1. FUNDING

- **Highway**

The final budget increases CHIPS funding by $60 million (a 11 percent increase) and funding for the State Touring Routes Program by $40 million. All other highway funding programs are funded at last year’s levels.

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHIPS</td>
<td>$598,097 million</td>
</tr>
<tr>
<td>Marchiselli</td>
<td>$39.7 million</td>
</tr>
<tr>
<td>Extreme Winter Recovery (EWR)</td>
<td>$100 million</td>
</tr>
<tr>
<td>POP</td>
<td>$100 million</td>
</tr>
<tr>
<td>PAVE-NY</td>
<td>$150 million</td>
</tr>
<tr>
<td>Bridge-NY</td>
<td>$200 million</td>
</tr>
<tr>
<td>State Touring Routes</td>
<td>$140 million</td>
</tr>
</tbody>
</table>

- **Aid and Incentives for Municipalities – AIM**

Funding remains at last year’s level of approximately $715 million.

- **Clean Water Infrastructure Funding**

The final budget includes $500 million in clean water infrastructure funding bringing the state’s total clean water investment to $5 billion since 2017.

- **Environmental Protection Fund**

$400 million is included in the budget for the Environmental Protection Fund (EPF) to support projects that work to mitigate the effects of climate change, improve agricultural resources, protect water sources, advance conservation efforts and provide recreational opportunities.

- **Environmental Bond Act**

$4.2 billion is reappropriated for the Clean Water, Clean Air, and Green Jobs Environmental Bond Act in the final budget.

- **County-Wide Shared Services Initiative (CWS-SI)**

$189.2 million is reappropriated for matching grants to support shared service initiatives under the CWSSI program.

- **Downtown Revitalization Initiative**

$100 million is included for Downtown Revitalization Initiative (DRI) grants.

- **New York Forward**

$100 million for the NY Forward downtown revitalization program, which is comparable to the DRI program, but for rural and smaller communities.

- **Regional Economic Development Councils**

$150 million is available for new capital grants under the Regional Economic Development Council (REDC) Initiative and $75 million for tax credits.

- **Citizens Reorganization Empowerment Grants and Tax Credits**

The budget allots $35 million for Citizens Reorganization Empowerment Grants and Citizen Empowerment Tax Credits. A maximum grant of $100,000 is available to local governments moving forward with municipal reorganization (aka consolidations and dissolutions under General Municipal Law Article 17-A). Provides additional annual aid to reorganized local governments, equal to 15 percent of the combined amount of real property taxes levied by all of the municipalities involved in the consolidation or dissolution, not to exceed $1 million; at least 70 percent of aid must be used for property tax relief.

- **Local Government Efficiency Grants**

The budget includes $4 million for competitive grants to cover costs associated with local government efficiency projects, such as consolidation or shared services.

2. LEGISLATION

- **Cannabis (ELFA Part UU)**

The final budget amends sections of Tax Law and Cannabis Law to expand the authority of the Department of Taxation and Finance (DTF) and the Office of Cannabis Management (OCM) to take enforcement measures against unlicensed businesses selling cannabis. Specifically, DTF may conduct regulatory inspections of businesses selling cannabis to determine if the appropriate taxes have been paid, issue fines and penalties when they have not, and withhold or revoke certificates of
registration under expanded circumstances. The law also establishes a new tax fraud crime when a business willfully fails to collect or remit taxes or knowingly possesses for sale any cannabis on which tax was required to be paid but was not. OCM’s expanded authority includes the ability to conduct regulatory inspections of all businesses selling and giving away cannabis, including selling and giving away cannabis in indirect ways, regardless of whether they are licensed by OCM, and to inspect these businesses by using a court order if the businesses do not allow OCM to conduct an inspection. OCM has the authority to seek court-ordered injunctions against businesses illegally selling cannabis, which municipalities may also do with OCM’s permission.

• Civil Service Continuous Recruitment and Exam Fee Waiver (PPGG Part S)

The final budget allows agencies to continuously recruit for a variety of titles under civil service. Continuous recruitment exams will be offered on an ongoing basis and will be a hybrid of online training and experience exams, online multiple choice exams, and computer-based testing centers. Additionally, the budget gives municipal civil service commissions the ability to waive application fees for exams held between July 1, 2023, and Dec. 31, 2025.

• Sustainable Buildings (ELFA Part RR)

The final budget includes legislation that establishes a schedule prohibiting the use of fossil fuel equipment in new construction, among other things. Starting Dec. 31, 2025, installing fossil fuel equipment and building systems in new buildings seven stories or less is prohibited. Beginning Dec. 31, 2027, the legislation prohibits installing fossil-fuel equipment and building systems in all new buildings. These prohibitions apply only to new buildings, not existing ones. There are a myriad of exemptions for places such as commercial food establishments, laboratories, car washes, laundromats, hospitals and other medical facilities, and critical infrastructure (including, but not limited to: emergency management facilities, wastewater treatment facilities, water treatment and pumping facilities, agricultural buildings, fuel cell systems, and crematoriums).

