

**FY 2018 NEW YORK STATE EXECUTIVE BUDGET
REVENUE ARTICLE VII LEGISLATION**

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CONTENTS

PART	DESCRIPTION	STARTING PAGE NUMBER
A	Establish a Taste-NY alcohol permit	7
B	Establish a motion picture theater alcohol permit	17
C	Convert the NYC PIT STAR Rate Reduction Benefit into a credit	20
D	Cap STAR benefit growth	34
E	Make participation in the Income Verification Program (IVP) mandatory for enhanced STAR recipients	35
F	Allow taxpayers to make partial tax payments	45
G	Relax the tax secrecy rules for STAR credit	47
H	Technical fix for the Co-op's STAR Credit	48
I	Extend Oil and Gas Fee Expiration Date	50
J	Authorize SUNY Chancellor to certify and approve the disbursement of funds for veterans' homes operated by the SUNY	50
K	Establish Life Sciences Tax Credits	51
L	Expand the workforce training credit	75
M	Extend the Empire State Film Production Tax Credit and Post-Production Tax Credit for three years	79
N	Create the New York Youth Jobs Program Tax Credit	84
O	Extend the Alternative Fuels Property and Electric Vehicle Recharging Property Credit for Five Years	88
P	Reform the Investment Tax Credit	89
Q	Treat disregarded entities as a single taxpayer for tax credit purposes	96
R	Extend the Personal Income Tax top bracket for three years	97
S	Permanently extend the high income charitable contribution deduction limitation	113
T	Enhance the Child and Dependent Care Credit	115
U	Allow warrantless bank account data matching	116
V	Require New State Employees to be Compliant with State Tax Obligations	117

PART	DESCRIPTION	STARTING PAGE NUMBER
W	Require practitioners to be compliant with State tax obligations before receiving excess medical malpractice coverage	122
X	Permanently extend warrantless wage garnishment	144
Y	Require New York State S corporation conformity with Federal return	145
Z	Close the co-op sale loophole	161
AA	Close non-resident asset sale loophole	163
BB	Modernize sales tax collection to reflect the Internet economy	163
CC	Close sales tax related entities loopholes	169
DD	Make technical amendments to the State and local sales tax statute	171
EE	Apply the Public Safety Communications Surcharge to Prepaid Devices	173
FF	Tax and regulate vapor products	179
GG	Clarify the amount of untaxed cigarettes required to seize a vehicle	201
HH	Expand jeopardy assessments to the cigarette and tobacco tax	203
II	Reform the taxation of cigars	205
JJ	Impose the real estate transfer tax on the transfer of a real estate business interest	206
KK	Close the real estate transfer tax loophole	207
LL	Relieve the General Fund of responsibility for funding equine drug testing in horse racing, require horsepersons to contribute to drug testing research and equipment, and broaden the field of potential New York lab testing providers	208
MM	Charitable gaming reform	211
NN	Re-privatize the New York Racing Association	299
OO	Extend certain tax rates and certain simulcasting provisions for one year	310
PP	Extend Monticello Video Lottery Terminal rates for one year	318

PART	DESCRIPTION	STARTING PAGE NUMBER
QQ	Extend the Video Lottery Gaming (VLG) vendor's capital awards program for one year	319
RR	Alter local gaming aid distribution	322

Legislative Bill Drafting Commission
12574-03-7

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

BUDGBI

(Enacts into law major components of
legislation necessary to implement
the state fiscal plan for the 2017-
2018 state fiscal year)

Budget Exec. Rev.

AN ACT

to amend the alcoholic beverage
control law, in relation to the
creation of a special license to
sell alcoholic beverages at retail
for consumption off the premises
(Part A); to amend the alcoholic
beverage control law, in relation to
alcohol in certain motion picture
theatres, and providing for the
expiration and repeal of such
provisions upon the expiration ther-
eof (Part B); to amend the tax law

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s50 DeFrancisco	s27 Hoylman	s25 Montgomery	s10 Sanders
s52 Akshar	s32 Diaz	s60 Jacobs	s40 Murphy	s23 Savino
s31 Alcantara	s18 Dilan	s09 Kaminsky	s58 O'Mara	s41 Serino
s46 Amedore	s17 Felder	s63 Kennedy	s62 Ortt	s29 Serrano
s11 Avella	s02 Flanagan	s34 Klein	s21 Parker	s51 Seward
s36 Bailey	s55 Funke	s28 Krueger	s13 Peralta	s26 Squadron
s42 Bonacic	s59 Gallivan	s24 Lanza	s30 Perkins	s16 Stavisky
s04 Boyle	s12 Gianaris	s39 Larkin	s19 Persaud	s35 Stewart- Cousins
s44 Breslin	s22 Golden	s37 Latimer	s07 Phillips	
s08 Brooks	s47 Griffo	s01 LaValle	s61 Ranzenhofer	s49 Tedisco
s38 Carlucci	s20 Hamilton	s45 Little	s48 Ritchie	s53 Valesky
s14 Comrie	s06 Hannon	s05 Marcellino	s33 Rivera	s57 Young
s03 Croci	s54 Helming	s43 Marchione	s56 Robach	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a034 DenDekker	a097 Jaffee	a145 Morinello	a009 Saladino
a092 Abinanti	a070 Dickens	a011 Jean-Pierre	a057 Mosley	a111 Santabarbara
a084 Arroyo	a054 Dilan	a116 Jenne	a039 Moya	a140 Schimminger
a035 Aubry	a081 Dinowitz	a135 Johns	a003 Murray	a076 Seawright
a120 Barclay	a147 DiPietro	a115 Jones	a065 Niou	a087 Sepulveda
a030 Barnwell	a016 D'Urso	a077 Joyner	a037 Nolan	a027 Simanowitz
a106 Barrett	a004 Englebright	a074 Kavanagh	a144 Norris	a052 Simon
a060 Barron	a133 Errigo	a142 Kearns	a130 Oaks	a036 Simotas
a082 Benedetto	a109 Fahy	a040 Kim	a069 O'Donnell	a104 Skartados
a042 Bichotte	a071 Farrell	a131 Kolb	a051 Ortiz	a099 Skoufis
a079 Blake	a126 Finch	a105 Lalor	a091 Otis	a022 Solages
a117 Blankenbush	a008 Fitzpatrick	a013 Lavine	a132 Palmesano	a114 Stec
a098 Brabenc	a124 Friend	a134 Lawrence	a002 Palumbo	a110 Steck
a026 Braunstein	a095 Galef	a050 Lentol	a088 Paulin	a127 Stirpe
a119 Brindisi	a137 Gantt	a125 Lifton	a141 Peoples- Stokes	a001 Thiele
a138 Bronson	a007 Garbarino	a102 Lopez		a061 Titone
a093 Buchwald	a148 Giglio	a123 Lupardo	a058 Perry	a031 Titus
a118 Butler	a080 Gjonaj	a010 Lupinacci	a023 Pheffer	a033 Vanel
a094 Byrne	a066 Glick	a121 Magee	Amato	a055 Walker
a103 Cahill	a150 Goodell	a129 Magnarelli	a086 Pichardo	a143 Wallace
a044 Carroll	a075 Gottfried	a064 Malliotakis	a089 Pretlow	a112 Walsh
a062 Castorina	a005 Graf	a090 Mayer	a073 Quart	a146 Walter
a047 Colton	a100 Gunther	a108 McDonald	a019 Ra	a041 Weinstein
a032 Cook	a046 Harris	a014 McDonough	a012 Raia	a024 Weprin
a085 Crespo	a139 Hawley	a017 McKevitt	a006 Ramos	a059 Williams
a122 Crouch	a083 Heastie	a107 McLaughlin	a043 Richardson	a113 Woerner
a021 Curran	a028 Hevesi	a101 Miller, B.	a078 Rivera	a056 Wright
a063 Cusick	a048 Hikind	a038 Miller, M.G.	a068 Rodriguez	a096 Zebrowski
a045 Cymbrowitz	a018 Hooper	a020 Miller, M.L.	a067 Rosenthal	
a053 Davila	a128 Hunter	a015 Montesano	a025 Rozic	
a072 De La Rosa	a029 Hyndman	a136 Morelle	a149 Ryan	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and 4 copies of memorandum in support (single house);
or 4 signed copies of bill and 8 copies of memorandum
in support (uni-bill).

and the administrative code of the city of New York, in relation to the school tax reduction credit for residents of a city with a population of one million or more; and to repeal section 54-f of the state financial law relating thereto (Part C); to amend the real property tax law, in relation to the maximum amount of tax savings allowable under the STAR program (Part D); to amend the real property tax law and the tax law, in relation to making the STAR income verification program mandatory; and repealing certain provisions of such laws relating thereto (Part E); to amend the real property tax law, in relation to authorizing partial payments of property taxes (Part F); to amend the tax law, in relation to the STAR personal income tax credit (Part G); to amend the real property tax law and the tax law, in relation to the applicability of the STAR credit to cooperative apartment corporations; and repealing certain provisions of the tax law relating thereto (Part H); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part I); to amend the state finance law, in relation to the veterans' home assistance fund (Part J); to amend the economic development law and the tax law, in relation to life sciences companies (Part K); to amend the economic development law, in relation to the employee training incentive program (Part L); to amend the tax law, in relation to extending the empire state film production credit and empire state film post production credit for three years (Part M); to amend the labor law and the tax law, in relation to a program to provide tax incentives for employers employing at risk youth (Part N); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for five years (Part O); to amend the tax law, in relation to the investment tax credit (Part P);

to amend the tax law, in relation to the treatment of single member limited liability companies that are disregarded entities in determining eligibility for tax credits (Part Q); to amend the tax law, in relation to extending the top personal income tax rate for three years; and to repeal subparagraph (B) of paragraph 1 of subsection (a), subparagraph (B) of paragraph 1 of subsection (b) and subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, relating to the imposition of tax (Part R); to amend the tax law and the administrative code of the city of New York, in relation to permanently extending the high income charitable contribution deduction limitation (Part S); to amend the tax law, in relation to increasing the child and dependent care tax credit (Part T); to amend the tax law, in relation to the financial institution data match system for state tax collection purposes (Part U); to amend the civil service law and the tax law, in relation to tax clearances for applicants for civil service employment (Part V); to amend chapter 266 of the laws of 1986, amending the civil practice law and rules and other laws relating to malpractice and professional medical conduct, in relation to apportioning premium for certain policies; to amend part J of chapter 63 of the laws of 2001 amending chapter 266 of the laws of 1986, amending the civil practice law and rules and other laws relating to malpractice and professional medical conduct, in relation to extending certain provisions concerning the hospital excess liability pool; and to amend the tax law, in relation to extending certain provisions concerning the hospital excess liability pool and requiring a tax clearance for doctors and dentists to be eligible for such excess coverage (Part W); to amend chapter 59 of the laws of 2013, amending the tax law relating to serving an income execution with respect to

individual tax debtors without filing a warrant, in relation to making the provisions authorizing service of income executions on individual tax debtors without filing a warrant permanent (Part X); to amend the tax law, in relation to the taxation of S corporations; and to repeal certain provisions of such law relating thereto (Part Y); to amend the tax law, in relation to the definition of New York source income (Part Z); to close the nonresident partnership asset sale loophole (Part AA); to amend the tax law, in relation to requiring marketplace providers to collect sales tax (Part BB); to amend the tax law, in relation to closing the existing tax loopholes for transactions between related entities under article 28 and pursuant to the authority of article 29 of such law (Part CC); to amend the tax law, in relation to clarifying the imposition of sales tax on gas service or electric service of whatever nature (Part DD); to amend the tax law and the county law, in relation to the imposition of a surcharge on prepaid wireless communications service and devices (Part EE); to amend the public health law and the education law, in relation to tobacco products, herbal cigarettes, and vapor products; and to amend the tax law, in relation to imposing a tax on vapor products (Part FF); to amend the tax law in relation to the amount of untaxed cigarettes required to seize a vehicle and to increase the penalty for the possession or sale of counterfeit tax stamps or the device necessary to manufacture such stamps (Part GG); to amend the tax law, in relation to authorizing jeopardy assessments on cigarette and tobacco product taxes assessed under article 20 thereof (Part HH); to amend the tax law, in relation to the imposition of a tax on cigars under article 20 thereof (Part II); to amend the tax law, in relation to the definition of a conveyance for real estate transfer taxes (Part JJ); to

amend the tax law, in relation to the additional real estate transfer tax (Part KK); to amend the racing, pari-mutuel wagering and breeding law, in relation to modifying the funding of and improve the operation of drug testing in horse racing (Part LL); to amend the racing, pari-mutuel wagering and breeding law, the executive law, and the general municipal law, in relation to the operation of charitable gaming; to amend the social services law, in relation to penalties for unauthorized transactions relating to certain public assistance; to amend the tax law, in relation to certain income derived from the conduct of certain games of chance; and to repeal certain provisions of the executive law, the general municipal law and the tax law relating thereto (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to allowing for the reprivatization of NYRA, and under certain circumstances racing after sunset and a reduction in winter racing days (Part NN); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part OO); to amend the tax law, in relation to vendor fees paid to vendor tracks (Part PP); to amend the tax law, in relation to capital awards to vendor tracks (Part QQ);

and to amend the state finance law, in relation to the distribution of certain gaming aid; and providing for the repeal of such provisions upon expiration thereof (Part RR)

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2017-2018
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through RR. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part, includ-
7 ing the effective date of the Part, which makes a reference to a section
8 "of this act", when used in connection with that particular component,
9 shall be deemed to mean and refer to the corresponding section of the
10 Part in which it is found. Section three of this act sets forth the
11 general effective date of this act.

12 PART A

13 Section 1. The alcoholic beverage control law is amended by adding a
14 new section 63-b to read as follows:

15 § 63-b. Special license to sell alcoholic beverages at retail for
16 consumption off the premises. 1. Any person with a written agreement
17 with the department of agriculture and markets to operate a "Taste NY"
18 store may make application to the authority for a special license to
19 sell alcoholic beverages at retail for consumption off the licensed
20 premises subject to the provisions of such written agreement and those
21 set forth herein. Notwithstanding any law to the contrary, no alcoholic
22 beverage shall be sold or tastings allowed on the thruway.

23 2. An application for a license under this section shall be in such
24 form and shall contain such information as shall be required by the
25 authority and shall be accompanied by a check or draft in the amount
26 required by this chapter.

1 3. Section fifty-four of this chapter shall control so far as is
2 applicable to the procedure in connection with such application.

3 4. A license under this section shall be issued to all eligible appli-
4 cants except for good cause shown, provided, however, that no more than
5 ten such licenses shall be in effect at any time, and that all such
6 licenses shall be issued in a manner consistent with federal law and
7 regulations. Such license shall be limited to the premises subject to
8 the written agreement with the department of agriculture and markets.

9 5. A license under this section shall not be subject to the provisions
10 of subdivisions two, three and six of section one hundred five of this
11 chapter.

12 6. Subject to any further restriction contained in the agreement with
13 the department of agriculture and markets, the holder of a license
14 issued under this section may offer samples of alcoholic beverages to
15 customers to be consumed on the licensed premises upon the following
16 conditions:

17 (a) no fee shall be charged for any sample;

18 (b) each sample shall be limited;

19 (i) in the case of beer, wine products and cider, to three ounces or
20 less;

21 (ii) in the case of wine, to two ounces;

22 (iii) in the case of liquor, to one-quarter ounce;

23 (c) no sample shall be provided to a customer during the hours prohib-
24 ited by the provisions of subdivision five of section one hundred six of
25 this chapter; and

26 (d) no customer may be provided with more than three samples in one
27 calendar day.

1 7. Subject to any further restriction contained in the agreement with
2 the department of agriculture and markets, the holder of a license
3 issued under this section shall not:

4 (a) offer any tastings of, or sell, any beer or cider except during
5 the hours in which beer may be sold for consumption off the premises in
6 the county in which the licensed premises is located; and

7 (b) offer any tastings of, or sell, any liquor or wine except during
8 the hours in which liquor and wine may be sold for consumption off the
9 premises in the county in which the licensed premises is located.

10 8. In addition to the sale of alcoholic beverages, the following items
11 may be sold at a premises licensed under this section:

12 (a) non-alcoholic beverages for consumption off premises, including
13 but not limited to bottled water, juice and soda beverages;

14 (b) food items grown or produced in this state not specifically
15 prepared for immediate consumption upon the premises; and

16 (c) souvenir items, which shall include, but not be limited to
17 artwork, crafts, clothing, agricultural products and any other articles
18 which can be construed to propagate tourism within the state.

19 9. A license issued under this section shall be effective for three
20 years at three times the annual fee.

21 § 2. Subdivision 3 of section 17 of the alcoholic beverage control
22 law, as amended by section 3 of chapter 297 of the laws of 2016, is
23 amended to read as follows:

24 3. To revoke, cancel or suspend for cause any license or permit issued
25 under this chapter and/or to impose a civil penalty for cause against
26 any holder of a license or permit issued pursuant to this chapter. Any
27 civil penalty so imposed shall not exceed the sum of ten thousand
28 dollars as against the holder of any retail permit issued pursuant to

1 sections ninety-five, ninety-seven, ninety-eight, ninety-nine-d, and
2 paragraph f of subdivision one of section ninety-nine-b of this chapter,
3 and as against the holder of any retail license issued pursuant to
4 sections fifty-three-a, fifty-four, fifty-four-a, fifty-five, fifty-
5 five-a, sixty-three, sixty-three-b, sixty-four, sixty-four-a, sixty-
6 four-b, sixty-four-c, seventy-six-f, seventy-nine, eighty-one and eight-
7 y-one-a of this chapter, and the sum of thirty thousand dollars as
8 against the holder of a license issued pursuant to sections fifty-three,
9 sixty-one-a, sixty-one-b, seventy-six, seventy-six-a, and seventy-eight
10 of this chapter, provided that the civil penalty against the holder of a
11 wholesale license issued pursuant to section fifty-three of this chapter
12 shall not exceed the sum of ten thousand dollars where that licensee
13 violates provisions of this chapter during the course of the sale of
14 beer at retail to a person for consumption at home, and the sum of one
15 hundred thousand dollars as against the holder of any license issued
16 pursuant to sections fifty-one, sixty-one, and sixty-two of this chap-
17 ter. Any civil penalty so imposed shall be in addition to and separate
18 and apart from the terms and provisions of the bond required pursuant to
19 section one hundred twelve of this chapter. Provided that no appeal is
20 pending on the imposition of such civil penalty, in the event such civil
21 penalty imposed by the division remains unpaid, in whole or in part,
22 more than forty-five days after written demand for payment has been sent
23 by first class mail to the address of the licensed premises, a notice of
24 impending default judgment shall be sent by first class mail to the
25 licensed premises and by first class mail to the last known home address
26 of the person who signed the most recent license application. The notice
27 of impending default judgment shall advise the licensee: (a) that a
28 civil penalty was imposed on the licensee; (b) the date the penalty was

1 imposed; (c) the amount of the civil penalty; (d) the amount of the
2 civil penalty that remains unpaid as of the date of the notice; (e) the
3 violations for which the civil penalty was imposed; and (f) that a judg-
4 ment by default will be entered in the supreme court of the county in
5 which the licensed premises are located, or other court of civil juris-
6 diction or any other place provided for the entry of civil judgments
7 within the state of New York unless the division receives full payment
8 of all civil penalties due within twenty days of the date of the notice
9 of impending default judgment. If full payment shall not have been
10 received by the division within thirty days of mailing of the notice of
11 impending default judgment, the division shall proceed to enter with
12 such court a statement of the default judgment containing the amount of
13 the penalty or penalties remaining due and unpaid, along with proof of
14 mailing of the notice of impending default judgment. The filing of such
15 judgment shall have the full force and effect of a default judgment duly
16 docketed with such court pursuant to the civil practice law and rules
17 and shall in all respects be governed by that chapter and may be
18 enforced in the same manner and with the same effect as that provided by
19 law in respect to execution issued against property upon judgments of a
20 court of record. A judgment entered pursuant to this subdivision shall
21 remain in full force and effect for eight years notwithstanding any
22 other provision of law.

23 § 3. Subdivision 3 of section 17 of the alcoholic beverage control
24 law, as amended by section 4 of chapter 297 of the laws of 2016, is
25 amended to read as follows:

26 3. To revoke, cancel or suspend for cause any license or permit issued
27 under this chapter and/or to impose a civil penalty for cause against
28 any holder of a license or permit issued pursuant to this chapter. Any

1 civil penalty so imposed shall not exceed the sum of ten thousand
2 dollars as against the holder of any retail permit issued pursuant to
3 sections ninety-five, ninety-seven, ninety-eight, ninety-nine-d, and
4 paragraph f of subdivision one of section ninety-nine-b of this chapter,
5 and as against the holder of any retail license issued pursuant to
6 sections fifty-three-a, fifty-four, fifty-four-a, fifty-five, fifty-
7 five-a, sixty-three, sixty-three-b, sixty-four, sixty-four-a, sixty-
8 four-b, sixty-four-c, seventy-six-f, seventy-nine, eighty-one, and
9 eighty-one-a of this chapter, and the sum of thirty thousand dollars as
10 against the holder of a license issued pursuant to sections fifty-three,
11 sixty-one-a, sixty-one-b, seventy-six, seventy-six-a and seventy-eight
12 of this chapter, provided that the civil penalty against the holder of a
13 wholesale license issued pursuant to section fifty-three of this chapter
14 shall not exceed the sum of ten thousand dollars where that licensee
15 violates provisions of this chapter during the course of the sale of
16 beer at retail to a person for consumption at home, and the sum of one
17 hundred thousand dollars as against the holder of any license issued
18 pursuant to sections fifty-one, sixty-one and sixty-two of this chapter.
19 Any civil penalty so imposed shall be in addition to and separate and
20 apart from the terms and provisions of the bond required pursuant to
21 section one hundred twelve of this chapter. Provided that no appeal is
22 pending on the imposition of such civil penalty, in the event such civil
23 penalty imposed by the division remains unpaid, in whole or in part,
24 more than forty-five days after written demand for payment has been sent
25 by first class mail to the address of the licensed premises, a notice of
26 impending default judgment shall be sent by first class mail to the
27 licensed premises and by first class mail to the last known home address
28 of the person who signed the most recent license application. The notice

1 of impending default judgment shall advise the licensee: (a) that a
2 civil penalty was imposed on the licensee; (b) the date the penalty was
3 imposed; (c) the amount of the civil penalty; (d) the amount of the
4 civil penalty that remains unpaid as of the date of the notice; (e) the
5 violations for which the civil penalty was imposed; and (f) that a judg-
6 ment by default will be entered in the supreme court of the county in
7 which the licensed premises are located, or other court of civil juris-
8 diction, or any other place provided for the entry of civil judgments
9 within the state of New York unless the division receives full payment
10 of all civil penalties due within twenty days of the date of the notice
11 of impending default judgment. If full payment shall not have been
12 received by the division within thirty days of mailing of the notice of
13 impending default judgment, the division shall proceed to enter with
14 such court a statement of the default judgment containing the amount of
15 the penalty or penalties remaining due and unpaid, along with proof of
16 mailing of the notice of impending default judgment. The filing of such
17 judgment shall have the full force and effect of a default judgment duly
18 docketed with such court pursuant to the civil practice law and rules
19 and shall in all respects be governed by that chapter and may be
20 enforced in the same manner and with the same effect as that provided by
21 law in respect to execution issued against property upon judgments of a
22 court of record. A judgment entered pursuant to this subdivision shall
23 remain in full force and effect for eight years notwithstanding any
24 other provision of law.

