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MEMORANDUM

TO: NYSPPFA

FROM: Hinman Straub Advisors, LLC

RE: FY 2025 New York State Enacted Budget

DATE: April 22, 2024

Legislative leaders and Governor Kathy Hochul concluded a protracted negotiation on a new budget plan for New York State approximately three weeks past the April 1 statutory start of the state's new fiscal year. Lawmakers approved several bills in recent weeks authorizing short-term spending to meet certain state spending obligations.

Governor Kathy Hochul announced the "parameters of a conceptual agreement" on a new state budget at a press conference held Monday, April 15. Discussions with lawmakers continued thereafter, culminating in amended budget bills being introduced beginning late Wednesday evening. Both houses began consideration and passage of each of the nine remaining budget bills on Thursday, April 18. Debate and voting in the Senate and Assembly extended through Saturday, April 20.

The final agreement adds approximately \$4 billion to the \$233 billion plan proposed by the Governor in January, totaling more than \$237 billion. State spending will rise by nearly \$8 billion over FY 2024. The budget **does not** include increases in personal income taxes on high earners or higher corporate taxes as initially proposed by the Legislature.

Overall highlights of the 2025 Enacted Budget include:

Affordable Housing

Lawmakers approved a package of measures to alleviate the housing crisis, including new tax incentives to foster the creation of affordable housing units, extending the existing 421a incentive for projects already under development, and encourage the conversion of unused office space into affordable housing. The plan will also eliminate certain density caps in New York City and strengthen protections against price gouging. \$650 million is made available in discretionary funds for communities supporting the creation of accessory dwelling units, and an additional \$500 million to develop new housing units on State-owned sites.

Alcohol to Go

The final budget plan extends the current authority for movie theaters to sell beer and wine, and to also authorize the sale of liquor and spirits.

Artificial Intelligence

The new budget establishes a new state program – Empire AI – and an artificial intelligence computing center in Buffalo to be used by New York colleges and universities.

Illegal Cannabis Enforcement

The Office of Cannabis Management (OCM) and local governments will be given new authority to shut down illicit cannabis sales. OCM will be authorized to padlock businesses immediately following an inspection if those businesses are selling illicit cannabis and pose an imminent threat to health and safety. Landlords that fail to evict tenants violating cannabis laws could be subject to fines.

Insulin Co-Payments Eliminated

The final budget bars co-payments for insulin under all state-regulated health plans.

Mayoral Control

Mayoral control of New York City’s public schools was to expire on June 30. Governor Hochul and legislative leaders have agreed to a two-year extension of mayoral control, until 2026.

Migrant Assistance

The final budget includes \$2.4 billion for humanitarian assistance to migrants and refugees. A range of programs will receive new state support, including for food, clothing and shelter, case management and legal services, and to assist the relocation and resettlement of migrant individuals and families.

NY SWIMS

The final budget includes \$150 million for grants to localities to build 10 new landmark public swimming pools, support innovation in pool designs, and deploy pop-up above-ground pools to combat extreme heat.

Retail Theft

The budget plan includes provisions to crack down on organized retail theft, including strengthening criminal penalties for assaults on retail workers and the sale of stolen goods. \$40.2 million is appropriated for “retail theft teams” within the State Police, district attorney offices and local law enforcement agencies. A \$5 million tax credit will support small businesses’ acquisition of security measures.

School Aid

The new budget turns back an initiative proposed by the Governor to reduce school aid payment to more than 300 school districts, and appropriates \$35.9 billion in total school aid, including \$24.9 billion in Foundation Aid, lowering the inflation factor in the Foundation Aid formula to “right-size” funding for the 2024-25 school year and commissioning the Rockefeller Institute of Government to study the Foundation Aid formula and recommend changes next year.

I. Labor, Workforce & Public Protection

Public Workforce

Tier 6 Final Average Salary Amendments (ELFA, Part QQ)

The Enacted Budget provides Tier 6 members in the New York State and Local Retirement System a final average salary based on their highest salary earned over three consecutive years, where the salary earned in any year cannot exceed the average of the previous two years by more than 10%.

Tier 6 OT Extender (PPGG, Part KK)

The Enacted Budget excludes overtime pay from the annual wages used to determine the variable member contribution rate for Tier 6 members of the New York State and Local Retirement System during the period of April 1, 2024, to April 1, 2026.

