Initiatives Previously Enacted in the 2019-20 Adopted State Budget

AIM Funding – Cities (outside of NYC) and the villages whose AIM funding was preserved under the Governor’s 2019-20 Executive Budget proposal will receive the same amount of AIM funding that they received last year. For those villages whose AIM funding was proposed to be eliminated because their AIM amount was less than 2% of their local fiscal year 2017 expenditures, you will receive a payment from the State equal to the amount of AIM funding you received last year. This payment will be funded by the State after intercepting an equivalent amount of your county’s sales tax collections and will be paid to the village from the State Comptroller on or before May 15, 2020 and each year thereafter.

Internet Sales Tax – The Adopted Budget includes the imposition of the sales tax on internet transactions on or after June 1, 2019 – specifically requiring marketplace providers to collect sales and use tax on the taxable sale of tangible personal property that they facilitate, as well as to compel out-of-state retailers whose sales in New York exceed $300,000 and 100 transactions to collect and remit sales tax. On an annualized basis, this will generate an increase in local sales tax revenue totaling approximately $390 million. Of this amount, approximately $14.5 million will go to cities (outside New York City) and an estimated $14 million will go to villages and towns. New York City is expected to receive an additional $170 million. However, in 2019-20, $127.5 million of New York City’s share will be used to help fund the MTA capital plan. That amount increases to $170 million in 2020-21 and then by an additional 1% each year thereafter. Local revenue generated by the internet sales tax outside New York City will not be intercepted for the MTA capital plan.

Transportation Aid – The Adopted Budget maintains CHIPS and Marchiselli Aid at current year levels of $438 million and $39.7 million, respectively. However, there is a possibility that there will be additional CHIPS and/or the restoration of the $65 million in Extreme Winter Recovery funding in a supplemental capital budget that is anticipated to be enacted prior to the end of the legislative session. The Budget also includes $100 million for PAVE NY and $100 million for BRIDGE NY. PAVE NY money is allocated according to the CHIPS formula and BRIDGE NY is competitively awarded. NYCOM also continues to fight for an inflationary increase in the state arterial maintenance reimbursement rate which may also be addressed in the supplemental capital bill.

Permanent Tax Cap – The Adopted Budget includes language repealing the expiration date for the tax cap, thereby making it “permanent.” No changes were made to the way the tax cap is calculated or administered. Local governments still have the same ability to override the tax cap if necessary.
**Water and Sewer Infrastructure** – An additional $500 million will be made available for drinking water and wastewater infrastructure, as well as water quality protection. This money will supplement the amounts already available under the five-year $2.5 billion Clean Water Infrastructure Act that was created in 2017-18.

**Elimination of ESCO Sales Tax Exemption** – Cities (outside NYC) and villages that receive sales tax will experience an increase totaling $4.5 million annually due to the elimination of the sales tax exemption on the non-residential transmission and distribution of gas or electricity when purchased from an ESCO (Energy Service Company).

**Plastic Bag Ban** – The Adopted Budget bans plastic carryout bags (with limited exceptions) effective March 1, 2020. In addition, counties and cities will have the ability to impose a five-cent fee on carryout paper bags, of which 40% of the proceeds will go back to the county or city to be used for the purpose of purchasing and distributing reusable bags. The remaining 60% will go to the State’s Environmental Protection Fund. If a municipality has its own paper bag fee in place or enacted one before March 1, 2020, but not pursuant to this new law, such fee can remain in effect unless, after March 1, 2020, the county in which that municipality is located imposes its own fee, after which the municipality’s fee would expire in one year.

**Environmental Protection Fund (EPF)** – The Adopted Budget maintains funding for the Environmental Protection Fund at $300 million, including $38.2 million for the Solid Waste Program, $88.4 million for the Parks and Recreation Program, $152.2 million for the Open Space Program, and $21.2 million for the Climate Change Mitigation and Adaptation Program.

**Food Scraps Recycling** – The Adopted Budget added the Food Donation and Food Scraps Recycling Law, which requires sizable food production entities, like supermarkets, hotels, colleges and universities, and large food service business, called “food scraps generators,” to either donate or recycle food waste. The law does not appear to have any impact on local governments. Hospitals, nursing homes, adult care facilities, and elementary and secondary schools are all explicitly exempted from the law. Any generator may request a waiver from the Department of Environmental Conservation based on undue hardship.

**Downtown Revitalization Initiative** – The Adopted Budget includes another $100 million for a fourth round of the Downtown Revitalization Initiative which will provide ten downtowns $10 million each to invest in transformative housing, economic development, transportation and community projects that will attract and retain residents, visitors and businesses. Similar to the first three rounds, one community’s downtown would be chosen by each of the 10 REDCs.

