



## **Briefing on the 2022-23 Executive Budget Summary of Key Proposals Impacting Cities and Villages**

**AIM Funding** – AIM funding for cities, villages and towns is maintained at the current year level of \$715 million. However, the Budget would put an end to the intercept of local sales tax to pay the \$59 million in AIM-Related payments for 479 villages and 846 towns. Rather, the entire AIM program would be fully funded by the State. Ending the sales tax intercept was a priority for NYCOM and the other municipal associations. (PPGG Part X)

**Transportation Funding** – The current year budget provided historic levels of aid for local roads and bridges. The Executive Budget preserves these increases in transportation funding amounts, including: \$538 million for the CHIPS program, \$100 million in Extreme Winter Recovery funding, \$100 million for State Touring Routes aid, and \$150 million for PAVE-NY. The Executive Budget also proposes to increase BRIDGE-NY from \$100 million to \$200 million and to create a new \$100 million Pave our Potholes (POP) program. Finally, the Executive Budget would increase the CHIPS competitive bidding threshold from \$350,000 to \$750,000. (TED Part BB)

**Water and Sewer Infrastructure Funding** – The Executive Budget includes an additional \$500 million for drinking water and wastewater infrastructure. This would raise the total clean water investment to \$4.5 billion since the Clean Water Infrastructure Act was created in 2017-18. NYCOM will continue to lobby for a portion of this funding to go directly to all cities and villages with municipal water systems.

**Accessory Dwelling Units and Transit Oriented Development** – Language included in the Executive Budget would impose a statewide land use mandate requiring every city, village and town to authorize the creation of at least one Accessory Dwelling Unit (ADU) per residential lot and provide standards for structural requirements for ADUs that do not “unreasonably restrict the creation” of such entities. Furthermore, the ability for a local government to impose parking requirements for ADUs would be severely restricted by this new mandate.

The Executive Budget would also impose a uniform Transit Oriented Development (TOD) mandate by requiring cities, villages, and towns to permit development of at least 25 dwelling units per acre on any residentially zoned (or un-zoned) land located within one-half mile of (1) any New Jersey Transit, MTA, Metro-North, or Port Authority rail station located between one-half mile and 60 miles from New York City, (2) any bus stop or station with designated parking for riders located between one-half mile and 60 miles from New York City, and (3) any Long Island Railroad station not located within New York City. Cities, villages, and towns would not be permitted to enact regulations that “effectively prevent” the development of 25 dwelling units per acre. Moreover, cities, villages, and towns would be required to amend their comprehensive plans and local land use regulations to conform to this density requirement.

NYCOM is strongly opposed to these proposals (see our [memo in opposition](#)) because not only do they override local home rule zoning powers, but also because they would likely have serious negative impacts on municipal services, infrastructure, parking and traffic. (ELFA Part AA, Part EE)

**Housing** – The Executive Budget proposes a new \$25 billion, five-year housing plan to create and preserve 100,000 affordable homes, support the operation of shelters and supportive housing units, and provide rental subsidies. This comprehensive initiative expands on existing programs and creates new programs and would be funded by a combination of State and federal capital resources and tax credits. It also includes \$85 million to fund an Accessory Dwelling Unit (ADU) proposal that would give every residentially zoned and owner-occupied lot the right to have at least one ADU, subject to municipal restrictions.

**Regional Economic Development Councils (REDC)** – The Budget includes core funding of \$225 million in grants (\$150 million) and tax credits (\$75 million) to fund high value regional priority projects, which is anticipated to be made available throughout the year to ensure that projects that are shovel-ready can be advanced in a timely fashion.

**Downtown Revitalization Initiative and NY Forward** – The Executive Budget includes \$100 million for another round of the Downtown Revitalization Initiative (DRI) where 10 communities would each receive \$10 million. In addition, the Executive Budget includes \$100 million for a new NY Forward program to help revitalize smaller, more rural downtowns. In both cases, the communities will be selected in partnership with the State’s ten REDCs. Finally, the Budget would also authorize the Dormitory Authority of the State of New York (DASNY) to provide planning, design, procurement, and construction management services to downtown communities that have been selected as part of the DRI program. (TED Part GG)

**Restore New York** – The Executive Budget includes \$250 million over three years (\$100 million in SFY 2022-23) to restart the Restore New York program which would help combat blight by supporting municipal efforts to address vacant and abandoned properties, especially in disadvantaged communities and rural areas.