Eliminate the Salary Withholding Programs for New State Employees (PPGG, Part Q)

The Enacted Budget eliminates the current five-day salary withholding for new employees hired on or after July 1, 2024.

Extend Videoconference Participation in Public Meetings (TED, Part KK)

The Enacted Budget extends through July 1, 2026, the authorization for public bodies to hold public meetings via videoconference from locations not accessible to the public.

Correctional Facility Closures (PPGG, Part D)

The Enacted Budget authorizes the Governor to close up to five correction facilities in New York State in the next year. The Governor's administration will be required to provide notice to lawmakers as to which prisons it plans to close at least 90 days in advance. In proposing the closures in January, the Governor cited the 30,000-person drop in the state prison population in recent years.

"New York State Judicial Security Act" (PPGG, Part F)

The Enacted Budget establishes a process for New York State judges and federal judges in New York State, as well as certain court personnel, and their immediate families to request the removal of their personal information from public disclosure. Personal information is defined as:

- home address, including primary residence and secondary residences
- unlisted telephone number
- personal cell phone number
- personal email address
- social security number
- driver license number
- license plate number
- marital status and identity of any present and former spouse
- identity of children under the age of twenty-six
- name and address of a school or day care facility attended by an immediate family member

- bank account number
- credit or debit card number
- personal identification number (PIN)
- automated or electronic signature
- unique biometric data account passwords

Labor Issues

Establish Paid Prenatal Leave (PPGG, Part M)

The Enacted Budget provides eligible pregnant employees the ability to take up to 20 additional hours of paid personal leave for prenatal medical appointments. The permitted appointments may be used for health care services received by an employee during their pregnancy or related to such pregnancy, including physical examinations, medical procedures, monitoring and testing, and discussions with a health care provider related to the pregnancy. The 20 hours are provided within a 52-week calendar period, available in hourly increments. Employees must be compensated at the employee's regular rate of pay, or the applicable minimum wage established pursuant to section six hundred fifty-two of the Labor Law, whichever is greater. Employers are not required to pay employees for unused time. This will take effect on January 1, 2025.

Require Paid Breaks for the Expression of Breast Milk (ELFA, Part J)

The Enacted Budget requires paid breaks for up to 30 minutes for mothers who are nursing. Employees that take excess of 30 minutes would be permitted to be covered using existing paid break or mealtime.

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

The Enacted Budget sunsets the COVID-19 Sick Leave Law on July 31, 2025, one year later than initially proposed in the Executive Budget. The original law, enacted in 2020, requires employers to provide sick leave benefits, paid family leave, and benefits due to disability for employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19.

Calculation of Weekly Unemployment Insurance Effective Date (ELFA, Part Z)

The Enacted budget extends the effective date of legislation from 2021 (Ch.277) related to partially unemployed workers and their ability to access unemployment insurance benefits. This bill extends the effective date of certain portions of the bill to the first Monday after October 1, 2024, and allows the effective date to be extended in 15-day increments by DOL to the Legislature. In addition, the effective date cannot be extended beyond February 1, 2025.

Public Protection/Safety

Increase Penalties for Assault of Retail Workers (PPGG, Part A)

The Enacted Budget amends the Penal Law to elevate assault of a retail worker from a misdemeanor to a felony for any person who causes physical injury to a retail worker performing their job.

Make it Illegal to Foster the Sale of Stolen Goods Online (PPGG, Part B)

The Enacted Budget creates a penalty for fostering the sale of stolen goods. A person will be found guilty if they use any website or physical location to sell stolen goods.

Aggregation of Stolen Goods (PPGG, Part FF)

The Enacted Budget allows prosecutors to combine the value of stolen goods when they file larceny charges. This allows retail goods from different stores to be aggregated for the purposes of reaching a higher larceny threshold when stolen under the same criminal act.

Expand Hate Crime Eligibility (PPGG, Part C)

The Enacted Budget expands the list of offenses eligible for prosecution as hate crimes to include, among other offenses, gang assaults, aggravated murder, murder in the first degree, making graffiti, and various additional sex crimes.

Penalties for Harassing Transit Authority Employees (PPGG, Part Z)

The Enacted Budget expands the penal law to include crimes against transit workers (train operator, ticket inspector, conductor, signalperson, bus operator, station agent, station cleaner, terminal cleaner, station customer assistant, traffic checker; person whose official duties include the sale or collection of tickets, passes, vouchers, or other revenue payment media for use on a train, bus, or ferry). Such harassment includes: the intent to harass, annoy, threaten or alarm another person, such person strikes, shoves, kicks, or otherwise subjects another person to physical contact, which includes spitting on another person.

