AIM Funding – While cities would receive the same amount as they do currently, the Governor has proposed to eliminate AIM funding for those villages whose AIM amount is less than 2% of their local fiscal year 2017 expenditures. This would take a total of $16.4 million away from 480 of the 531 villages across the State. The list of proposed AIM amounts may be found here. We are already well into the fight to get this cut restored and hope we can count on you to assist in this effort. Additionally, the Budget eliminates $48,000 in Miscellaneous Financial Assistance for the three most recently incorporated villages (Woodbury, South Blooming Grove and Sagaponack).

Transportation Aid – Funding for CHIPS and Marchiselli Aid in the 2019-20 Executive Budget would remain at current year levels of $438 million and $39.7 million, respectively. In addition, PAVE NY would be funded at $100 million and BRIDGE NY at $100 million. PAVE NY money is allocated according to the CHIPS formula and BRIDGE NY is competitively awarded. It should be noted that the $65 million Extreme Winter Recovery Money for the repair and resurfacing of local roads was not included in the Governor’s proposal.

Water and Sewer Infrastructure Funding – An additional $2.5 billion -- including $500 million in the 2019-20 State fiscal year -- would be provided for drinking water and wastewater infrastructure, as well as water quality protection over a five year period. This money would supplement the amounts already made available under the five-year $2.5 billion Clean Water Infrastructure Act that was created in 2017-18.

Tax Cap – The Governor proposes to make the tax cap permanent and includes no changes with respect to how the tax cap is calculated or administered.

Internet Sales Tax – The Executive Budget includes a proposal that would require marketplace providers to collect sales and use tax on the taxable sale of tangible personal property that they facilitate. This initiative relieves sellers using marketplace providers of the responsibility to collect the tax. This proposal would increase local sales tax revenue by an estimated $280 million annually, including $121.8 million for NYC and $17 million for other cities and villages. In addition to the marketplace providers proposal, and consistent with the United States Supreme Court ruling in South Dakota v. Wayfair, Inc., out-of-state retailers whose sales in New York exceed $300,000 or 100 transactions will be notified by the Tax Department that they are required under the New York Tax Law to collect and remit sales tax. This would generate approximately $110 million in sales tax annually, including $47.8 million for NYC and $6.7 million for other cities and villages.
ESCO Sales Tax – The 2019-20 Executive Budget would eliminate the sales tax exemption on the non-residential transmission and distribution of gas or electricity when purchased from an ESCO (Energy Service Company), which would increase city (outside NYC) and village sales tax revenue by $4.5 million annually.

Legalization of Recreational Marijuana – The Budget would legalize recreational marijuana for those 21 years of age and older. County governments would have the authority to opt-out of the provisions of Article 4 of the Cannabis Law which would allow them to prohibit any establishment or operation involving the cultivation, processing, distribution and sale of adult-use cannabis within the boundaries of the county. If a county does not opt out, a city with a population over 100,000 in that county could elect to opt out. In addition, the proposed law expressly preserves the authority for municipalities to regulate the time, place, and manner of licensed adult-use cannabis retail dispensaries, so long as the regulations do not make the operation of dispensaries “unreasonably impracticable.”

Marijuana sold by wholesalers to retailers would be subject to three different taxes including: a tax on the cultivation of cannabis at the rate of $1 per dry weight gram of cannabis flower and $0.25 per dry weight gram of cannabis trim; a tax on the sale by a wholesaler to a retail dispansary at the rate of 20 percent of the invoice price; and a tax on the same sale by a wholesaler to a retail dispansary at the rate of 2%. Revenue from the 2% tax would be collected in trust for and on account of the county in which the retail dispensary is located. Revenues from the other two cannabis taxes would be deposited in the New York State Cannabis Revenue Fund and used for cannabis-related purposes. The State’s Division of the Budget estimates that the Act would increase All Funds revenue by $83 million in FY 2021, $85 million in FY 2022, $141 million in FY 2023 and $184 million in FY 2024. There will be a session on this proposal at NYCOM’s Winter Legislative Meeting on Monday, February 11 at 1:30 p.m.

Downtown Revitalization Initiative – The 2019-20 Executive Budget proposes 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 2019-20 Executive Budget would continue the regional economic development approach and provide $220 million to support an 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.