**Violent Crime** – In addition to establishing an Office for Gun Violence Protection, the Executive Budget includes a variety of proposals to address gun violence, including among others:

- \$18.2 million for the Gun Involved Violence Elimination (GIVE) initiative;
- \$13.1 million to expand the use of Community Stabilization Units that partner State Troopers with local law enforcement agencies;
- \$25 million for community-based gun violence response programs (SNUG);
- \$24.9 million for the Securing Communities Against Hate Crimes (SCAHC) program;
- \$10 million in new funding for pretrial services to help divert people from unnecessary detention while also keeping communities safe; and
- \$50 million in new grant funding for capital investments in those communities most impacted by gun violence, along with \$20 million in new funding for crime reduction programming in those same communities.

It should be noted that the Governor did not include any proposals concerning bail reform in the Executive Budget.

**ConnectALL Broadband Initiative** – The Executive Budget includes \$1.6 billion for the Governor’s ConnectALL broadband initiative that is intended to provide affordable and reliable broadband in rural and urban areas statewide. Additionally, in order to incentivize broadband deployment by promoting access to State rights of way, all projects associated with this initiative would be exempt from the state-imposed fiber optic right-of-way fee. This change would not affect the ability of counties, cities, villages, or towns to regulate zoning, land use, or any other power currently authorized by State and federal law as it relates to the installation of fiber optic cable. (TED Part JJ)

**Ethics for Local Officials** – The Executive Budget proposes to align ethics rules for local officials with those currently in place for State officials, particularly with respect to gifts, standards of conduct, nepotism and lobbying. In addition to expanding the definition of “Interest,” this proposal would prohibit a municipal official or employee from directly or indirectly soliciting any gift, or from accepting or receiving any gift having “more than nominal value.” The current monetary limit for local officials is stated clearly in law as \$75. Unlike the State, local governments do not have the ethics interpretation and enforcement infrastructure in place to deal with such a vague standard as “nominal value.” (PPGG Part Q)

**Interest Rate on Judgments** – The interest rate on court judgments or accrued claims would be changed from a 9% fixed rate to a market rate equal to the weekly average one-year Treasury bill rate. If enacted this would not only generate savings for local governments, but would also remove the incentive for plaintiffs to unnecessarily delay proceedings. Linking the rate of judgment interest to the market rate is already the law in many other states. (PPGG Part V)

**County/City Sales Tax Authorizations** – All counties and the five cities who currently have additional sales tax rate authorizations beyond the 3% base rate (Oswego, Mount Vernon, New Rochelle, White Plains, Yonkers) would be given permanent authority to impose a 1% additional rate (for a total of 4%) or their currently authorized additional rate, whichever is higher. This would eliminate the requirement that they seek state legislation to renew such authority every two years. (Revenue Part U)

**Sales Tax on Vacation Rentals** – The Executive Budget would require that all vacation rentals be subject to the same sales tax as traditional hotels, motels and bed and breakfast establishments. Vacation rental marketplace providers would be required to collect such sales tax on those rentals they facilitate. This would apply to collections of rent collected by such providers on or after September 1, 2022. (Revenue Part V)

**Code Enforcement Penalties** – The Executive Budget would make changes to the enforcement of the Uniform Fire Prevention and Building Code (the Uniform Code). Specifically, it would give the Secretary of State additional powers with respect to investigating underperforming local code enforcement programs, including the ability to issue subpoenas and compel testimony and documents. In addition, counties would be empowered to petition the Secretary of State for an order authorizing the county to investigate city, village, and town enforcement and administration of the Uniform Code to determine whether such local government is complying with the minimum standards established by the State. In the event it is determined that such standards are not being met, the Secretary of State may designate the county or another local government to perform code enforcement for the underperforming local government, appoint compliance officers to oversee the enforcement, direct local staff, hire a third-party or consultants, and issue notices of violation. Lastly, this proposal would require local governments that have been stripped of their power to enforce and administer the Uniform Code to reimburse the designated entity for the costs and expenses of performing the code enforcement duties. While NYCOM supports efforts to ensure the proper enforcement of the Uniform Code, this proposal fails to clearly establish the standards for triggering review and oversight and also fails to provide a procedure for the affected local government to defend its actions or to challenge the State’s findings or orders. (TED Part VV)