Deed Theft (ELFA, Part O)

The Enacted Budget establishes the crime of deed theft in New York State. The bill defines deed theft as “a crime for any person who intentionally alters, falsifies, forges, or misrepresents property documents; or intentionally misrepresents themselves as the owner or authorized representative of property to induce others to rely on such false information to obtain possession of the property; or intentionally takes, obtains, steals, or transfers title or ownership of real property by fraud, forgery, larceny or other deceptive practice.”

MTA Fare Enforcement (ELFA, Part UU)

The Enacted Budget includes new fines and penalties for transit fare violations. The bill also states that the MTA cannot use biometric identifying technology or facial recognition technology to enforce rules related to the payment of fares.

Penalties for Obstructed/Obscured License Plates & Payment of Tolls by Mail (ELFA, Part WW)

The Enacted Budget prohibits license plates to be covered by glass or plastic material or any material that will obstruct or obscure part of the plate numbers or other identification marks of the plate. The bill includes new penalties for violations (Subpart A).

Subpart B includes the “toll by mail enhancement act,” which sets forth a series of requirements related to individuals required to pay for tolls that do not utilize electronic toll devices (E-ZPass).

II. Revenue & Gaming

Makes Permanent the Itemized Deduction Limit on High Income Filers (REV, Part A)

The Enacted Budget extends until 2030 the limitation on the New York itemized deduction for individuals with New York adjusted gross income of more than \$10 million. Under current law, the New York itemized deduction is permanently limited to 50 percent of the federal charitable contribution deduction allowed for individuals with New York adjusted gross income between \$1 million and \$10 million. The New York itemized deduction is further limited to 25 percent of the federal charitable contribution deduction for individuals with New York adjusted gross income over \$10 million. This further limitation is currently set to expire at the end of 2024. This would also make conforming amendments to NYC Administrative Code §11-1715(g).

Permanently Extend the Tax Shelter Provisions (REV, Part B)

Modeled after the federal tax shelter provisions in the Internal Revenue Code, New York's tax shelter provisions were first added to the Tax Law as temporary provisions in 2005 and have been renewed several times thereafter. The Enacted Budget extends these provisions until July 1, 2029.

Make Technical Corrections to the Metropolitan Commuter Transportation Mobility Tax (REV, Part C)

The Enacted Budget clarifies that, for tax years beginning on or after January 1, 2024, the Metropolitan Commuter Transportation Mobility Tax ("MCTMT") will continue to be imposed on self-employed individuals engaging in business within the Metropolitan Commuter Transportation District ("MCTD") at the current rate of 0.34 percent for net earnings from self-employment attributable to the MCTD suburban counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

Close the Amended Return Loophole for Personal Income and Corporation Franchise Taxes (REV, Part D)

The Enacted Budget modifies current restrictions that prohibit the Department of Taxation and Finance from acting on an amended return when the taxpayer previously filed a petition with the Division of Tax Appeals for the tax year. This proposal will allow the Department to take such action on other returns filed by the taxpayers for the same taxable year that were not the subject of the petition to the Division of Tax Appeals.

Establish the Commercial Security Tax Credit (REV, Part E)

The Enacted Budget establishes the Refundable Commercial Security Tax Credit Program. The credit would be available to businesses with 50 or fewer total employees that operate physical retail locations open to the public in New York State. Businesses that meet the commercial security tax credit eligibility requirements and apply for the credit by October 31 of the taxable year may be eligible to claim a tax credit equal to \$3,000 for each New York retail location that exceeds \$4,000 in retail theft prevention expenses for businesses with 25 or fewer employees or \$6,000 in retail theft prevention expenses for businesses with more than 25 employees.

The commercial security tax credit program would be available to taxpayers for taxable years beginning on or after January 1, 2024, and before January 1, 2026. The total amount of credit available under this program would be capped at \$5 million annually for two years and certification would be administered by the Division of Criminal Justice Services.

Permanently Extend the Mandatory Electronic Filing and Payment Requirements (REV, Part F)

The Enacted Budget extends until 2029 current electronic filing and payment mandates. These provisions have been consistently extended since 2011.