**Regional Economic Development Councils (REDC)** – The Adopted Budget continues the regional economic development approach and provides $220 million to support a ninth round of the REDC awards. This will include core funding of $150 million and $70 million in tax credits. This will be combined with a wide range of existing agency programs to provide a total of $750 million for this purpose.
**Consolidation and Restructuring Programs** – The Adopted Budget includes $64 million to support the Citizens Empowerment Tax Credits, the Citizen Reorganization Empowerment Grants, Local Government Efficiency Grants and the Municipal Restructuring Fund.

- **Citizen Empowerment Tax Credits (CETC)** – Funding is available to incentivize local government consolidation or dissolution, providing a bonus equal to 15% of the newly combined local government’s tax levy. At least 70% of such amount must be used for direct relief to property taxpayers.

- **Citizens Reorganization Empowerment Grants** – Funding is available for grants up to $100,000 for local governments to cover costs associated with studies, plans and implementation efforts related to local government reorganization activities. The local match for planning or study grants initiated by the local government would be 50%. However, upon approval of the local government reorganization, 90% of the local match would be refunded.

- **Local Government Performance and Efficiency Grants** – Funding of $4 million will continue to cover costs associated with local government efficiency projects, such as planning for and/or implementation of a functional consolidation, shared or cooperative services, and regionalized delivery of services. The local match for planning grants or study grants is 50%. However, if a local government implements a previously completed planning project, the local match for the planning project would be refunded (up to the local share for implementation). The maximum implementation grant award is $200,000 per municipality/$1 million per grant, and the maximum planning grant award is $12,500 per municipality/$100,000 per grant.

- **Municipal Restructuring Fund** – Funding of approximately $11 million is available for local government projects that will substantially transform the delivery of services or consolidate government entities resulting in permanent property tax reductions.

In addition, the Budget includes $225 million in State match funding for those local governments that implemented shared services plans in 2018 and are eligible to receive matching funds in calendar year 2019.

**Leave Time for Voting** – The Adopted Budget includes language that would grant all employees (public and private) who are registered voters up to three hours of paid leave to vote at any election. Employees may only take time to vote at the beginning or end of their working shifts and must notify their employer at least two working days before the day of the election that they require time off to vote. Prior to this, employees were entitled to two hours without loss of pay when they did not have “sufficient time outside [their] working hours within which to vote.” While there was some uncertainty as to which elections the law applies to, we have since been advised that it will only cover those elections that are run by the Board of Elections. That means the law does not apply to school board or special district elections.

**Property Tax Administration** – The 2019-20 Executive Budget would make several changes affecting property tax administration including: allowing a county to appoint members of an assessing unit’s board of assessment review at local option; allowing certain statutory notices currently mailed to assessors to be transmitted via email or by website posting; and, requiring electric generating facilities to file an inventory and income report to assist with the appraisals of such facilities.
**Union Member Privacy Protections** – The Adopted Budget makes it an improper practice for any public employers, including local governments, to disclose personal information about their employees, except: 1) in matters under the jurisprudence of the Public Employment Relations Board regarding union enrollment and employee organization representation; or 2) where compelled to do so by lawful service of process, subpoena, court order, or as otherwise required by law. The Budget also includes language that would require public employers to provide employee organizations the name, address, job title, employing agency and work location of their members (upon request, not more than quarterly).

**Binding Arbitration Extender** – The Adopted Budget extends binding arbitration for public safety unions for an additional five years, until 2024.

**Financial Disclosure** – The Adopted Budget requires all local elected officials who earn an annual government salary of more than $50,000 to file annual statements of financial disclosure with the Joint Commission on Public Ethics (JCOPE). A municipality may use its own financial disclosure form if authorized by JCOPE.

**Bail Reform** – The Adopted Budget eliminates cash bail for misdemeanors and non-violent felonies and requires police to issue desk appearance tickets to most people charged with misdemeanors and Class E felonies. Additionally, the new law provides for the release of defendants under non-monetary conditions that will reasonably assure the defendants’ return to court. While local governments will see a reduction in the bail poundage they receive, they will also likely see a reduction in the costs of arresting individuals and having them appear before a judge with defense counsel. Additionally, the number of individuals remanded into custody is expected to decline substantially, which would lessen the need for facilities and employees to detain individuals. However, there are likely to be local government costs in the initial start-up of the system as well as costs associated with administering court issued securing orders, particularly for individuals who fail to return to court.

