

Impact on Towns

Funding

AIM • Local Roads & Highway • Local Government Grant Funding

Article 7 Legislation

Cannabis • Housing • COVID Sick Leave • Vacation Rental Sales Tax • Interest Rate on Judgments • Videoconferencing • Office of Flooding Prevention & Mitigation • RAPID Act • Dormitory Authority • Climate Smart Communities

FUNDING

Aid and Incentives for Municipalities (AIM) Program

- Executive Budget Proposal: \$714.7 million
- Senate Proposal: \$924.7 million
- Assembly Proposal: \$814.7 million

Local Roads & Highway Funding

Funding Program	Executive	Senate	Assembly
Consolidated Highway Improvement Program (CHIPS)	\$538.1 Million	+ \$160 Million	+ \$60 Million
Marchiselli	\$39.1 Million	No Adds	No Adds
PAVE-NY	\$150 Million	No Adds	+ \$60 Million
Pave our Potholes	\$100 Million	No Adds	No Adds
Extreme Winter Recovery	\$100 Million	+ \$50 Million	+ \$50 Million
BridgeNY	\$200 Million	No Adds	No Adds
State Touring Routes	\$100 Million	+ \$90 Million	+ \$80 Million

Local Government Grant Funding

Countywide Shared Services Initiative (CWSSI)

- Executive Budget: \$9 million (increase of \$2 million) with proposed legislation to sunset the matching grant program
- Senate modifies Executive Budget legislative proposal so projects implemented before March 31, 2025 are eligible for matching funds
- Assembly modifies Executive Budget proposal so matching funds are available for plans approved and submitted by January 31, 2024

Clean Water Infrastructure Funding

- Executive Budget: \$500 million over 2 years (\$250 million in one fiscal year)
- Senate: \$500 million in fiscal year
 - Senate also includes legislation creating a CHIPS-like dedicated water and sewer fund for municipalities funded at \$100 million
- Assembly: \$500 million in fiscal year

Environmental Protection Fund (EPF) - *The EPF provides support to critical projects that work to mitigate the effects of climate change, improve agricultural resources, protect water sources, advance conservation efforts, and provide recreational opportunities.*

- Executive Budget: \$400 million
- Senate: \$425 million
- Assembly: matches Executive Budget

Regional Economic Development Councils (REDC)

- Executive Budget: \$225 million in grants (\$150 million) and tax credits (\$75 million)
- Senate: includes proposal requiring REDC recipients to maintain internship program for people between 18 and 24
- Assembly: matches Executive Budget

Downtown Revitalization Initiative - *Participating communities are nominated by the state's 10 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.*

- Executive Budget: \$100 million
- Senate: matches Executive Budget
- Assembly: matches Executive Budget

NY Forward - *NY Forward is a program for rural and smaller*



communities' development and revitalization. Like the DRI program, NY Forward communities are selected in partnership with the REDCs.

- Executive Budget: \$100 million
- Senate: matches Executive Budget
- Assembly: matches Executive Budget

Restore NY - Restore New York Communities is a program that supports municipal efforts to demolish, deconstruct, rehabilitate, or reconstruct vacant, abandoned, condemned, or surplus properties.

- Executive Budget: \$50 million
- Senate: \$50 million but restricts money from being used to demolish housing
- Assembly: matches Executive Budget

ARTICLE 7 LEGISLATION

Unlicensed Sale of Cannabis (PPGG Part G)

- Executive Budget: Among other things, allows local governments to adopt local laws regarding closure orders, how to seize and destroy illegal cannabis, and allow them to receive penalty revenue related to any legal actions taken to curtail unlicensed sales. Towns that adopt local laws would be required to establish a local registry for all sales licenses in their community.
- Senate: Largely the same as the Executive Budget; adds language to make it easier for local governments to seek closing orders against illicit stores.
- Assembly: Intentionally omitted.

Housing

- Executive Budget: Makes pro-housing certification a requirement in order to be eligible for funds such as the Downtown Revitalization Initiative (DRI), the NY Forward program.
- Senate: Creates an optional incentive program for municipalities to legalize accessory dwelling units (ADUs). Towns that adopt a local law or have a local law allowing ADUs would be eligible for an increase in grant funding and AIM (ELFA Part SS). Includes a proposal to create an optional multifamily tax exemption for new construction and commercial conversions in municipalities outside of New York City (ELFA Part XX).
- Assembly: Codifies Pro-Housing Community Program where certified communities get priority in certain grant funding, does not make it mandatory (Part II).

In Rem Foreclosure (Revenue Part N)

- Executive Budget: Any surplus from tax foreclosure

sales would be distributed to former owners and lienors associated with the property. Local governments would still receive any taxes and interest owed, along with related expenses. Tax districts would have six months from the effective date of the act to pay any surplus from tax-foreclosed property sales that took place between May 25, 2023 and the effective date of the act. For sales prior to May 25, 2023, the tax district would be liable to pay only the surplus where an Article 78 proceeding to compel the payment had been commenced within four months of the sale.

