



## Enacted 2026/2027 New York State Budget Summary

The following is a summary of funding and legislation in New York State's FY 2026-2027 budget that impacts towns, as well. The budget is divided into ten different bills:

### Appropriation Bills

- State Operations (S9000D/A10000D)
- Legislature and Judiciary (S9001A/A10001A)
- Debt (S9002A/A10002A)
- Aid to Localities (S9003D/A10003D)
- Capital Projects (S9004D/A10004D)

### Article VII Bills

- Public Protection and General Government (S9005C/A10005C - PPGG)
- Education, Labor, and Family Assistance (S9006C/A10006C - ELFA)
- Health and Mental Hygiene (S9007C/A10007C - HMH)
- Transportation, Economic Development, and Environmental Conservation (S9008C/A10008C - TED)
- Revenue (S9009C/A10009C - REV)

Citations are included. For example, if the summary says "PPGG Part A" it means the legislation is in Public Protection and General Government, which has a bill number of S9005C / A10005C, and can be found under Part A.

## FUNDING

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### AIM (Aid and Incentives for Municipalities) (Aid to Localities)

- Maintained at \$714.7 million for base level grants.

### Temporary Municipal Assistance (TMA) (Aid to Localities)

- Included for a third year at \$150 million (an increase of \$100 million).
- Funds are distributed pursuant to the AIM formula, but payments are capped at \$15,000,000 (change from \$5 million).

- TMA funds must be used to “minimize any burden on taxpayers and maintain public safety” (new language).

Local Transportation Funding (Capital Projects)	Last year’s budget	26/27 Enacted Budget
CHIPS	\$648M	\$698M
EWR	\$100M	\$100M
PAVE-NY	\$150M	\$150M
POP	\$100M	\$100M
Bridge-NY	\$200M	\$200M
Marchiselli	\$39.7M	\$39.7M
Touring Roads	\$140M	\$140M

#### **Clean Water Infrastructure Grants**

\$525 million included for clean water infrastructure funding. Of that \$525M:

- Up to \$175 million will be available for water infrastructure projects tied to housing development;
- \$50 million for water infrastructure projects tied to housing preservation/development in rural areas (Capital Projects).

#### **Downtown Revitalization (\$100,000,000) and NY Forward (\$100,000,000) Grant Programs**

Funds transformative housing, economic development, transportation, and community projects through the Downtown Revitalization Initiative and NY Forward program. Municipalities must be certified as a pro-housing community to receive funding (Capital Projects).

#### **Parks and Recreation Grants (\$28,750,000)**

Funds municipal parks projects, with at least \$14,000,000 directed to projects in or serving disadvantaged, low-income, or underserved communities (Capital Projects).

**Municipal Waste Reduction and Recycling Grants (\$23,000,000)** Funds grants to municipalities, including towns, and not-for-profit organizations for waste reduction, recycling, reuse, repair, and deconstruction projects, including development of secondary recycling markets (Capital Projects).

#### **Regional Economic Development Council Initiative (\$150,000,000)**

Funds competitive economic development grants awarded through the Regional Economic Development Councils (REDCs), administered by the NY Urban Development Corporation. Towns and municipalities are eligible to compete

through their regional council. Funding may be conditioned on pro-housing community certification (Capital Projects).

**Pro-Housing Supply Fund Infrastructure (\$100,000,000)** Continues availability of funds for housing-related infrastructure in cities, towns, and villages that are certified as pro-housing communities. Learn more here: <https://esd.ny.gov/pro-housing-community-supply-funds-program#objective> (Capital Projects).

**Smart Growth Planning Assistance (\$3,900,000):** Provides competitive grants to counties, cities, towns, and villages to develop, update, or implement comprehensive plans consistent with smart growth principles, an approach to land use planning that promotes compact development, walkability, mixed uses, and preservation of open space over sprawl. Up to 25% of funds may be awarded to not-for-profit organizations for the same purposes (Capital Projects).

#### **Open Space Conservation Grants**

Funds land acquisition and conservation projects statewide through the Open Space Account managed by EFC. Municipalities may benefit from several targeted set-asides, including \$3,200,000 for urban forestry projects, with at least \$500,000 directed to cities and towns with populations of 65,000 or more, and up to \$200,000 in municipal grants for replanting public lands impacted by invasive species. Additional funding supports competitive grants to local land trusts for conservation acquisitions and easements (Capital Projects).