Permanently Extend Authorization to Manage Delinquent Sales Tax Vendors (REV, Part G)

Currently, vendors are required by law to collect, truthfully account for, and pay over sales tax moneys, and to file returns. Where the Tax Commissioner deems it necessary to protect sales tax revenues, a non-compliant vendor may be required to deposit the sales tax it collected into a segregated account, in trust for the State, until otherwise notified. The Enacted Budget extends such provisions until December 31, 2029.

Provide for the Filing of Amended Sales Tax Returns (REV, Part H)

The Enacted Budget clarifies that amended sales tax returns are subject to similar limitations as other tax filings. This provision will allow the filing of amended returns that would result in a reduction of tax due so long as the amendments do not affect fixed and final tax liabilities. These amended returns would be treated as claims for a credit or refund and subject to the same time limitations three years after the return due date or two years after the date payment was made.

This, however, allows a limited period for the filing of amended returns that could affect fixed and final tax liabilities when those tax liabilities were self-assessed on an original return or were estimated because an original return was not filed. A vendor will have up to 180 days after the original filing deadline to amend a return that erroneously overstated the amount due, even though that self-assessed liability may have become fixed and final. Similarly, a vendor that received an estimated notice of determination after failing to file an original return would have 180 days from the mailing of the notice to file the missing original return.

This provision clarifies that the Department has three years to audit amended sales tax returns, which is consistent with the time period for auditing original returns. The bill would further require the Department to notify vendors of the changes made by this proposal by September 1, 2024.

Finally, the proposal would impose a \$1,000 penalty for taxpayers who willfully file or amend a return with false information to reduce or eliminate their liabilities.

Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years (REV, Part I)

The Enacted Budget extends for one year the exemption from sales and use tax on certain sales or services transacted between certain financial institutions and their subsidiaries. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act certain financial institutions were required to create subsidiaries and then transfer property or services to those subsidiaries. Certain transactions between these now-separate entities are currently exempt from sales taxes so long as the transfers are made on or before June 30, 2024, or made on or before June 30, 2027, pursuant to binding contracts entered into on or before June 30, 2024.

Extend the Sales Tax Vending Machine Exemption for One Year (REV, Part J)

The Enacted Budget extends the existing sales tax exemption for certain food and drink purchased from a vending machine for one year.

Repeal and Replace the Cannabis Potency Tax (REV, Part L)

The Enacted Budget replaces the potency tax on adult-use cannabis products with a percentage tax on the wholesale price.

Extend Authorized Use of Capital Funds by a Certain Off-track Betting Corporation for One Year (REV, Part O)

The Enacted Budget extends for one additional year the authorized non-capital use of capital acquisition funds by the Catskill and Capital District Regional Off-Track Betting Corporations.

Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year (REV, Part P)

The Enacted Budget extends for one additional year various provisions of the Racing, Pari-Mutuel Wagering and Breeding Law (PML) to maintain the current pari-mutuel wagering structure in New York State. These provisions were extended numerous times since their original enactment, most recently in the FY 2024 Enacted Budget.

Computation of Tax on Little Cigars (New REV, Part Q)

The Enacted Budget changes the tax imposed on little cigars from the rate imposed on cigarettes to the rate of twenty-six and three-quarters cents.

New York Jockey Injury Compensation Fund, Inc. (New REV, Part R)

The Enacted Budget extends for two years the New York Jockey Injury Compensation Fund, Inc. ability to use up to two million dollars to pay certain annual costs.

Extending Certain Exceptions to Licensing at a Race Meet (New REV, Part S)

The Enacted Budget makes technical changes to law to allow Saratoga Racetrack to host races that are historically assigned to Belmont Park.

Excise Tax on Medical Cannabis and the Allocation of Moneys of the Medical Cannabis Trust Fund (New REV, Part T)

The Enacted Budget reduces the excise tax on medical cannabis from seven percent to three and fifteen-hundredths percent. The disbursement of funds from the medical cannabis trust fund are amended to allocate fifty percent to the county where the cannabis was manufactured and fifty percent to the county where the cannabis was dispensed.

Sections removed from Revenue:

Modernize Tax Law to Include the Vacation Rental Industry (REV, Part K)

The Enacted Budget **intentionally omits** this proposal.

Clarify the Telecommunications Assessment Ceiling Program (REV, Part M)

The Enacted Budget **intentionally omits** this proposal.