• Concealed Carry Amendments (PPGG Part F)

The final budget includes some technical changes to the Concealed Carry Improvement Act (CCIA) regarding sensitive locations and the use of firearms, rifles and shotguns. These include clarifying some of the exemptions for law enforcement and military, adding new exemptions for security at places of worship, use of a firearm while engaged in licensed wildlife hunting, persons engaged in historical reenactments, theatrical or motion picture productions, persons participating in honor guards, military ceremonies and funerals and educational, training and use at summer camps where shotguns, rifles and firearms are used in accordance with state, local and federal law/regulations. The final budget also exempts forest preserves and privately owned property in the Adirondack Park and the Catskill Park from the public parks considered to be sensitive areas where concealed firearms are prohibited under the CCIA.

• Volunteer Firefighters (PPGG Part H)

The final state budget authorizes local governments to provide a training stipend to volunteer firefighters, and requires the NYS Office of Fire Prevention and Control to create rules and regulations necessary to identify eligible training requirements and other rules necessary for the implementation of training stipends. Volunteers are not eligible for stipends from both the state and local governments.

• Creates the New York State Hazard Mitigation State Revolving Loan Fund (PPGG PART G)

The final budget adds State Finance Law § 990-qq and Executive Law § 717 to create a new state revolving loan fund for local governments to reduce the effects of natural disasters in their communities by implementing federal Safeguarding Tomorrow through Ongoing Risk Mitigation Act (STORM) hazard mitigation measures. The Hazard Mitigation State Revolving Loan Fund will be administered by the New York State commissioner of the Division of Homeland Security and Emergency Services. You can learn more about the STORM program at the FEMA website.

• Lead Service Lines (TED Part UU)

The final budget amends Local Finance Law § 11 establishing a 30-year period of probable usefulness for lead service lines, including portions of lines on private property. This amendment was necessary to allow New York State to use federal Bipartisan Infrastructure Law (BIL) funding to replace entire lead service lines. New
York State is anticipated to receive $115 million annually for the next five years in BIL funding to inventory and replace lead service lines in public water systems. Municipalities will be able to access low-cost financing options through the Environmental Facilities Corporation.

- **Senior Citizens Real Property Tax Exemption Updates (Revenue Part K)**

  Part K of the revenue bill redefines income for purposes of the senior citizen real property tax exemption to mean federal adjusted gross income, plus any social security benefits not included in the federal adjusted gross income, less any taxable IRA distributions that were included in the federal adjusted gross income. This is the same income model threshold used for the STAR exemption, aside from the inclusion of social security benefits. To that end, localities have the option to exclude social security benefits in the income calculation after a public hearing. To qualify for the exemption, the senior has to submit their tax return, and if no tax return was submitted, the income would be the amount that would have been included on a tax return if filed. Localities can opt to provide this exemption to senior citizens with an income of up to $50,000 using the new calculation model, which applies to all applications for assessment rolls with a taxable status date of Oct. 1, 2023 and later. Part K also modernizes the language in the exemption statute to achieve gender neutrality, e.g., the law now references real property owned by “a married couple” as opposed to “husband and wife.”


  The 2021-2022 state budget authorized the Department of Taxation and Finance to develop a standardized appraisal methodology for solar and wind energy systems after consulting with the New York State Assessors Association (NYSAA), among others. Despite input from NYSAA that the discounted cash flow approach methodology favored developers to the detriment of local governments, the state adopted this methodology for implementation with the 2022 assessment roll. In spring 2022, a number of towns filed suit in court seeking a temporary restraining order (TRO) against implementation of the model asserting, among other things, that the appraisal model is a rule or regulation that requires compliance with the State Administrative Procedure Act (SAPA), and that the department failed to adhere to the multistep process required by SAPA prior to adopting the model. The court agreed, and the TRO was granted.

  In Part N, the due process provisions afforded by SAPA are circumvented, as this section adds a provision in Real Property Tax Law that sets forth that solar and wind appraisal model is not subject to SAPA. Part N also clarifies that assessing units that did not use the assessing model in 2022 will not be held liable, and authorizes the department to adopt the 2022 model for use in 2023 without any public comment period or consultation with other entities.

- **NYPA to Build and Own Renewable Generation and other expanded powers (ELFA Part QQ)**

  NYPA is authorized and directed to plan, design, develop, finance, construct, own, operate, maintain and improve, either alone or through public-private partnerships, renewable energy generating projects in the state or its waters in order to: 1) support the state’s CLCPA targets, 2) for reliability especially in high-need areas and communities served by small natural gas units, and 3) to support the newly established Renewable Energy Access and Community Help Program (REACH), which is an initiative that NYPA will develop for low-income or moderate-income customers in disadvantaged communities to receive bill credits generated by the production of renewable projects. All projects must be approved by NYPA’s board of trustees and be included in a strategic plan developed by NYPA in consultation with NYSERDA, ORES, NYISO, and DPS. The strategic plan must consider ways to minimize negative tax revenue impacts on host municipalities, among other things. All NYPA projects will be considered “public work projects” and will include Buy American provisions in any procurement or development.

- **Bail Reform (ELFA Part VV)**

  The final budget amends provisions of the Criminal Procedure Law to remove the least restrictive standard when making a securing order determination for a bail-qualifying offense to ensure the principal's return to court. This gives judges greater flexibility in deciding if an individual must remain in pre-trial confinement.