law by adding a new section 29.28 to provide that the cost of prosecuting inmate patients shall be borne by the state Department of Corrections and Community Supervision.

Section 6 contains the respect effective dates for Subpart C.

Subpart D:

Sections 1 through 3 would amend GML §§ 514 and 553 (1) & (2) to eliminate unnecessary or duplicative requirements for filing of certificates and plans with the Division of Housing and Community Renewal.

Section 4 contains the respective effective dates for Subpart D.

Subpart E:

Section 1 would amend Social Services Law § 410-x to authorize counties to make child care subsidy payments electronically.

Section 2 would amend SSL § 378 (2) to extend the duration of a foster boarding home license or certificate from one to two years.

Section 3 contains the respective effective dates for Subpart E.

Subpart F:

Sections 1 and 2 would amend EDUC §§ 3241 (1) and 3242 to change the required census of Pre-K children from annually to every two years.

Section 3 would amend EDUC § 3635 by adding a new subdivision (8) to authorize schools boards in certain school districts to enact a policy to provide student transportation based upon patterns of actual ridership.

Section 4 would amend EDUC § 3602 (6)(e)(3)(b) to ease the school building aid penalties for late filing of final cost reports.

Sections 5 through 20 would amend EDUC §§ 1604 (35), 1709 (20-a), 1711 (2)(e), 1724 (1), 2503 (5), 2508 (5), 2523 (2), 2524 (1), 2525, 2526, 2527, 2554 (2-a), 2562 (2), 2566 (6), 2576 (1)(a), and 2580 (2) & (4) to provide flexibility in claims auditing by allowing school districts to establish the position of deputy claims auditor to act in the absence of the appointed claims auditor and by allowing school districts with 10,000 or more students to audit samples of claims.

Section 21 would amend the Education Law by adding a new section 1527-c to authorize up to three school districts with fewer than 1,000 students each to share a school superintendent.

Sections 22 and 23 would add a new subdivision 21-b to EDUC § 1604 and would amend EDUC § 1709 (25)(g) & (h) by adding a new subdivision 21-b to authorize school districts to provide regional transportation services jointly with other districts or BOCES.

Section 24 would amend GML § 33 (2)(b) to authorize the Comptroller to assess claims sampling methodologies as part of school district audits.

Section 25 would direct the Comptroller to review and make recommendations regarding the effectiveness of allowing school districts to use claims sampling methodologies.

Section 26 contains the respective effective dates for Subpart F.

Subpart G:

Section 1 would amend Mental Hygiene Law § 81.44 (c)(1) to require the guardian of an incapacitated person to give notice to the LDSS when the incapacitated person dies.

Section 2 would amend Social Services Law § 458-b (4) to authorize counties to make kinship guardianship payments electronically.

Section 3 contains the respective effective dates for Subpart G.

Subpart H:

Section 1 would amend State Administrative Procedure Act ("SAPA") § 204-a to ease the current process by which a local government can petition for approval of an alternative to a regulatory mandate by: 1) streamlining the content requirements for such petitions; 2) allowing a local government petitioner to appeal a state agency decision to the Mandate Relief Council; and 3) establishing a hearing process for review of a state agency's determination to rescind approval of a regulatory alternative.

Section 2 would amend the Executive Law by adding a new section 666 to establish a combined Legislative and Executive Mandate Relief Council charged with reviewing and referring statutory and regulatory unfunded mandates to the legislature and to executive agencies for modification or repeal, and empowering local governments to petition the Council for permanent relief burdensome or costly regulations.

Section 3 contains the respective effective dates for Subpart H.

Section 2 is the severability clause for the bill.

Section 3 is the effective date for the bill.

Existing Law:

This legislation would amend and eliminate numerous statutorily mandated programs.

Statement in Support:

New York has the second highest state and local tax burden in the nation. Of the last 30 years, New York has had the highest state and local taxes all but four times. One of the central reasons for our persistently high taxes is mandates – the State laws, regulations and procedures that schools and municipalities must follow.

The State relies on its municipalities and school districts to deliver vital services to its residents and often prescribes exactly how these services should be provided. This limits flexibility and increases costs.

Whether it is overly prescriptive procurement rules for schools, forcing cities, towns and villages to fill out redundant paperwork, or limiting the options counties have to provide services, these mandates can be very specific and often focus on process rather than outcomes.

Many existing mandates are duplicative, outdated or simply snub common sense. For example, school buses make their rounds with empty seats saved for children that always arrive

at school by other means, instead of patterns of actual ridership, and local governments are still required to submit hard copies of certain reports to the State instead of sending them electronically.

The cost of these mandates is borne by taxpayers, and local governments often have to cut other vital services to comply. This bill will ease the State's micromanagement. Through doing so, it will reduce government spending, provide property tax relief and help reinvigorate the economy.

Legislative History:

This is a new bill.

Budget Implications:

This legislation could save local governments and school districts up to \$125 million annually.

Effective Date:

The bill would be effective immediately except where the applicable effective dates of Subparts A through H would be effective as specifically set forth in such Subparts.