25 § 4. Subdivision 1 of section 56-a of the alcoholic beverage control
26 law, as amended by chapter 422 of the laws of 2016, is amended to read
27 as follows:

1 1. In addition to the annual fees provided for in this chapter, there
2 shall be paid to the authority with each initial application for a
3 license filed pursuant to section fifty-one, fifty-one-a, fifty-two,
4 fifty-three, fifty-eight, fifty-eight-c, fifty-eight-d, sixty-one,
5 sixty-two, seventy-six, seventy-seven or seventy-eight of this chapter,
6 a filing fee of four hundred dollars; with each initial application for
7 a license filed pursuant to section sixty-three, sixty-three-b, sixty-
8 four, sixty-four-a or sixty-four-b of this chapter, a filing fee of two
9 hundred dollars; with each initial application for a license filed
10 pursuant to section fifty-three-a, fifty-four, fifty-five, fifty-five-a,
11 seventy-nine, eighty-one or eighty-one-a of this chapter, a filing fee
12 of one hundred dollars; with each initial application for a permit filed
13 pursuant to section ninety-one, ninety-one-a, ninety-two, ninety-two-a,
14 ninety-three, ninety-three-a, if such permit is to be issued on a calen-
15 dar year basis, ninety-four, ninety-five, ninety-six or ninety-six-a, or
16 pursuant to paragraph b, c, e or j of subdivision one of section nine-
17 ty-nine-b of this chapter if such permit is to be issued on a calendar
18 year basis, or for an additional bar pursuant to subdivision four of
19 section one hundred of this chapter, a filing fee of twenty dollars; and
20 with each application for a permit under section ninety-three-a of this
21 chapter, other than a permit to be issued on a calendar year basis,
22 section ninety-seven, ninety-eight, ninety-nine, or ninety-nine-b of
23 this chapter, other than a permit to be issued pursuant to paragraph b,
24 c, e or j of subdivision one of section ninety-nine-b of this chapter on
25 a calendar year basis, a filing fee of ten dollars.

26 § 5. Subdivision 2 of section 56-a of the alcoholic beverage control
27 law, as amended by chapter 422 of the laws of 2016, is amended to read
28 as follows:

1 2. In addition to the annual fees provided for in this chapter, there
2 shall be paid to the authority with each renewal application for a
3 license filed pursuant to section fifty-one, fifty-one-a, fifty-two,
4 fifty-three, fifty-eight, fifty-eight-c, fifty-eight-d, sixty-one,
5 sixty-two, seventy-six, seventy-seven or seventy-eight of this chapter,
6 a filing fee of one hundred dollars; with each renewal application for a
7 license filed pursuant to section sixty-three, sixty-three-b, sixty-
8 four, sixty-four-a or sixty-four-b of this chapter, a filing fee of
9 ninety dollars; with each renewal application for a license filed pursu-
10 ant to section seventy-nine, eighty-one or eighty-one-a of this chapter,
11 a filing fee of twenty-five dollars; and with each renewal application
12 for a license or permit filed pursuant to section fifty-three-a, fifty-
13 four, fifty-five, fifty-five-a, ninety-one, ninety-one-a, ninety-two,
14 ninety-two-a, ninety-three, ninety-three-a, if such permit is issued on
15 a calendar year basis, ninety-four, ninety-five, ninety-six or ninety-
16 six-a of this chapter or pursuant to paragraph b, c, e or j of subdivi-
17 sion one of section ninety-nine-b, if such permit is issued on a calen-
18 dar year basis, or with each renewal application for an additional bar
19 pursuant to subdivision four of section one hundred of this chapter, a
20 filing fee of thirty dollars.

21 § 6. Section 66 of the alcoholic beverage control law is amended by
22 adding a new subdivision 11 to read as follows:

23 11. The annual fee for a special license to sell alcoholic beverages
24 at retail for consumption off the licensed premises shall be five
25 hundred dollars.

26 § 7. Section 67 of the alcoholic beverage control law, as amended by
27 section 4 of part Z of chapter 85 of the laws of 2002, is amended to
28 read as follows:

1 § 67. License fees, duration of licenses; fee for part of year.
2 Effective April first, nineteen hundred eighty-three, licenses issued
3 pursuant to sections sixty-one, sixty-two, sixty-three, sixty-three-b,
4 sixty-four, sixty-four-a and sixty-four-b of this article shall be
5 effective for three years at three times that annual fee[, except that,
6 in implementing the purposes of this section, the liquor authority shall
7 schedule the commencement dates, duration and expiration dates thereof
8 to provide for an equal cycle of license renewals issued under each such
9 section through the course of the fiscal year. Effective December first,
10 nineteen hundred ninety-eight, licenses issued pursuant to sections
11 sixty-four, sixty-four-a and sixty-four-b of this article shall be
12 effective for two years at two times that annual fee, except that, in
13 implementing the purposes of this section, the liquor authority shall
14 schedule the commencement dates, duration and expiration dates thereof
15 to provide for an equal cycle of license renewals issued under each such
16 section through the course of the fiscal year. Notwithstanding the fore-
17 going, commencing on December first, nineteen hundred ninety-eight and
18 concluding on July thirty-first, two thousand two, a licensee issued a
19 license pursuant to section sixty-four, sixty-four-a or sixty-four-b of
20 this article may elect to remit the fee for such license in equal annual
21 installments. Such installments shall be due on dates established by the
22 liquor authority and the failure of a licensee to have remitted such
23 annual installments after a due date shall be a violation of this chap-
24 ter. For licenses issued for less than the three-year licensing period,
25 the license fee shall be levied on a pro-rated basis]. The entire
26 license fee shall be due and payable at the time of application. The
27 liquor authority may make such rules as shall be appropriate to carry
28 out the purpose of this section.

1 § 8. Subdivision 8 of section 100 of the alcoholic beverage control
2 law, as added by chapter 256 of the laws of 1978 and as renumbered by
3 chapter 466 of the laws of 2015, is amended to read as follows:

4 8. Within ten days after filing a new application to sell liquor at
5 retail under section sixty-three, sixty-three-b, sixty-four,
6 sixty-four-a or sixty-four-b of this chapter, a notice thereof, in the
7 form prescribed by the authority, shall be posted by the applicant in a
8 conspicuous place at the entrance to the proposed premises. The appli-
9 cant shall make reasonable efforts to insure such notice shall remain
10 posted throughout the pendency of the application. The provisions hereof
11 shall apply only where no retail liquor license has previously been
12 granted for the proposed premise and shall, specifically, not be appli-
13 cable to a proposed sale of an existing business engaged in the retail
14 sale of liquor. The authority may adopt such rules it may deem necessary
15 to carry out the purpose of this subdivision.

16 § 9. This act shall take effect on the thirtieth day after it shall
17 have become a law; provided, however, that:

18 (a) the amendments to subdivision 3 of section 17 of the alcoholic
19 beverage control law made by section two of this act shall be subject to
20 the expiration and reversion of such section pursuant to section 4 of
21 chapter 118 of the laws of 2012, as amended, when upon such date the
22 provisions of section three of this act shall take effect; and

23 (b) if chapter 422 of the laws of 2016 shall not have taken effect on
24 or before such date then sections four and five of this act shall take
25 effect on the same date and in the same manner as such chapter of the
26 laws of 2016, takes effect.

1 Section 1. Section 106 of the alcoholic beverage control law is
2 amended by adding a new subdivision 16 to read as follows:

3 16. A person holding a retail on-premises license for a movie theatre,
4 other than a license for a movie theatre that meets the definitions of
5 restaurant and meals, and where all seating is at tables where meals are
6 served, shall:

7 (a) for every purchase of an alcoholic beverage, require the purchaser
8 to provide written evidence of age as set forth in paragraph (b) of
9 subdivision two of section sixty-five-b of this chapter; and

10 (b) allow the purchase of only one alcoholic beverage per transaction;
11 and

12 (c) only permit the sale or delivery of alcoholic beverages directly
13 to an individual holding a ticket for a motion picture with a Motion
14 Picture Association of America rating of "PG-13," "R," or "NC-17"; and

15 (d) not commence the sale of alcoholic beverages until one hour prior
16 to the start of the first motion picture, and cease all sales of alco-
17 holic beverages after the conclusion of the final motion picture.

18 § 2. Subdivision 6 of section 64-a of the alcoholic beverage control
19 law, as amended by chapter 475 of the laws of 2011, is amended to read
20 as follows:

21 6. No special on-premises license shall be granted except for premises
22 in which the principal business shall be (a) the sale of food or bever-
23 ages at retail for consumption on the premises or (b) the operation of a
24 legitimate theatre, including a motion picture theatre that is a build-
25 ing or facility which is regularly used and kept open primarily for the
26 exhibition of motion pictures for at least five out of seven days a
27 week, or on a regular seasonal basis of no less than six contiguous
28 weeks, to the general public where all auditorium seating is permanently

1 affixed to the floor and at least sixty-five percent of the motion
2 picture theatre's annual gross revenues is the combined result of admis-
3 sion revenue for the showing of motion pictures and the sale of food and
4 non-alcoholic beverages, or such other lawful adult entertainment or
5 recreational facility as the liquor authority, giving due regard to the
6 convenience of the public and the strict avoidance of sales prohibited
7 by this chapter, shall by regulation classify for eligibility. [Nothing
8 contained in this subdivision shall be deemed to authorize the issuance
9 of a license to a motion picture theatre, except those meeting the defi-
10 nition of restaurant and meals, and where all seating is at tables where
11 meals are served.]

12 § 3. Subdivision 8 of section 64-a of the alcoholic beverage control
13 law, as added by chapter 531 of the laws of 1964, is amended to read as
14 follows:

15 8. Every special on-premises licensee shall regularly keep food avail-
16 able for sale to its customers for consumption on the premises. The
17 availability of sandwiches, soups or other foods, whether fresh, proc-
18 essed, pre-cooked or frozen, shall be deemed compliance with this
19 requirement. For motion picture theatres licensed under paragraph (b)
20 of subdivision six of this section, food that is typically found in a
21 motion picture theatre, including but not limited to: popcorn, candy,
22 and light snacks, shall be deemed to be in compliance with this require-
23 ment. The licensed premises shall comply at all times with all the regu-
24 lations of the local department of health. Nothing contained in this
25 subdivision, however, shall be construed to require that any food be
26 sold or purchased with any liquor, nor shall any rule, regulation or
27 standard be promulgated or enforced requiring that the sale of food be
28 substantial or that the receipts of the business other than from the

1 sale of liquor equal any set percentage of total receipts from sales
2 made therein.

3 § 4. Subdivision 9 of section 64-a of the alcoholic beverage control
4 law, as added by chapter 531 of the laws of 1964, is amended to read as
5 follows:

6 9. In the case of a motion picture theatre applying for a license
7 under this section, any municipality required to be notified under
8 section one hundred ten-b of this chapter may express an opinion with
9 respect to whether the application should be approved, and such opinion
10 may be considered in determining whether good cause exists to deny any
11 such application.

12 10. The liquor authority may make such rules as it deems necessary to
13 carry out the provisions of this section.

14 § 5. This act shall take effect immediately and shall expire and be
15 deemed repealed 3 years after such date.

16 PART C

17 Section 1. Section 54-f of the state finance law is REPEALED.

18 § 2. Subsection (ggg) of section 606 of the tax law, as added by
19 section 1 of part E of chapter 60 of the laws of 2016, and as relettered
20 by section 1 of part A of chapter 73 of the laws of 2016, is amended to
21 read as follows:

22 (ggg) School tax reduction credit for residents of a city with a popu-
23 lation over one million. (1) For taxable years beginning after two thou-
24 sand fifteen, a school tax reduction credit shall be allowed to a resi-
25 dent individual of the state who is a resident of a city with a
26 population over one million, as provided below. The credit shall be

1 allowed against the taxes authorized by this article reduced by the
2 credits permitted by this article. If the credit exceeds the tax as so
3 reduced, the excess shall be treated as an overpayment of tax to be
4 credited or refunded in accordance with the provisions of section six
5 hundred eighty-six of this article, provided however, that no interest
6 will be paid thereon. For purposes of this subsection, no credit shall
7 be granted to an individual with respect to whom a deduction under
8 subsection (c) of section one hundred fifty-one of the internal revenue
9 code is allowable to another taxpayer for the taxable year.

10 (2) The amount of the credit under this [paragraph] subsection shall
11 be determined based upon the taxpayer's income as defined in subpara-
12 graph (ii) of paragraph (b) of subdivision four of section four hundred
13 twenty-five of the real property tax law.

14 (3) For taxable years beginning in two thousand sixteen, the credit
15 shall be determined as provided in this paragraph, provided that for the
16 purposes of this paragraph, any taxpayer under subparagraphs (A) and (B)
17 of this paragraph with income of more than two hundred fifty thousand
18 dollars shall not receive a credit.

19 (A) Married individuals filing joint returns and surviving spouses. In
20 the case of married individuals who make a single return jointly and of
21 a surviving spouse, the credit shall be one hundred twenty-five dollars.

22 (B) All others. In the case of an unmarried individual, a head of a
23 household or a married individual filing a separate return, the credit
24 shall be sixty-two dollars and fifty cents.

25 (4) For taxable years beginning after two thousand sixteen, the credit
26 shall equal the "fixed" amount provided by paragraph (4-a) of this
27 subsection plus the "rate reduction" amount provided by paragraph (4-b)
28 of this subsection.

1 (4-a) The "fixed" amount of the credit shall be determined as provided
 2 in this paragraph, provided that any taxpayer with income of more than
 3 two hundred fifty thousand dollars shall not receive such amount.

4 (A) Married individuals filing joint returns and surviving spouses. In
 5 the case of married individuals who make a single return jointly and of
 6 a surviving spouse, the "fixed" amount of the credit shall be one
 7 hundred twenty-five dollars.

8 (B) All others. In the case of an unmarried individual, a head of a
 9 household or a married individual filing a separate return, the "fixed"
 10 amount of the credit shall be sixty-two dollars and fifty cents.

11 (4-b) The "rate reduction" amount of the credit shall be determined as
 12 provided in this paragraph, provided that any taxpayer with income of
 13 more than five hundred thousand dollars shall not receive such amount.

14 (A) For married individuals who make a single return jointly and for a
 15 surviving spouse:

16 <u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
17 <u>Not over \$21,600</u>	<u>0.171% of the city taxable income</u>
18 <u>Over \$21,600 but not over \$500,000</u>	<u>\$37 plus 0.228% of excess over</u>
19	<u>\$21,600</u>
20 <u>Over \$500,000</u>	<u>Not applicable</u>

21 (B) For a head of household:

22 <u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
23 <u>Not over \$14,400</u>	<u>0.171% of the city taxable income</u>
24 <u>Over \$14,400 but not over \$500,000</u>	<u>\$25 plus 0.228% of excess over</u>
25	<u>\$14,400</u>
26 <u>Over \$500,000</u>	<u>Not applicable</u>

27 (C) For an unmarried individual or a married individual filing
 28 a separate return:

1	<u>If the city taxable income is:</u>	<u>The "rate reduction" amount is:</u>
2	<u>Not over \$12,000</u>	<u>0.171% of the city taxable income</u>
3	<u>Over \$12,000 but not over \$500,000</u>	<u>\$21 plus 0.228% of excess over</u>
4		<u>\$12,000</u>
5	<u>Over \$500,000</u>	<u>Not applicable</u>

6 [(3)] (5) Part-year residents. If a taxpayer changes status during the
7 taxable year from resident to nonresident, or from nonresident to resi-
8 dent, the school tax reduction credit authorized by this subsection
9 shall be prorated according to the number of months in the period of
10 residence.

11 § 3. Paragraphs 1, 2 and 3 of subsection (a) of section 1304 of the
12 tax law, as amended by section 2 of part B of chapter 59 of the laws of
13 2015, are amended to read as follows:

14 (1) Resident married individuals filing joint returns and resident
15 surviving spouses. The tax under this section for each taxable year on
16 the city taxable income of every city resident married individual who
17 makes a single return jointly with his or her spouse under subsection
18 (b) of section thirteen hundred six of this article and on the city
19 taxable income of every city resident surviving spouse shall be deter-
20 mined in accordance with the following tables:

21 (A) For taxable years beginning after two thousand [fourteen] sixteen:

22	<u>If the city taxable income is:</u>	<u>The tax is:</u>
23	<u>Not over \$21,600</u>	<u>2.7% of the city taxable income</u>
24	<u>Over \$21,600 but not</u>	<u>\$583 plus 3.3% of excess</u>
25	<u>over \$45,000</u>	<u>over \$21,600</u>
26	<u>Over \$45,000 but not</u>	<u>\$1,355 plus 3.35% of excess</u>

1	<u>over \$90,000</u>	<u>over \$45,000</u>
2	<u>Over \$90,000</u>	<u>\$2,863 plus 3.4% of excess</u>
3		<u>over \$90,000</u>

4 (B) For taxable year beginning after two thousand fourteen
 5 and before two thousand seventeen:

6	If the city taxable income is:	The tax is:
7	Not over \$21,600	2.55% of the city taxable income
8	Over \$21,600 but not	\$551 plus 3.1% of excess
9	over \$45,000	over \$21,600
10	Over \$45,000 but not	\$1,276 plus 3.15% of excess
11	over \$90,000	over \$45,000
12	Over \$90,000 but not	\$2,694 plus 3.2% of excess
13	over \$500,000	over \$90,000
14	Over \$500,000	\$16,803 plus 3.4% of excess
15		over \$500,000

16 [(B)] (C) For taxable years beginning after two thousand nine and
 17 before two thousand fifteen:

18	If the city taxable income is:	The tax is:
19	Not over \$21,600	2.55% of the city taxable income
20	Over \$21,600 but not	\$551 plus 3.1% of excess
21	over \$45,000	over \$21,600
22	Over \$45,000 but not	\$1,276 plus 3.15% of excess
23	over \$90,000	over \$45,000
24	Over \$90,000 but not	\$2,694 plus 3.2% of excess

1	over \$500,000	over \$90,000
2	Over \$500,000	\$15,814 plus 3.4% of excess
3		over \$500,000

4 (2) Resident heads of households. The tax under this section for each
 5 taxable year on the city taxable income of every city resident head of a
 6 household shall be determined in accordance with the following tables:

7 (A) For taxable years beginning after two thousand [fourteen] sixteen:

8	<u>If the city taxable income is:</u>	<u>The tax is:</u>
9	<u>Not over \$14,400</u>	<u>2.7% of the city taxable income</u>
10	<u>Over \$14,400 but not</u>	<u>\$389 plus 3.3% of excess</u>
11	<u>over \$30,000</u>	<u>over \$14,400</u>
12	<u>Over \$30,000 but not</u>	<u>\$904 plus 3.35% of excess</u>
13	<u>over \$60,000</u>	<u>over \$30,000</u>
14	<u>Over \$60,000</u>	<u>\$1,909 plus 3.4% of excess</u>
15		<u>over \$60,000</u>

16 (B) For taxable years beginning after two thousand fourteen and before
 17 two thousand sixteen:

18	<u>If the city taxable income is:</u>	<u>The tax is:</u>
19	<u>Not over \$14,400</u>	<u>2.55% of the city taxable income</u>
20	<u>Over \$14,400 but not</u>	<u>\$367 plus 3.1% of excess</u>
21	<u>over \$30,000</u>	<u>over \$14,400</u>
22	<u>Over \$30,000 but not</u>	<u>\$851 plus 3.15% of excess</u>
23	<u>over \$60,000</u>	<u>over \$30,000</u>
24	<u>Over \$60,000 but not</u>	<u>\$1,796 plus 3.2% of excess</u>

1	over \$500,000	over \$60,000
2	Over \$500,000	\$16,869 plus 3.4% of excess
3		over \$500,000

4 [(B)] (C) For taxable years beginning after two thousand nine and before
5 two thousand fifteen:

6	If the city taxable income is:	The tax is:
7	Not over \$14,400	2.55% of the city taxable income
8	Over \$14,400 but not	\$367 plus 3.1% of excess
9	over \$30,000	over \$14,400
10	Over \$30,000 but not	\$851 plus 3.15% of excess
11	over \$60,000	over \$30,000
12	Over \$60,000 but not	\$1,796 plus 3.2% of excess
13	over \$500,000	over \$60,000
14	Over \$500,000	\$15,876 plus 3.4% of excess
15		Over \$500,000

16 (3) Resident unmarried individuals, resident married individuals
17 filing separate returns and resident estates and trusts. The tax under
18 this section for each taxable year on the city taxable income of every
19 city resident individual who is not a city resident married individual
20 who makes a single return jointly with his or her spouse under
21 subsection (b) of section thirteen hundred six of this article or a city
22 resident head of household or a city resident surviving spouse, and on
23 the city taxable income of every city resident estate and trust shall be
24 determined in accordance with the following tables:

1 (A) For taxable years beginning after two thousand [fourteen] sixteen:

2 <u>If the city taxable income is:</u>	<u>The tax is:</u>
3 <u>Not over \$12,000</u>	<u>2.7% of the city taxable income</u>
4 <u>Over \$12,000 but not</u>	<u>\$324 plus 3.3% of excess</u>
5 <u>over \$25,000</u>	<u>over \$12,000</u>
6 <u>Over \$25,000 but not</u>	<u>\$753 plus 3.35% of excess</u>
7 <u>over \$50,000</u>	<u>over \$25,000</u>
8 <u>Over \$50,000</u>	<u>\$1,591 plus 3.4% of excess</u>
9	<u>over \$50,000</u>

10 (B) For taxable years beginning after two thousand fourteen and before
 11 two thousand seventeen:

12 If the city taxable income is:	The tax is:
13 Not over \$12,000	2.55% of the city taxable income
14 Over \$12,000 but not	\$306 plus 3.1% of excess
15 over \$25,000	over \$12,000
16 Over \$25,000 but not	\$709 plus 3.15% of excess
17 over \$50,000	over \$25,000
18 Over \$50,000 but not	\$1,497 plus 3.2% of excess
19 over \$500,000	over \$50,000
20 Over \$500,000	\$16,891 plus 3.4%
21	of excess over \$500,000

22 [(B)] (C) For taxable years beginning after two thousand nine and
 23 before two thousand fifteen:

1	If the city taxable income is:	The tax is:
2	Not over \$12,000	2.55% of the city taxable income
3	Over \$12,000 but not	\$306 plus 3.1% of excess
4	over \$25,000	over \$12,000
5	Over \$25,000 but not	\$709 plus 3.15% of excess
6	over \$50,000	over \$25,000
7	Over \$50,000 but not	\$1,497 plus 3.2% of excess
8	over \$500,000	over \$50,000
9	Over \$500,000	\$15,897 plus 3.4%
10		of excess over \$500,000

11 § 4. Paragraphs 1, 2 and 3 of subsection (a) of section 11-1701 of the
 12 administrative code of the city of New York, as amended by section 3 of
 13 part B of chapter 59 of the laws of 2015, are amended to read as
 14 follows:

15 (1) Resident married individuals filing joint returns and resident
 16 surviving spouses. The tax under this section for each taxable year on
 17 the city taxable income of every city resident married individual who
 18 makes a single return jointly with his or her spouse under subdivision
 19 (b) of section 11-1751 of this chapter and on the city taxable income of
 20 every city resident surviving spouse shall be determined in accordance
 21 with the following tables:

22 (A) For taxable years beginning after two thousand [fourteen] sixteen:

23	<u>If the city taxable income is:</u>	<u>The tax is:</u>
24	<u>Not over \$21,600</u>	<u>2.7% of the city taxable income</u>
25	<u>Over \$21,600 but not</u>	<u>\$583 plus 3.3% of excess</u>

1	<u>over \$45,000</u>	<u>over \$21,600</u>
2	<u>Over \$45,000 but not</u>	<u>\$1,355 plus 3.35% of excess</u>
3	<u>over \$90,000</u>	<u>over \$45,000</u>
4	<u>Over \$90,000</u>	<u>\$2,863 plus 3.4% of excess</u>
5		<u>over \$90,000</u>

6 (B) For taxable years beginning after two thousand fourteen and before
7 two thousand seventeen:

8	If the city taxable income is:	The tax is:
9	Not over \$21,600	2.55% of the city taxable income
10	Over \$21,600 but not	\$551 plus 3.1% of excess
11	over \$45,000	over \$21,600
12	Over \$45,000 but not	\$1,276 plus 3.15% of excess
13	over \$90,000	over \$45,000
14	Over \$90,000 but not	\$2,694 plus 3.2% of excess
15	over \$500,000	over \$90,000
16	Over \$500,000	\$16,803 plus 3.4% of excess
17		over \$500,000

18 [(B)] (C) For taxable years beginning after two thousand nine and
19 before two thousand fifteen:

20	If the city taxable income is:	The tax is:
21	Not over \$21,600	2.55% of the city taxable income
22	Over \$21,600 but not	\$551 plus 3.1% of excess
23	over \$45,000	over \$21,600
24	Over \$45,000 but not	\$1,276 plus 3.15% of excess
25	over \$90,000	over \$45,000
26	Over \$90,000 but not	\$2,694 plus 3.2% of excess

1	over \$500,000	over \$90,000
2	Over \$500,000	\$15,814 plus 3.4% of excess
3		over \$500,000

