

# Impact on Towns

## Funding

*AIM • Transportation • Grant-Based Funding*

## Article 7 Legislation

*Cannabis • Housing • Judicial Security Act • Pension Final Salary • Sunset COVID Leave • Videoconferencing • DASNY • Climate Smart Communities • Build-Ready Program • RAPID Act • In Rem*

## Artificial Intelligence

The 2024-2025 New York State Budget was enacted on Saturday, April 20, 2024. Below is an interim report on what is in the final budget that impacts towns. Check our social media and website for more information and details on specific pieces of legislation.

## FUNDING

### AIM (Aid and Incentives to Municipalities)

AIM base-level funding remains at approximately \$715 million. However, \$50 million in temporary unrestricted state aid was added and will be distributed in accordance with the AIM formula with a cap of \$5 million for cities. The New York State Department of Budget has the aid runs posted [here](#).

### Transportation Funding

- CHIPS – \$598.1 million (added \$60 million over Executive Budget proposal of \$538.1 million)
- Marchiselli – \$39.7 million
- PAVE-NY – \$150 Million
- Pave our Potholes (POP) – \$100 million
- Extreme Winter Recovery (EWR) – \$100 million
- BridgeNY – \$200 million
- State Touring Routes (STR) – \$140 million (added \$40 million over Executive Budget proposal of \$100 million)

### Grant-Based Funding

- *Local Government Efficiency Grants – \$8 million (\$4 million increase)*

Provides technical assistance and grants for intermunicipal projects targeting shared services opportunities, cost savings, and delivery of efficient, quality services. The new planning grant maximum will be \$20,000 per municipality and \$120,000 total per grant. Implementation grant maximums would increase from \$200,000 per municipality and \$1 million total per grant to \$250,000 per municipality and \$1.25 million total per grant (see also PPGG Part W).

- *Citizens Empowerment Grants*

The final budget line for this program is \$35 million (same as last year). The grants under this program provide funding of up to \$100,000 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 equal to 15 percent of the newly combined local government's tax levy. At least 70 percent must be used as direct relief to property taxpayers.

- *Clean Water Infrastructure Funding*

An additional \$500 million in clean water infrastructure funding for one year brings the state's total clean water investment to \$5.5 billion since 2017.



- *Environmental Protection Fund*

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

- *Regional Economic Development Councils (REDC)*

Includes core funding of \$225 million in grants (\$150 million) and tax credits (\$75 million) to fund high-value regional priority projects.

- *Downtown Revitalization Initiative*

\$100 million for Downtown Revitalization Initiative (DRI). Participating communities are nominated by the state's 10 Regional Economic Development Councils (REDCs) based on the downtown's potential for transformation. Each winning community is awarded funding to develop a downtown strategic investment plan and implement key projects that advance the community's vision for revitalization.

- *NY Forward*

\$100 million for rural and smaller communities' development and revitalization. Like the DRI program, NY Forward communities are selected in partnership with the REDCs.

- *Countywide Shared Services Initiative (CWSSI)*

The CWSSI program will sunset; however, projects submitted before January 31, 2024 will still be eligible for matching grants.

## Article VII Legislation

- *Illicit Cannabis Sales (PPGG Part G)*

Although the executive and one-house budgets also gave towns and villages this authority, the final budget gives only cities and counties the authority to adopt local laws regarding the enforcement of unlicensed cannabis sales. The Office of Cannabis Management also has more authority to perform regulatory inspections.

- *Local Option Tax Exemption for Affordable Housing (ELFA Part EE)*

Allows municipalities to provide a tax exemption for newly constructed or converted multiple dwellings with

a certain percentage dedicated to affordable housing.

- *Accessory Dwelling Units (ADU) (ELFA Part GG)*

Gives municipalities the option of offering real property tax exemptions for ADUs and includes ADUs in the definition of housing accommodation under Executive Law Article 15 for the purposes of preventing discriminatory housing practices.

- *Good Cause Eviction (ELFA Part HH)*

Gives towns the OPTION of passing a local law adopting the state's "good cause" eviction law. Under this new law, landlords may evict tenants only under certain circumstances, such as failure to pay rent, being a nuisance tenant, and other reasons. The law also caps allowable rent increases.

- *New York State Judicial Security Act (PPGG Part F)*

Allows justices and judges, their immediate family, and certain other court personnel to request that certain personal information (such as home addresses) be withheld or redacted from the internet. Also creates the felonies of aggravated assault and aggravated harassment of a judge.

- *Pension Final Average Salary Computation (ELFA Part QQ)*

Changes the Final Average Salary (FAS) calculation from the highest five consecutive years of service credit to the highest three years for those participating in Tier 6 of the New York State and Local Retirement System (NYSLRS).

- *Sunset COVID-19 Sick Leave Law (ELFA Part M)*

Ends the COVID-19 Sick Leave Law, which required employers to provide sick leave benefits, paid family leave, and disability benefits to employees under a mandatory or precautionary order of quarantine or isolation. The law sunsets on July 31, 2025.