Return Tax Foreclosure Surplus to Property Owner (REV, Part N)

The Enacted Budget **intentionally omits** this proposal.

III. Energy, Telecommunications & Environment

Renewable Action Through Project Interconnection and Deployment (“RAPID”) Act (TED, Part O)

The Enacted Budget includes a modified version of the Executive’s Proposal known as the RAPID Act, which would amend the Public Service Law and Executive Law relating to the Office of Renewable Energy Siting (“ORES”). The proposal would make ORES an independent office at the Department of Public Service (“DPS”), moving it from its current position as an independent office at the Department of State.

Among the noteworthy changes included in the final negotiated proposal include a requirement that any regulation promulgated by ORES be approved by the Public Service Commission (“PSC”); timelines for ORES to promulgate regulations are shortened from 18 months to 12 months; additional protections for agricultural land are also added.

The final negotiations make a change to the required PSC proceeding to consider metrics related to the timely interconnection of distributed generation resources into the distribution system owned by an electric corporation by removing the word “negative” in reference to revenue adjustments related to such metrics, blunting what would have been a statutory obligation to penalize utilities for interconnection delays.

NYSERDA Build-Ready Program Extender (TED, Part M)

The Enacted Budget extends the repeal date of the NYSERDA Build-Ready Program from April 19, 2024, to April 19, 2030. The Build-Ready Program identifies sites in New York State that may be suitable for development as large-scale renewable energy projects and advances those sites for eventual publicly noticed competitive solicitation to private renewable energy developers.

In addition, the Enacted Budget adds protections for agricultural land, an additional preference for dormant electric generating sites in siting such projects and authorizes qualified energy storage systems to be included in the program.

NYSERDA Special Assessment (TED, Part N)

The Enacted Budget extends NYSERDA’s authorization to collect a special assessment on gas and electric corporations to finance its energy research, development and demonstration program; its energy policy and planning program; the Fuel NY Program; and climate change related expenses of the Department of Environmental Conservation.

Assessments on Cable Television Companies and Public Utilities (TED, Part Q)

The Enacted Budget extends the authority for utility oversight related expenditures of the departments of Agriculture and Markets, Environmental Conservation, State, and the Office of Parks, Recreation and Historic Preservation as eligible expenses of utility assessment revenues.

Additionally, the proposal would authorize certain expenditures of the Department of Health as eligible expenses for cable television assessment revenues.

In addition to the above eligible expenses of utility assessment revenues, permits issued under Article 8 of the Public Service Law (new ORES renewable and transmission permits) are now also considered eligible expenses.

Extend the Suspension of the Subsidy to Revolving Loan Fund from Cell Surcharge Revenue (PPGG, Part E)

The Enacted Budget extends the existing suspension of the annual transfer of \$1.5 million from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for two fiscal years.

Sales Tax Exemption for Residential Energy Storage (TED, Part PP)

The Enacted Budget adds a new part that will exempt from sales tax, residential energy storage systems equipment and the service of installing such systems. The exemption will take effect June 1, 2024, and shall expire and be deemed repealed June 1, 2026.

Highway and Depot Charging Needs Evaluation (TED, Part QQ)

The Enacted Budget contains a new provision requiring NYSERDA, within 18 months of the effective date, conduct a highway and depot EV charging needs evaluation to:

- Consider planning for fast charger deployment along alternative fuel corridors and major freight corridors;
- identify the number and location of fast chargers along priority highway corridors and major freight corridors;
- estimate future need for fast charger deployment along priority highway and major freight corridors;
- identify the number and location of highway charging hubs;
- estimate total charging capacity required to serve light duty, medium duty, and heavy-duty electric vehicles at each highway and freight charging hub through 2035;
- identify the number and location of commercial and public fleet vehicles in operation;
- identify the number and location of fleet charging zones;
- estimate future need for charging deployment and charging capacity in the fleet charging zones;
- examine ways to optimize fast charger deployment among the highway charging hubs and charging development among the fleet charging zones to reduce the cost of interconnection, if deemed necessary, and electric distribution and local transmission upgrades;
- analyze and assess the total potential costs associated with any identified need;
- analyze and assess federal or state funding opportunities to minimize such costs to rate payers; and
- identify the number and location of critical public charging sites and estimate future need.

NYSERDA is required to develop a stakeholder engagement process to solicit input from the public, local government, representatives or residents of environmental justice or disadvantaged communities, electric vehicle manufacturers, electric vehicle supply equipment manufacturers,

fleet operators, school district transportation directors and others on the highway and depot charging needs evaluation.