4 (2) Resident heads of households. The tax under this section for each
 5 taxable year on the city taxable income of every city resident head of a
 6 household shall be determined in accordance with the following tables:

7 (A) For taxable years beginning after two thousand [fourteen] sixteen:

8	<u>If the city taxable income is:</u>	<u>The tax is:</u>
9	<u>Not over \$14,400</u>	<u>2.7% of the city taxable income</u>
10	<u>Over \$14,400 but not</u>	<u>\$389 plus 3.3% of excess</u>
11	<u>over \$30,000</u>	<u>over \$14,400</u>
12	<u>Over \$30,000 but not</u>	<u>\$904 plus 3.35% of excess</u>
13	<u>over \$60,000</u>	<u>over \$30,000</u>
14	<u>Over \$60,000</u>	<u>\$1,909 plus 3.4% of excess</u>
15		<u>over \$60,000</u>

16 (B) For taxable years beginning after two thousand fourteen and before
 17 two thousand sixteen:

18	<u>If the city taxable income is:</u>	<u>The tax is:</u>
19	<u>Not over \$14,400</u>	<u>2.55% of the city taxable income</u>
20	<u>Over \$14,400 but not</u>	<u>\$367 plus 3.1% of excess</u>
21	<u>over \$30,000</u>	<u>over \$14,400</u>
22	<u>Over \$30,000 but not</u>	<u>\$851 plus 3.15% of excess</u>
23	<u>over \$60,000</u>	<u>over \$30,000</u>
24	<u>Over \$60,000 but not</u>	<u>\$1,796 plus 3.2% of excess</u>

1	over \$500,000	over \$60,000
2	Over \$500,000	\$16,869 plus 3.4% of excess
3		over \$500,000

4 [(B)] (C) For taxable years beginning after two thousand nine and
5 before two thousand fifteen:

6	If the city taxable income is:	The tax is:
7	Not over \$14,400	2.55% of the city taxable income
8	Over \$14,400 but not	\$367 plus 3.1% of excess
9	over \$30,000	over \$14,400
10	Over \$30,000 but not	\$851 plus 3.15% of excess
11	over \$60,000	over \$30,000
12	Over \$60,000 but not	\$1,796 plus 3.2% of excess
13	over \$500,000	over \$60,000
14	Over \$500,000	\$15,876 plus 3.4% of excess
15		over \$500,000

16 (3) Resident unmarried individuals, resident married individuals
17 filing separate returns and resident estates and trusts. The tax under
18 this section for each taxable year on the city taxable income of every
19 city resident individual who is not a married individual who makes a
20 single return jointly with his or her spouse under subdivision (b) of
21 section 11-1751 of this chapter or a city resident head of a household
22 or a city resident surviving spouse, and on the city taxable income of
23 every city resident estate and trust shall be determined in accordance
24 with the following tables:

1 (A) For taxable years beginning after two thousand [fourteen] sixteen:

2 <u>If the city taxable income is:</u>	<u>The tax is:</u>
3 <u>Not over \$12,000</u>	<u>2.7% of the city taxable income</u>
4 <u>Over \$12,000 but not</u>	<u>\$324 plus 3.3% of excess</u>
5 <u>over \$25,000</u>	<u>over \$12,000</u>
6 <u>Over \$25,000 but not</u>	<u>\$753 plus 3.35% of excess</u>
7 <u>over \$50,000</u>	<u>over \$25,000</u>
8 <u>Over \$50,000</u>	<u>\$1,591 plus 3.4% of excess</u>
9	<u>over \$50,000</u>

10 (B) For taxable years beginning after two thousand fourteen and before
 11 two thousand sixteen:

12 If the city taxable income is:	The tax is:
13 Not over \$12,000	2.55% of the city taxable income
14 Over \$12,000 but not	\$306 plus 3.1% of excess
15 over \$25,000	over \$12,000
16 Over \$25,000 but not	\$709 plus 3.15% of excess
17 over \$50,000	over \$25,000
18 Over \$50,000 but not	\$1,497 plus 3.2% of excess
19 over \$500,000	over \$50,000
20 Over \$500,000	\$16,891 plus 3.4% of excess
21	over \$500,000

22 [(B)] (C) For taxable years beginning after two thousand nine and
 23 before two thousand fifteen:

24 If the city taxable income is:	The tax is:
25 Not over \$12,000	2.55% of the city taxable income

1	Over \$12,000 but not	\$306 plus 3.1% of excess
2	over \$25,000	over \$12,000
3	Over \$25,000 but not	\$709 plus 3.15% of excess
4	over \$50,000	over \$25,000
5	Over \$50,000 but not	\$1,497 plus 3.2% of excess
6	over \$500,000	over \$50,000
7	Over \$500,000	\$15,897 plus 3.4% of excess
8		over \$500,000

9 § 5. Notwithstanding any provision of law to the contrary, the method
10 of determining the amount to be deducted and withheld from wages on
11 account of taxes imposed by or pursuant to the authority of article 30
12 of the tax law in connection with the implementation of the provisions
13 of this act shall be prescribed by the commissioner of taxation and
14 finance with due consideration to the effect such withholding tables and
15 methods would have on the receipt and amount of revenue. The commission-
16 er of taxation and finance shall adjust such withholding tables and
17 methods in regard to taxable years beginning in 2017 and after in such
18 manner as to result, so far as practicable, in withholding from an
19 employee's wages an amount substantially equivalent to the tax reason-
20 ably estimated to be due for such taxable years as a result of the
21 provisions of this act. Provided, however, for tax year 2017 the with-
22 holding tables shall reflect as accurately as practicable the full
23 amount of tax year 2017 liability so that such amount is withheld by
24 December 31, 2017. In carrying out his or her duties and responsibil-
25 ities under this section, the commissioner of taxation and finance may
26 prescribe a similar procedure with respect to the taxes required to be
27 deducted and withheld by local laws imposing taxes pursuant to the

1 authority of articles 30, 30-A and 30-B of the tax law, the provisions
2 of any other law in relation to such a procedure to the contrary
3 notwithstanding.

4 § 6. 1. Notwithstanding any provision of law to the contrary, no addi-
5 tion to tax shall be imposed for failure to pay the estimated tax in
6 subsection (c) of section 685 of the tax law and subdivision (c) of
7 section 11-1785 of the administrative code of the city of New York with
8 respect to any underpayment of a required installment due prior to, or
9 within thirty days of, the effective date of this act to the extent that
10 such underpayment was created or increased by the amendments made by
11 this act, provided, however, that the taxpayer remits the amount of any
12 underpayment prior to or with his or her next quarterly estimated tax
13 payment.

14 2. The commissioner of taxation and finance shall take steps to publi-
15 cize the necessary adjustments to estimated tax and, to the extent
16 reasonably possible, to inform the taxpayer of the tax liability changes
17 made by this act.

18 § 7. This act shall take effect immediately and shall apply to taxable
19 years beginning on and after January 1, 2017.

20 PART D

21 Section 1. Subparagraph (i) of paragraph (a) of subdivision 2 of
22 section 1306-a of the real property tax law, as amended by section 6 of
23 part N of chapter 58 of the laws of 2011, is amended to read as follows:

24 (i) The tax savings for each parcel receiving the exemption authorized
25 by section four hundred twenty-five of this chapter shall be computed by
26 subtracting the amount actually levied against the parcel from the

1 amount that would have been levied if not for the exemption, provided
2 however, that [beginning with] for the two thousand eleven-two thousand
3 twelve through two thousand sixteen-two thousand seventeen school [year]
4 years, the tax savings applicable to any "portion" (which as used herein
5 shall mean that part of an assessing unit located within a school
6 district) shall not exceed the tax savings applicable to that portion in
7 the prior school year multiplied by one hundred two percent, with the
8 result rounded to the nearest dollar; and provided further that begin-
9 ning with the two thousand seventeen-two thousand eighteen school year,
10 the tax savings applicable to any portion shall not exceed the tax
11 savings for the prior year. The tax savings attributable to the basic
12 and enhanced exemptions shall be calculated separately. It shall be the
13 responsibility of the commissioner to calculate tax savings limitations
14 for purposes of this subdivision.

15 § 2. This act shall take effect immediately.

16 PART E

17 Section 1. Subparagraph (ii) of paragraph (b) of subdivision 4 of
18 section 425 of the real property tax law, as amended by section 3 of
19 part E of chapter 83 of the laws of 2002, is amended to read as follows:

20 (ii) The term "income" as used herein shall mean the "adjusted gross
21 income" for federal income tax purposes as reported on the applicant's
22 federal or state income tax return for the applicable income tax year,
23 subject to any subsequent amendments or revisions, reduced by distrib-
24 utions, to the extent included in federal adjusted gross income,
25 received from an individual retirement account and an individual retire-
26 ment annuity; provided that if no such return was filed for the applica-

1 ble income tax year, "income" shall mean the adjusted gross income that
2 would have been so reported if such a return had been filed. Provided
3 further, that effective with exemption applications for final assessment
4 rolls to be completed in two thousand eighteen, where an income-eligi-
5 bility determination is wholly or partly based upon the income of one or
6 more individuals who did not file a return for the applicable income tax
7 year, then in order for the application to be considered complete, each
8 such individual must file a statement with the department showing the
9 source or sources of his or her income for that income tax year, and the
10 amount or amounts thereof, that would have been reported on such a
11 return if one had been filed. Such statement shall be filed at such
12 time, and in such form and manner, as may be prescribed by the depart-
13 ment, and shall be subject to the secrecy provisions of the tax law to
14 the same extent that a personal income tax return would be. The depart-
15 ment shall make such forms and instructions available for the filing of
16 such statements.

17 § 2. Subparagraph (iv) of paragraph (b) of subdivision 4 of section
18 425 of the real property tax law, as amended by chapter 451 of the laws
19 of 2015, is amended to read as follows:

20 (iv) (A) Effective with applications for the enhanced exemption on
21 final assessment rolls to be completed in two thousand [three] eighteen,
22 the application form shall indicate that [the] all owners of the proper-
23 ty and any owners' spouses residing on the premises [may authorize the
24 assessor to] must have their income eligibility verified annually [ther-
25 eafter] by the [state] department [of taxation and finance, in lieu of
26 furnishing copies of the applicable income tax return or returns with
27 the application. If the owners of the property and any owners' spouses
28 residing on the premises elect to participate in this program, which

1 shall be known as the STAR income verification program, they] and must
2 furnish their taxpayer identification numbers in order to facilitate
3 matching with records of the department. [Thereafter, their] The income
4 eligibility of such persons shall be verified annually by the
5 department, and the assessor shall not request income documentation from
6 them[, unless such department advises the assessor that they do not
7 satisfy the applicable income eligibility requirements, or that it is
8 unable to determine whether they satisfy those requirements]. All appli-
9 cants for the enhanced exemption and all assessing units shall be
10 required to participate in this program, which shall be known as the
11 STAR income verification program.

12 (B) Where the commissioner finds that the enhanced exemption should be
13 replaced with a basic exemption because the income limitation applicable
14 to the enhanced exemption has been exceeded, he or she shall provide the
15 property owners with notice and an opportunity to submit to the commis-
16 sioner evidence to the contrary. Where the commissioner finds that the
17 enhanced exemption should be removed or denied without being replaced
18 with a basic exemption because the income limitation applicable to the
19 basic exemption has also been exceeded, he or she shall provide the
20 property owners with notice and an opportunity to submit to the commis-
21 sioner evidence to the contrary. In either case, if the owners fail to
22 respond to such notice within forty-five days from the mailing thereof,
23 or if their response does not show to the commissioner's satisfaction
24 that the property is eligible for the exemption claimed, the commission-
25 er shall direct the assessor or other person having custody or control
26 of the assessment roll or tax roll to either replace the enhanced
27 exemption with a basic exemption, or to remove or deny the enhanced
28 exemption without replacing it with a basic exemption, as appropriate.

1 The commissioner shall further direct such person to correct the roll
2 accordingly. Such a directive shall be binding upon the assessor or
3 other person having custody or control of the assessment roll or tax
4 roll, and shall be implemented by such person without the need for
5 further documentation or approval.

6 (C) Notwithstanding any provision of law to the contrary, neither an
7 assessor nor a board of assessment review has the authority to consider
8 an objection to the replacement or removal or denial of an exemption
9 pursuant to this subdivision, nor may such an action be reviewed in a
10 proceeding to review an assessment pursuant to title one or one-A of
11 article seven of this chapter. Such an action may only be challenged
12 before the department of taxation and finance. If a taxpayer is dissat-
13 isfied with the department's final determination, the taxpayer may
14 appeal that determination to the state board of real property tax
15 services in a form and manner to be prescribed by the commissioner. Such
16 appeal shall be filed within forty-five days from the issuance of the
17 department's final determination. If dissatisfied with the state board's
18 determination, the taxpayer may seek judicial review thereof pursuant to
19 article seventy-eight of the civil practice law and rules. The taxpayer
20 shall otherwise have no right to challenge such final determination in a
21 court action, administrative proceeding or any other form of legal
22 recourse against the commissioner, the department of taxation and
23 finance, the state board of real property tax services, the assessor or
24 other person having custody or control of the assessment roll or tax
25 roll regarding such action.

26 § 3. Subparagraphs (v) and (vi) of paragraph (b) of subdivision 4 of
27 section 425 of the real property tax law are REPEALED.

1 § 4. Paragraphs (b) and (c) of subdivision 5 of section 425 of the
2 real property tax law are REPEALED.

3 § 5. Paragraph (d) of subdivision 5 of section 425 of the real proper-
4 ty tax law, as amended by section 5 of part E of chapter 83 of the laws
5 of 2002 and subparagraph (i) as further amended by subdivision (b) of
6 section 1 of part W of chapter 56 of the laws of 2010, is amended to
7 read as follows:

8 (d) Third party notice. (i) A senior citizen eligible for the enhanced
9 exemption may request that a notice be sent to an adult third party.
10 Such request shall be made on a form prescribed by the commissioner and
11 shall be submitted to the assessor of the assessing unit in which the
12 eligible taxpayer resides no later than sixty days before the first
13 taxable status date to which it is to apply. Such form shall provide a
14 section whereby the designated third party shall consent to such desig-
15 nation. Such request shall be effective upon receipt by the assessor.
16 The assessor shall maintain a list of all eligible property owners who
17 have requested notices pursuant to this paragraph and shall furnish a
18 copy of such list to the department upon request.

19 (ii) [In the case of a senior citizen who has not elected to partic-
20 ipate in the STAR income verification program, a notice shall be sent to
21 the designated third party at least thirty days prior to each ensuing
22 taxable status date; provided that no such notice need be sent in the
23 first year if the request was not received by the assessor at least
24 sixty days before the applicable taxable status date. Such notice shall
25 read substantially as follows:

26 "On behalf of (identify senior citizen or citizens), you are advised
27 that his, her, or their renewal application for the enhanced STAR
28 exemption must be filed with the assessor no later than (enter date).

1 You are encouraged to remind him, her, or them of that fact, and to
2 offer assistance if needed, although you are under no legal obligation
3 to do so. Your cooperation and assistance are greatly appreciated."

4 (iii) In the case of a senior citizen who has elected to participate
5 in the STAR income verification program, a] A notice shall be sent to
6 the designated third party whenever the assessor or department sends a
7 notice to the senior citizen regarding the possible removal of the
8 enhanced STAR exemption. When the exemption is subject to removal
9 because the commissioner has determined that the income eligibility
10 requirement is not satisfied, such notice shall be sent to the third
11 party by the department. When the exemption is subject to removal
12 because the assessor has determined that any other eligibility require-
13 ment is not satisfied, such notice shall be sent to the third party by
14 the assessor. Such notice shall read substantially as follows:

15 "On behalf of (identify senior citizen or citizens), you are advised
16 that his, her, or their enhanced STAR exemption is at risk of being
17 removed. You are encouraged to make sure that he, she or they are aware
18 of that fact, and to offer assistance if needed, although you are under
19 no legal obligation to do so. Your cooperation and assistance are great-
20 ly appreciated."

21 [(iv)] (iii) The obligation to mail such notices shall cease if the
22 eligible taxpayer cancels the request or ceases to qualify for the
23 enhanced STAR exemption.

24 § 6. Paragraph (c) of subdivision 6 of section 425 of the real proper-
25 ty tax law is REPEALED.

26 § 7. Subdivision 9-b of section 425 of the real property tax law, as
27 added by section 8 of part E of chapter 83 of the laws of 2002 and para-
28 graph (b) as amended by chapter 742 of the laws of 2005 and further

1 amended by subdivision (b) of section 1 of part W of chapter 56 of the
2 laws of 2010, is amended to read as follows:

3 9-b. Duration of exemption; enhanced exemption. (a) [In the case of
4 persons who have elected to participate in the STAR income verification
5 program, the] The enhanced exemption, once granted, shall remain in
6 effect until discontinued in the manner provided in this section.

7 (b) [In the case of persons who have not elected to participate in the
8 STAR income verification program, the enhanced exemption shall apply for
9 a term of one year. To continue receiving such enhanced exemption, a
10 renewal application must be filed annually with the assessor on or
11 before the applicable taxable status date on a form prescribed by the
12 commissioner. Provided, however, that if a renewal application is not so
13 filed, the assessor shall discontinue the enhanced exemption but shall
14 grant the basic exemption, subject to the provisions of subdivision
15 eleven of this section.

16 (c) Whether or not the recipients of an enhanced STAR exemption have
17 elected to participate in the STAR income verification program, the] The
18 assessor [may review their] shall review the continued compliance of
19 recipients of the enhanced exemption with the applicable ownership and
20 residency requirements to the same extent as if they were receiving a
21 basic STAR exemption.

22 [(d) Notwithstanding the foregoing provisions of this subdivision, the
23 enhanced exemption shall be continued without a renewal application as
24 long as the property continues to be eligible for the senior citizens
25 exemption authorized by section four hundred sixty-seven of this title.]

26 § 8. Section 425 of the real property tax law is amended by adding a
27 new subdivision 14-a to read as follows:

1 14-a. Implementation of certain eligibility determinations. When a
2 taxpayer's eligibility for exemption under this section for a school
3 year is affected by a determination made in accordance with subparagraph
4 (iv) of paragraph (b) of subdivision four of this section or paragraph
5 (c) or (d) of subdivision fourteen of this section, and the determi-
6 nation is made after the school district taxes for that school year have
7 been levied, the provisions of this subdivision shall be applicable.

8 (a) if the determination restores or increases the taxpayer's
9 exemption for that school year, the commissioner is authorized to remit
10 the excess directly to the property owner upon receiving confirmation
11 that the taxpayer's original school tax bill has been paid in full. The
12 amounts payable by the commissioner under this paragraph shall be paid
13 from the account established for the payment of STAR benefits to late
14 registrants pursuant to subparagraph (iii) of paragraph (a) of subdivi-
15 sion fourteen of this section. When the commissioner implements the
16 determination in this manner, he or she shall so notify the assessor and
17 county director of real property tax services, but no correction shall
18 be made to the assessment roll or tax roll for that school year, and no
19 refund shall be issued by the school authorities to the property owner
20 or his or her agent for the excessive amount of school taxes paid for
21 that school year.

22 (b) If the determination removes, denies or decreases the taxpayer's
23 exemption for that school year, the commissioner is authorized to
24 collect the shortfall directly from the owners of the property, together
25 with interest, by utilizing any of the procedures for collection, levy,
26 and lien of personal income tax set forth in article twenty-two of the
27 tax law, and any other relevant procedures referenced within the
28 provisions of such article. When the commissioner implements the deter-

1 mination in this manner, he or she shall so notify the assessor and
2 county director of real property tax services, but no correction shall
3 be made to the assessment roll or tax roll for that school year, and no
4 corrected school tax bill shall be sent to the taxpayer for that school
5 year.

6 § 9. Section 171-o of the tax law is REPEALED.

7 § 10. Subparagraph (B) of paragraph 1 of subsection (eee) of section
8 606 of the tax law, as amended by section 8 of part A of chapter 73 of
9 the laws of 2016, is amended to read as follows:

10 (B) "Affiliated income" shall mean for purposes of the basic STAR
11 credit, the combined income of all of the owners of the parcel who
12 resided primarily thereon as of December thirty-first of the taxable
13 year, and of any owners' spouses residing primarily thereon as of such
14 date, and for purposes of the enhanced STAR credit, the combined income
15 of all of the owners of the parcel as of December thirty-first of the
16 taxable year, and of any owners' spouses residing primarily thereon as
17 of such date; provided that for both purposes the income to be so
18 combined shall be the "adjusted gross income" for the taxable year as
19 reported for federal income tax purposes, or that would be reported as
20 adjusted gross income if a federal income tax return were required to be
21 filed, reduced by distributions, to the extent included in federal
22 adjusted gross income, received from an individual retirement account
23 and an individual retirement annuity. For taxable years beginning on
24 and after January first, two thousand eighteen, where an income-eli-
25 bility determination is wholly or partly based upon the income of one or
26 more individuals who did not file a return pursuant to section six
27 hundred fifty-one of this article for the applicable income tax year,
28 then in order to be eligible for the credit authorized by this

1 subsection, each such individual must file a statement with the depart-
2 ment showing the source or sources of his or her income for that income
3 tax year, and the amount or amounts thereof, that would have been
4 reported on such a return if one had been filed. Such statement shall be
5 filed at such time, and in such form and manner, as may be prescribed by
6 the department, and shall be subject to the provisions of section six
7 hundred ninety-seven of this article to the same extent that a return
8 would be. The department shall make such forms and instructions avail-
9 able for the filing of such statements. Provided further, that if the
10 qualified taxpayer was an owner of the property during the taxable year
11 but did not own it on December thirty-first of the taxable year, then
12 the determination as to whether the income of an individual should be
13 included in "affiliated income" shall be based upon the ownership and/or
14 residency status of that individual as of the first day of the month
15 during which the qualified taxpayer ceased to be an owner of the proper-
16 ty, rather than as of December thirty-first of the taxable year.

17 § 11. No application for an enhanced exemption on a final assessment
18 roll to be completed in 2018 may be approved if the applicants have not
19 enrolled in the STAR income verification program established by subpara-
20 graph (iv) of paragraph (b) of subdivision 4 of section 425 of the real
21 property tax law as amended by section two of this act, regardless of
22 when the application was filed. The assessor shall notify such appli-
23 cants that participation in that program has become mandatory for all
24 applicants and that their applications cannot be approved unless they
25 enroll therein. The commissioner of taxation and finance shall provide a
26 form for assessors to use, at their option, when making this notifica-
27 tion.

28 § 12. This act shall take effect immediately.

1

PART F

2 Section 1. Section 928-a of the real property tax law, as added by
3 chapter 680 of the laws of 1994, subdivision 1 as further amended by
4 subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010
5 and subdivision 2 as amended by chapter 199 of the laws of 1997, is
6 amended to read as follows:

7 § 928-a. Partial payment of taxes. 1. (a) Notwithstanding the
8 provisions of any general or special law to the contrary, [the board of
9 supervisors or the county legislature of any county may by resolution
10 authorize the collecting officers in one or more of the classes of
11 municipal corporations described herein] each collecting officer is
12 hereby authorized to accept from any taxpayer at any time partial
13 payments for or on account of taxes, special ad valorem levies or
14 special assessments [in such amount or manner and apply such payments on
15 account thereof in such manner as may be prescribed by such resolution;
16 provided, however, that such resolution], unless the governing body of
17 the municipal corporation that employs the collecting officer has: (i)
18 passed a resolution disallowing partial payments or (ii) passed a resol-
19 ution limiting the conditions under which partial payments will be
20 accepted, in which case partial payments shall be accepted in accordance
21 with the conditions set forth in the resolution.

22 (b) Such resolution may require a service charge not to exceed ten
23 dollars to be paid with each partial payment. Such service charge shall
24 belong to the municipal corporation that employs the collecting officer.

25 (c) Where a statement of taxes contains separate charges for separate
26 purposes, any partial payments shall be applied proportionately thereto.

1 (d) Where school district taxes are payable to the collecting officer
2 of a city or town that has not acted to disallow partial payments, the
3 governing body of the school district may pass a resolution disallowing
4 partial payments for school district purposes. If it has not done so,
5 then the collecting officer shall be authorized to accept partial
6 payments of school district taxes under the same conditions as may apply
7 to city or town taxes.