**Distressed Provider Assistance Program** – The Executive Budget continues the Distressed Provider Assistance Program permanently to support financially distressed hospitals throughout the State through the collection of a portion of sales tax revenue from counties and New York City, generating \$250 million in designated funding annually (\$50 million from counties outside of NYC and \$200 million from NYC). It should be noted that despite the fact that the State has diverted \$375 million in local sales tax for this program, no funding has been provided to distressed hospitals.

**County-Wide Shared Services Plan (CWSSI)** – This Executive Budget proposal would give local governments more flexibility when applying for matching funds under the State’s CWSSI. Currently, a project that had been included in a previous CWSSI Plan cannot be included in a future Plan and would not be eligible for State matching funds. The Executive Budget includes language that would allow projects included in previous Plans to be eligible for State matching funds when they are implemented. Furthermore, once savings are achieved, the proposal would provide municipalities with an additional year to apply for matching funds. (PPGG Part W)

**Consolidation and Restructuring Programs** – The Executive Budget would continue to provide \$39 million in funding to support the Citizen Empowerment Tax Credits, the Citizen Reorganization Empowerment Grants and Local Government Efficiency Grants. This funding is intended to incentivize local government consolidation, dissolution and the sharing of services.

**Environmental Protection Fund** – The Environmental Protection Fund would be increased from \$300 million to \$400 million. This is comprised of \$53.4 million for solid waste programs, \$117.9 million for parks and recreations, \$184.2 million for open space programs, and \$44.5 million for climate change programs. (TED Part PP)

**Clean Air Bond Act** – The Executive Budget proposes to increase the “Clean Water, Clean Air and Green Jobs Environmental Bond Act” by \$1 billion, which would bring its total to \$4 billion. If approved by the public in November 2022, the Bond Act would boost funding streams to restore habitats and reduce flood risk; improve water quality; protect open space and invest in resilient infrastructure; expand the use of renewable energy to mitigate climate change; and other such projects that preserve, enhance, and restore the quality of the State's environment. (TED Part NN)

**Extension and Enhancement of Brownfield Programs** – The Executive Budget would update and enhance the State’s brownfield programs to encourage the redevelopment of contaminated properties that are blighting communities. Specifically, the Budget would improve upon the Brownfield Cleanup Program (BCP) by adding new categories of eligibility for tangible property credits, establishing a program fee to pay for staff, and extending the site preparation and groundwater remediation credits for work delayed due to the COVID-19 pandemic. It would also extend the sunset date of the program by ten years, until December 31, 2032. The Budget also includes provisions that would authorize brownfield opportunity area (BOA) funding for activities that support job growth, reduce greenhouse gas emissions, increase climate resilience, and achieve environmental justice. (TED Part U, Part LL)

**Extended Producer Responsibility for Packaging/Paper Products** – The Executive Budget proposes to create an Extended Producer Responsibility program which would require large producers to develop and implement a program to manage paper and packaging products. It would also require a comprehensive needs assessment of recycling in New York State, which would be retroactively financed by producers and producer responsibility organizations. The goal of this proposal is to analyze the recycling needs in the State and require large producers to take responsibility for the recycling and reuse of discarded packaging and paper products. (TED Part RR)

**Cyber Security Defense** – The Executive Budget includes \$44 million to strengthen state and local cyber defense efforts. (It should be noted that there is no discrete appropriation for this funding.)

**Drinking Water State Revolving Fund Federal Investment** – The budget proposal includes \$300 million in federal drinking water appropriation authority to provide additional resources made available under the federal Infrastructure Investment and Jobs Act. These new dollars will provide the opportunity to improve public water systems, specifically those in communities disproportionately impacted by lead in drinking water, including debt retirement and no-interest loans for public water system projects, lead line replacements, and activities to address emerging contaminants.

