



Enacted State Budget

SFY 2018-19 Highlights

Budget bills for the enacted \$168.3 billion state budget for fiscal year 2018-19 are available for review on the Division of Budget and the state Legislature websites.

- Division of Budget: <https://www.budget.ny.gov/pubs/archive/fy19/enactfy19.html>
- NYS Legislature: <http://public.leginfo.state.ny.us/budsrch.cgi?NVBUO>:

The State Comptroller has a Report on the Enacted State Budget on the Comptroller's website.

<http://osc.state.ny.us/reports/budget/2018/enacted-budget-report.pdf>

Aid and Incentives to Municipalities (AIM)

(Appropriations Bill - Aid to Localities (S7503-D/A9503-D); (Chapter 53))

- \$715 million in AIM funding
- Based upon the AIM distribution formula, towns will share 6.7 percent of \$715 million (\$47,825,405).
- For a breakdown of AIM allocation by town, visit www.budget.ny.gov/pubs/archive/fy19/enac/fy19enAIM-towns.pdf.

As part of its 2018 Legislative Platform, the Association of Towns again called for an increase in AIM funding. The Legislature proposed an increase to AIM funding in their respective one-house budget bills (Assembly \$60 million and Senate \$14.3 million), but the final state budget does not include an increase, and the governor hasn't proposed an increase in almost a decade.

Local Government Efficiency and Consolidation Funding

Countywide Shared Services Initiative (CWSSI)

(Article 7 Public Protection and General Government Part EE (S7505-C/A 9505-D); (Chapter 55))

- \$225 million for matching funds for 2017-approved plan ideas that are implemented in 2018.
- Matching implementation grants will be available for new initiatives.
- Extends CWSSI through December 31, 2021 with slight modifications.
 - Panels must meet at least twice a year through December 31, 2021 to review the initial CWSSI plan or to create a new plan.
 - If the panel cannot find savings from new initiatives, then the panel may choose not to revise a previously approved plan or not to develop a new plan.
 - If the panel is able to find new initiatives and additional savings, the panel must hold three or more public hearings, submit a draft plan to the county legislature, review and vote on the new or revised plan and then submit this plan to the Department of State.
- The Department of State must also submit a report to the Governor and Legislature before June 30, 2022 regarding the CWSSI, to also be posted on the Department of State website:
- www.dos.ny.gov/lq/countywide_services.html.
- In addition, the Department of State announced that approved 2017 plans may be updated in 2018 and resubmitted for the one-time matching grants:
- www.ny.gov/sites/ny.gov/files/atoms/files/022018_CWSSIUpdate-Guidance-Clarification.pdf

Justice Court Consolidation

(Article 7 - Public Protection and General Government Part DD (S7505-C /A 9505-D); (Chapter 55))

- Amends the Uniform Justice Court Act, §106-b to allow towns within the same county that are not adjacent to share justice courts and to allows these towns to elect one or more shared justice

Municipal Restructuring Fund Program

(Appropriations Bill - Capital Projects (Special Infrastructure Account) (S7504-D/A9504-D); (Chapter 54))

- \$138.5 million
- Administered by the Department of State
- Encourages municipal restructuring through shared services and transformative projects, which are reviewed in four phases on a rolling participation basis.
- For more information, please visit <https://www.dos.ny.gov/lg/lge/municipal-restructuring-fund.html>

Local Government Performance and Efficiency Program

(Appropriations Bill - Aid to Localities (S7503-D/A9503-D); (Chapter 53))

- \$35.8 million
- Administered by the Financial Restructuring Board (<http://www.frb.ny.gov>), this program allows municipalities to apply for financial assistance with grants or loans up to \$5 million.

Local Government Efficiency Grant Program

(Appropriations Bill - Aid to Localities (S7503-D/A9503-D); (Chapter 53))

- \$4 million
- Administered by the Department of State (<https://www.dos.ny.gov/lg/lge/grant.html>) to cover costs associated with local government efficiency projects, such as planning for and/or implementing a functional consolidation, shared or cooperative services and regionalized delivery of services.

Citizens Reorganization Empowerment Grants & Citizen Empowerment Tax Credits

(Appropriations Bill - Aid to Localities (S7503-D/A9503-D); (Chapter 53))

- \$35 million
- Administered by the Department of State (www.dos.ny.gov/lg/lge/grant.html) to cover costs associated with planning and implementing local government reorganization activities, such as consolidations and dissolutions.

New NY Broadband Initiative

(Appropriations Bill - Capital Projects (Special Infrastructure Account) (S7504-D/A9504-D); (Chapter 54))

- \$491,176,000
- Coordinated by the NYS Broadband Program Office <https://nysbroadband.ny.gov/>.
- Programs aim to bring high-speed internet access to unserved and underserved regions throughout the state and to support the development of other telecommunications infrastructure.