8 (e) Any resolution adopted pursuant to this section shall be adopted
9 at least sixty days prior to the preparation and delivery of the tax
10 rolls to the appropriate collecting officers. A copy of any resolution
11 [enacting, amending or repealing any such partial payment program]
12 adopted pursuant to this section, or amending or repealing a resolution
13 adopted pursuant to this section, shall be filed with the commissioner
14 and, in the case of a resolution adopted by a school district, with the
15 city or town clerk, no later than thirty days after the adoption there-
16 of.

17 2. [Such resolution shall apply to one or more of the following class-
18 es of municipal corporations: (a) all towns within the county; (b) all
19 cities for which the county enforces the collection of delinquent taxes;
20 or (c) all villages for which the county enforces the collection of
21 delinquent taxes. If the resolution does not specify the class or class-
22 es of municipal corporations to which it applies, it shall be deemed to
23 apply only to the towns in the county.

24 3.] After any partial payment authorized pursuant to this section has
25 been paid, interest and penalties shall be charged against the unpaid
26 balance only. The acceptance of a partial payment by any official pursu-
27 ant to this section shall not be deemed to affect any liens and powers
28 of any [county] municipal corporation conferred in any general or

1 special act, but such rights and powers shall remain in full force and
2 effect to enforce collection of the unpaid balance of such tax or tax
3 liens together with interest, penalties and other lawful charges.

4 3. A collecting officer who is authorized to accept partial payments
5 pursuant to this section may not decline to do so.

6 4. Nothing contained herein shall be construed to authorize a collect-
7 ing officer to accept a partial payment after the expiration of his or
8 her warrant, or at any other time that such collecting officer is not
9 authorized to accept tax payments.

10 § 2. This act shall take effect immediately and shall apply to the
11 collection of real property taxes, special ad valorem levies and special
12 assessments for fiscal years beginning on and after January 1, 2019.

13 PART G

14 Section 1. Paragraph 7 of subsection (eee) of section 606 of the tax
15 law, as amended by section 8 of part A of chapter 73 of the laws of
16 2016, is amended to read as follows:

17 (7) Disclosure of incomes and other information. (A) Where the
18 commissioner has denied a taxpayer's claim for the credit authorized by
19 this subsection in whole or in part on the grounds that the affiliated
20 income of the parcel in question exceeds the applicable limit, the
21 commissioner shall have the authority to reveal to that taxpayer the
22 names and incomes of the other taxpayers whose incomes were included in
23 the computation of such affiliated income.

24 (B) Notwithstanding any provision of law to the contrary, the names
25 and addresses of individuals who have applied for or are receiving the
26 credit authorized by this subsection shall be public information to the

1 same extent as the names and addresses of individuals who have applied
2 for or are receiving the STAR exemption authorized by section four
3 hundred twenty-five of the real property tax law.

4 § 2. This act shall take effect immediately.

5 PART H

6 Section 1. Subparagraph (ii) of paragraph (k) of subdivision 2 of
7 section 425 of the real property tax law, as amended by section 2 of
8 part A of chapter 405 of the laws of 1999, is amended to read as
9 follows:

10 (ii) That proportion of the assessment of such real property owned by
11 a cooperative apartment corporation determined by the relationship of
12 such real property vested in such tenant-stockholder to such entire
13 parcel and the buildings thereon owned by such cooperative apartment
14 corporation in which such tenant-stockholder resides shall be subject to
15 exemption from taxation pursuant to this section and any exemption so
16 granted shall be credited by the appropriate taxing authority against
17 the assessed valuation of such real property. Upon the completion of the
18 final assessment roll, or as soon thereafter as is practicable, the
19 assessor shall forward to the cooperative apartment corporation a state-
20 ment setting forth the exemption attributable to each eligible tenant-
21 stockholder. The reduction in real property taxes attributable to each
22 eligible tenant-stockholder shall be credited by the cooperative apart-
23 ment corporation against the amount of such taxes otherwise payable by
24 or chargeable to such tenant-stockholder. The assessor shall also
25 forward to the commissioner, at the time and in the manner prescribed by
26 the commissioner, a statement setting forth the taxable assessed value

1 attributable to each tenant-stockholder, without regard to the
2 exemption, and such other information as the commissioner shall deem
3 necessary to properly calculate the STAR credit authorized by subsection
4 (eee) of section six hundred six of the tax law for those tenant-stock-
5 holders who qualify for it.

6 § 2. Subparagraph (E) of paragraph 1 of subsection (eee) of section
7 606 of the tax law, as amended by section 8 of part A of chapter 73 of
8 the laws of 2016, is amended to read as follows:

9 (E) "Qualifying taxes" means the school district taxes that were
10 levied upon the taxpayer's primary residence for the associated fiscal
11 year that were actually paid by the taxpayer during the taxable year;
12 or, in the case of a city school district that is subject to article
13 fifty-two of the education law, the combined city and school district
14 taxes that were levied upon the taxpayer's primary residence for the
15 associated fiscal year that were actually paid by the taxpayer during
16 the taxable year. Provided, however, that in the case of a cooperative
17 apartment, "qualifying taxes" means the school district taxes that would
18 have been levied upon the tenant-stockholder's primary residence if it
19 were separately assessed, as determined by the commissioner based on the
20 statement provided by the assessor pursuant to subparagraph (ii) of
21 paragraph (k) of subdivision two of section four hundred twenty-five of
22 the real property tax law, or in the case of a cooperative apartment
23 corporation that is described in subparagraph (iv) of paragraph (k) of
24 subdivision two of section four hundred twenty-five of the real property
25 tax law, one third of such amount. In no case shall the term "qualifying
26 taxes" be construed to include penalties or interest.

27 § 3. Subparagraph (A) of paragraph 6 of subsection (eee) of section
28 606 of the tax law is REPEALED.

1 § 4. This act shall take effect immediately, provided that section one
2 of this act shall apply to final assessment rolls used to levy school
3 taxes for school years beginning on and after July 1, 2017, and provided
4 further that sections two and three of this act shall apply to taxable
5 years beginning on and after January 1, 2017.

6 PART I

7 Section 1. Section 2 of chapter 540 of the laws of 1992, amending the
8 real property tax law relating to oil and gas charges, as amended by
9 section 1 of part C of chapter 59 of the laws of 2014, is amended to
10 read as follows:

11 § 2. This act shall take effect immediately and shall be deemed to
12 have been in full force and effect on and after April 1, 1992; provided,
13 however that any charges imposed by section 593 of the real property tax
14 law as added by section one of this act shall first be due for values
15 for assessment rolls with tentative completion dates after July 1, 1992,
16 and provided further, that this act shall remain in full force and
17 effect until March 31, [2018] 2021, at which time section 593 of the
18 real property tax law as added by section one of this act shall be
19 repealed.

20 § 2. This act shall take effect immediately.

21 PART J

22 Section 1. Subdivision 5 of section 81 of the state finance law, as
23 added by chapter 432 of the laws of 2016, is amended to read as follows:

1 5. Moneys shall be payable from the fund on the audit and warrant of
2 the comptroller on vouchers approved and certified by the commissioner
3 of health, for veterans' homes operated by the department of health, and
4 by the [commissioner of education] chancellor of the state university of
5 New York, for the veterans' home operated by the state university of New
6 York.

7 § 2. This act shall take effect immediately and shall be deemed to
8 have been in full force and effect on and after November 14, 2016.

9 PART K

10 Section 1. Section 352 of the economic development law, as added by
11 section 1 of part MM of chapter 59 of the laws of 2010, subdivisions 7,
12 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 as amended and
13 subdivision 11 as added by section 1 of part K of chapter 59 of the laws
14 of 2015, is amended to read as follows:

15 § 352. Definitions. For the purposes of this article:

16 1. "Agriculture" means both agricultural production (establishments
17 performing the complete farm or ranch operation, such as farm owner-op-
18 erators, tenant farm operators, and sharecroppers) and agricultural
19 support (establishments that perform one or more activities associated
20 with farm operation, such as soil preparation, planting, harvesting, and
21 management, on a contract or fee basis).

22 2. "Back office operations" means a business function that may include
23 one or more of the following activities: customer service, information
24 technology and data processing, human resources, accounting and related
25 administrative functions.

1 3. "Benefit-cost ratio" means the following calculation: the numerator
2 is the sum of (i) the value of all remuneration projected to be paid for
3 all net new jobs during the period of participation in the program, and
4 (ii) the value of capital investments to be made by the business enter-
5 prise during the period of participation in the program, and the denomi-
6 nator is the amount of total tax benefits under this article that will
7 be used and refunded.

8 4. "Certificate of eligibility" means the document issued by the
9 department to an applicant that has completed an application to be
10 admitted into the excelsior jobs program and has been accepted into the
11 program by the department. Possession of a certificate of eligibility
12 does not by itself guarantee the eligibility to claim the tax credit.

13 5. "Certificate of tax credit" means the document issued to a partic-
14 ipant by the department, after the department has verified that the
15 participant has met all applicable eligibility criteria in this article.
16 The certificate shall be issued annually if such criteria are satisfied
17 and shall specify the exact amount of each of the tax credit components
18 under this article that a participant may claim, pursuant to section
19 three hundred fifty-five of this article, and shall specify the taxable
20 year in which such credit may be claimed.

21 6. "Distribution center" means a large scale facility involving proc-
22 essing, repackaging and/or movement of finished or semi-finished goods
23 to retail locations across a multi-state area.

24 7. "Entertainment company" means a corporation, partnership, limited
25 partnership, or other entity principally engaged in the production or
26 post production of (i) motion pictures, which shall include feature-
27 length films and television films, (ii) instructional videos, (iii)
28 televised commercial advertisements, (iv) animated films or cartoons,

1 (v) music videos, (vi) television programs, which shall include, but not
2 be limited to, television series, television pilots, and single tele-
3 vision episodes, or (vii) programs primarily intended for radio broad-
4 cast. "Entertainment company" shall not include an entity (i) principal-
5 ly engaged in the live performance of events, including, but not limited
6 to, theatrical productions, concerts, circuses, and sporting events,
7 (ii) principally engaged in the production of content intended primarily
8 for industrial, corporate or institutional end-users, (iii) principally
9 engaged in the production of fundraising films or programs, or (iv)
10 engaged in the production of content for which records are required
11 under section 2257 of title 18, United States code, to be maintained
12 with respect to any performer in such production.

13 8. "Financial services data centers or financial services customer
14 back office operations" means operations that manage the data or
15 accounts of existing customers or provide product or service information
16 and support to customers of financial services companies, including
17 banks, other lenders, securities and commodities brokers and dealers,
18 investment banks, portfolio managers, trust offices, and insurance
19 companies.

20 9. "Investment zone" shall mean an area within the state that had been
21 designated under paragraph (i) of subdivision (a) and subdivision (d) of
22 section nine hundred fifty-eight of the general municipal law that was
23 wholly contained within up to four distinct and separate contiguous
24 areas as of the date immediately preceding the date the designation of
25 such area expired pursuant to section nine hundred sixty-nine of the
26 general municipal law.

1 10. "Life sciences" means the fields of biotechnology, pharmaceu-
2 ticals, biomedical technologies, life systems technologies, health
3 informatics, health robotics and biomedical devices.

4 11. "Life sciences company" means a corporation, partnership, limited
5 partnership, or other entity engaged in life sciences, and an organiza-
6 tion or institution that devotes the majority of its efforts in the
7 various stages of research, development, technology transfer and commer-
8 cialization related to life sciences.

9 12. "Manufacturing" means the process of working raw materials into
10 products suitable for use or which gives new shapes, new quality or new
11 combinations to matter which has already gone through some artificial
12 process by the use of machinery, tools, appliances, or other similar
13 equipment. "Manufacturing" does not include an operation that involves
14 only the assembly of components, provided, however, the assembly of
15 motor vehicles or other high value-added products shall be considered
16 manufacturing.

17 [11.] 13. "Music production" means the process of creating sound
18 recordings of at least eight minutes, recorded in professional sound
19 studios, intended for commercial release. "Music production" does not
20 include recording of live concerts, or recordings that are primarily
21 spoken word or wildlife or nature sounds, or produced for instructional
22 use or advertising or promotional purposes.

23 [12.] 14. "Net new jobs" means:

- 24 (a) jobs created in this state that (i) are new to the state,
25 (ii) have not been transferred from employment with another business
26 located in this state including from a related person in this state,
27 (iii) are either full-time wage-paying jobs or equivalent to a full-
28 time wage-paying job requiring at least thirty-five hours per week, and

1 (iv) are filled for more than six months; or

2 (b) jobs obtained by an entertainment company in this state (i) as a
3 result of the termination of a licensing agreement with another enter-
4 tainment company, (ii) that the commissioner determines to be at risk of
5 leaving the state as a direct result of the termination, (iii) that are
6 either full-time wage-paying jobs or equivalent to a full-time wage-pay-
7 ing job requiring at least thirty-five hours per week, and (iv) that are
8 filled for more than six months.

9 [13.] 15. "Participant" means a business entity that:

10 (a) has completed an application prescribed by the department to be
11 admitted into the program;

12 (b) has been issued a certificate of eligibility by the department;

13 (c) has demonstrated that it meets the eligibility criteria in section
14 three hundred fifty-three and subdivision two of section three hundred
15 fifty-four of this article; and

16 (d) has been certified as a participant by the commissioner.

17 [14.] 16. "Preliminary schedule of benefits" means the maximum aggre-
18 gate amount of each component of the tax credit that a participant in
19 the excelsior jobs program is eligible to receive pursuant to this arti-
20 cle. The schedule shall indicate the annual amount of each component of
21 the credit a participant may claim in each of its ten years of eligibil-
22 ity. The preliminary schedule of benefits shall be issued by the
23 department when the department approves the application for admission
24 into the program. The commissioner may amend that schedule, provided
25 that the commissioner complies with the credit caps in section three
26 hundred fifty-nine of this article.

1 [15.] 17. "Qualified investment" means an investment in tangible prop-
2 erty (including a building or a structural component of a building)
3 owned by a business enterprise which:

4 (a) is depreciable pursuant to section one hundred sixty-seven of the
5 internal revenue code;

6 (b) has a useful life of four years or more;

7 (c) is acquired by purchase as defined in section one hundred seven-
8 ty-nine (d) of the internal revenue code;

9 (d) has a situs in this state; and

10 (e) is placed in service in the state on or after the date the certif-
11 icate of eligibility is issued to the business enterprise.

12 [16.] 18. "Regionally significant project" means (a) a manufacturer
13 creating at least fifty net new jobs in the state and making significant
14 capital investment in the state; (b) a business creating at least twenty
15 net new jobs in agriculture in the state and making significant capital
16 investment in the state, (c) a financial services firm, distribution
17 center, or back office operation creating at least three hundred net new
18 jobs in the state and making significant capital investment in the
19 state, (d) a scientific research and development firm creating at least
20 twenty net new jobs in the state, and making significant capital invest-
21 ment in the state, (e) a life sciences company creating at least twenty
22 net new jobs in the state and making significant capital investment in
23 the state or [(e)] (f) an entertainment company creating or obtaining at
24 least two hundred net new jobs in the state and making significant capi-
25 tal investment in the state. Other businesses creating three hundred or
26 more net new jobs in the state and making significant capital investment
27 in the state may be considered eligible as a regionally significant
28 project by the commissioner as well. The commissioner shall promulgate

1 regulations pursuant to section three hundred fifty-six of this article
2 to determine what constitutes significant capital investment for each of
3 the project categories indicated in this subdivision and what additional
4 criteria a business must meet to be eligible as a regionally significant
5 project, including, but not limited to, whether a business exports a
6 substantial portion of its products or services outside of the state or
7 outside of a metropolitan statistical area or county within the state.

8 [17.] 19. "Related person" means a "related person" pursuant to
9 subparagraph (c) of paragraph three of subsection (b) of section four
10 hundred sixty-five of the internal revenue code.

11 [18.] 20. "Remuneration" means wages and benefits paid to an employee
12 by a participant in the excelsior jobs program.

13 [19.] 21. "Research and development expenditures" mean the expenses of
14 the business enterprise that are qualified research expenses under the
15 federal research and development credit under section forty-one of the
16 internal revenue code and are attributable to activities conducted in
17 the state. If the federal research and development credit has expired,
18 then the research and development expenditures shall be calculated as if
19 the federal research and development credit structure and definition in
20 effect in federal tax year two thousand nine were still in effect.

21 [20.] 22. "Scientific research and development" means conducting
22 research and experimental development in the physical, engineering, and
23 life sciences, including but not limited to agriculture, electronics,
24 environmental, biology, botany, biotechnology, computers, chemistry,
25 food, fisheries, forests, geology, health, mathematics, medicine, ocean-
26 ography, pharmacy, physics, veterinary, and other allied subjects. For
27 the purposes of this article, scientific research and development does
28 not include medical or veterinary laboratory testing facilities.

1 [21.] 23. "Software development" means the creation of coded computer
2 instructions or production or post-production of video games, as defined
3 in subdivision one-a of section six hundred eleven of the general busi-
4 ness law, other than those embedded and used exclusively in advertising,
5 promotional websites or microsites, and also includes new media as
6 defined by the commissioner in regulations.

7 § 2. Subdivisions 1 and 3 of section 353 of the economic development
8 law, as amended by section 2 of part K of chapter 59 of the laws of
9 2015, are amended to read as follows:

10 1. To be a participant in the excelsior jobs program, a business enti-
11 ty shall operate in New York state predominantly:

12 (a) as a financial services data center or a financial services back
13 office operation;

14 (b) in manufacturing;

15 (c) in software development and new media;

16 (d) in scientific research and development;

17 (e) in agriculture;

18 (f) in the creation or expansion of back office operations in the
19 state;

20 (g) in a distribution center;

21 (h) in an industry with significant potential for private-sector
22 economic growth and development in this state as established by the
23 commissioner in regulations promulgated pursuant to this article. In
24 promulgating such regulations the commissioner shall include job and
25 investment criteria;

26 (i) as an entertainment company; [or]

27 (j) in music production; or

28 (k) as a life sciences company.

1 3. For the purposes of this article, in order to participate in the
2 excelsior jobs program, a business entity operating predominantly in
3 manufacturing must create at least ten net new jobs; a business entity
4 operating predominately in agriculture must create at least five net new
5 jobs; a business entity operating predominantly as a financial service
6 data center or financial services customer back office operation must
7 create at least fifty net new jobs; a business entity operating predomi-
8 nantly in scientific research and development must create at least five
9 net new jobs; a business entity operating predominantly in software
10 development must create at least five net new jobs; a business entity
11 creating or expanding back office operations must create at least fifty
12 net new jobs; a business entity operating predominately in music
13 production must create at least five net new jobs; a business entity
14 operating predominantly as an entertainment company must create or
15 obtain at least one hundred net new jobs; or a business entity operating
16 predominantly as a distribution center in the state must create at least
17 seventy-five net new jobs, notwithstanding subdivision five of this
18 section; or a business entity operating predominately as a life sciences
19 company must create at least five net new jobs; or a business entity
20 must be a regionally significant project as defined in this article; or

21 § 3. Subdivision 4 of section 353 of the economic development law, as
22 amended by section 1 of part C of chapter 68 of the laws of 2013, is
23 amended to read as follows:

24 4. A business entity operating predominantly in one of the industries
25 referenced in paragraphs (a) through (h) or in paragraph (k) of subdivi-
26 sion one of this section but which does not meet the job requirements of
27 subdivision three of this section must have at least twenty-five full-
28 time job equivalents unless such business is a business entity operating

1 predominantly in manufacturing then it must have at least ten full-time
2 job equivalents and must demonstrate that its benefit-cost ratio is at
3 least ten to one.

4 § 4. Subdivision 5 of section 354 of the economic development law, as
5 amended by section 2 of part 0 of chapter 60 of the laws of 2016, is
6 amended to read as follows:

7 5. A participant may claim tax benefits commencing in the first taxa-
8 ble year that the business enterprise receives a certificate of tax
9 credit or the first taxable year listed on its preliminary schedule of
10 benefits, whichever is later. A participant may claim such benefits for
11 the next nine consecutive taxable years, provided that the participant
12 demonstrates to the department that it continues to satisfy the eligi-
13 bility criteria specified in section three hundred fifty-three of this
14 article and subdivision two of this section in each of those taxable
15 years, and provided that no tax credits may be allowed for taxable years
16 beginning on or after January first, two thousand [twenty-seven] thirty.
17 If, in any given year, a participant who has satisfied the eligibility
18 criteria specified in section three hundred fifty-three of this article
19 realizes job creation less than the estimated amount, the credit shall
20 be reduced by the proportion of actual job creation to the estimated
21 amount, provided the proportion is at least seventy-five percent of the
22 jobs estimated.

23 § 5. Section 359 of the economic development law, as amended by
24 section 1 of part 0 of chapter 60 of the laws of 2016, is amended to
25 read as follows:

26 § 359. Cap on tax credit. The total amount of tax credits listed on
27 certificates of tax credit issued by the commissioner for any taxable
28 year may not exceed the limitations set forth in this section. One-half

1 of any amount of tax credits not awarded for a particular taxable year
2 in years two thousand eleven through two thousand twenty-four may be
3 used by the commissioner to award tax credits in another taxable year.

4 Credit components in the aggregate With respect to taxable
5 shall not exceed: years beginning in:

6	\$ 50 million	2011
7	\$ 100 million	2012
8	\$ 150 million	2013
9	\$ 200 million	2014
10	\$ 250 million	2015
11	\$ 183 million	2016
12	\$ 183 million	2017
13	\$ 183 million	2018
14	\$ 183 million	2019
15	\$ 183 million	2020
16	\$ 183 million	2021
17	\$ 133 million	2022
18	\$ 83 million	2023
19	\$ 36 million	2024

20 Twenty-five percent of tax credits shall be allocated to businesses
21 accepted into the program under subdivision four of section three
22 hundred fifty-three of this article and seventy-five percent of tax
23 credits shall be allocated to businesses accepted into the program under
24 subdivision three of section three hundred fifty-three of this article.

1 Provided, however, if by September thirtieth of a calendar year, the
2 department has not allocated the full amount of credits available in
3 that year to either: (i) businesses accepted into the program under
4 subdivision four of section three hundred fifty-three of this article or
5 (ii) businesses accepted into the program under subdivision three of
6 section three hundred fifty-three of this article, the commissioner may
7 allocate any remaining tax credits to businesses referenced in this
8 paragraph as needed; provided, however, that under no circumstances may
9 the aggregate statutory cap for all program years be exceeded. One
10 hundred percent of the unawarded amounts remaining at the end of two
11 thousand twenty-four may be allocated in subsequent years, notwithstand-
12 ing the fifty percent limitation on any amounts of tax credits not
13 awarded in taxable years two thousand eleven through two thousand twen-
14 ty-four. Provided, however, no tax credits may be allowed for taxable
15 years beginning on or after January first, two thousand [twenty-seven]
16 thirty.

17 § 6. Subdivision (b) of section 31 of the tax law, as amended by
18 section 3 of part 0 of chapter 60 of the laws of 2016, is amended to
19 read as follows:

20 (b) To be eligible for the excelsior jobs program credit, the taxpayer
21 shall have been issued a "certificate of tax credit" by the department
22 of economic development pursuant to subdivision four of section three
23 hundred fifty-four of the economic development law, which certificate
24 shall set forth the amount of each credit component that may be claimed
25 for the taxable year. A taxpayer may claim such credit for ten consec-
26 utive taxable years commencing in the first taxable year that the
27 taxpayer receives a certificate of tax credit or the first taxable year
28 listed on its preliminary schedule of benefits, whichever is later,

1 provided that no tax credits may be allowed for taxable years beginning
2 on or after January first, two thousand [twenty-seven] thirty. The
3 taxpayer shall be allowed to claim only the amount listed on the certif-
4 icate of tax credit for that taxable year. Such certificate must be
5 attached to the taxpayer's return. No cost or expense paid or incurred
6 by the taxpayer shall be the basis for more than one component of this
7 credit or any other tax credit, except as provided in section three
8 hundred fifty-five of the economic development law.