**Speedy Trial Access** – The Adopted Budget requires courts to take a more proactive role in advising litigants regarding how speedy trial time is charged. In addition, Criminal Procedure Law is amended to compel courts to inquire into the district attorney’s actual readiness for trial, including requiring a certification of good faith compliance with statutory disclosure requirements. As a result, cities and villages may need to dedicate more resources to prosecutions to ensure that cases are not dismissed because the prosecution is not ready for trial. These new speedy trial mandates may also alter how prosecutors handle cases, including dismissing cases and entering into plea deals to which the prosecution previously would not have consented.

**Congestion Pricing** – Pursuant to language in the Adopted Budget, beginning in 2021, New York City will be the first American city in which drivers will be charged to enter into its busiest neighborhoods, in this case midtown and lower Manhattan south of 60th Street. Who will be charged and how much will be determined by a six-member Traffic Mobility Review Board and is expected to be known by November. The money raised will be used to fund the MTA.

**Nassau County Reassessment** – Language in the Adopted Budget will allow for the five-year phase-in of the Nassau County property reassessment.

**Census Outreach Funding** – The Adopted Budget includes $20 million in funding for the 2020 census outreach.
Other Bills of Interest

**NYCOM Supports**

Shortened *In Rem* Tax Foreclosure Redemption Period for Abandoned Property – A. 4403 (McDonald) / S. 1864 (Gaughran) – **NYCOM Supports**
Would shorten the *in rem* tax foreclosure redemption period to one year for property that has been declared abandoned pursuant to Real Property Actions and Proceedings Law Article 19-A.
**STATUS:** Assembly: Ways & Means Senate: Passed

Completion of the Mortgage Foreclosure Process – A. 1859 (Magnarelli) / S. 5079 (Skoufis) – **NYCOM Supports**
Would permit a municipality to compel a mortgagee to either complete a mortgage foreclosure proceeding or to issue a certificate of discharge of the mortgage for any property which has been certified abandoned pursuant to section 1971 of the Real Property Actions and Proceedings Law.
**STATUS:** Assembly Judiciary Senate: Housing, Construction & Community Development

Take Title to Abandoned Real Property – A. 3736 (McDonald) – **NYCOM Supports**
Article 19-A of the Real Property Actions and Proceedings Law authorizes local governments to take title to abandoned real property via a judicial proceeding. Although Article 19-A has been law for more than 40 years, it is rarely used due to its confusing and cumbersome provisions. This legislation would expand the law’s applicability to all real property, not just residential property. Additionally, this legislation would authorize local governments to use the notice procedure required for *in rem* tax foreclosure proceedings to commence the 19-A judicial proceeding.
**STATUS:** Assembly Judiciary

Arterial Maintenance Reimbursement Rate Increase – A. 5990-A (Rozic) / S. 4048-A (Kennedy) – **NYCOM Supports**
Would increase the reimbursement rate, from .85 to $1.87 per square yard, paid by the State to 38 cities that maintain State arterials passing through such cities.
**STATUS:** Assembly: Ways and Means Senate: Finance

Local Gross Receipts Tax (GRT) Applicability – A. 6626 (McDonald) – **NYCOM Supports**
Would clarify that if a gas or electric transaction was requested or received by a customer located within the boundaries of a municipality that imposes a local GRT, such transaction would be subject to the local GRT.
**STATUS:** Assembly: Cities

Expansion of Local Gross Receipts Tax (GRT) to Cellular Services – A. 2950 (Gantt) – **NYCOM Supports**
Would authorize cities and villages to impose a local GRT on mobile telecommunications services.
**STATUS:** Assembly: Local Governments
Expansion of Municipal Deposit Options – A. 3262 – (Zebrowski) / S. 322 (Robach) – **NYCOM Supports**
Would allow savings banks, savings and loan associations, federal savings associations and credit unions to accept deposits from municipalities.
**STATUS:** Assembly: Banks Senate: Local Government

**Notice of Wireless Facility Siting – A. 4066 (Fahy) / S. 3046 (Breslin) – NYCOM Supports**
Would require any telecommunication company or cellular communication company installing a wireless facility to provide written notice of the installation to residents and property owners within 2500 feet of the proposed wireless facility, provide written notice to the municipalities in which the proposed wireless facility is to be located, solicit suggestions from municipal corporations regarding colocation for the proposed wireless facility, and use existing infrastructure to collocate the proposed wireless facility. This bill would also require the Public Service Commission to develop a guide for installing wireless facilities in the State that includes best practices for coordination with local municipal governments, property owners, and residents for the siting of wireless facilities.
**STATUS:** Assembly: Corporations Senate: Floor

**Complete Streets Incentive – A. 6454 (Fahy) / S. 4414 (Kennedy) – NYCOM Supports**
Would amend the Marchiselli Aid formula to reduce the municipal percentage owed on federally funded road projects from 5% to 2.5% of a project’s cost if a municipality agrees to incorporate complete streets components at its own expense.