#### **Climate Smart Communities (\$12,000,000)**

Funds grants and expenses for Climate Smart Communities projects under Environmental Conservation Law, supporting local government climate action including clean vehicle initiatives. Includes \$1,000,000 set aside for municipal pilot programs for publicly accessible electric vehicle fast chargers on municipal infrastructure, including curbside charging stations (Capital Projects).

#### **ConnectAll Broadband Initiative (\$300,000,000)**

Continues funding for investments in broadband infrastructure, access, and affordability statewide through the ConnectAll Initiative. Towns, particularly rural ones, are directly eligible as municipalities for high-speed internet infrastructure, last-mile and middle-mile connectivity, cellular siting, and local connectivity planning (Capital Projects).

#### **Discovery Implementation Grant (\$45,000,000)**

Continues funding for towns and villages with law enforcement or prosecutorial offices funds to cover discovery-related costs such as digital evidence technology, computers, software, training, overtime, and litigation readiness. Recipients must submit periodic progress reports on spending and caseloads. Distribution requires a

plan approved by the Commissioner of Criminal Justice Services and the Budget Director (Aid to Localities).

**Local Government Efficiency Grants (\$8,000,000)**

Provides technical assistance and grants for intermunicipal projects targeting shared services opportunities, cost savings, and delivery of efficient, quality services. (Aid to Localities).

**Citizens Empowerment Grants and tax credits (\$35,000,000)**

Grants under this program provide funding to local governments for planning and implementing reorganization activities, such as consolidations and dissolutions. Citizen Empowerment Tax Credits support cities, towns, villages that consolidate or dissolve through tax credits that provide an annual aid bonus. (Aid to Localities).

**Local Waterfront Revitalization Program (\$14,275,000)**

Funds waterfront revitalization projects for local governments through the state's Local Waterfront Revitalization Program. At least \$10,500,000 is directed to projects serving disadvantaged, low-income, or underserved communities. Up to \$2,000,000 is available for updating existing waterfront plans to address climate risk (Capital Projects).

**Cemetery Maintenance and Vandalism Repair (\$2,000,000)**

Funds maintenance of abandoned cemetery property and repair of vandalized gravesites. Administered through the state's cemetery regulation program under Not-for-Profit Corporation Law § 1507(h). (Capital Projects).

**Animal Shelter Capital Grants (\$5,000,000)**

Funds competitive capital grants of \$20,000 to \$500,000 to municipal pounds and nonprofit shelters and humane societies for construction, renovation, and equipment improvements. Towns operating or contracting for pound services are directly eligible, with the state covering up to 90% of project costs. At least \$500,000 is reserved for projects in underserved municipalities or regions (Capital Projects).

**Climate Resiliency Planning and Forestry (\$6,600,000)**

Funds local climate resiliency plans and adaptation projects through DEC contracts, with towns directly eligible to participate in planning and implementation. Includes \$2,500,000 for climate coordinators serving local communities, including disadvantaged areas, and \$500,000 for a resiliency planting program (Capital Projects).

**Market New York Program (\$8,000,000)** Funds grants and loans to enhance and promote regional tourist attractions statewide. Towns with notable regional attractions are eligible to compete, though receipt of funding may be conditioned on pro-housing community certification (Capital Projects).

### **Main Street and Downtown Revitalization Program (\$4,200,000)**

Funds contracts with municipalities and not-for-profit organizations to support main street and downtown revitalization projects under the Private Housing Finance Law. Towns with traditional main street or downtown commercial areas are eligible to apply or partner with nonprofits on projects. Receipt of funding may be conditioned on pro-housing community certification (Capital Projects).

### **Coastal and Water Infrastructure Local Cost Share Assistance (\$84,000,000)**

Funds reimbursement to municipalities for their share of coastal resiliency and water infrastructure project costs, including Army Corps of Engineers projects involving beach renourishment, flood control, seawalls, levees, and drainage improvements. Funds are released only upon agreement between the municipality and DEC and is subject to approval from the Budget Director (Capital Projects).

## **Article VII Legislation**

### **State Environmental Quality Review Act (SEQRA) (TED Part R).**

The 2026-27 enacted budget makes significant changes to the State Environmental Quality Review Act (SEQRA), New York's primary environmental review law. The changes are designed to speed up the review process and reduce burdens for certain categories of projects, while preserving existing environmental and local land use protections. A detailed summary can be found on NYAOT's Legislative Resource Hub.

*New Deadlines* The law establishes three new timelines.