9 § 7. The tax law is amended by adding a new section 43 to read as
10 follows:

11 § 43. Life sciences tax credits. (a) Life sciences research and devel-
12 opment tax credit. (1) Allowance of credit. (i) A taxpayer that is a
13 qualified life sciences company, or that is a sole proprietor of or a
14 partner in a partnership that is a qualified life sciences company or a
15 shareholder of a New York S corporation that is a qualified life
16 sciences company, and is subject to tax under article nine-A or twenty-
17 two of this chapter, shall be allowed a credit against such tax, pursu-
18 ant to the provisions referred to in subdivision (e) of this section,
19 for a period of five years, as provided in clause (B) of subparagraph
20 (ii) of this paragraph, to be computed as provided in this subdivision.
21 Such credit may be claimed in the taxable year specified on the certif-
22 icate of tax credit issued to the qualified life sciences company.

23 (ii)(A) For a qualified life sciences company that employs ten or more
24 persons during the taxable year, the amount of the credit shall be equal
25 to fifteen percent of such qualified life sciences company's research
26 and development expenditures in this state for the taxable year. For a
27 qualified life sciences company that employs less than ten persons
28 during the taxable year, the amount of the credit shall be equal to

1 twenty percent of such qualified life sciences company's research and
2 development expenditures in this state for the taxable year.

3 (B) The credit shall be allowed only with respect to the first taxable
4 year during which the criteria set forth in this paragraph are satis-
5 fied, and with respect to each of the four taxable years next following
6 (but only, with respect to each of such years, if such criteria are
7 satisfied). Subsequent certifications of the life sciences company by
8 the department of economic development pursuant to this subdivision
9 shall not extend the five taxable year time limitation on the allowance
10 of the credit set forth in the preceding sentence.

11 (iii) The total amount of credit allowable to a qualified life
12 sciences company, or, if the life sciences company is properly included
13 or required to be included in a combined report, to the combined group,
14 taken in the aggregate, shall not exceed five hundred thousand dollars.
15 If the life sciences company is a partner in a partnership or sharehold-
16 er of a New York S corporation, then the total amount of credit allow-
17 able shall be applied at the entity level, so that the total amount of
18 credit allowable to all the partners or shareholders of each such enti-
19 ty, taken in the aggregate, does not exceed five hundred thousand
20 dollars.

21 (iv) No research and development expenditures made by the life
22 sciences company and used either as the basis for the allowance of the
23 credit provided for pursuant to this subdivision or used in the calcu-
24 lation of the credit provided pursuant to this subdivision shall be used
25 to claim any other credit allowed pursuant to this chapter or be used in
26 the calculation of any other credit allowed pursuant to this chapter.

27 (2) Maximum amount of credits. The aggregate amount of tax credits
28 allowed under this subdivision to taxpayers subject to tax under arti-

1 cles nine-A and twenty-two of this chapter in any taxable year shall be
2 ten million dollars, and shall be allotted from the funds available for
3 tax credits under article seventeen of the economic development law.
4 Such aggregate amount of credits shall be allocated by the department of
5 economic development among taxpayers in order of priority based upon the
6 date of filing an application for allocation of life sciences research
7 and development tax credit with such department. If the total amount of
8 allocated credits applied for in any particular year exceeds the aggre-
9 gate amount of tax credits allowed for such year under this subdivision,
10 such excess shall be treated as having been applied for on the first day
11 of the subsequent year.

12 (b) Angel investor tax credit. (1) Allowance of credit. (i) A taxpayer
13 that is a qualified angel investor, or that is a sole proprietor of or a
14 partner in a partnership that is a qualified angel investor or a share-
15 holder of a New York S corporation that is a qualified angel investor,
16 and is subject to tax under article nine-A or twenty-two of this chap-
17 ter, shall be allowed a credit against such tax, pursuant to the
18 provisions referred to in subdivision (e) of this section, for a period
19 of ten years, to be computed as provided in this subdivision. Such
20 credit shall be claimed in the taxable year specified on the certificate
21 of angel investment issued to the qualified angel investor.

22 (ii) The amount of the credit shall be equal to twenty-five percent of
23 each angel investment made during the taxable year.

24 (iii) The total amount of credit allowable to a qualified angel inves-
25 tor, or, if the qualified angel investor is properly included or
26 required to be included in a combined report, to the combined group,
27 taken in the aggregate, shall not exceed two hundred fifty thousand
28 dollars. If the angel investor is a partner in a partnership or share-

1 holder of a New York S corporation, then the total amount of credit
2 allowable shall be applied at the entity level, so that the total amount
3 of credit allowable to all the partners or shareholders of each such
4 entity, taken in the aggregate, does not exceed two hundred fifty thou-
5 sand dollars.

6 (iv) No investment made by the taxpayer and used either as the basis
7 for the allowance of the credit provided for pursuant to this subdivi-
8 sion or used in the calculation of the credit provided pursuant to this
9 subdivision shall be used to claim any other credit allowed pursuant to
10 this chapter or used in the calculation of any other credit allowed
11 pursuant to this chapter.

12 (2) Recapture. (i) If the certificate of angel investment of an angel
13 investor issued by the department of economic development under this
14 section is revoked by such department because the investment made by the
15 angel investor does not meet the eligibility requirements set forth in
16 this section and in regulation, the amount of credit described in this
17 subdivision and claimed by such angel investor prior to that revocation
18 shall be added back as tax in the taxable year in which any such revoca-
19 tion becomes final.

20 (ii) Where a taxpayer sells, transfers or otherwise disposes of corpo-
21 rate stock, a partnership interest or other ownership interest arising
22 from the making of an angel investment that was the basis, in whole or
23 in part, for the allowance of the credit provided for under this subdivi-
24 vision, or where an investment that was the basis for such allowance is,
25 in whole or in part, recovered by such taxpayer, and such disposition or
26 recovery occurs during the taxable year or within forty-eight months
27 from the close of the taxable year with respect to which such credit is
28 allowed, the taxpayer shall add back as tax, with respect to the taxable

1 year in which the disposition or recovery described above occurred, the
2 amount of the credit originally claimed by the taxpayer.

3 (3) Maximum amount of credits. The aggregate amount of tax credits
4 allowed under this subdivision to taxpayers subject to tax under arti-
5 cles nine-A and twenty-two of this chapter in any taxable year shall be
6 five million dollars. Such aggregate amount of credits shall be allo-
7 cated by the department of economic development among taxpayers in order
8 of priority based upon the date of filing an application for allocation
9 of angel investor tax credit with such department. If the total amount
10 of allocated credits applied for in any particular year exceeds the
11 aggregate amount of tax credits allowed for such year under this subdivi-
12 vision, such excess shall be treated as having been applied for on the
13 first day of the subsequent year.

14 (c) Definitions. As used in this section the following terms shall
15 have the following meanings:

16 (1) "Angel investment" means an investment in the form of a contrib-
17 ution to the capital of the qualified life sciences company, provided
18 that such investment is at risk and is not secured or guaranteed. An
19 "angel investment" does not include any loans, or investments in hedge
20 funds or commodity funds with institutional investors or with invest-
21 ments in a business involved in retail, real estate, professional
22 services, gaming or financial services.

23 (2) "Angel investor" means an accredited investor, as defined by the
24 United State Securities and Exchange Commission pursuant to section
25 seventy-seven-b of title fifteen of the United States Code, or a network
26 of accredited investors, that reviews new or proposed businesses for
27 potential investment and that may seek active involvement, such as
28 consulting and mentoring, in a life sciences company. "Angel investor"

1 does not include a person controlling, directly or indirectly, fifty
2 percent or more of the life sciences company invested in by the angel
3 investor or who is involved in the life sciences company in a full-time
4 professional capacity, and does not include a corporation of which such
5 life sciences company is a direct or indirect subsidiary, as defined in
6 section two hundred eight of this chapter.

7 (3) "Certificate of angel investment" means the document issued to a
8 qualified angel investor by the department of economic development for
9 each angel investment made by the qualified angel investor, after the
10 department of economic development has verified that such angel investor
11 has met all applicable criteria in this section to be eligible for the
12 angel investor tax credit allowed under subdivision (b) of this section,
13 including but not limited to certifying that the life sciences company
14 in which the angel investor has made such investment is a qualified life
15 sciences company. The certificate shall be issued annually if such
16 criteria are satisfied and shall specify the exact amount of each angel
17 investment made by the angel investor and the amount of the tax credit
18 that may be claimed by such angel investor, pursuant to subdivision (b)
19 of this section, and shall specify the taxable year in which such credit
20 may be claimed.

21 (4) "Certificate of tax credit" means the document issued to a quali-
22 fied life sciences company by the department of economic development,
23 after the department of economic development has verified that such life
24 sciences company has met all applicable criteria in this section to be
25 eligible for the life sciences research and development tax credit
26 allowed under subdivision (a) of this section, including but not limited
27 to verifying that the life sciences company is a new business. The
28 certificate shall be issued annually if such criteria are satisfied and

1 shall specify the exact amount of the life sciences research and devel-
2 opment tax credit that may be claimed by such qualified life sciences
3 company, pursuant to subdivision (a) of this section, and shall specify
4 the taxable year in which such credit may be claimed.

5 (5) "New business" means any business that qualifies as a new business
6 under either paragraph (f) of subdivision one of section two hundred
7 ten-B or paragraph ten of subsection one of section six hundred six of
8 this chapter.

9 (6) "Qualified angel investor" means an angel investor certified by
10 the department of economic development as an angel investor.

11 (7) "Qualified life sciences company" means a life sciences company,
12 as defined in subdivision eleven of section three hundred fifty-two of
13 the economic development law, that has been certified by the department
14 of economic development as a life sciences company and is a new busi-
15 ness. Provided that, for purposes of the angel investor tax credit
16 provided pursuant to subdivision (b) of this section, a qualified life
17 sciences company shall at the time that the angel investor makes an
18 initial angel investment in such life sciences company employ twenty or
19 fewer persons during the taxable year and shall have had, during the
20 immediately preceding taxable year, gross receipts of not greater than
21 five hundred thousand dollars. Provided however, for purposes of the
22 credits authorized under this section, the department of economic devel-
23 opment shall not certify as a life sciences company any corporation,
24 partnership, limited partnership, or other entity that has been within
25 the immediately preceding sixty months a related person to an entity
26 that is a life sciences company or an entity that is engaged in scien-
27 tific research and development as defined in subdivision twenty-two of
28 section three hundred fifty-two of the economic development law.

1 (8) "Research and development expenditures" means qualified research
2 expenses as defined in subsection (b) of section 41 of the internal
3 revenue code but excluding wages, provided, however, that such qualified
4 research expenses shall not include amounts under subparagraph (B) of
5 paragraph 1 of subsection (b) of section 41 of the internal revenue code
6 and as further described in paragraph 3 of subsection (b) of section 41
7 of the internal revenue code. If section 41 of the internal revenue code
8 has expired, then the research and development expenses shall be calcu-
9 lated as if the federal research and development credit structure and
10 definition in effect in section 41 in federal tax year two thousand nine
11 were still in effect.

12 (9) "Related person" means a related person as defined in subparagraph
13 (c) of paragraph three of subsection (b) of section 465 of the internal
14 revenue code. For this purpose, a "related person" shall include an
15 entity that would have qualified as a "related person" if it had not
16 been dissolved, liquidated, merged with another entity or otherwise
17 ceased to exist or operate.

18 (d)(1) For purposes of this section, in order to be eligible for the
19 life sciences research and development tax credit allowed under subdivi-
20 sion (a) of this section, a life sciences company must be issued a
21 certificate of tax credit by the department of economic development.
22 The department of economic development shall verify that such life
23 sciences company has met all applicable eligibility criteria in this
24 section before issuing a certificate of tax credit, including but not
25 limited to verifying that the life sciences company is a new business.

26 (2) For purposes of this section, in order to be eligible for the
27 angel investor tax credit allowed under subdivision (b) of this section,
28 an angel investor must be issued a certificate of angel investment by

1 the department of economic development for each angel investment for
2 which the credit is claimed. The department of economic development
3 shall verify that such angel investor has met all applicable eligibility
4 criteria in this section before issuing a certificate of angel invest-
5 ment, including but not limited to certifying that the life sciences
6 company in which the angel investor has made such investment is a quali-
7 fied life sciences company.

8 (3) The commissioner of economic development, after consulting with
9 the commissioner, shall promulgate regulations by October thirty-first,
10 two thousand seventeen to establish procedures for the allocation of tax
11 credits allowed under this section. Such rules and regulations shall
12 include provisions describing the application process for each credit,
13 the due dates for such applications, the eligibility standards for qual-
14 ified life sciences companies, the standards which shall be used to
15 evaluate the applications, the documentation that will be provided to
16 taxpayers to substantiate to the department the amount of tax credits
17 allocated to such taxpayers, and such other provisions as deemed neces-
18 sary and appropriate. Notwithstanding any other provisions to the
19 contrary in the state administrative procedure act, such rules and regu-
20 lations may be adopted on an emergency basis if necessary to meet such
21 October thirty-first, two thousand seventeen deadline.

22 (e) Cross-references. For application of the credits provided for in
23 this section, see the following provisions of this chapter:

24 (1) article 9-A: section 210-B: subdivision 52.

25 (2) article 22: section 606: subsection (hhh).

26 (f) Notwithstanding any provision of this chapter, (i) employees and
27 officers of the department of economic development and the department
28 shall be allowed and are directed to share and exchange information

1 regarding the credits applied for, allowed, or claimed pursuant to this
2 section and taxpayers who are applying for credits or who are claiming
3 credits, including information contained in or derived from credit claim
4 forms submitted to the department and applications for certification
5 submitted to the department of economic development, and (ii) the
6 commissioner and the commissioner of the department of economic develop-
7 ment may release the names and addresses of any taxpayer claiming these
8 credits and the amount of the credit earned by the taxpayer. Provided,
9 however, if a taxpayer claims either of these credits because it is a
10 member of a limited liability company or a partner in a partnership,
11 only the amount of credit earned by the entity and not the amount of
12 credit claimed by the taxpayer may be released.

13 (g) For purposes of the credits allowed under this section, the number
14 of persons employed by a qualified life sciences company during the
15 taxable year shall be determined by ascertaining the number of such
16 individuals employed full-time by such company, excluding general execu-
17 tive officers, on the thirty-first day of March, the thirtieth day of
18 June, the thirtieth day of September and the thirty-first day of Decem-
19 ber during each taxable year, by adding together the number of such
20 individuals ascertained on each of such dates and dividing the sum so
21 obtained by the number of such dates occurring within such taxable year.
22 An individual employed full-time means an employee in a job consisting
23 of at least thirty-five hours per week, or two or more employees who are
24 in jobs that together constitute the equivalent of a job of at least
25 thirty-five hours per week (full-time equivalent).

26 § 8. Section 210-B of the tax law is amended by adding a new subdivi-
27 sion 52 to read as follows:

1 52. Life sciences tax credits. (a) Life sciences research and develop-
2 ment tax credit. (1) Allowance of credit. A taxpayer that is eligible
3 pursuant to subdivision (a) of section forty-three of this chapter shall
4 be allowed a credit to be computed as provided in such subdivision
5 against the tax imposed by this article.

6 (2) Application of credit. The credit allowed under this paragraph for
7 any taxable year shall not reduce the tax due for such year to less than
8 the amount prescribed in paragraph (d) of subdivision one of section two
9 hundred ten of this article. Provided, however, that if the amount of
10 the credit allowable under this paragraph for any taxable year reduces
11 the tax to such amount or if the taxpayer otherwise pays tax based on
12 the fixed dollar minimum amount, the excess shall be treated as an over-
13 payment of tax to be credited or refunded in accordance with the
14 provisions of section one thousand eighty-six of this chapter. Provided,
15 further, the provisions of subsection (c) of section one thousand eight-
16 y-eight of this chapter notwithstanding, no interest shall be paid ther-
17 eon.

18 (b) Angel investor tax credit. (1) Allowance of credit. A taxpayer
19 that is eligible pursuant to subdivision (b) of section forty-three of
20 this chapter shall be allowed a credit to be computed as provided in
21 such subdivision against the tax imposed by this article.

22 (2) Application of credit. The credit allowed under this paragraph for
23 any taxable year shall not reduce the tax due for such year to less than
24 the amount prescribed in paragraph (d) of subdivision one of section two
25 hundred ten of this article. Provided, however, that if the amount of
26 the credit allowable under this paragraph for any taxable year reduces
27 the tax to such amount or if the taxpayer otherwise pays tax based on
28 the fixed dollar minimum amount, the excess shall be treated as an over-

1 payment of tax to be credited or refunded in accordance with the
2 provisions of section one thousand eighty-six of this chapter. Provided,
3 further, the provisions of subsection (c) of section one thousand eight-
4 y-eight of this chapter notwithstanding, no interest shall be paid ther-
5 eon.

6 § 9. Section 606 of the tax law is amended by adding a new subsection
7 (hhh) to read as follows:

8 (hhh) Life sciences tax credits. (1) Life sciences research and
9 development tax credit. (A) Allowance of credit. A taxpayer who is
10 eligible pursuant to subdivision (a) of section forty-three of this
11 chapter shall be allowed a credit to be computed as provided in such
12 subdivision against the tax imposed by this article.

13 (B) Application of credit. If the amount of the credit allowable under
14 this paragraph for any taxable year exceeds the taxpayer's tax for such
15 year, the excess shall be treated as an overpayment of tax to be credit-
16 ed or refunded as provided in section six hundred eighty-six of this
17 article, provided, however, that no interest shall be paid thereon.

18 (2) Angel investor tax credit. (A) A taxpayer who is eligible pursuant
19 to subdivision (b) of section forty-three of this chapter shall be
20 allowed a credit to be computed as provided in such subdivision against
21 the tax imposed by this article.

22 (B) Application of credit. If the amount of the credit allowable under
23 this paragraph for any taxable year exceeds the taxpayer's tax for such
24 year, the excess shall be treated as an overpayment of tax to be credit-
25 ed or refunded as provided in section six hundred eighty-six of this
26 article, provided, however, that no interest shall be paid thereon.

1 § 10. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
2 of the tax law is amended by adding two new clauses (xlili) and (xliv)
3 to read as follows:

4 <u>(xlili) Life sciences research and</u>	<u>Amount of credit under paragraph</u>
5 <u>development tax credit under</u>	<u>(a) of subdivision fifty-two of</u>
6 <u>paragraph one of subsection (hhh)</u>	<u>section two hundred ten-B</u>

7 <u>(xliv) Angel investor tax</u>	<u>Amount of credit under paragraph</u>
8 <u>credit under paragraph two of</u>	<u>(b) of subdivision fifty-two of</u>
9 <u>subsection (hhh)</u>	<u>section two hundred ten-B</u>

10 § 11. This act shall take effect immediately, and shall apply to taxa-
11 ble years beginning on or after January 1, 2018.

12 PART L

13 Section 1. Section 441 of the economic development law, as added by
14 section 1 of part 0 of chapter 59 of the laws of 2015, is amended to
15 read as follows:

16 § 441. Definitions. As used in this article, the following terms shall
17 have the following meanings:

18 1. "Approved provider" means an entity meeting such criteria as shall
19 be established by the commissioner in rules and regulations promulgated
20 pursuant to this article, that may provide eligible training to employ-
21 ees of a business entity participating in the employee training incen-
22 tive program; provided that, for internship programs, the business enti-
23 ty shall be an approved provider or an approved provider in contract
24 with such business entity. Such criteria shall ensure that any approved
25 provider possess adequate credentials to provide the training described

1 in an application by a business entity to the commissioner to partic-
2 ipate in the employee training incentive program.

3 2. "Commissioner" means the commissioner of economic development.

4 3. "Eligible training" means (a) training provided by an approved
5 provider that is:

6 (i) to upgrade, retrain or improve the productivity of employees;

7 (ii) provided to employees [filling net new jobs, or to existing
8 employees] in connection with a significant capital investment by a
9 participating business entity;

10 (iii) determined by the commissioner to satisfy a business need on the
11 part of a participating business entity;

12 (iv) not designed to train or upgrade skills as required by a federal
13 or state entity;

14 (v) not training the completion of which may result in the awarding of
15 a license or certificate required by law in order to perform a job func-
16 tion; and

17 (vi) not culturally focused training; or

18 (b) an internship program in advanced technology or life sciences
19 approved by the commissioner and provided by an approved provider, on or
20 after August first, two thousand fifteen, to provide employment and
21 experience opportunities for current students, recent graduates, and
22 recent members of the armed forces.

23 4. ["Net new job" means a job created in this state that:

24 (a) is new to the state;

25 (b) has not been transferred from employment with another business
26 located in this state through an acquisition, merger, consolidation or
27 other reorganization of businesses or the acquisition of assets of

1 another business, and has not been transferred from employment with a
2 related person in this state;

3 (c) is either a full-time wage-paying job or equivalent to a full-time
4 wage-paying job requiring at least thirty-five hours per week;

5 (d) is filled for more than six months;

6 (e) is filled by a person who has received eligible training; and

7 (f) is comprised of tasks the performance of which required the person
8 filling the job to undergo eligible training.] "Life sciences" means the
9 field of biotechnology, pharmaceuticals, biomedical technologies, life
10 systems technologies, health informatics, health robotics or biomedical
11 devices. "Life sciences company" is a business entity or an organization
12 or institution that devotes the majority of its efforts in the various
13 stages of research, development, technology transfer and commercializa-
14 tion related to any life sciences field.

15 5. "Significant capital investment" means a capital investment [of at
16 least one million dollars] in new business processes or equipment, the
17 cost of which is equal to or exceeds ten dollars for every one dollar of
18 tax credit allowed to an eligible business entity under this program
19 pursuant to subdivision fifty of section two hundred ten-B or subsection
20 (ddd) of section six hundred six of the tax law.

21 6. "Strategic industry" means an industry in this state, as estab-
22 lished by the commissioner in regulations promulgated pursuant to this
23 article, based upon the following criteria:

24 (a) shortages of workers trained to work within the industry;

25 (b) technological disruption in the industry, requiring significant
26 capital investment for existing businesses to remain competitive;

27 (c) the ability of businesses in the industry to relocate outside of
28 the state in order to attract talent;

1 (d) the potential to recruit minorities and women to be trained to
2 work in the industry in which they are traditionally underrepresented;

3 (e) the potential to create jobs in economically distressed areas,
4 which shall be based on criteria indicative of economic distress,
5 including poverty rates, numbers of persons receiving public assistance,
6 and unemployment rates; or

7 (f) such other criteria as shall be developed by the commissioner in
8 consultation with the commissioner of labor.

9 § 2. Section 442 of the economic development law, as added by section
10 1 of part 0 of chapter 59 of the laws of 2015, is amended to read as
11 follows:

12 § 442. Eligibility criteria. In order to participate in the employee
13 training incentive program, a business entity must satisfy the following
14 criteria:

15 1. (a) The business entity must operate in the state predominantly in
16 a strategic industry;

17 (b) The business entity must demonstrate that it is obtaining eligible
18 training from an approved provider;

19 (c) The business entity must [create at least ten net new jobs or]
20 make a significant capital investment in connection with the eligible
21 training; and

22 (d) The business entity must be in compliance with all worker
23 protection and environmental laws and regulations. In addition, the
24 business entity may not owe past due state taxes or local property
25 taxes; or

26 2. (a) The business entity, or an approved provider in contract with
27 such business entity, must be approved by the commissioner to provide
28 eligible training in the form of an internship program in advanced tech-

1 nology or at a life sciences company pursuant to paragraph (b) of subdi-
2 vision three of section four hundred forty-one of this article;

3 (b) The business entity must be located in the state;

4 (c) The business entity must be in compliance with all worker
5 protection and environmental laws and regulations. In addition, the
6 business entity must not have past due state taxes or local property
7 taxes;

8 (d) The internship program shall not displace regular employees;

9 (e) The business entity must have less than one hundred employees; and

10 (f) Participation of an individual in an internship program shall not
11 last more than a total of twelve months.

12 § 3. This act shall take effect immediately.