**Electric Scooters Authorization – S. 5294 (Ramos) – NYCOM Supports**
Would authorize electric bicycles and scooters in New York State while preserving local government authority to regulate such vehicles within their jurisdictions.
**STATUS:** Senate: Transportation

**NYCOM Opposes**

**Expansion of Public Works Definition – A. 1261 (Bronson) / S. 1947 (Ramos) – NYCOM Opposes**
Would subject all projects financed, in whole or in part, through local governments to prevailing wage requirements. This could also lead to such projects being subject to other requirements including MWBE contracting goals, certified payrolls, competitive bidding and the Wicks Law.
**STATUS:** Assembly: Floor Senate: Labor

**Prohibition Against Diminishing Health Insurance – A. 4203 (Weprin) / S. 3854 (Lanza) – NYCOM Opposes**
Would prohibit cities and villages from reducing the health insurance benefits or increasing health insurance contributions of their current or future retirees from a level in existence on the effective date of this act. This bill would deny municipalities the right to assess possible options and potential savings through other health benefit programs.
**STATUS:** Assembly: Government Employees Senate: Floor
Leave for Cancer Screening – A. 3460 (Abinanti) / S. 3152 (Addabbo) – NYCOM Opposes
Would grant all public employees up to eight hours of paid leave annually for cancer screening. Last session a law was enacted that grants municipal employees up to four hours of paid leave for cancer screenings. NYCOM believes this bill is excessive and unnecessary.
STATUS: Assembly: Ways and Means Senate: Finance

Mandatory Enforcement of Domestic Violence Orders – A. 5614 (Weinstein) / S. 1868 (Bailey) – NYCOM Opposes
Would make local governments with police departments liable to individuals with orders of protection who are injured by individuals who are the subject of the order. The purpose of the legislation is to incentivize enforcement of orders of protection. This legislation is, however, a substantial unfunded mandate because subjecting law enforcement agencies to liability for failing to enforce orders of protection would expose local governments to litigation costs and civil damage awards. Moreover, if enacted, this legislation will supplant law enforcement experts’ decision-making responsibilities regarding the management of law enforcement resources with the Legislature’s political decision that enforcing orders of protection trumps all other law enforcement activities.
STATUS: Assembly: Codes Senate: Floor

Comparable Worth – A. 762 (Rosenthal) / S. 838 (Montgomery) – NYCOM Opposes
Would, in essence, require municipalities to conduct multiple studies of comparable work which could lead to challenges and the potential for costly litigation at taxpayer expense. Furthermore, a demand involving alleged pay differentials between comparable jobs would be a mandatory subject of negotiation under the Taylor Law. While NYCOM clearly recognizes the value in eliminating pay differentials that are solely based on sex, race or national origin, we object to the remedy proposed by this legislation.
STATUS: Assembly: Ways and Means Senate: Floor

Minimum Qualifications for Fire Chiefs – A. 7133 (Abbate) / S. 5206 (Gounardes) – NYCOM Opposes
Would establish minimum qualifications to hold the position of fire chief in a fire department that employs six or more paid firefighters. This bill targets combination (career and volunteer) departments and would virtually ensure the elimination of volunteer fire chiefs.
STATUS: Assembly: Government Employees Senate: Civil Service and Pensions

No Objection/Position

Eligibility for Enhanced Cancer Disability Benefits – A. 5957 (Gunther) / S. 4173 (Gaughran) – No Objection
Would allow a municipality to submit alternate documentation in the form of a certification that a volunteer firefighter meets the eligibility standard for the enhanced cancer disability benefit. This legislation would assist municipalities who no longer have the records necessary to be able to verify that a firefighter applying for the benefit has met the minimum standards to qualify for the benefit.
STATUS: Assembly: Local Governments Senate: Floor
Golf Course Assessment – A. 7133 (Galef) / S. 4420 (Carlucci) – No Position
Would permit an assessing unit to pass a local law providing that for the assessment of golf courses, the assessed valuation shall be based upon the property's highest and best use rather than its current use.
STATUS: Assembly: Codes Senate: Local Government

Translation of Sexual Harassment Prevention Policy – A. 3646-A (Rozic) / S. 3343-A (Ramos) – No Position
Would require all employers to provide employees notice of their sexual harassment prevention policy and training in writing in English and in the employees’ primary language.
STATUS: Assembly: Labor Senate: Floor