Clean Air Compliance and Pollution Reduction (A.8808-D/S.8308-D, Part T, Page 79)

The Enacted Budget amends the existing fee structure for the Department of Environmental Conservation's (DEC) air pollution control permits and registrations. The bill would restructure the State Air Quality Control fees for non-title V facilities and Operating Permit Program (OPP) fees for Title V facilities. Additionally, this bill would authorize DEC to impose fees through regulations and ensure compliance with new requirements pursuant to the National Ambient Air Quality Standard (NAAQS).

Clean Water Infrastructure (A.8804-D/S.8404-D, p.176)

The new budget includes an additional \$500 million in clean water infrastructure funding over two years, for drinking water and wastewater infrastructure, and water quality protection.

Climate Smart Communities Grant Program (A.8808-D/S.8308-D, Part S, Page 79)

The new budget includes provisions to allow the Department of Environmental Conservation (DEC) to increase the maximum award certain communities may receive from the Climate Smart Communities (CSC) Program. CSC helps local governments take actions to reduce greenhouse gas emissions and adapt to a changing climate, through grants, rebates for electric vehicles, and technical assistance. State assistance payments are currently capped at fifty percent or \$2 million. This bill would authorize DEC to provide up to eighty percent – or \$2 million - in grants to municipalities that meet the criteria for financial hardship or for being a disadvantaged community.

Environmental Protection Fund (A.8804-D/S.8404-D, p.154)

\$400 million is appropriated for the Environmental Protection Fund (EPF), which provides funding for environmental programs such as land acquisition, farmland protection, invasive species prevention and eradication, enhanced recreational access, water quality improvement, and environmental justice.

New York Works Capital Infrastructure Program (A.8804-D/S.8404-D, p.170)

\$90 million is approved for the New York Works statewide capital infrastructure program, plus \$20 million in New York Works funding for construction at several dams (Conklingville, Sixth Lake and Old Forge). New York Works funding is used to improve access to State lands, rehabilitate campgrounds, a repair and rehabilitate dams, and upgrade DEC recreational facilities. Funding is also used for air monitoring infrastructure, remediating environmental contamination information technology, and repairs and maintenance of state infrastructure, state lands, and fish hatcheries.

Sections removed from Environment and Energy:

Clarify the Telecommunications Assessment Ceiling Program (REV, Part M)

The Enacted Budget **intentionally omits** this proposal.

Safe Lithium-Ion Batteries (TED, Part GG)

The Enacted Budget **intentionally omits** this proposal.

Affordable Gas Transition Act (TED, Part P)

The Enacted Budget **intentionally omits** this proposal, which was sought by environmental groups. This bill, similar to the Legislature’s “HEAT Act” would eliminate the current requirement that utilities automatically provide natural gas service to new customers who request it, and the creation of a “climate change superfund.”

IV. Housing

Authorize Mortgage Insurance Fund (MIF) Utilization (ELFA, Part N)

The Enacted Budget authorizes funds from the Mortgage Insurance Fund (MIF) excess reserve to be used to support community development and housing programs. Specifically, the funds would support the following:

- Neighborhood and Rural Preservation Programs (\$17,633,000). Of which \$250,000 shall be used support the Neighborhood Preservation Coalition.
- Rural Preservation Program (\$7,577,000). Of which \$250,000 shall be used to support the Rural Housing Coalition.
- Rural Rental Assistance Program (\$23,180,000).
- Homeless Housing Programs (\$53.581,000).

Authorize New York City and the New York State Urban Development Corporation to Allow for Denser Residential Development (ELFA, Part Q)

The Enacted Budget authorizes New York City and the NYS Urban Development Corporation to permit denser residential development.

Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing (ELFA, Part R)

The Enacted Budget establishes the Affordable Housing from Commercial Conversion Tax Incentive Benefits program in NYC. The goal of the program is to incentivize the inclusion of affordable rental units in multiple dwellings converted from commercial or manufacturing space.

Enable the City of New York to Create a Pathway to Legalize Pre-Existing Basement and Cellar Dwelling Units in New York City (ELFA, Part S)

The Enacted Budget allows for the conversion of inhabited existing basement or cellar dwelling to legal dwellings upon the enactment of local law.