13 PART M

14 Section 1. Paragraph 5 of subdivision (a) of section 24 of the tax
15 law, as amended by chapter 420 of the laws of 2016, is amended to read
16 as follows:

17 (5) For the period two thousand fifteen through two thousand [nine-
18 teen] twenty-two, in addition to the amount of credit established in
19 paragraph two of this subdivision, a taxpayer shall be allowed a credit
20 equal to the product (or pro rata share of the product, in the case of a
21 member of a partnership) of ten percent and the amount of wages or sala-
22 ries paid to individuals directly employed (excluding those employed as
23 writers, directors, music directors, producers and performers, including
24 background actors with no scripted lines) by a qualified film production
25 company or a qualified independent film production company for services
26 performed by those individuals in one of the counties specified in this

1 paragraph in connection with a qualified film with a minimum budget of
2 five hundred thousand dollars. For purposes of this additional credit,
3 the services must be performed in one or more of the following counties:
4 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
5 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
6 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
7 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
8 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
9 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben,
10 [Suffolk,] Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne,
11 Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant
12 to the authority of this paragraph shall be five million dollars each
13 year during the period two thousand fifteen through two thousand [nine-
14 teen] twenty-two of the annual allocation made available to the program
15 pursuant to paragraph four of subdivision (e) of this section. Such
16 aggregate amount of credits shall be allocated by the governor's office
17 for motion picture and television development among taxpayers in order
18 of priority based upon the date of filing an application for allocation
19 of film production credit with such office. If the total amount of allo-
20 cated credits applied for under this paragraph in any year exceeds the
21 aggregate amount of tax credits allowed for such year under this para-
22 graph, such excess shall be treated as having been applied for on the
23 first day of the next year. If the total amount of allocated tax credits
24 applied for under this paragraph at the conclusion of any year is less
25 than five million dollars, the remainder shall be treated as part of the
26 annual allocation made available to the program pursuant to paragraph
27 four of subdivision (e) of this section. However, in no event may the
28 total of the credits allocated under this paragraph and the credits

1 allocated under paragraph five of subdivision (a) of section thirty-one
2 of this article exceed five million dollars in any year during the peri-
3 od two thousand fifteen through two thousand [nineteen] twenty-two.

4 § 2. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
5 amended by section 1-a of part P of chapter 60 of the laws of 2016, is
6 amended to read as follows:

7 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
8 subdivision (a) of this section shall be increased by an additional four
9 hundred twenty million dollars in each year starting in two thousand ten
10 through two thousand [nineteen] twenty-two provided however, seven
11 million dollars of the annual allocation shall be available for the
12 empire state film post production credit pursuant to section thirty-one
13 of this article in two thousand thirteen and two thousand fourteen and
14 twenty-five million dollars of the annual allocation shall be available
15 for the empire state film post production credit pursuant to section
16 thirty-one of this article in each year starting in two thousand fifteen
17 through two thousand [nineteen] twenty-two. This amount shall be allo-
18 cated by the governor's office for motion picture and television devel-
19 opment among taxpayers in accordance with subdivision (a) of this
20 section. If the commissioner of economic development determines that the
21 aggregate amount of tax credits available from additional pool 2 for the
22 empire state film production tax credit have been previously allocated,
23 and determines that the pending applications from eligible applicants
24 for the empire state film post production tax credit pursuant to section
25 thirty-one of this article is insufficient to utilize the balance of
26 unallocated empire state film post production tax credits from such
27 pool, the remainder, after such pending applications are considered,
28 shall be made available for allocation in the empire state film tax

1 credit pursuant to this section, subdivision twenty of section two
2 hundred ten-B and subsection (gg) of section six hundred six of this
3 chapter. Also, if the commissioner of economic development determines
4 that the aggregate amount of tax credits available from additional pool
5 2 for the empire state film post production tax credit have been previ-
6 ously allocated, and determines that the pending applications from
7 eligible applicants for the empire state film production tax credit
8 pursuant to this section is insufficient to utilize the balance of unal-
9 located film production tax credits from such pool, then all or part of
10 the remainder, after such pending applications are considered, shall be
11 made available for allocation for the empire state film post production
12 credit pursuant to this section, subdivision thirty-two of section two
13 hundred ten-B and subsection (qq) of section six hundred six of this
14 chapter. The governor's office for motion picture and television devel-
15 opment must notify taxpayers of their allocation year and include the
16 allocation year on the certificate of tax credit. Taxpayers eligible to
17 claim a credit must report the allocation year directly on their empire
18 state film production credit tax form for each year a credit is claimed
19 and include a copy of the certificate with their tax return. In the case
20 of a qualified film that receives funds from additional pool 2, no
21 empire state film production credit shall be claimed before the later of
22 the taxable year the production of the qualified film is complete, or
23 the taxable year immediately following the allocation year for which the
24 film has been allocated credit by the governor's office for motion
25 picture and television development.

26 § 3. Paragraph 6 of subdivision (a) of section 31 of the tax law, as
27 amended by section 2 of part JJ of chapter 59 of the laws of 2014, is
28 amended to read as follows:

1 (6) For the period two thousand fifteen through two thousand [nine-
2 teen] twenty-two, in addition to the amount of credit established in
3 paragraph two of subdivision (a) of this section, a taxpayer shall be
4 allowed a credit equal to the product (or pro rata share of the product,
5 in the case of a member of a partnership) of ten percent and the amount
6 of wages or salaries paid to individuals directly employed (excluding
7 those employed as writers, directors, music directors, producers and
8 performers, including background actors with no scripted lines) for
9 services performed by those individuals in one of the counties specified
10 in this paragraph in connection with the post production work on a qual-
11 ified film with a minimum budget of five hundred thousand dollars at a
12 qualified post production facility in one of the counties listed in this
13 paragraph. For purposes of this additional credit, the services must be
14 performed in one or more of the following counties: Albany, Allegany,
15 Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton,
16 Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton,
17 Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery,
18 Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenecta-
19 dy, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins,
20 Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed
21 pursuant to the authority of this paragraph shall be five million
22 dollars each year during the period two thousand fifteen through two
23 thousand [nineteen] twenty-two of the annual allocation made available
24 to the empire state film post production credit pursuant to paragraph
25 four of subdivision (e) of section twenty-four of this article. Such
26 aggregate amount of credits shall be allocated by the governor's office
27 for motion picture and television development among taxpayers in order
28 of priority based upon the date of filing an application for allocation

1 of post production credit with such office. If the total amount of allo-
2 cated credits applied for under this paragraph in any year exceeds the
3 aggregate amount of tax credits allowed for such year under this para-
4 graph, such excess shall be treated as having been applied for on the
5 first day of the next year. If the total amount of allocated tax credits
6 applied for under this paragraph at the conclusion of any year is less
7 than five million dollars, the remainder shall be treated as part of the
8 annual allocation for two thousand seventeen made available to the
9 empire state film post production credit pursuant to paragraph four of
10 subdivision (e) of section twenty-four of this article. However, in no
11 event may the total of the credits allocated under this paragraph and
12 the credits allocated under paragraph five of subdivision (a) of section
13 twenty-four of this article exceed five million dollars in any year
14 during the period two thousand fifteen through two thousand [nineteen]
15 twenty-two.

16 § 4. This act shall take effect immediately.

17 PART N

18 Section 1. The section heading and subdivisions (a), (d) and (e) of
19 section 25-a of the labor law, the section heading and subdivisions (d)
20 and (e) as amended by section 1 of part AA of chapter 56 of the laws of
21 2015 and subdivision (a) as amended by section 1 of part VV of chapter
22 60 of the laws of 2016, are amended to read as follows:

23 Power to administer the urban youth jobs program tax credit.

24 (a) The commissioner is authorized to establish and administer the
25 program established under this section to provide tax incentives to
26 employers for employing at risk youth in part-time and full-time posi-

1 tions. There will be [five] ten distinct pools of tax incentives.
2 Program one will cover tax incentives allocated for two thousand twelve
3 and two thousand thirteen. Program two will cover tax incentives allo-
4 cated in two thousand fourteen. Program three will cover tax incentives
5 allocated in two thousand fifteen. Program four will cover tax incen-
6 tives allocated in two thousand sixteen. Program five will cover tax
7 incentives allocated in two thousand seventeen. Program six will cover
8 tax incentives allocated in two thousand eighteen. Program seven will
9 cover tax incentives allocated in two thousand nineteen. Program eight
10 will cover tax incentives allocated in two thousand twenty. Program
11 nine will cover tax incentives allocated in two thousand twenty-one.
12 Program ten will cover tax incentives allocated in two thousand twenty-
13 two. The commissioner is authorized to allocate up to twenty-five
14 million dollars of tax credits under program one, ten million dollars of
15 tax credits under program two, twenty million dollars of tax credits
16 under program three, and fifty million dollars of tax credits under each
17 [of programs four and five] subsequent program.

18 (d) To participate in the program established under this section, an
19 employer must submit an application (in a form prescribed by the commis-
20 sioner) to the commissioner after January first, two thousand twelve but
21 no later than November thirtieth, two thousand twelve for program one,
22 after January first, two thousand fourteen but no later than November
23 thirtieth, two thousand fourteen for program two, after January first,
24 two thousand fifteen but no later than November thirtieth, two thousand
25 fifteen for program three, after January first, two thousand sixteen but
26 no later than November thirtieth, two thousand sixteen for program four,
27 [and] after January first, two thousand seventeen but no later than
28 November thirtieth, two thousand seventeen for program five, after Janu-

1 ary first, two thousand eighteen but no later than November thirtieth,
2 two thousand eighteen for program six, after January first, two thousand
3 nineteen but no later than November thirtieth, two thousand nineteen for
4 program seven, after January first, two thousand twenty but no later
5 than November thirtieth, two thousand twenty for program eight, after
6 January first, two thousand twenty-one but no later than November thir-
7 tieth, two thousand twenty-one for program nine, and after January
8 first, two thousand twenty-two but no later than November thirtieth, two
9 thousand twenty-two for program ten. The qualified employees must start
10 their employment on or after January first, two thousand twelve but no
11 later than December thirty-first, two thousand twelve for program one,
12 on or after January first, two thousand fourteen but no later than
13 December thirty-first, two thousand fourteen for program two, on or
14 after January first, two thousand fifteen but no later than December
15 thirty-first, two thousand fifteen for program three, on or after Janu-
16 ary first, two thousand sixteen but no later than December thirty-first,
17 two thousand sixteen for program four, [and] on or after January first,
18 two thousand seventeen but no later than December thirty-first, two
19 thousand seventeen for program five, after January first, two thousand
20 eighteen but no later than December thirty-first, two thousand eighteen
21 for program six, after January first, two thousand nineteen but no later
22 than December thirty-first, two thousand nineteen for program seven,
23 after January first, two thousand twenty but no later than December
24 thirty-first, two thousand twenty for program eight, after January
25 first, two thousand twenty-one but no later than December thirty-first,
26 two thousand twenty-one for program nine, and after January first, two
27 thousand twenty-two but no later than December thirty-first, two thou-
28 sand twenty-two for program ten. The commissioner shall establish

1 guidelines and criteria that specify requirements for employers to
2 participate in the program including criteria for certifying qualified
3 employees. Any regulations that the commissioner determines are neces-
4 sary may be adopted on an emergency basis notwithstanding anything to
5 the contrary in section two hundred two of the state administrative
6 procedure act. Such requirements may include the types of industries
7 that the employers are engaged in. The commissioner may give preference
8 to employers that are engaged in demand occupations or industries, or in
9 regional growth sectors, including those identified by the regional
10 economic development councils, such as clean energy, healthcare,
11 advanced manufacturing and conservation. In addition, the commissioner
12 shall give preference to employers who offer advancement and employee
13 benefit packages to the qualified individuals.

14 (e) If, after reviewing the application submitted by an employer, the
15 commissioner determines that such employer is eligible to participate in
16 the program established under this section, the commissioner shall issue
17 the employer a certificate of eligibility that establishes the employer
18 as a qualified employer. The certificate of eligibility shall specify
19 the maximum amount of tax credit that the employer will be allowed to
20 claim and the program year under which it can be claimed.

21 § 2. The subdivision heading of subdivision 36 of section 210-B of the
22 tax law, as amended by section 2 of part AA of chapter 56 of the laws of
23 2015, is amended to read as follows:

24 [Urban] New York youth jobs program tax credit.

25 § 3. The subsection heading of subsection (tt) of section 606 of the
26 tax law, as amended by section 3 of part AA of chapter 56 of the laws of
27 2015, is amended to read as follows:

28 [Urban] New York youth jobs program tax credit.

1 § 4. Clause (xxxiii) of subparagraph (B) of paragraph 1 of subsection
2 (i) of section 606 of the tax law, as amended by section 4 of part AA of
3 chapter 56 of the laws of 2015, is amended to read as follows:

4 (xxxiii) [Urban] New York youth Amount of credit under
5 jobs program tax credit subdivision thirty-six
6 of section two hundred ten-B

7 § 5. This act shall take effect immediately.

8 PART O

9 Section 1. Subdivision 6 of section 187-b of the tax law, as amended
10 by section 1 of part G of chapter 59 of the laws of 2013, is amended to
11 read as follows:

12 6. Termination. The credit allowed by subdivision two of this section
13 shall not apply in taxable years beginning after December thirty-first,
14 two thousand [seventeen] twenty-two.

15 § 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law,
16 as added by section 17 of part A of chapter 59 of the laws of 2014, is
17 amended to read as follows:

18 (f) Termination. The credit allowed by paragraph (b) of this subdivi-
19 sion shall not apply in taxable years beginning after December thirty-
20 first, two thousand [seventeen] twenty-two.

21 § 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as
22 amended by section 3 of part G of chapter 59 of the laws of 2013, is
23 amended to read as follows:

24 (6) Termination. The credit allowed by this subsection shall not apply
25 in taxable years beginning after December thirty-first, two thousand
26 [seventeen] twenty-two.

1 § 4. This act shall take effect immediately.

2 PART P

3 Section 1. Subparagraph (i) of paragraph (b) of subdivision 1 of
4 section 210-B of the tax law, as amended by section 31 of part T of
5 chapter 59 of the laws of 2015, is amended to read as follows:

6 (i) A credit shall be allowed under this subdivision with respect to
7 tangible personal property and other tangible property, including build-
8 ings and structural components of buildings, which are: depreciable
9 pursuant to section one hundred sixty-seven of the internal revenue
10 code, have a useful life of four years or more, are acquired by purchase
11 as defined in section one hundred seventy-nine (d) of the internal
12 revenue code, have a situs in this state and are (A) principally used by
13 the taxpayer in the production of goods by manufacturing, processing,
14 assembling, refining, mining, extracting, farming, agriculture, horti-
15 culture, floriculture, viticulture or commercial fishing, (B) industrial
16 waste treatment facilities or air pollution control facilities, used in
17 the taxpayer's trade or business, (C) research and development property,
18 or (D) principally used in the ordinary course of the taxpayer's trade
19 or business as a broker or dealer in connection with the purchase or
20 sale (which shall include but not be limited to the issuance, entering
21 into, assumption, offset, assignment, termination, or transfer) of
22 stocks, bonds or other securities as defined in section four hundred
23 seventy-five (c)(2) of the Internal Revenue Code, or of commodities as
24 defined in section four hundred seventy-five (e) of the Internal Revenue
25 Code, (E) principally used in the ordinary course of the taxpayer's
26 trade or business of providing investment advisory services for a regu-

1 lated investment company as defined in section eight hundred fifty-one
2 of the Internal Revenue Code, or lending, loan arrangement or loan orig-
3 ination services to customers in connection with the purchase or sale
4 (which shall include but not be limited to the issuance, entering into,
5 assumption, offset, assignment, termination, or transfer) of securities
6 as defined in section four hundred seventy-five (c) (2) of the Internal
7 Revenue Code, (F) principally used in the ordinary course of the taxpay-
8 er's business as an exchange registered as a national securities
9 exchange within the meaning of sections 3(a) (1) and 6(a) of the Securi-
10 ties Exchange Act of 1934 or a board of trade as defined in subparagraph
11 one of paragraph (a) of section fourteen hundred ten of the not-for-pro-
12 fit corporation law or as an entity that is wholly owned by one or more
13 such national securities exchanges or boards of trade and that provides
14 automation or technical services thereto, or (G) principally used as a
15 qualified film production facility including qualified film production
16 facilities having a situs in an empire zone designated as such pursuant
17 to article eighteen-B of the general municipal law, where the taxpayer
18 is providing three or more services to any qualified film production
19 company using the facility, including such services as a studio lighting
20 grid, lighting and grip equipment, multi-line phone service, broadband
21 information technology access, industrial scale electrical capacity,
22 food services, security services, and heating, ventilation and air
23 conditioning. For purposes of clauses (D), (E) and (F) of this subpara-
24 graph, property purchased by a taxpayer affiliated with a regulated
25 broker, dealer, registered investment advisor, national securities
26 exchange or board of trade, is allowed a credit under this subdivision
27 if the property is used by its affiliated regulated broker, dealer,
28 registered investment advisor, national securities exchange or board of

1 trade in accordance with this subdivision. For purposes of determining
2 if the property is principally used in qualifying uses, the uses by the
3 taxpayer described in clauses (D) and (E) of this subparagraph may be
4 aggregated. In addition, the uses by the taxpayer, its affiliated regu-
5 lated broker, dealer and registered investment advisor under either or
6 both of those clauses may be aggregated. Provided, however, a taxpayer
7 shall not be allowed the credit provided by clauses (D), (E) and (F) of
8 this subparagraph unless the property is first placed in service before
9 October first, two thousand fifteen and (i) eighty percent or more of
10 the employees performing the administrative and support functions
11 resulting from or related to the qualifying uses of such equipment are
12 located in this state or (ii) the average number of employees that
13 perform the administrative and support functions resulting from or
14 related to the qualifying uses of such equipment and are located in this
15 state during the taxable year for which the credit is claimed is equal
16 to or greater than ninety-five percent of the average number of employ-
17 ees that perform these functions and are located in this state during
18 the thirty-six months immediately preceding the year for which the cred-
19 it is claimed, or (iii) the number of employees located in this state
20 during the taxable year for which the credit is claimed is equal to or
21 greater than ninety percent of the number of employees located in this
22 state on December thirty-first, nineteen hundred ninety-eight or, if the
23 taxpayer was not a calendar year taxpayer in nineteen hundred ninety-
24 eight, the last day of its first taxable year ending after December
25 thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes
26 subject to tax in this state after the taxable year beginning in nine-
27 teen hundred ninety-eight, then the taxpayer is not required to satisfy
28 the employment test provided in the preceding sentence of this subpara-

1 graph for its first taxable year. For purposes of clause (iii) of this
2 subparagraph the employment test will be based on the number of employ-
3 ees located in this state on the last day of the first taxable year the
4 taxpayer is subject to tax in this state. If the uses of the property
5 must be aggregated to determine whether the property is principally used
6 in qualifying uses, then either each affiliate using the property must
7 satisfy this employment test or this employment test must be satisfied
8 through the aggregation of the employees of the taxpayer, its affiliated
9 regulated broker, dealer, and registered investment adviser using the
10 property. For purposes of [this subdivision, the term "goods" shall not
11 include electricity] clause (A) of this subparagraph, tangible personal
12 property and other tangible property shall not include property princi-
13 pally used by the taxpayer (I) in the production or distribution of
14 electricity, natural gas, steam, or water delivered through pipes and
15 mains, or (II) in the creation, production or reproduction, in any medi-
16 um, of a film, visual or audio recording, or commercial, where the costs
17 associated with such creation, production or reproduction are incurred
18 outside of this state, or in the duplication, for purposes of broadcast
19 in any medium, of a master of a film, visual or audio recording, or
20 commercial, where the costs associated with such duplication are
21 incurred outside of this state.

22 § 2. Subparagraph (A) of paragraph 2 of subsection (a) of section 606
23 of the tax law, as amended by chapter 637 of the laws of 2008, is
24 amended to read as follows:

25 (A) A credit shall be allowed under this subsection with respect to
26 tangible personal property and other tangible property, including build-
27 ings and structural components of buildings, which are: depreciable
28 pursuant to section one hundred sixty-seven of the internal revenue

1 code, have a useful life of four years or more, are acquired by purchase
2 as defined in section one hundred seventy-nine (d) of the internal
3 revenue code, have a situs in this state and are (i) principally used by
4 the taxpayer in the production of goods by manufacturing, processing,
5 assembling, refining, mining, extracting, farming, agriculture, horti-
6 culture, floriculture, viticulture or commercial fishing, (ii) indus-
7 trial waste treatment facilities or air pollution control facilities,
8 used in the taxpayer's trade or business, (iii) research and development
9 property, (iv) principally used in the ordinary course of the taxpayer's
10 trade or business as a broker or dealer in connection with the purchase
11 or sale (which shall include but not be limited to the issuance, enter-
12 ing into, assumption, offset, assignment, termination, or transfer) of
13 stocks, bonds or other securities as defined in section four hundred
14 seventy-five (c) (2) of the Internal Revenue Code, or of commodities as
15 defined in section 475(e) of the Internal Revenue Code, (v) principally
16 used in the ordinary course of the taxpayer's trade or business of
17 providing investment advisory services for a regulated investment compa-
18 ny as defined in section eight hundred fifty-one of the Internal Revenue
19 Code, or lending, loan arrangement or loan origination services to
20 customers in connection with the purchase or sale (which shall include
21 but not be limited to the issuance, entering into, assumption, offset,
22 assignment, termination, or transfer) of securities as defined in
23 section four hundred seventy-five (c) (2) of the Internal Revenue Code,
24 or (vi) principally used as a qualified film production facility includ-
25 ing qualified film production facilities having a situs in an empire
26 zone designated as such pursuant to article eighteen-B of the general
27 municipal law, where the taxpayer is providing three or more services to
28 any qualified film production company using the facility, including such

1 services as a studio lighting grid, lighting and grip equipment, multi-
2 line phone service, broadband information technology access, industrial
3 scale electrical capacity, food services, security services, and heat-
4 ing, ventilation and air conditioning. For purposes of clauses (iv) and
5 (v) of this subparagraph, property purchased by a taxpayer affiliated
6 with a regulated broker, dealer, or registered investment adviser is
7 allowed a credit under this subsection if the property is used by its
8 affiliated regulated broker, dealer or registered investment adviser in
9 accordance with this subsection. For purposes of determining if the
10 property is principally used in qualifying uses, the uses by the taxpay-
11 er described in clauses (iv) and (v) of this subparagraph may be aggre-
12 gated. In addition, the uses by the taxpayer, its affiliated regulated
13 broker, dealer and registered investment adviser under either or both of
14 those clauses may be aggregated. Provided, however, a taxpayer shall not
15 be allowed the credit provided by clauses (iv) and (v) of this subpara-
16 graph unless (I) eighty percent or more of the employees performing the
17 administrative and support functions resulting from or related to the
18 qualifying uses of such equipment are located in this state, or (II) the
19 average number of employees that perform the administrative and support
20 functions resulting from or related to the qualifying uses of such
21 equipment and are located in this state during the taxable year for
22 which the credit is claimed is equal to or greater than ninety-five
23 percent of the average number of employees that perform these functions
24 and are located in this state during the thirty-six months immediately
25 preceding the year for which the credit is claimed, or (III) the number
26 of employees located in this state during the taxable year for which the
27 credit is claimed is equal to or greater than ninety percent of the
28 number of employees located in this state on December thirty-first,

1 nineteen hundred ninety-eight or, if the taxpayer was not a calendar
2 year taxpayer in nineteen hundred ninety-eight, the last day of its
3 first taxable year ending after December thirty-first, nineteen hundred
4 ninety-eight. If the taxpayer becomes subject to tax in this state after
5 the taxable year beginning in nineteen hundred ninety-eight, then the
6 taxpayer is not required to satisfy the employment test provided in the
7 preceding sentence of this subparagraph for its first taxable year. For
8 the purposes of clause (III) of this subparagraph the employment test
9 will be based on the number of employees located in this state on the
10 last day of the first taxable year the taxpayer is subject to tax in
11 this state. If the uses of the property must be aggregated to determine
12 whether the property is principally used in qualifying uses, then either
13 each affiliate using the property must satisfy this employment test or
14 this employment test must be satisfied through the aggregation of the
15 employees of the taxpayer, its affiliated regulated broker, dealer, and
16 registered investment adviser using the property. For purposes of [this
17 subsection, the term "goods" shall not include electricity] clause (i)
18 of this subparagraph, tangible personal property and other tangible
19 property shall not include property principally used by the taxpayer (a)
20 in the production or distribution of electricity, natural gas, steam, or
21 water delivered through pipes and mains, or (b) in the creation,
22 production or reproduction, in any medium, of a film, visual or audio
23 recording, or commercial, where the costs associated with such creation,
24 production or reproduction are incurred outside of this state, or in the
25 duplication, for purposes of broadcast in any medium, of a master of a
26 film, visual or audio recording, or commercial, where the costs associ-
27 ated with such duplication are incurred outside of this state.

