

IN SESSION

Association Of Towns' Legislative Newsletter



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Overview

After a long winter, spring is finally here, and with it, the New York State budget for FY 2021-2022, which was adopted on April 7, 2021. Like the small green buds emerging during spring, this year's budget has signs of hope for local governments – CHIPS is increased for the first time in **13 years**, and proposals to slash AIM-related funding were not included. Another success for towns was the stand-alone legislation on cannabis. From the start, AOT advocated for opting out of establishments at the local level and revenue sharing, and the Marijuana Regulation and Tax Act provides for both. Finally, we're still waiting for ARPA regulations to come out, but when they do you can expect another Legislation at Lunch webinar for a quick (and animated) rundown on what towns need to know.

Budget Issues

Funding in the Final Budget

- AIM and AIM-related payments remain at the same level of funding as last year and the intercept of county sales tax remains the same. The Executive Budget originally proposed cutting all payments by 20 percent, whereas



the Senate and Assembly budget bills had AIM restored to a state-funded program and eliminated the county sales tax intercept.

- CHIPS and the Marchiselli Program received an increase of \$100 million for a total of \$577.8 million. An additional \$50 million was added to PAVE-NY for a total of \$150 million to PAVE-NY, \$100 million in funding is made available to the BridgeNY Program, and Extreme Winter Recovery was not only restored, but it also received a \$35 million boost for a total of \$100 million.
- VLT Aid was restored for all towns that receive it after the proposal in the Executive Budget had it eliminated.

Tax Issues

- **Renewable Energy Assessments:** Assessors must use the discounted cash flow assessment methodology with standardized rates set by the state when valuing wind and solar projects with a capacity greater than 1 megawatt. Before establishing the standardized rates, the state must consult with the New York State Assessors Association to assist with the determination of the rates. The state must also publish the preliminary figures and allow for public comment on any proposed rates by parties that have requested notice. If a local jurisdiction does not want to assess real property using the state's standardization formula, it can provide the real property tax exemption and enter into a PILOT agreement. Absent a local law that sets forth a local government's ongoing intent to require PILOT agreements, a taxing jurisdiction must provide an owner or developer notice – in writing – of its intent to require a PILOT agreement within 60 days of receiving notice of a proposed project (Rev X).

- **STAR Credit for Mobile Homes:** As of the 2022-2023 school year, mobile home owners are no longer eligible for the STAR exemption and instead will be converted to the STAR credit. Depositing and / or endorsing the STAR credit check is deemed acceptance of the conversion to the credit, and the property owner will not be permitted to switch back to the exemption (Part V).

Other Issues

- **Police Reform Plans:** Relates to Executive Order 203 on police reform plans due by April 1, 2021. If a local government with a police agency misses the deadline to submit a certification to the Division of Budget that the plan is complete, the Attorney General, upon consultation with the Governor, may appoint a monitor to oversee the compliance at local expense. Also, 50 percent of state and federal funds may be withheld until the certification is submitted (PPGG Part L)
- **Restore Mother Nature Bond Act:** Authorizes \$3 billion bond issuance by the state, subject to voter approval in November 2022. Municipalities and non-profits could apply for funds to be used for flood projects, open space and recreation, climate change mitigation, and water quality improvements and resilient infrastructure (Rev Part TT and UU; Capital Projects p. 145).
- **Study Broadband Accessibility and Connectivity:** Requires the Public Service Commission to study broadband mapping, internet connectivity, availability and affordability (ELFA Part MM).

Stand-alone Legislation

Some issues that had been discussed as part of budget negotiations ended up being dealt with as separate stand-alone pieces of legislation. Those include:

- **Piggybacking:** S1090/A2580 extends the ability to piggyback off of municipal contracts



through 2023 (signed Chap. 95).

- **Utility Termination Moratorium:** The Senate and Assembly passed A6255A/S1453B, which extends the moratorium on terminating utility service for nonpayment, explicitly prohibits rellevying and imposing late fees, and extends the moratorium until December 31, 2021 or 180 days after the law is enacted, whichever is later. Please note as of April 14, 2021 this law has not been signed by governor.
- **Cannabis:** AOT will have an entire separate guide on cannabis for our members, but briefly, in March, the Marihuana Regulation and Taxation Act was adopted, legalizing adult-use cannabis and imposing new requirements on medical marihuana and hemp cannabinoids (CBD). Towns may adopt a local law before December 31, 2021 opting out of allowing adult-use retail dispensaries and on-site consumption sites. Additionally, a 4 percent tax is imposed on all sales – 1 percent will remain with the county, and 3 percent will be spilt among municipalities based on the sales that take place within their jurisdiction (should they choose not to opt-out).



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ALL OF THE CREDIT!**

AOT CERTIFIED TOWN OFFICIAL CREDITS AVAILABLE AT NYSTCA CONFERENCE

IF YOU ARE ENROLLED IN OUR CERTIFIED TOWN OFFICIAL PROGRAM, AND ATTENDING THE NEW YORK STATE ASSOCIATION OF TOWN CLERKS CONFERENCE, YOU'LL BE ABLE TO EARN CREDITS IN THE FOLLOWING AREAS: ATTORNEY/LEGAL (1); PLANNING & ZONING (1); TOWN BOARDS (2); AND TOWN CLERK (4).