**Public Schools Access to the Clean Water State Revolving Fund** – The Executive Budget proposal would allow the Environmental Facilities Corporation to offer school districts financing through the Clean Water State Revolving Fund. They are already eligible for financing through the Drinking Water State Revolving Fund. (TED Part UU)

**Small Business Assistance** – The Executive Budget includes a variety of initiatives to assist small businesses, including:

- Funding for Small Businesses of the Future – Capital and venture debt awards to emerging small businesses in the innovation sector, including minority-and-women-owned companies often overlooked by venture investments;
- Small Business COVID Capital Investment Tax Credit – A \$250 million tax credit to small businesses that took on COVID-related capital expenses;
- Seed Funding for Small Business – A \$200 million flexible grant program for early stage businesses recently opened despite the COVID-19 pandemic; and
- Small Business Lending Initiative – To provide reduced interest rate and accessible loans to expanding small businesses.  
(TED Part CC)

**MWBE Support** – The Budget includes a proposal to provide increased resources and up to \$11 million in additional funding to improve the MWBE program and ensure timely and efficient processing of MWBE certifications for qualified businesses. The Budget also proposes to establish a new unit within ESD dedicated exclusively to processing administrative appeals, including challenges to the denial of MWBE certifications, to ensure timely processing of appeals.

**To-Go Drinks** – The Budget would amend the Alcoholic Beverage Control Law to allow any retail license that allows for liquor or wine sale for on-premises consumption to also sell these products for off-premises consumption. The State Liquor Authority (SLA) would maintain the ability to adopt rules and regulations for these sales, including but not limited to quantity and volume, food required at time of purchase, hours of sale, and the sealing of open containers. (PPGG Part P)

**Telecommunications Assessment Ceiling Extender** – The Executive Budget would extend the telecommunications assessment ceiling through 2027 and would provide local governments with the ability to opt to have any assessment challenges consolidated with the challenge against the State's ceiling/valuation on the same property. (Revenue Part Y)

**Civil Service Testing** – The Executive Budget proposes to amend Civil Service Law to allow the NYS Department of Civil Service or a municipal commission to implement a continuous recruitment plan for a greater number of positions that are deemed hard to fill. The eligible list would be continually updated and may be beneficial as a recruitment tool and an opportunity to diversify the workforce. Another Budget proposal would allow employees who have held a non-competitive class position within the municipality for a period of two years or more to have the ability to take a promotional exam within the municipality of which they are employed if it is determined that their non-competitive position afforded them appropriate preparation for the position that they seek. (PPGG Part S, Part T)

**Highway Worker Safety** – The Executive Budget includes a proposal that would impose tougher penalties for offenses committed against highway and transportation workers, and also clarify the responsibilities of motor vehicle operators and owners to improve safety on roadways. (TED Part A).

**State and Municipal Facilities Program (SAM)** – SAM is a grant program that provides funding for a wide variety of capital projects and the acquisition of capital assets that local governments can apply for, generally in coordination with their state legislators and the Governor’s office. This program had been funded at \$385 million per year for the last several years, but no new funding is provided in the SFY 2023 Executive Budget. Funding from prior years of \$2.2 billion is reappropriated.

**10-Day Voter Registration Deadline** – The Executive Budget proposes to lower the voter registration deadline from 25 days to 10 days before the election. (PPGG Part N)

**College Campus Polling Locations** – In instances where a college/university campus has 300 or more students who are registered to vote, the Budget proposes that the polling place designated within that election district would be located at the college/university or at an alternative location approved by the college/university. This provision would take effect January 1, 2024. (PPGG Part O)

**Email Notification for Liquor License Application** – This proposal would permit municipalities to accept notification of the filing of a liquor law license from the State Liquor Authority via email. (PPGG Part K)

Please note: References in parentheses at the end of certain descriptions refer to the Article VII bill where the language can be found. Copies of all of the bills are available on the [Division of the Budget’s website](#).