Infrastructure Funding

State and Municipal Facilities (SAM)

(Appropriations Bill Capital Projects (State and Municipal Facilities) (S7504-D/A9504-D); (Chapter 54))

- \$475 million
- Funds municipal capital projects and local economic development initiatives.
- Projects are recommended by the Legislature and administered by DASNY.
- For more information, contact the Grants Hotline at (518) 257-3177 at DASNY or e-mail grants@DASNY.org.

DOT Capital Plan (SFY 2016-2020)

- \$27 billion
- Information on the current five-year capital plan is available on the NYSDOT website <https://www.dot.ny.gov/programs/capital-plan>.

CHIPS

(Appropriations Bill - Capital Projects (Dept. of Transportation) (S7504-D/A9504-D); (Chapter 54))

- \$438.1 million for Consolidated Highway Improvement Program (CHIPS);
- \$39.7 million for the Marchiselli program;
- The Association of Towns' 2018 Legislative Platform calls for additional funding to the CHIPS base.
- Legislature added \$65 million for Extreme Winter Recovery.
- For more information, visit NYSDOT website at: <https://www.dot.ny.gov/programs/chips>

PAVE-NY

(Gov. Cuomo Budget Highlight Press Release: <https://www.budget.ny.gov/pubs/press/2018/pr-enactfy19.html>)

- Short-term program.
- Funds distributed by Department of Transportation in a manner similar to the CHIPS funding formula.
- \$100 million for SFY 2018-2019.
- Information available on NYSDOT website: www.dot.ny.gov/programs/chips/PAVE-NY.
- This funding is general funding for NYSDOT, and is not specifically enumerated in either the appropriation bills or the Article 7 bills.

CHIPs, PAVE-NY and Extreme Winter Recovery allocations by town available at:

www.nysenate.gov/sites/default/files/article/attachment/fy_2019_chips_ewr_pave_runs.pdf

Bridge-NY

(Gov. Cuomo Budget Highlight Press Release: <https://www.budget.ny.gov/pubs/press/2018/pr-enactfy19.html>)

- Short-term competitive grant program to replace, rehabilitate and maintain local bridges and culverts.
- \$100 million for SFY 2018-2019.
- More information on Bridge-NY is available at <https://www.dot.ny.gov/BRIDGENY>
- This funding is included in general funding for NYSDOT, and is not specifically enumerated in either the Appropriation bills or the Article 7 bills.

Economic and Community Development

Regional Economic Development Councils

(Appropriations Bill - Capital Projects (Urban Development Corporation) (S7504-D / A9504-D); (Chapter 54))
(Gov. Cuomo Budget Highlight Press Release: <https://www.budget.ny.gov/pubs/press/2018/pr-enactfy19.html>)

- \$150 million in specific funding for Regional Economic Development Council Initiatives, created in 2011, to develop long-term regional strategic economic development plans.
- Up to \$750 million in funding available for REDC projects from a variety of state programs for SFY 2018-2019.
- Information on the work of the REDC is available at: <https://regionalcouncils.ny.gov/>

Brownfield Opportunity Area Grants

(Appropriations Bill - Capital Projects (Dept. of Environ. Conservation) (S7504-D/ A9504-D); (Chapter 54))

- \$2 million for brownfield development grants authorized pursuant to section 970-r of the General Municipal Law.

Brownfield Program Amendments

(Article 7 -Transportation, Economic Development and Environmental Conservation Part U (S7508-C/A9508-C); (Chapter 58))

Brownfields Opportunity Area Program revisions include new requirements:

- Support resolutions from local governments as part of a funding application submitted by community-based organizations.
- Applicants must sign an agreement outlining the work and scope of the project with the state prior to receipt of funds.
- For more information, visit Department of Environmental Conservation's website:
- <http://www.dec.ny.gov/chemical/8447.html>

Minority- and Women-Owned Business Enterprises

(Article 7 Revenue Part OOO (S.7509-C / A.9509-C); (Chapter 59))

- Extends current MWBE program through December 31, 2019.
- No modifications or extension to municipal contracts funded with state aid enacted.
- The current MWBE program is set forth in article 15-a of the Executive Law.
- Some towns are familiar with this program through state grant applications.
- For more information on the MWBE program, please visit Empire State Development's Division of Minority and Women's Business Development website <https://esd.ny.gov/doing-business-ny/mwbe>.

Community Service Block Grants

(Article 7 Transportation, Economic Development and Environmental Conservation Part V (S7508-C/A 9508-C); (Chapter 58))

- Repeals Executive Law §159-j.
- Effective October 1, 2018, recipients of Community Service Block Grants will no longer be required to either seek a 25 percent local match or a waiver of the local match requirement.