Interest Rate on Judgments – The 2019-20 Executive Budget proposes an interest rate on judgments and accrued claims that is tied to a market-rate as opposed to the current fixed rate of 9%. If enacted this would not only generate savings for local governments, but would also remove the incentive for plaintiffs to unnecessarily delay proceedings. Linking the rate of judgment interest to the market rate is already the law in many other states.
Binding Arbitration Extender – The 2019-20 Executive Budget proposes to extend binding arbitration for public safety unions for an additional five years, until 2024.

Consolidation and Restructuring Programs – The 2019-20 Executive 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.

Property Tax Administration – The 2019-20 Executive Budget would make several changes affecting property tax administration including: allowing local governments to provide assessment relief when a disaster is declared; 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.

Expansion of the State’s MWBE Requirement – In 2014, Governor Cuomo established a goal requiring that 30% of all State contracts go to minority- and woman-owned enterprises (MWBE). The 2019-20 Executive Budget includes language that would expand this 30% requirement to include those local government contracts supported by State funding, and to those entities that subcontract with such local governments.
Financial Disclosure – The 2019-20 Executive Budget would require 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.

Union Member Privacy Protections – The 2019-20 Executive Budget includes language that would prohibit all public employers, including local governments, from disclosing 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 authorizing public employers to provide employee organizations the name, address, job title, employing agency and work location of their members (i.e., upon request, not more than quarterly).

Environmental Protection Fund (EPF) – The 2019-20 Executive Budget would maintain 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.

Superfund Program – The 2019-20 Executive Budget would continue to fund the State's Superfund Program with a $100 million appropriation, of which 10% would go toward the Environmental Restoration Program.

Recycling Reforms – The 2019-20 Executive Budget proposes to ban the use of plastic bags and preempt any such local bans. This statewide ban would not apply to prepackaged bags for sale (e.g., trash bags, Ziploc bags), plastic bags provided by food service establishments, or bags used to contain or wrap things like meat, nuts, candy, newspapers or garments. The Executive Budget would also expand the definition of beverages for purposes of the Bottle Bill to include sports drinks, energy drinks, fruit and vegetable beverages and ready-to-drink teas and coffee.

Upstate Transit Aid – The 2019-20 Executive Budget increases upstate transit aid by 5.3%, or $11 million. This would be paid for by expanding the auto rental surcharge that is currently in place for vehicles in the Metropolitan Commuter Transportation District.

Electric Scooters and Bicycles – The 2019-20 Executive Budget includes language that would authorize electric scooters and bicycles to be used on dedicated bicycle lanes and streets with posted speed limits of 30 m.p.h. or less. Electric scooters and bicycles could only be ridden by one person at a time and may not be capable of traveling faster than 20 m.p.h. Local governments would be given substantial authority to further regulate electric scooters and bicycles, including establishing maximum speed limits, and time, place, and manner restrictions. Local governments would also be able to authorize their use on sidewalks.

Red Light Cameras – The Executive Budget proposes to extend red light camera enforcement programs five years until December 1, 2024 for Albany, Mount Vernon, New Rochelle, New York City, White Plains, Yonkers, and Nassau and Suffolk Counties.
**Bail Reform** – The 2019-20 Executive Budget includes a proposal that would eliminate cash bail and require the release of most defendants on non-monetary conditions. Furthermore, the proposal would require police to issue appearance tickets for most misdemeanors and Class E felonies.

**State and Municipal Facilities Program (SAM)** – The Executive Budget provides no new funding for this purpose but it does reappropriate $1.9 billion of the $2.4 billion authorized in prior years. Entities that are eligible to receive SAM funding include the state, local governments, school districts, colleges and universities, public authorities, public libraries, and water, sewer and fire districts. The remaining $90 million is earmarked for a variety of projects and purposes. As has been the case in prior years, there is little detail as to how these funds will be allocated but it our understanding that it is ultimately controlled by the Governor, with undefined suballocations designated for the Senate and Assembly and their members. State legislators are able to apply for these funds for projects in their districts.

**Attorney Biennial Registration Fees** – The 2019-20 Executive Budget proposes to increase attorney biennial registration fees from $375.00 to $425.00. This fee is required of every attorney admitted and licensed to practice law in New York State. The revenue from this fee increase would be directed to the Indigent Legal Services Fund.