Extend the Project Completion Deadline for Vested Projects in Real Property Tax Law 421-a (ELFA, Part T)

The Enacted Budget includes language to allow multiple dwellings or homeowner project containing six or more dwelling units to extend to June 15, 2031.

Create New Tax Abatement for Rental Housing Construction (ELFA, Part U)

The Enacted Budget establishes an Affordable Neighborhoods for New Yorkers Tax Incentive Program. The goal of the program is to incentivize the development of housing that includes affordable units in NYC.

Fire Prevention and Building Code Council Study (ELFA, Part V)

The Enacted Budget authorizes the Fire Prevention and Building Code Council to conduct a study related to standards for egress. The study shall include multi-unit residential buildings above three stories. The study shall be completed before July 1, 2026.

Affordable Housing Underwriting and Rates (ELFA, Part BB)

The Enacted Budget includes language prohibiting insurers from discriminating because real property includes unites that are affordable to residents of specific income levels.

Good Cause Eviction Law (ELFA, Part HH)

The Enacted Budget includes language to establish the “Good Cause Eviction Law” which outlines grounds for removal of tenants for covered housing accommodations.

Establishment of Landlord-Tenant Relationships (ELFA Part II)

The Enacted Budget includes language that excludes a “squatter” in the definition of a “tenant.”

Affordable New York Housing Program Audit & Review (ELFA, Part JJ)

The Enacted Budget includes language that authorizes the Department of Housing Preservation and Development to create a program to annual audit and review eligible properties to confirm that owners are complying with rent registration, affordability and rent stabilization requirements.

New York Housing for the Future Homeownership and Rental Housing Programs (ELFA, Part KK)

The Enacted Budget includes language to establish the program which shall provide assistance – payments, grants or loans – for the formation of limited equity cooperative housing.

V. Transportation

Extend the Metropolitan Transportation Authority Tax Increment Financing Authority (TED, Part A)

The Enacted Budget extends the Authority’s Tax Increment Financing (TIF) provisions for an additional 10 years or until April 1, 2034.

Warren County Contribution to Capital District Transportation Authority (TED, Part E)

The Enacted Budget authorizes the Capital District Transportation Authority to receive assistance from the state for transit services in Warren County. The assistance requires a local match (2.21%) based on services provided by Greater Glens Falls Transit.

Extend the Internet Point Insurance Reduction Program (TED, Part F)

The Enacted Budget extends the Internet Point Insurance Reduction Program to April 1, 2026.

Extend the Authorization for Certain Department of Motor Vehicle Fees (TED, Part G)

The Enacted Budget extends certain Department of Motor Vehicle fees related to motor vehicle transactions - such as – inspection, record searches, dealer and transporter applications and title

certification – until April 1, 2026. This Part would also revenue in the Dedicated Highway and Bridge Trust Fund to be used for DMV expenses until April 1, 2026.

Autonomous Vehicle Technology Extender (TED, Part J)

The Enacted Budget extends demonstrations and tests of autonomous vehicle technology authorized by the Commissioner of the Department of Motor Vehicle until April 1, 2026 (an additional 2 years).

Stretch Limousine Passenger Safety Act (TED, Part K)

The Enacted Budget establishes the Stretch Limousine Passenger Safety Act to include the following:

- Require that the State’s limousine safety website be updated to include publicly available information in accordance with the Federal Motor Carrier Safety Administration’s Safety and Fitness Electronic Records (SAFER) website;
- Require a minimum fine of \$10,000 for operation of a stretch limousine that is under suspension;
- Authorizing the Commissioner of Transportation to seize the license plates of certain passenger carrying vehicles that have failed an inspection and been placed out-of-service;
- Require that stretch limousines be equipped with enhanced safety features including window break tools, fire extinguishers, improved emergency egress, and roll-over protection;
- Prohibit the operation of a stretch limousine that is over 10 years old or has mileage exceeding 350,000 miles, whichever occurs first; and
- Require that all stretch limousine passengers be given a pre-trip safety briefing.

School Bus Stop Arm (ELFA, Part AA)

The Enacted Budget amends the vehicle and traffic law in relation to owner liability for the failure to stop for a school bus red signal and stop-arm and the school bus monitoring system. The final budget also extends these provisions until December 1, 2029.

NYC Speed Limits (Sammy’s Law) (ELFA, Part OO)

The Enacted Budget includes language that reduces traffic speed limits in certain areas of NYC.