Community Development Revolving Loan Program

(Article 7 Transportation, Economic Development and Environmental Conservation Part SS (S7508-C/A 9508-C); (Chapter 58))

- Amends the Urban Development Corporation Act, §16-dd to create a new loan program to support community development of financial institutions that provide services to small businesses in economically depressed communities.

Environmental

Environmental Protection Fund (EPF)

(Appropriations Bill - Capital Projects (Dept. of Environ. Conservation) (S7504-D/A9504-D); (Chapter 54))

- \$300 million
- For information on the EPF, visit <http://www.dec.ny.gov/about/92815.html>.
- Complete list of EPF funding allocations: www.keepprotectingny.com/images/EPF_chart_3-30-18.pdf.

Climate Smart Communities Projects

(Appropriations Bill - Capital Projects (Department of Environmental Conservation) (S7504-D/A9504-D); (Chapter 54))

- \$6 million for climate smart community projects adopted pursuant to title 15 of article 54 of the Environmental Conservation Law.
- This funding is included in the \$300 million for the EPF.
- Administered by the Department of Environmental Conservation.
- More information: www.dec.ny.gov/docs/administration_pdf/cscgrantsgeneral.pdf.

Water Infrastructure Improvement Act (WIIA)

(Gov. Cuomo Budget Highlight Press Release: <https://www.budget.ny.gov/pubs/press/2018/pr-enactfy19.html>)

- Created in 2017 to provide \$2.5 billion in additional funds for water and wastewater infrastructure over a five-year period.
- Supports is continued through SFY 2018-19.

Safe Drinking Water Revolving Fund

(Appropriations Bill Capital Projects Budget Bill (Department of Health (S7504-D/A9504-D); (Chapter 54))

- \$70 million in federal funds; and
- \$7 million in state funding.
- Administered by the NYSEFC www.efc.ny.gov/drinkingwater .
- For information about the SDWRF, visit: <https://www.health.ny.gov/environmental/water/drinking/water.htm>.

Water Pollution Control Revolving Fund

(Appropriations Bill - Capital Projects (Dept. of Environ. Conservation) (S7504-D/A9504-D); (Chapter 54))

- \$175 million in federal funding; and
- \$35 million in matching state funding.
- Local governments may apply for no- or low-interest loans for infrastructure and other clean water projects.
- Administered by NYS Environmental Facilities Corporation (EFC)
- <http://www.efc.ny.gov/Default.aspx?tabid=609#>

Voluntary Public Water System Consolidation Study

(Article 7 Health and Mental Hygiene Part LL (S7507-C/A9507-C); (Chapter 57))

- Amended the Public Health Law to include a new section 1114-a to require the Department of Health to study the voluntary consolidation of public water systems and to issue a report on the issue by January 2020.

Harmful Algae Blooms

(Appropriations Bill - Capital Projects (Dept. of Environ. Conservation) (S7504-D/A9504-D); (Chapter 54))
(Gov. Cuomo Budget Highlight Press Release: <https://www.budget.ny.gov/pubs/press/2018/pr-enactfy19.html>)

- \$65 million
- Funding sourced by the Clean Water Infrastructure Act and the Environmental Protection Fund.

State and Local Taxes

Tax Cap Certification and Budget Reporting Requirements

(Article 7 Revenue Part E (S7509-C/A9509-C); (Chapter 59))

- Effective April 15, 2022, the budget continues the certification and budget reporting requirements mandated under the former Tax Freeze Program (General Municipal Law, §3-d), to be reported electronically through the State Comptroller's website as part of the tax cap reporting requirements.
- Effective April 15, 2020, other provisions of the Tax Freeze Program, which were associated with the rebates and efficiency plans, will be repealed.

Mandatory Enrollment in Income Verification Program for Enhanced STAR Recipients

(Article 7 Revenue Part B (S7509-C/A9509-C); (Chapter 59))

- Requires eligible senior citizens to enroll in the STAR Income Verification Program (IVP) in order to receive the Enhanced STAR.
- Eliminates the option to annually file income documentation to the assessor's office as part of renewal.

Changes to the Partial Payment of Real Property Taxes

(Article 7 Revenue Part E (S7509-C/A9509-C); (Chapter 59))

- Requires towns to obtain written permission from the county to authorize partial payments of real property taxes if the county prints the tax bills or provides the tax collection software to the town.
- Removes authority to determine guidelines or conditions under which local government will accept partial payments that was passed as part of last year's budget cycle, impinging on the ability to determine the method of tax collection that provides for the most efficient services for residents.

Charitable Reserve Funds

(Article 7 Revenue Part LL (S7509-C/A9509-C); (Chapter 59))

- Creates two state-operated charitable contribution funds for healthcare and education. Essentially, a taxpayer can donate to these funds and then claim a state tax credit equal to 85 percent of their donation after January 1, 2019.
- At the local level, counties and New York City are authorized to establish charitable funds that must be transferred to the general or other charitable fund within 60 days of the close of the fiscal year, while towns, cities other than New York City, villages and school districts can establish charitable funds to be applied toward charitable purposes. If a taxpayer donates to the charitable fund at the opt-in of the local government, a credit of up 95 percent would be applied to their real property taxes owed to that jurisdiction.