- Agencies must determine whether a project qualifies for an exemption within 120 days of receiving an application, with limited extensions up to 30 days. If an agency fails to act within the required timeframe, applicants may seek court-ordered relief through an Article 78 proceeding.
- Within one year of being designated as such, the lead agency must determine if an Environmental Impact Statement (EIS) is required.
- If an EIS is required, the agency must complete and release it within two years of determining that a draft EIS was required. Both EIS related deadlines can be extended in writing under limited circumstances, such as applicant delays or unforeseen project changes.

*New SEQRA Exemptions for "Qualified Actions"* The most significant change is the creation of five new categories of projects exempt from SEQRA review entirely:

- Housing projects (outside NYC) on previously disturbed sites, connected to existing water and sewer, up to 100 units in most municipalities and up to 300 units in Census-defined urban areas

- Public parks and multi-use trails on previously disturbed sites, excluding large venues and stadiums
- NYC public school facilities meeting specific statutory criteria
- Water and wastewater infrastructure projects that replace or rehabilitate existing systems in-kind, including lead service line replacement and sewer extensions to disadvantaged communities
- Green infrastructure retrofits

For housing and school projects, applicants must certify compliance with hazardous materials laws and conduct Phase I Environmental Site Assessments.

*What the Law Does Not Change:* The reforms explicitly preserve a broad range of existing protections and local authority. Towns and villages retain full discretion over zoning, site plan review, traffic studies, and land use approvals. Environmental standards for stormwater, wetlands, air and water quality, endangered species, and historic preservation remain fully in effect. The SEQRA exemptions do not override any other applicable federal, state, or local law.

**Applicability:** The law applies to pending proceedings as of its effective date, except where a determination requiring an EIS was already made before the law took effect.

#### **Tier 6 Pension Reform (TED Part XX)**

Reduces required employee contribution rates for Tier 6 members of NYSLRS effective October 1, 2026. Increases the overtime ceiling used in calculating final average salary to \$30,000 starting January 1, 2027. Excludes overtime from contribution rate calculations through March 31, 2028.

The contribution rate reductions for Tier 6 members effective October 1, 2026 are as follows:

Annual Wage / Salary Band	Current Tier 6 Contribution Rate	New Tier 6 Contribution Rate
\$45,000 or less	3.00%	3.00%
\$45,001 to \$55,000	3.50%	3.00%
\$55,001 to \$75,000	4.50%	3.00%
\$75,001 to \$100,000	5.75%	4.00%
\$100,001 to \$125,000	6.00%	5.25%
More than \$125,000	6.00%	5.75%

No refunds will be issued for contributions already made before the effective date. The rates apply to NYSLRS members

Towns will see increased employer pension contribution costs as a result. NYSLRS projects employer billing rates will rise from approximately 17.6% to 18.2% of payroll, with local employers collectively paying approximately \$125 million more annually statewide. Town costs will vary based on the number of Tier 6 employees and their salaries.

### **Civil Immigration Enforcement Legislation (PPGG Part LL)**

#### *Local Cops, Local Crimes Act (new Executive Law § 170-k)*

Local governments and local law enforcement agencies are prohibited from entering into 287(g) agreements with federal immigration authorities or contracts to house individuals for civil immigration violations. Any existing such agreements are void and unenforceable upon the law's effective date, with housing/detention agreements requiring termination within three months. Towns may not financially support or subsidize private immigration detention facilities, and may not approve zoning variances or issue permits for their construction or conversion without at least 180 days of public notice and two public hearings. Towns may adopt stricter requirements. Compliance with court orders and judicial warrants is still required.

#### *New York State Bivens Act (new Civil Rights Law Article 8-a)*

Constitutional claims against government officials that could previously be brought in federal court under 42 U.S.C. § 1983 may now also be brought in New York state court. Applies retroactively to January 1, 2025 and takes effect immediately.

#### *Restrictions on Municipal Employee Immigration Enforcement (new General Municipal Law Article 19-D)*

Town employees, excluding police officers, peace officers, and law enforcement civilian staff, may not use town resources, facilities, or on-duty time for immigration enforcement; share personal information about individuals with immigration authorities; question anyone based solely on an immigration detainer or civil immigration warrant; inquire about or collect immigration status information; grant immigration authorities access to non-public town property or polling locations; or use immigration authorities as interpreters. Towns must adopt written policies for responding to judicial warrants seeking access to non-public areas and designate a contact for such requests. Compliance with valid federal court orders and judicial warrants is still required. Takes effect immediately.

#### *Law Enforcement Face Coverings and Identification (new Civil Rights Law Article 10)*

Town police officers are prohibited from wearing face coverings that conceal their identity while interacting with the public, with narrow exceptions for undercover operations, hazardous conditions, water rescue, religious garments, and certain safety equipment. Uniformed officers must visibly display their agency name and at least one form of personal identification such as name, badge, or shield number. Non-uniformed officers must wear a visible agency-issued identifier. Willful violations are a violation for a first offense and a misdemeanor for each subsequent offense. Towns may adopt stricter requirements. Takes effect 30 days after enactment.