- *Extraordinary Circumstances Videoconferencing (TED Part KK)*

Extends the authority to use extraordinary circumstances videoconferencing (ECV) technology for municipal meetings through July 1, 2026. For more information on the authority and procedure to use ECV during municipal meetings, please see the Committee on Open Government's [website](#).

- *Dormitory Authority of the State of New York (DASNY) (TED Parts U and V)*

New York will extend DASNY’s authority to create certain subsidiaries through July 1, 2026, but DASNY will not be given the authority to provide services to such municipalities receiving certain grants or loans.

**Extenders under Transportation and Economic Development (TED)**

TED includes several provisions extending programs that were scheduled to expire in 2024. These provisions have an immediate effective date.

The Urban Development Corporation authority to administer the *Empire State Economic Development Fund* and make loans has been extended to July 1, 2025 (TED Part AA).

*Minority- and women-owned business enterprise (MWBE)* provisions included in Executive Law Article 15-a are continued through July 1, 2025 (TED Part Y).

- *Climate Smart Communities Grant Program (TED Part S)*

DEC is authorized as soon as the budget is signed to increase grants for the Climate Smart Communities program to 80 percent of project costs for qualifying applicants meeting financial hardship criteria or that are a disadvantaged community. You can find out more about the Climate Smart Communities Grant Program on the NYSDEC website [here](#).

- *NYSERDA Build-Ready Program (TED Part M)*

New York will extend NYSERDA’s Build-Ready Program through April 19, 2030 to encourage the siting of clean energy projects. New York will also expand the program to include qualified energy storage systems as defined in Public Service Law § 74 where the host municipality approves of the build-ready site. These provisions will take effect immediately upon adoption of the budget. In addition, the program is being expanded to include certain agrivoltaic projects. Finally, the Build-Ready Program will not be available for certain agricultural land.

- *RAPID Act (TED Part O)*

The RAPID Act streamlines the siting of major renewable energy facilities and major electric transmission facilities.

ORES, which currently permits major renewable energy facilities, will be moved from the Department of State to the Department of Public Service and will have the authority to permit major renewable energy facilities and major electric facilities under a process similar to the current ORES process to site major renewable energy facilities under Executive Law, §94-c and applicable regulations and policies. We asked that municipalities be afforded the same opportunity to participate in the siting process as they are currently afforded under article 7 of the Public Service Law. Pursuant to article 7 of the Public Service Law, an applicant is required to comply with relevant local laws unless the Public Service Commission determines that it would be “unreasonably restrictive in view of the existing technology, or of factors of cost or economics, or of the needs of consumers whether located inside or outside of such municipality.” The RAPID Act also requires an applicant to comply with relevant local laws but changes the standard of review allowing ORES to exempt compliance if ORES determines that it would be “unreasonably burdensome in view of the CLCPA targets, the environmental benefits, and in the case of a transmission facility, the public need for the proposed project.” In addition, under the Article 7 siting process, a host municipality was entitled to party status in the siting process, but under the RAPID Act, a host municipality must raise a significant and substantive issue in order for ORES to hold an adjudicatory hearing where a host municipality will be afforded more opportunity to demonstrate the need for the applicant to comply with its relevant local laws.

- *Return Tax Foreclosure Surplus to Property Owner (PPGG Part BB (formerly Revenue Part N)*

This provision modifies Real Property Tax Law to include language on real property tax bills notifying property owners of their potential eligibility for certain exemptions. Additionally, the law modifies the in rem process to include the cost of appraisals when determining the amount of surplus attributable to a delinquent parcel and provides that the taxing jurisdiction is entitled to \$250 or 2 percent of the outstanding delinquencies, whichever is greater. Additional costs can be recovered upon a demonstration in court by the taxing jurisdiction in the event the costs exceed the statutory amount provided. The law also creates the homeowner bill of rights which, among other things, imposes certain

notice requirements upon taxing districts upon the commencement of foreclosure proceedings and authorizes the establishment of installment payments.

- *Modernize Tax Law to Include the Vacation Rental Industry (Revenue Part K)* – **omitted** from final budget.
- *Clarify the Telecommunications Assessment Ceiling Program (Revenue Part M)*– **omitted** from final budget.

### **Artificial Intelligence**

There are two new provisions in the final TED budget bill that address Artificial Intelligence (AI).

- *Empire AI Research Institute at SUNY Buffalo (TED Part TT)*

New York State will be establish the Empire AI Research Institute at SUNY Buffalo to promote responsible research and development of artificial intelligence technology and advance the public interest in the use of artificial intelligence and advance the ethical use of artificial intelligence. This AI Institute will be operated by a nonprofit entity called the Empire AI Consortium. New Yorkers will begin seeing annual reports on the AI Institute’s work beginning May 1, 2027.

- *Artificial Intelligence Deceptive Practices Act (TED Part MM)*

New York will amend the Civil Rights Law to protect individuals’ privacy from the use of digitized images and likenesses of individuals. In addition, New York will amend the Election Law to address the use of artificially created images and likenesses in political communications. These provisions have an immediate effective date.