- Senate: The Senate version aligns with the governor's proposal, with additional directives that include requiring taxing districts to offer installment plans for the payment of taxes on a quarterly basis, changing the interest rates applicable to delinquent taxes to align with the federal prime rate, and requiring taxing jurisdictions to provide additional exemption eligibility notices, as well as pre-foreclosure notice and in-person pre-foreclosure settlement conferences.
- Assembly: Intentionally omitted.

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

- Executive Budget: This proposal would end the requirement for employers to provide sick leave and other benefits to employees subject to a mandatory or precautionary order of quarantine or isolation from COVID-10, effective July 31, 2024.
- Senate: Modifies Executive Budget proposal to allow employees working in certain public health facilities eligible for leave.
- Assembly: Intentionally omitted.

Sales Tax on Vacation Rentals (Revenue Part K)

- Executive Budget: This proposal would require vacation rental marketplace providers (like AirBnB or VRBO) to impose and collect state and local sales tax the same as traditional hotels, motels and bed and breakfast establishments.
- Senate: In addition to capturing short-term rentals within the state's taxation structure, the Senate proposal creates a statewide short-term rental registry and authorizes local governments to create their own short-term rental registry in the event that the locality wants to keep regulations local.
- Assembly: The Assembly proposal also creates a statewide short-term rental registry and captures all short-term rentals within the state's taxation structure. However, the Assembly proposal prohibits local governments from establishing their own short-term rental registry once the legislation is in effect.

Interest Rate on Judgments (PPGG Part R)

- Executive Budget: Interest rates on court judgments or accrued claims against municipalities would change from a 9 percent fixed rate to a market rate equal to the weekly average one-year U.S. Treasury bill rate.
- Senate: Intentionally omitted.
- Assembly: Intentionally omitted.

Videoconferencing for Public Bodies (TED Part KK)

- Executive Budget: Proposal would extend thru July 2026 the authority of public bodies to adopt local laws and policies allowing them to videoconference into meetings from locations not accessible to the public in “extraordinary circumstances.”
- Senate: Extends the use of extraordinary circumstances videoconferencing (ECV) through July 1, 2026 but includes some additional requirements for advisory bodies. Advisory bodies would need to have 25 percent of its members meet in person to use ECV.
- Assembly: Accepts Executive Budget.

Office of Flooding Prevention and Mitigation (New Senate Part RR)

- This Senate proposal would create a new Office of Flooding Prevention and Mitigation to serve as a resource for the public entities, including municipalities, to address flooding. This proposal is similar to S3335-A/A132-A, which passed the Senate and is in Assembly Committee.

The RAPID Act (TED Part O)

- Executive Budget: Proposes moving the Office of Renewable Energy Siting (ORES) from the Department of State to the Department of Public Service and to transfer the authority to site certain major electric transmission facilities from the Public Service Commission (PSC) to ORES. ORES will be renamed Office of Renewable Energy Siting and Electric Transmission. Establishes the same siting procedures for major electric transmission projects that are used for large-scale renewable energy projects. For more details, please contact AOT.
- Senate: Also transfers ORES from the Department of State to the Department of Public Service but does not exempt ORES or DPS from compliance with the SAPA requirements for the adoption of regulations. Also amends the governor’s proposed definition of a major renewable energy facility to include certain free-standing energy storage systems like battery storage facilities. In addition, requires ORES to consult with the Department of Agriculture and Markets when reviewing an application to site a major renewable energy facility or a major electric

transmission facility to ensure that “a critical mass of farmland within the designated region is not threatened and ensure that solar development shall not greatly hinder the amount of farmland within New York State or be a potential threat to New York’s food security.”

- Assembly: Similar to the governor’s proposal; proposes to move ORES from the Department of State to the Department of Public Service. Has similar provisions to the governor’s proposal but clarifies the language regarding municipal participation and separates the siting of major electric transmission facilities and major renewable energy facilities into different proposed statutory provisions.

Dormitory Authority of the State of New York (DASNY) Omnibus State & Municipal Authorization for Certain Projects (TED Part U)

- Executive Budget: The governor proposes to amend the Public Authorities Law to allow the NYS Dormitory Authority to provide its services to such municipalities receiving grants or loans under any of the following programs
 - New York State Environmental Bond Act of 2022;
 - American Rescue Plan Act of 2021;
 - Infrastructure Investment and Jobs Act of 2021, and
 - Inflation Reduction Act of 2022;
 - Downtown Revitalization Program;
 - NY Forward grant program.
- In addition, Part U extends the Dormitory Authority’s authority to provide services for any municipal “building, structure, or improvement, including, without limitation, infrastructure improvements.”
- Senate: Intentionally omitted.
 - Assembly: Intentionally omitted.

Climate Smart Communities Grant Program (TED Part S)

- Executive Budget: The governor proposes to authorize DEC 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.
- Senate: Accepts Executive Budget proposal.
- Assembly: Modifies the governor’s budget proposal to expand the state assistance payment under the Climate Smart Community Grants Program by including a definition of “financial hardship,” which at a minimum shall include “low resident income, high unemployment, high commercial vacancy rates and depressed property values.”