1 § 3. This act shall take effect immediately and shall apply to taxable
2 years beginning on or after January 1, 2018.

3 PART Q

4 Section 1. Legislative findings. The legislature finds it necessary to
5 revise a decision of the tax appeals tribunal that disturbed the long-
6 standing policy of the department of taxation and finance that single
7 member limited liability companies that are treated as disregarded enti-
8 ties for federal income tax purposes also would be treated as disre-
9 garded entities for purposes of determining eligibility of the owners of
10 such entities for tax credits allowed under article 9, 9-A, 22, 32
11 (prior to its repeal) or 33 of the tax law. The decision of the tax
12 appeals tribunal, if allowed to stand, will result in the denial of tax
13 credits, such as empire zone tax credits, to taxpayers who in prior
14 years received those credits.

15 § 2. The tax law is amended by adding a new section 43 to read as
16 follows:

17 § 43. Single member limited liability companies and eligibility for
18 tax credits. A limited liability company that has a single member and is
19 disregarded as an entity separate from its owner for federal income tax
20 purposes (without reference to any special rules related to the imposi-
21 tion of certain federal taxes, including but not limited to certain
22 employment and excise taxes) shall be disregarded as an entity separate
23 from its owner for purposes of determining whether or not the taxpayer
24 that is the single member of such limited liability company satisfies
25 the requirements to be eligible for any tax credit allowed under article
26 nine, nine-A, twenty-two or thirty-three of this chapter or allowed

1 under article thirty-two of this chapter prior to the repeal of such
2 article. Such requirements, including but not limited to any necessary
3 certification, employment or investment thresholds, payment obligations,
4 and any time period for eligibility, shall be imposed on the taxpayer
5 and the determination of whether or not such requirements have been
6 satisfied and the computation of the credit shall be made by deeming
7 such taxpayer and such limited liability company to be a single entity.
8 If the taxpayer is the single member of more than one limited liability
9 company that is disregarded as an entity separate from its owner, the
10 determination of whether or not the requirements to be eligible for any
11 tax credit allowed under article nine, nine-A, twenty-two or thirty-
12 three of this chapter or allowed under article thirty-two of this chap-
13 ter prior to the repeal of such article have been satisfied and the
14 computation of the credit shall be made by deeming such taxpayer and
15 such limited liability companies to be a single entity.

16 § 3. This act shall take effect immediately; provided however, that
17 section 43 of the tax law, as added by section two of this act, shall
18 apply to all taxable years for which the statute of limitations for
19 seeking a refund or assessing additional tax is still open.

20 PART R

21 Section 1. Subparagraph (B) of paragraph 1 of subsection (a) of
22 section 601 of the tax law is REPEALED and a new subparagraph (B) is
23 added to read as follows:

24 (B)(i) For taxable years beginning in two thousand eighteen the
25 following rates shall apply:

1	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
2	<u>Not over \$17,150</u>	<u>4% of the New York taxable</u>
3		<u>income</u>
4	<u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
5		<u>\$17,150</u>
6	<u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
7		<u>\$23,600</u>
8	<u>Over \$27,900 but not over \$43,000</u>	<u>\$1,202 plus 5.9% of excess over</u>
9		<u>\$27,900</u>
10	<u>Over \$43,000 but not over \$161,550</u>	<u>\$2,093 plus 6.33% of excess over</u>
11		<u>\$43,000</u>
12	<u>Over \$161,550 but not over \$323,200</u>	<u>\$9,597 plus 6.57% of excess over</u>
13		<u>\$161,550</u>
14	<u>Over \$323,200 but not over \$2,155,350</u>	<u>\$20,218 plus 6.85% of excess over</u>
15		<u>\$323,200</u>
16	<u>Over \$2,155,350</u>	<u>\$145,720 plus 8.82% of excess over</u>
17		<u>\$2,155,350</u>

18 (ii) For taxable years beginning in two thousand nineteen the follow-
 19 ing rates shall apply:

20	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
21	<u>Not over \$17,150</u>	<u>4% of the New York taxable</u>
22		<u>income</u>
23	<u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
24		<u>\$17,150</u>
25	<u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
26		<u>\$23,600</u>
27	<u>Over \$27,900 but not over \$43,000</u>	<u>\$1,202 plus 5.9% of excess over</u>

1		<u>\$27,900</u>
2	<u>Over \$43,000 but not over \$161,550</u>	<u>\$2,093 plus 6.21% of excess over</u>
3		<u>\$43,000</u>
4	<u>Over \$161,550 but not over \$323,200</u>	<u>\$9,455 plus 6.49% of excess over</u>
5		<u>\$161,550</u>
6	<u>Over \$323,200 but not over \$2,155,350</u>	<u>\$19,946 plus 6.85% of excess over</u>
7		<u>\$323,200</u>
8	<u>Over \$2,155,350</u>	<u>\$145,448 plus 8.82% of excess over</u>
9		<u>\$2,155,350</u>
10	<u>(iii) For taxable years beginning in two thousand twenty the following</u>	
11	<u>rates shall apply:</u>	
12	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
13	<u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
14	<u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
15		<u>\$17,150</u>
16	<u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
17		<u>\$23,600</u>
18	<u>Over \$27,900 but not over \$43,000</u>	<u>\$1,202 plus 5.9% of excess over</u>
19		<u>\$27,900</u>
20	<u>Over \$43,000 but not over \$161,550</u>	<u>\$2,093 plus 6.09% of excess over</u>
21		<u>\$43,000</u>
22	<u>Over \$161,550 but not over \$323,200</u>	<u>\$9,313 plus 6.41% of excess over</u>
23		<u>\$161,550</u>
24	<u>Over \$323,200 but not over \$2,155,350</u>	<u>\$19,674 plus 6.85% of excess over</u>
25		<u>\$323,200</u>
26	<u>Over \$2,155,350</u>	<u>\$145,177 plus 8.82% of excess over</u>
27		<u>\$2,155,350</u>

1 (iv) For taxable years beginning in two thousand twenty-one the
2 following rates shall apply:

3 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
4 <u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
5 <u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
6	<u>\$17,150</u>
7 <u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
8	<u>\$23,600</u>
9 <u>Over \$27,900 but not over \$43,000</u>	<u>\$1,202 plus 5.9% of excess over</u>
10	<u>\$27,900</u>
11 <u>Over \$43,000 but not over \$161,550</u>	<u>\$2,093 plus 5.97% of excess over</u>
12	<u>\$43,000</u>
13 <u>Over \$161,550 but not over \$323,200</u>	<u>\$9,170 plus 6.33% of excess over</u>
14	<u>\$161,550</u>
15 <u>Over \$323,200</u>	<u>\$19,403 plus 6.85% of excess over</u>
16	<u>\$323,200</u>

17 (v) For taxable years beginning in two thousand twenty-two the follow-
18 ing rates shall apply:

19 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
20 <u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
21 <u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
22	<u>\$17,150</u>
23 <u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
24	<u>\$23,600</u>
25 <u>Over \$27,900 but not over \$161,550</u>	<u>\$1,202 plus 5.85% of excess over</u>
26	<u>\$27,900</u>
27 <u>Over \$161,550 but not over \$323,200</u>	<u>\$9,021 plus 6.25% of excess over</u>

1 \$161,550
 2 Over \$323,200 \$19,124 plus 6.85% of excess over
 3 \$323,200

4 (vi) For taxable years beginning in two thousand twenty-three the
 5 following rates shall apply:

6 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
7 <u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
8 <u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
9	<u>\$17,150</u>
10 <u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
11	<u>\$23,600</u>
12 <u>Over \$27,900 but not over \$161,550</u>	<u>\$1,202 plus 5.73% of excess over</u>
13	<u>\$27,900</u>
14 <u>Over \$161,550 but not over \$323,200</u>	<u>\$8,860 plus 6.17% of excess over</u>
15	<u>\$161,550</u>
16 <u>Over \$323,200</u>	<u>\$18,834 plus 6.85% of excess over</u>
17	<u>\$323,200</u>

18 (vii) For taxable years beginning in two thousand twenty-four the
 19 following rates shall apply:

20 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
21 <u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
22 <u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
23	<u>\$17,150</u>
24 <u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
25	<u>\$23,600</u>
26 <u>Over \$27,900 but not over \$161,550</u>	<u>\$1,202 plus 5.61% of excess over</u>
27	<u>\$27,900</u>
28 <u>Over \$161,550 but not over \$323,200</u>	<u>\$8,700 plus 6.09% of excess over</u>

1 \$161,550
 2 Over \$323,200 \$18,544 plus 6.85% of excess over
 3 \$323,200

4 (viii) For taxable years beginning after two thousand twenty-four the
 5 following rates shall apply:

6 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
7 <u>Not over \$17,150</u>	<u>4% of the New York taxable income</u>
8 <u>Over \$17,150 but not over \$23,600</u>	<u>\$686 plus 4.5% of excess over</u>
9	<u>\$17,150</u>
10 <u>Over \$23,600 but not over \$27,900</u>	<u>\$976 plus 5.25% of excess over</u>
11	<u>\$23,600</u>
12 <u>Over \$27,900 but not over \$161,550</u>	<u>\$1,202 plus 5.5% of excess over</u>
13	<u>\$27,900</u>
14 <u>Over \$161,550 but not over \$323,200</u>	<u>\$8,553 plus 6.00% of excess over</u>
15	<u>\$161,550</u>
16 <u>Over \$323,200</u>	<u>\$18,252 plus 6.85% of excess over</u>
17	<u>\$323,200</u>

18 § 2. Subparagraph (B) of paragraph 1 of subsection (b) of section 601
 19 of the tax law is REPEALED and a new subparagraph (B) is added to read
 20 as follows:

21 (B)(i) For taxable years beginning in two thousand eighteen the
 22 following rates shall apply:

23 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
24 <u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
25 <u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over \$12,800</u>
26 <u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>

1		<u>\$17,650</u>
2	<u>Over \$20,900 but not over \$32,200</u>	<u>\$901 plus 5.9% of excess over \$20,900</u>
3	<u>Over \$32,200 but not over \$107,650</u>	<u>\$1,568 plus 6.33% of excess over</u>
4		<u>\$32,200</u>
5	<u>Over \$107,650 but not over \$269,300</u>	<u>\$6,344 plus 6.57% of excess over</u>
6		<u>\$107,650</u>
7	<u>Over \$269,300 but not over \$1,616,450</u>	<u>\$16,964 plus 6.85% of excess over</u>
8		<u>\$269,300</u>
9	<u>Over \$1,616,450</u>	<u>\$109,244 plus 8.82% of excess over</u>
10		<u>\$1,616,450</u>
11	<u>(ii) For taxable years beginning in two thousand nineteen the follow-</u>	
12	<u>ing rates shall apply:</u>	
13	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
14	<u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
15	<u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over \$12,800</u>
16	<u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
17		<u>\$17,650</u>
18	<u>Over \$20,900 but not over \$32,200</u>	<u>\$901 plus 5.9% of excess over \$20,900</u>
19	<u>Over \$32,200 but not over \$107,650</u>	<u>\$1,568 plus 6.21% of excess over</u>
20		<u>\$32,200</u>
21	<u>Over \$107,650 but not over \$269,300</u>	<u>\$6,253 plus 6.49% of excess over</u>
22		<u>\$107,650</u>
23	<u>Over \$269,300 but not over \$1,616,450</u>	<u>\$16,744 plus 6.85% of excess over</u>
24		<u>\$269,300</u>
25	<u>Over \$1,616,450</u>	<u>\$109,024 plus 8.82% of excess over</u>
26		<u>\$1,616,450</u>

27 (iii) For taxable years beginning in two thousand twenty the following
 28 rates shall apply:

1	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
2	<u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
3	<u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over \$12,800</u>
4	<u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
5		<u>\$17,650</u>
6	<u>Over \$20,900 but not over \$32,200</u>	<u>\$901 plus 5.9% of excess over \$20,900</u>
7	<u>Over \$32,200 but not over \$107,650</u>	<u>\$1,568 plus 6.09% of excess over</u>
8		<u>\$32,200</u>
9	<u>Over \$107,650 but not over \$269,300</u>	<u>\$6,162 plus 6.41% of excess over</u>
10		<u>\$107,650</u>
11	<u>Over \$269,300 but not over \$1,616,450</u>	<u>\$16,524 plus 6.85% of excess over</u>
12		<u>\$269,300</u>
13	<u>Over \$1,616,450</u>	<u>\$108,804 plus 8.82% of excess over</u>
14		<u>\$1,616,450</u>

15 (iv) For taxable years beginning in two thousand twenty-one the
 16 following rates shall apply:

17	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
18	<u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
19	<u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over</u>
20		<u>\$12,800</u>
21	<u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
22		<u>\$17,650</u>
23	<u>Over \$20,900 but not over \$32,200</u>	<u>\$901 plus 5.9% of excess over</u>
24		<u>\$20,900</u>
25	<u>Over \$32,200 but not over \$107,650</u>	<u>\$1,568 plus 5.97% of excess over</u>
26		<u>\$32,200</u>
27	<u>Over \$107,650 but not over \$269,300</u>	<u>\$6,072 plus 6.33% of excess over</u>

1 \$107,650
 2 Over \$269,300 \$16,304 plus 6.85% of excess over
 3 \$269,300

4 (v) For taxable years beginning in two thousand twenty-two the follow-
 5 ing rates shall apply:

6 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
7 <u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
8 <u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over</u>
9	<u>\$12,800</u>
10 <u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
11	<u>\$17,650</u>
12 <u>Over \$20,900 but not over \$107,650</u>	<u>\$901 plus 5.85% of excess over</u>
13	<u>\$20,900</u>
14 <u>Over \$107,650 but not over \$269,300</u>	<u>\$5,976 plus 6.25% of excess over</u>
15	<u>\$107,650</u>
16 <u>Over \$269,300</u>	<u>\$16,079 plus 6.85% of excess over</u>
17	<u>\$269,300</u>

18 (vi) For taxable years beginning in two thousand twenty-three the
 19 following rates shall apply:

20 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
21 <u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
22 <u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over</u>
23	<u>\$12,800</u>
24 <u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
25	<u>\$17,650</u>
26 <u>Over \$20,900 but not over \$107,650</u>	<u>\$901 plus 5.73% of excess over</u>
27	<u>\$20,900</u>
28 <u>Over \$107,650 but not over \$269,300</u>	<u>\$5,872 plus 6.17% of excess over</u>

1 \$107,650
 2 Over \$269,300 \$15,845 plus 6.85% of excess over
 3 \$269,300

4 (vii) For taxable years beginning in two thousand twenty-four the
 5 following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
7 <u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
8 <u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over</u>
9	<u>\$12,800</u>
10 <u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
11	<u>\$17,650</u>
12 <u>Over \$20,900 but not over \$107,650</u>	<u>\$901 plus 5.61% of excess over</u>
13	<u>\$20,900</u>
14 <u>Over \$107,650 but not over \$269,300</u>	<u>\$5,768 plus 6.09% of excess over</u>
15	<u>\$107,650</u>
16 <u>Over \$269,300</u>	<u>\$15,612 plus 6.85% of excess over</u>
17	<u>\$269,300</u>

18 (viii) For taxable years beginning after two thousand twenty-four the
 19 following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
21 <u>Not over \$12,800</u>	<u>4% of the New York taxable income</u>
22 <u>Over \$12,800 but not over \$17,650</u>	<u>\$512 plus 4.5% of excess over</u>
23	<u>\$12,800</u>
24 <u>Over \$17,650 but not over \$20,900</u>	<u>\$730 plus 5.25% of excess over</u>
25	<u>\$17,650</u>
26 <u>Over \$20,900 but not over \$107,650</u>	<u>\$901 plus 5.5% of excess over</u>
27	<u>\$20,900</u>
28 <u>Over \$107,650 but not over \$269,300</u>	<u>\$5,672 plus 6.00% of excess over</u>

1 \$107,650
 2 Over \$269,300 \$15,371 plus 6.85% of excess over
 3 \$269,300

4 § 3. Subparagraph (B) of paragraph 1 of subsection (c) of section 601
 5 of the tax law is REPEALED and a new subparagraph (B) is added to read
 6 as follows:

7 (B)(i) For taxable years beginning in two thousand eighteen the
 8 following rates shall apply:

9 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
10 <u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
11 <u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
12	<u>\$8,500</u>
13 <u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
14	<u>\$11,700</u>
15 <u>Over \$13,900 but not over \$21,400</u>	<u>\$600 plus 5.9% of excess over</u>
16	<u>\$13,900</u>
17 <u>Over \$21,400 but not over \$80,650</u>	<u>\$1,042 plus 6.33% of excess over</u>
18	<u>\$21,400</u>
19 <u>Over \$80,650 but not over \$215,400</u>	<u>\$4,793 plus 6.57% of excess over</u>
20	<u>\$80,650</u>
21 <u>Over \$215,400 but not over \$1,077,550</u>	<u>\$13,646 plus 6.85% of excess over</u>
22	<u>\$215,400</u>
23 <u>Over \$1,077,550</u>	<u>\$72,703 plus 8.82% of excess over</u>
24	<u>\$1,077,550</u>

25 (ii) For taxable years beginning in two thousand nineteen the follow-
 26 ing rates shall apply:

<u>1 If the New York taxable income is:</u>	<u>The tax is:</u>
<u>2 Not over \$8,500</u>	<u>4% of the New York taxable income</u>
<u>3 Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
<u>4</u>	<u>\$8,500</u>
<u>5 Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
<u>6</u>	<u>\$11,700</u>
<u>7 Over \$13,900 but not over \$21,400</u>	<u>\$600 plus 5.9% of excess over</u>
<u>8</u>	<u>\$13,900</u>
<u>9 Over \$21,400 but not over \$80,650</u>	<u>\$1,042 plus 6.21% of excess over</u>
<u>10</u>	<u>\$21,400</u>
<u>11 Over \$80,650 but not over \$215,400</u>	<u>\$4,721 plus 6.49% of excess over</u>
<u>12</u>	<u>\$80,650</u>
<u>13 Over \$215,400 but not over \$1,077,550</u>	<u>\$13,467 plus 6.85% of excess over</u>
<u>14</u>	<u>\$215,400</u>
<u>15 Over \$1,077,550</u>	<u>\$72,524 plus 8.82% of excess over</u>
<u>16</u>	<u>\$1,077,550</u>

17 (iii) For taxable years beginning in two thousand twenty the following
18 rates shall apply:

<u>19 If the New York taxable income is:</u>	<u>The tax is:</u>
<u>20 Not over \$8,500</u>	<u>4% of the New York taxable income</u>
<u>21 Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
<u>22</u>	<u>\$8,500</u>
<u>23 Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
<u>24</u>	<u>\$11,700</u>
<u>25 Over \$13,900 but not over \$21,400</u>	<u>\$600 plus 5.9% of excess over</u>
<u>26</u>	<u>\$13,900</u>
<u>27 Over \$21,400 but not over \$80,650</u>	<u>\$1,042 plus 6.09% of excess over</u>

1		<u>\$21,400</u>
2	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,650 plus 6.41% of excess over</u>
3		<u>\$80,650</u>
4	<u>Over \$215,400 but not over \$1,077,550</u>	<u>\$13,288 plus 6.85% of excess over</u>
5		<u>\$215,400</u>
6	<u>Over \$1,077,550</u>	<u>\$72,345 plus 8.82% of excess over</u>
7		<u>\$1,077,550</u>

8 (iv) For taxable years beginning in two thousand twenty-one the
 9 following rates shall apply:

10	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
11	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
12	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
13		<u>\$8,500</u>
14	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
15		<u>\$11,700</u>
16	<u>Over \$13,900 but not over \$21,400</u>	<u>\$600 plus 5.9% of excess over</u>
17		<u>\$13,900</u>
18	<u>Over \$21,400 but not over \$80,650</u>	<u>\$1,042 plus 5.97% of excess over</u>
19		<u>\$21,400</u>
20	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,579 plus 6.33% of excess over</u>
21		<u>\$80,650</u>
22	<u>Over \$215,400</u>	<u>\$13,109 plus 6.85% of excess over</u>
23		<u>\$215,400</u>

24 (v) For taxable years beginning in two thousand twenty-two the follow-
 25 ing rates shall apply:

26	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
27	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
28	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>

1		<u>\$8,500</u>
2	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
3		<u>\$11,700</u>
4	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.85% of excess over</u>
5		<u>\$13,900</u>
6	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,504 plus 6.25% of excess over</u>
7		<u>\$80,650</u>
8	<u>Over \$215,400</u>	<u>\$12,926 plus 6.85% of excess over</u>
9		<u>\$215,400</u>

10 (vi) For taxable years beginning in two thousand twenty-three the
 11 following rates shall apply:

12	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
13	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
14	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
15		<u>\$8,500</u>
16	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
17		<u>\$11,700</u>
18	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.73% of excess over</u>
19		<u>\$13,900</u>
20	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,424 plus 6.17% of excess over</u>
21		<u>\$80,650</u>
22	<u>Over \$215,400</u>	<u>\$12,738 plus 6.85% of excess over</u>
23		<u>\$215,400</u>

24 (vii) For taxable years beginning in two thousand twenty-four the
 25 following rates shall apply:

26	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
27	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
28	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>

1		<u>\$8,500</u>
2	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
3		<u>\$11,700</u>
4	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.61% of excess over</u>
5		<u>\$13,900</u>
6	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,344 plus 6.09% of excess over</u>
7		<u>\$80,650</u>
8	<u>Over \$215,400</u>	<u>\$12,550 plus 6.85% of excess over</u>
9		<u>\$215,400</u>
10	<u>(viii) For taxable years beginning after two thousand twenty-four the</u>	
11	<u>following rates shall apply:</u>	
12	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
13	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
14	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
15		<u>\$8,500</u>
16	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
17		<u>\$11,700</u>
18	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.50% of excess over</u>
19		<u>\$13,900</u>
20	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,271 plus 6.00% of excess over</u>
21		<u>\$80,650</u>
22	<u>Over \$215,400</u>	<u>\$12,356 plus 6.85% of excess over</u>
23		<u>\$215,400</u>

24 § 4. Subparagraph (D) of paragraph 1 of subsection (d-1) of section
 25 601 of the tax law, as amended by section 5 of part FF of chapter 59 of
 26 the laws of 2013, is amended to read as follows:

27 (D) The tax table benefit is the difference between (i) the amount of
 28 taxable income set forth in the tax table in paragraph one of subsection

1 (a) of this section not subject to the 8.82 percent rate of tax for the
2 taxable year multiplied by such rate and (ii) the dollar denominated tax
3 for such amount of taxable income set forth in the tax table applicable
4 to the taxable year in paragraph one of subsection (a) of this section
5 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
6 of this paragraph. The fraction for this subparagraph is computed as
7 follows: the numerator is the lesser of fifty thousand dollars or the
8 excess of New York adjusted gross income for the taxable year over two
9 million dollars and the denominator is fifty thousand dollars. This
10 subparagraph shall apply only to taxable years beginning on or after
11 January first, two thousand twelve and before January first, two thou-
12 sand [eighteen] twenty-one.

13 § 5. Subparagraph (C) of paragraph 2 of subsection (d-1) of section
14 601 of the tax law, as amended by section 6 of part FF of chapter 59 of
15 the laws of 2013, is amended to read as follows:

16 (C) The tax table benefit is the difference between (i) the amount of
17 taxable income set forth in the tax table in paragraph one of subsection
18 (b) of this section not subject to the 8.82 percent rate of tax for the
19 taxable year multiplied by such rate and (ii) the dollar denominated tax
20 for such amount of taxable income set forth in the tax table applicable
21 to the taxable year in paragraph one of subsection (b) of this section
22 less the sum of the tax table benefits in subparagraphs (A) and (B) of
23 this paragraph. The fraction for this subparagraph is computed as
24 follows: the numerator is the lesser of fifty thousand dollars or the
25 excess of New York adjusted gross income for the taxable year over one
26 million five hundred thousand dollars and the denominator is fifty thou-
27 sand dollars. This subparagraph shall apply only to taxable years begin-

1 ning on or after January first, two thousand twelve and before January
2 first, two thousand [eighteen] twenty-one.