Decoupling From the Federal Tax Code

(Article 7 Revenue Part JJ (S7509-C/A9509-C); (Chapter 59))

- The 2018-2019 budget also included a provision decoupling New York's tax code from the federal SALT cap, as well as maintaining the state standard deduction for single filers.

Optional Payroll Tax

(Article 7 Revenue Part MM (S7509-C/A9509-C); (Chapter 59))

- Creates an optional Employer Compensation Expense Tax (ECET) wherein employers that opt-in will transition to a 5 percent tax on annual payroll expenses in excess of \$40,000 per employee over the course of three years. The employer can deduct the payroll taxes paid, while the qualifying employees receive a state income tax credit to offset their state income tax liability.

Labor and Employment

Sexual Harassment Prevention

(Article 7 - Health and Mental Hygiene Part KK (S7507-C/A9507-C); (Chapter 57))

Components of the sexual harassment prevention legislation affecting towns:

- Prohibits employers from requiring those involved in unlawful discriminatory practice based on sexual harassment claims to participate in arbitration (see CPLR §7515).
- Requires town employees and officers who have a judgment against them for intentional wrongdoing related to sexual harassment claims to reimburse the town for money spent on the judgment awarded to the complainant (see Public Officers Law §18-a).
- Prohibits nondisclosure clauses in settlements and judgments involving sexual harassment claims except at the complainant's request (see General Obligations Law §5-336 and CPLR §5003-b).
- Requires all employers, including towns, to create and publish a sexual harassment prevention policy, provide written copies of the policy to its employees and provide annual training. The DOL and Division of Human Rights are creating a model policy and training program that employers must adopt and use. However, employers also have the option of creating their own policy and training program so long as it equals or exceeds the standards set forth in the model policy and training (see Labor Law §201-g).

Union Dues

(Article 7 Revenue Part RRR (S7509-C/A9509-C); (Chapter 59))

- Amends several provisions of state law regarding union membership and union dues.
- Requires towns to, within 30 days of hiring, rehiring, promoting or transferring an employee, provide the union the employee's name, address, job title, work location, department or agency in which the employee will be working. In addition, within 30 days, the union is entitled to meet with the employee during work hours to discuss union issues (Civil Service Law, §208(4)).
- Requires a signed authorization from civil employees for town to deduct from his or her salary an amount for the payment of his or her dues in any format permitted by Article 3 of the State Technology Law (Civil Service Law, §208(1) (b)).
- Requires such deductions to be drawn as soon as practicable, but no later than 30 days after receiving proof of a signed dues deduction authorization card (Civil Service Law, §208(1) (b)).
- The town must give the dues to the certified or recognized employee organization within 30 days of the deduction (Civil Service Law, §208(1)).
- Unions have the right to receive membership dues until an employee revokes membership in the union or the individual is no longer employed by the town. Revocation must be in writing and in accordance with the terms of the signed authorization. The union's right to receive dues payments shall be automatically reinstated if the employee returns to town service in a position covered by the union within one year of leaving service (Civil Service Law, §208(1)(b)(i)); General Municipal Law, §93-b(1)).
- Unless otherwise agreed to, unions are no longer required to represent nonmember employees during employer questioning, statutory/administrative proceedings, including employee discipline proceedings (Civil Service Law, §209-a (2)).

EXECUTIVE BUDGET PROPOSALS OMITTED FROM FINAL BUDGET

County Zoning via Shared Service Agreement (Article 7 Bill Public Protection and General Government Part DD (S7505/A9505))

Empire Forests for the Future Initiatives (Article 7 Transportation, Economic Development and Environmental Conservation Part Z (S7508/A9508))

Uniform Process for the Siting of Small Cell Wireless Facilities in Municipal Rights-of-Way (Article 7 Transportation, Economic Development and Environmental Conservation Part F (S7508/A9508))

Internet Fairness Conformity Tax and ESCO Sales Tax Exemption Elimination (Article 7 Revenue Part AA - IFCT and Part V - ESCO))

State-Owned Lands PILOT Conversion / Tax Cap Limitation (Article 7 Revenue Part F (S7509/A9509))

Interests on Judgments (Article 7 Public Protection and General Government Part BB (S7505/A9505))

Code Enforcement Officer Lead Paint Inspection (Article 7 Health and Mental Hygiene (S7507/A9507))

Financial Disclosure Filings (Article 7 Good Government and Ethics Reform Article VII Bill Part E (S7510/A9510))

Early Voting (Article 7 Good Government and Ethics Reform Part B (S7510/A9510))