#### **Remote Public Meeting Authorization Extension (TED Part OO)**

The law permitting videoconferencing and remote participation in public meetings under the extraordinary circumstances standard under Public Officers Law § 103-a is extended from July 1, 2026 to July 15, 2028. Takes effect immediately.

#### **Seriously Disabled Veteran Property Tax Exemption (REV Part EE)**

Towns may adopt a local law or resolution providing a full property tax exemption on the primary residence of a seriously disabled veteran. To qualify, the veteran must have been honorably discharged (or discharged under qualifying conditions for LGBT veterans or those with qualifying conditions) and must be considered permanently and totally disabled as a result of military service by the VA, as evidenced by an official VA document. Towns that adopt the exemption must notify the Department of Veterans' Services within 30 days, though failure to do so does not invalidate the exemption. Takes effect immediately, applying to assessment rolls based on taxable status dates on or after October 1, 2026.

#### **Developing a Comprehensive Plan for Drones (PPGG Part D)**

Creates new Penal Law article creating the crime of unlawful use of drones and grants law enforcement new authority to respond to drone-related threats. For a detailed summary on the proposal, please refer to NYAOT's Enacted Budget Drone summary available on the Legislative Resource Hub

#### **School Bus Camera Violations: Traffic Camera Violations Bureau Requirement (TED Part UU)**

If a county, city, village, or town creates a school-bus stop-arm camera program that imposes monetary liability on the vehicle owner, it generally must also create an administrative tribunal to adjudicate those notices of liability. However, a separate new tribunal is not required if the violations are already required by local law or ordinance to be adjudicated by:

<b>Traffic violations bureau under GML § 370</b>	A local traffic violations bureau may handle the cases if the local law sends them there and the bureau is actually adjudicating them.
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**Parking violations bureau** A parking violations bureau may handle the cases if authorized by local law and actually adjudicating them.

**Court having jurisdiction** A court may handle the cases only if the Chief Administrative Judge or designee approves the adjudication plan.

If the school-bus camera program already exists, the tribunal or approved adjudication structure must be in place by September 1, 2027. If the program is created later, the adjudication structure must be created when the program is established.

### **Municipal Clean Vehicle Rebate Program (TED Part S)**

The rebate ceiling for municipal purchases of clean vehicles is increased from \$7,500 to \$30,000 per vehicle, with a minimum rebate of \$2,500. Towns may apply for rebates through the Department of Environmental Conservation in consultation with NYSERDA until April 1, 2029 or until the annual allocation is exhausted.

### **Climate Leadership and Community Protection Act Amendments (TED Part VV)**

Amends New York's 2019 Climate Leadership and Community Protection Act (CLCPA) in several ways. Sets a firm deadline of December 31, 2028 for DEC to promulgate greenhouse gas reduction regulations, and explicitly directs consideration of a cap-and-invest program that could be linked to other jurisdictions. Shifts the climate plan update schedule from every five years to every six years, with the first update due in 2028. Raises the target share of clean energy and energy efficiency spending benefitting disadvantaged communities from 40% to 45%, with a minimum guaranteed floor raised from 35% to 40%. Changes the greenhouse gas measurement timeframe from 20 years to 100 years when calculating carbon dioxide equivalents. Requires biogenic carbon dioxide emissions (such as from burning wood) to be reported separately.

### **Increasing Land Banks (S9006C/A10006C - ELFA Part N)**

The Executive Budget proposes to increase the statewide cap on the number of land banks from 35 to 45. Land banks are public or nonprofit entities created by local governments to acquire, manage, and return vacant, abandoned, or tax-delinquent properties to productive use, including for housing development and community revitalization. Increasing the cap would allow additional communities to establish land banks as a tool to address vacant properties and support local redevelopment efforts.

### **Senior and Disability Property Tax Exemption Income Limits Increase (REV Part V)**

Raises the maximum income threshold towns may use for several property tax exemptions from \$50,000 to \$75,000, effective July 1, 2027 for the senior citizen

property tax exemption (RPTL §467) and disability property tax exemption (RPTL §459-c). Towns are not required to adopt the higher income limit but may do so by local law or resolution. Towns that wish to extend eligibility to residents with incomes between \$50,000 and \$75,000 should amend their existing local laws accordingly before the applicable effective dates.