3 § 6. Subparagraph (C) of paragraph 3 of subsection (d-1) of section
4 601 of the tax law, as amended by section 7 of part FF of chapter 59 of
5 the laws of 2013, is amended to read as follows:

6 (C) The tax table benefit is the difference between (i) the amount of
7 taxable income set forth in the tax table in paragraph one of subsection
8 (c) of this section not subject to the 8.82 percent rate of tax for the
9 taxable year multiplied by such rate and (ii) the dollar denominated tax
10 for such amount of taxable income set forth in the tax table applicable
11 to the taxable year in paragraph one of subsection (c) of this section
12 less the sum of the tax table benefits in subparagraphs (A) and (B) of
13 this paragraph. The fraction for this subparagraph is computed as
14 follows: the numerator is the lesser of fifty thousand dollars or the
15 excess of New York adjusted gross income for the taxable year over one
16 million dollars and the denominator is fifty thousand dollars. This
17 subparagraph shall apply only to taxable years beginning on or after
18 January first, two thousand twelve and before January first, two thou-
19 sand [eighteen] twenty-one.

20 § 7. This act shall take effect immediately.

21 PART S

22 Section 1. Subsection (g) of section 615 of the tax law, as amended by
23 section 1 of part H of chapter 59 of the laws of 2015, is amended to
24 read as follows:

25 (g) (1) With respect to an individual whose New York adjusted gross
26 income is over one million dollars and no more than ten million dollars,

1 the New York itemized deduction shall be an amount equal to fifty
2 percent of any charitable contribution deduction allowed under section
3 one hundred seventy of the internal revenue code [for taxable years
4 beginning after two thousand nine and before two thousand eighteen. With
5 respect to an individual whose New York adjusted gross income is over
6 one million dollars, the New York itemized deduction shall be an amount
7 equal to fifty percent of any charitable contribution deduction allowed
8 under section one hundred seventy of the internal revenue code for taxa-
9 ble years beginning in two thousand nine or after two thousand seven-
10 teen].

11 (2) With respect to an individual whose New York adjusted gross income
12 is over ten million dollars, the New York itemized deduction shall be an
13 amount equal to twenty-five percent of any charitable contribution
14 deduction allowed under section one hundred seventy of the internal
15 revenue code [for taxable years beginning after two thousand nine and
16 ending before two thousand eighteen].

17 § 2. Subdivision (g) of section 11-1715 of the administrative code of
18 the city of New York, as amended by section 2 of part H of chapter 59 of
19 the laws of 2015, is amended to read as follows:

20 (g) (1) With respect to an individual whose New York adjusted gross
21 income is over one million dollars but no more than ten million dollars,
22 the New York itemized deduction shall be an amount equal to fifty
23 percent of any charitable contribution deduction allowed under section
24 one hundred seventy of the internal revenue code [for taxable years
25 beginning after two thousand nine and before two thousand eighteen. With
26 respect to an individual whose New York adjusted gross income is over
27 one million dollars, the New York itemized deduction shall be an amount
28 equal to fifty percent of any charitable contribution deduction allowed

1 under section one hundred seventy of the internal revenue code for taxa-
 2 ble years beginning in two thousand nine or after two thousand seven-
 3 teen].

4 (2) With respect to an individual whose New York adjusted gross income
 5 is over ten million dollars, the New York itemized deduction shall be an
 6 amount equal to twenty-five percent of any charitable contribution
 7 deduction allowed under section one hundred seventy of the internal
 8 revenue code [for taxable years beginning after two thousand nine and
 9 ending before two thousand eighteen].

10 § 3. This act shall take effect immediately.

11 PART T

12 Section 1. Subsection (c) of section 606 of the tax law is amended by
 13 adding a new paragraph (1-a) to read as follows:

14 (1-a) For taxable years beginning after two thousand seventeen, for a
 15 taxpayer with New York adjusted gross income of at least fifty thousand
 16 dollars but less than one hundred fifty thousand dollars, the applicable
 17 percentage shall be the applicable percentage otherwise computed under
 18 paragraph one of this subsection multiplied by a factor as follows:

19 If New York adjusted gross

20 income is:

The factor is:

21 At least \$50,000 and less

22 than \$55,000

1.1682

23 At least \$55,000 and less

24 than \$60,000

1.2733

25 At least \$60,000 and less

26 than \$65,000

2.322

1 At least \$65,000 and less
2 than \$150,000 3.000
3 § 2. This act shall take effect immediately.

4 PART U

5 Section 1. Paragraph (a) of subdivision 1 and paragraph (a) of subdivi-
6 vision 2 of section 1701 of the tax law, as added by section 1 of part
7 CC-1 of chapter 57 of the laws of 2008, are amended to read as follows:

8 (a) "Debt" means [all] past-due tax liabilities, including unpaid tax,
9 interest, and penalty, that the commissioner is required by law to
10 collect and that have [been reduced to judgment by the docketing of a
11 New York state tax warrant in the office of a county clerk located in
12 the state of New York or by the filing of a copy of the warrant in the
13 office of the department of state] become fixed and final such that the
14 taxpayer no longer has any right to administrative or judicial review.

15 (a) To assist the commissioner in the collection of debts, the depart-
16 ment must develop and operate a financial institution data match system
17 for the purpose of identifying and seizing the non-exempt assets of tax
18 debtors as identified by the commissioner. The commissioner is author-
19 ized to designate a third party to develop and operate this system.
20 Notwithstanding any other provisions of this chapter, the commissioner
21 is authorized to disclose the debt and the debtor information to such
22 third party and to financial institutions for purposes of this system.
23 Any third party designated by the commissioner to develop and operate a
24 financial data match system must keep all information it obtains from
25 both the department and the financial institution confidential, and any
26 employee, agent or representative of that third party is prohibited from

1 disclosing that information to anyone other than the department or the
2 financial institution.

3 § 2. This act shall take effect immediately.

4 PART V

5 Section 1. Subdivision 4 of section 50 of the civil service law is
6 amended by adding a new closing paragraph to read as follows:

7 The department shall require a tax clearance from the department of
8 taxation and finance, as provided for in section one hundred seventy-
9 one-w of the tax law, for each applicant and shall refuse to examine an
10 applicant, or after examination to certify an eligible for whom tax
11 clearance is denied by the department of taxation and finance. A munic-
12 ipal commission, subject to the approval of the governing board or body
13 of the city or county as the case may be, or a regional commission or
14 personnel officer, pursuant to governmental agreement, may elect to
15 require tax clearances for applicants and to refuse to examine an appli-
16 cant, or after examination to certify an eligible for whom a tax clear-
17 ance is denied by the department of taxation and finance. Provided,
18 however, that the department and municipal commissions shall not require
19 a tax clearance for (1) any current employee; or (2) a person who is
20 considered an applicant by reason of (a) a transfer pursuant to section
21 seventy of this chapter; or (b) a person who is on a preferred list
22 subject to section eighty-one of this chapter; or (c) a person whose
23 name is on an eligible list as defined in section fifty-six of this
24 article and who has successfully completed a promotion exam subject to
25 section fifty-two of this article. Where a tax clearance is required,
26 the application for examination, or the instructions for such applica-

1 tion, shall clearly inform the applicant that a tax clearance will be
2 performed and that, if the tax clearance is denied, the applicant must
3 contact the department of taxation and finance to resolve any past-due
4 tax liabilities or return filing compliance before the application for
5 examination may be resubmitted. Any applicant subject to tax clearance
6 shall be required to provide any information deemed necessary by the
7 department and the department of taxation and finance to efficiently and
8 accurately provide a tax clearance, and the failure by the applicant to
9 provide such information shall disqualify the applicant.

10 § 2. The tax law is amended by adding a new section 171-w to read as
11 follows:

12 § 171-w. Enforcement of delinquent tax liabilities through tax clear-
13 ances. (1) For the purposes of this section, the term "tax liabilities"
14 shall mean any tax, surcharge, or fee administered by the commissioner,
15 or any penalty or interest on such tax, surcharge, or fee, owed by an
16 individual or entity. The term "past-due tax liabilities" means any
17 unpaid tax liabilities that have become fixed and final such that the
18 taxpayer no longer has any right to administrative or judicial review.
19 The term "government entity" means the state of New York, or any of its
20 agencies, political subdivisions, instrumentalities, public corporations
21 (including a public corporation created pursuant to agreement or compact
22 with another state or Canada), or combination thereof.

23 (2) The commissioner, or his or her designee, shall cooperate with any
24 government entity that is required by law or has elected to require tax
25 clearances to establish procedures by which the department shall receive
26 a tax clearance request and transmit such tax clearance to the govern-
27 ment entity, and any other procedures deemed necessary to carry out the
28 provisions of this section. These procedures shall, to the extent prac-

1 ticable, require secure electronic communication between the department
2 and the requesting government entity for the transmission of tax clear-
3 ance requests to the department and transmission of tax clearances to
4 the requesting entity. Notwithstanding any other law to the contrary, a
5 government entity shall be authorized to share any applicant data or
6 information with the department that is necessary to ensure the proper
7 matching of the applicant to the tax records maintained by the depart-
8 ment.

9 (3) Upon receipt of a tax clearance request, the department shall
10 examine its records to determine whether the subject of the tax clear-
11 ance request has past-due tax liabilities equal to or in excess of the
12 dollar threshold applicable for such tax clearance request or, were no
13 threshold has been established by law or otherwise, equal to or in
14 excess of five hundred dollars. When a tax clearance request so
15 requires, the department shall also determine whether (i) the subject of
16 such request has complied with applicable tax return filing requirements
17 for each of the past three years; and/or (ii) whether a subject of such
18 request that is an individual or entity that is a person required to
19 register pursuant to section eleven hundred thirty-four of this chapter
20 is registered pursuant to such section. The department shall deny a tax
21 clearance if it determines that the subject of a tax clearance request
22 has past-due tax liabilities equal to or in excess of the applicable
23 threshold or, when the tax clearance request so requires, has not
24 complied with applicable return filing and/or registration requirements.

25 (4) If a tax clearance is denied, the government entity that requested
26 the clearance shall provide notice to the applicant to contact the
27 department. Such notice shall be made by first class mail with a certif-
28 icate of mailing and a copy of such notice also shall be provided to the

1 department. When the applicant contacts the department, the department
2 shall inform the applicant of the basis for the denial of the tax clear-
3 ance and shall also inform the applicant (i) that a tax clearance denied
4 due to past-due tax liabilities may be issued once the taxpayer fully
5 satisfies past-due tax liabilities or makes payment arrangements satis-
6 factory to the commissioner; (ii) that a tax clearance denied due to
7 failure to file tax returns may be issued once the applicant has satis-
8 fied the applicable return filing requirements; (iii) that a tax clear-
9 ance denied for failure to register pursuant to section eleven hundred
10 thirty-four of this chapter may be issued once the applicant has regis-
11 tered pursuant to such section; and (iv) the grounds for challenging the
12 denial of a tax clearance listed in subdivision five of this section.

13 (5) (a) Notwithstanding any other provision of law, and except as
14 specifically provided herein, an applicant denied a tax clearance shall
15 have no right to commence a court action or proceeding or seek any other
16 legal recourse against the department or the government entity related
17 to the denial of a tax clearance by the department.

18 (b) An applicant seeking to challenge the denial of a tax clearance
19 must protest to the department or the division of tax appeals no later
20 than sixty days from the date of the notification to the applicant that
21 the tax clearance was denied. An applicant may challenge a department
22 finding of past-due tax liabilities only on the grounds that (i) the
23 individual or entity denied the tax clearance is not the individual or
24 entity with the past-due tax liabilities at issue; (ii) the past-due tax
25 liabilities were satisfied; (iii) the applicant's wages are being
26 garnished for the payment of child support or combined child and spousal
27 support pursuant to an income execution issued pursuant to section fifty
28 two hundred forty-one or fifty two hundred forty-two of the civil prac-

1 tice law and rules or another state's income withholding order as
2 authorized under part five of article five-B of the family court act, or
3 garnished by the department for the payment of the past-due tax liabil-
4 ities at issue; or (iv) the applicant is making child support payments
5 or combined child and spousal support payments pursuant to a satisfac-
6 tory payment arrangement under section one hundred eleven-b of the
7 social services law with a support collection unit or otherwise making
8 periodic payments in accordance with section four hundred forty of the
9 family court act. An applicant may challenge a department finding of
10 failure to comply with tax return filing requirements only on the
11 grounds that all required tax returns have been filed for each of the
12 past three years.

13 (c) Nothing in this subdivision is intended to limit any applicant
14 from seeking relief from joint and several liability pursuant to section
15 six hundred fifty-four of this chapter, to the extent that he or she is
16 eligible pursuant to that section, or establishing to the department
17 that the enforcement of the underlying tax liabilities has been stayed
18 by the filing of a petition pursuant to the Bankruptcy Code of 1978
19 (Title Eleven of the United States Code).

20 (6) Notwithstanding any other provision of law, the department may
21 exchange with a government entity any data or information that, in the
22 discretion of the commissioner, is necessary for the implementation of a
23 tax clearance requirement. However, no government entity may re-disclose
24 this information to any other entity or person, other than for the
25 purpose of informing the applicant that a required tax clearance has
26 been denied, unless otherwise permitted by law.

27 (7) Except as otherwise provided in this section, the activities to
28 collect past-due tax liabilities undertaken by the department pursuant

1 to this section shall not in any way limit, restrict or impair the
2 department from exercising any other authority to collect or enforce tax
3 liabilities under any other applicable provision of law.

4 § 3. This act shall take effect June 1, 2017; provided, however, that
5 the department of taxation and finance, the department of civil service,
6 any municipal commission, and any other government entity electing to
7 receive a tax clearance from the department of taxation and finance may
8 work to execute the necessary procedures and technical changes to
9 support the tax clearance process as described in sections one and two
10 of this act before that date; provided, further, that this effective
11 date will not impact the administration of any tax clearance program
12 authorized by another provision of law.

13 PART W

14 Section 1. Paragraph (a) of subdivision 1 of section 18 of chapter 266
15 of the laws of 1986, amending the civil practice law and rules and other
16 laws relating to malpractice and professional medical conduct, as
17 amended by section 2 of part C of chapter 59 of the laws of 2016, is
18 amended to read as follows:

19 (a) The superintendent of financial services and the commissioner of
20 health or their designee shall, from funds available in the hospital
21 excess liability pool created pursuant to subdivision 5 of this section,
22 purchase a policy or policies for excess insurance coverage, as author-
23 ized by paragraph 1 of subsection (e) of section 5502 of the insurance
24 law; or from an insurer, other than an insurer described in section 5502
25 of the insurance law, duly authorized to write such coverage and actual-
26 ly writing medical malpractice insurance in this state; or shall

1 purchase equivalent excess coverage in a form previously approved by the
2 superintendent of financial services for purposes of providing equiv-
3 alent excess coverage in accordance with section 19 of chapter 294 of
4 the laws of 1985, for medical or dental malpractice occurrences between
5 July 1, 1986 and June 30, 1987, between July 1, 1987 and June 30, 1988,
6 between July 1, 1988 and June 30, 1989, between July 1, 1989 and June
7 30, 1990, between July 1, 1990 and June 30, 1991, between July 1, 1991
8 and June 30, 1992, between July 1, 1992 and June 30, 1993, between July
9 1, 1993 and June 30, 1994, between July 1, 1994 and June 30, 1995,
10 between July 1, 1995 and June 30, 1996, between July 1, 1996 and June
11 30, 1997, between July 1, 1997 and June 30, 1998, between July 1, 1998
12 and June 30, 1999, between July 1, 1999 and June 30, 2000, between July
13 1, 2000 and June 30, 2001, between July 1, 2001 and June 30, 2002,
14 between July 1, 2002 and June 30, 2003, between July 1, 2003 and June
15 30, 2004, between July 1, 2004 and June 30, 2005, between July 1, 2005
16 and June 30, 2006, between July 1, 2006 and June 30, 2007, between July
17 1, 2007 and June 30, 2008, between July 1, 2008 and June 30, 2009,
18 between July 1, 2009 and June 30, 2010, between July 1, 2010 and June
19 30, 2011, between July 1, 2011 and June 30, 2012, between July 1, 2012
20 and June 30, 2013, between July 1, 2013 and June 30, 2014, between July
21 1, 2014 and June 30, 2015, between July 1, 2015 and June 30, 2016, [and]
22 between July 1, 2016 and June 30, 2017, and between July 1, 2017 and
23 June 30, 2018 or reimburse the hospital where the hospital purchases
24 equivalent excess coverage as defined in subparagraph (i) of paragraph
25 (a) of subdivision 1-a of this section for medical or dental malpractice
26 occurrences between July 1, 1987 and June 30, 1988, between July 1, 1988
27 and June 30, 1989, between July 1, 1989 and June 30, 1990, between July
28 1, 1990 and June 30, 1991, between July 1, 1991 and June 30, 1992,

1 between July 1, 1992 and June 30, 1993, between July 1, 1993 and June
2 30, 1994, between July 1, 1994 and June 30, 1995, between July 1, 1995
3 and June 30, 1996, between July 1, 1996 and June 30, 1997, between July
4 1, 1997 and June 30, 1998, between July 1, 1998 and June 30, 1999,
5 between July 1, 1999 and June 30, 2000, between July 1, 2000 and June
6 30, 2001, between July 1, 2001 and June 30, 2002, between July 1, 2002
7 and June 30, 2003, between July 1, 2003 and June 30, 2004, between July
8 1, 2004 and June 30, 2005, between July 1, 2005 and June 30, 2006,
9 between July 1, 2006 and June 30, 2007, between July 1, 2007 and June
10 30, 2008, between July 1, 2008 and June 30, 2009, between July 1, 2009
11 and June 30, 2010, between July 1, 2010 and June 30, 2011, between July
12 1, 2011 and June 30, 2012, between July 1, 2012 and June 30, 2013,
13 between July 1, 2013 and June 30, 2014, between July 1, 2014 and June
14 30, 2015, between July 1, 2015 and June 30, 2016, [and] between July 1,
15 2016 and June 30, 2017, and between July 1, 2017 and June 30, 2018 for
16 physicians or dentists certified as eligible for each such period or
17 periods pursuant to subdivision 2 of this section by a general hospital
18 licensed pursuant to article 28 of the public health law; provided that
19 no single insurer shall write more than fifty percent of the total
20 excess premium for a given policy year; and provided, however, that such
21 eligible physicians or dentists must have in force an individual policy,
22 from an insurer licensed in this state of primary malpractice insurance
23 coverage in amounts of no less than one million three hundred thousand
24 dollars for each claimant and three million nine hundred thousand
25 dollars for all claimants under that policy during the period of such
26 excess coverage for such occurrences or be endorsed as additional
27 insureds under a hospital professional liability policy which is offered
28 through a voluntary attending physician ("channeling") program previous-

1 ly permitted by the superintendent of financial services during the
2 period of such excess coverage for such occurrences; and provided that
3 such eligible physicians or dentists have received tax clearances from
4 the department of taxation and finance pursuant to section 171-w of the
5 tax law. During such period, such policy for excess coverage or such
6 equivalent excess coverage shall, when combined with the physician's or
7 dentist's primary malpractice insurance coverage or coverage provided
8 through a voluntary attending physician ("channeling") program, total an
9 aggregate level of two million three hundred thousand dollars for each
10 claimant and six million nine hundred thousand dollars for all claimants
11 from all such policies with respect to occurrences in each of such years
12 provided, however, if the cost of primary malpractice insurance coverage
13 in excess of one million dollars, but below the excess medical malprac-
14 tice insurance coverage provided pursuant to this act, exceeds the rate
15 of nine percent per annum, then the required level of primary malprac-
16 tice insurance coverage in excess of one million dollars for each claim-
17 ant shall be in an amount of not less than the dollar amount of such
18 coverage available at nine percent per annum; the required level of such
19 coverage for all claimants under that policy shall be in an amount not
20 less than three times the dollar amount of coverage for each claimant;
21 and excess coverage, when combined with such primary malpractice insur-
22 ance coverage, shall increase the aggregate level for each claimant by
23 one million dollars and three million dollars for all claimants; and
24 provided further, that, with respect to policies of primary medical
25 malpractice coverage that include occurrences between April 1, 2002 and
26 June 30, 2002, such requirement that coverage be in amounts no less than
27 one million three hundred thousand dollars for each claimant and three

1 million nine hundred thousand dollars for all claimants for such occur-
2 rences shall be effective April 1, 2002.

3 § 2. Subdivision 3 of section 18 of chapter 266 of the laws of 1986,
4 amending the civil practice law and rules and other laws relating to
5 malpractice and professional medical conduct, as amended by section 3 of
6 part C of chapter 59 of the laws of 2016, is amended to read as follows:

7 (3)(a) The superintendent of financial services shall determine and
8 certify to each general hospital and to the commissioner of health the
9 cost of excess malpractice insurance for medical or dental malpractice
10 occurrences between July 1, 1986 and June 30, 1987, between July 1, 1988
11 and June 30, 1989, between July 1, 1989 and June 30, 1990, between July
12 1, 1990 and June 30, 1991, between July 1, 1991 and June 30, 1992,
13 between July 1, 1992 and June 30, 1993, between July 1, 1993 and June
14 30, 1994, between July 1, 1994 and June 30, 1995, between July 1, 1995
15 and June 30, 1996, between July 1, 1996 and June 30, 1997, between July
16 1, 1997 and June 30, 1998, between July 1, 1998 and June 30, 1999,
17 between July 1, 1999 and June 30, 2000, between July 1, 2000 and June
18 30, 2001, between July 1, 2001 and June 30, 2002, between July 1, 2002
19 and June 30, 2003, between July 1, 2003 and June 30, 2004, between July
20 1, 2004 and June 30, 2005, between July 1, 2005 and June 30, 2006,
21 between July 1, 2006 and June 30, 2007, between July 1, 2007 and June
22 30, 2008, between July 1, 2008 and June 30, 2009, between July 1, 2009
23 and June 30, 2010, between July 1, 2010 and June 30, 2011, between July
24 1, 2011 and June 30, 2012, between July 1, 2012 and June 30, 2013, and
25 between July 1, 2013 and June 30, 2014, between July 1, 2014 and June
26 30, 2015, between July 1, 2015 and June 30, 2016, and between July 1,
27 2016 and June 30, 2017, and between July 1, 2017 and June 30, 2018 allo-
28 cable to each general hospital for physicians or dentists certified as

1 eligible for purchase of a policy for excess insurance coverage by such
2 general hospital in accordance with subdivision 2 of this section, and
3 may amend such determination and certification as necessary.

4 (b) The superintendent of financial services shall determine and
5 certify to each general hospital and to the commissioner of health the
6 cost of excess malpractice insurance or equivalent excess coverage for
7 medical or dental malpractice occurrences between July 1, 1987 and June
8 30, 1988, between July 1, 1988 and June 30, 1989, between July 1, 1989
9 and June 30, 1990, between July 1, 1990 and June 30, 1991, between July
10 1, 1991 and June 30, 1992, between July 1, 1992 and June 30, 1993,
11 between July 1, 1993 and June 30, 1994, between July 1, 1994 and June
12 30, 1995, between July 1, 1995 and June 30, 1996, between July 1, 1996
13 and June 30, 1997, between July 1, 1997 and June 30, 1998, between July
14 1, 1998 and June 30, 1999, between July 1, 1999 and June 30, 2000,
15 between July 1, 2000 and June 30, 2001, between July 1, 2001 and June
16 30, 2002, between July 1, 2002 and June 30, 2003, between July 1, 2003
17 and June 30, 2004, between July 1, 2004 and June 30, 2005, between July
18 1, 2005 and June 30, 2006, between July 1, 2006 and June 30, 2007,
19 between July 1, 2007 and June 30, 2008, between July 1, 2008 and June
20 30, 2009, between July 1, 2009 and June 30, 2010, between July 1, 2010
21 and June 30, 2011, between July 1, 2011 and June 30, 2012, between July
22 1, 2012 and June 30, 2013, between July 1, 2013 and June 30, 2014,
23 between July 1, 2014 and June 30, 2015, between July 1, 2015 and June
24 30, 2016, and between July 1, 2016 and June 30, 2017, and between July
25 1, 2017 and June 30, 2018 allocable to each general hospital for physi-
26 cians or dentists certified as eligible for purchase of a policy for
27 excess insurance coverage or equivalent excess coverage by such general
28 hospital in accordance with subdivision 2 of this section, and may amend

1 such determination and certification as necessary. The superintendent of
2 financial services shall determine and certify to each general hospital
3 and to the commissioner of health the ratable share of such cost alloca-
4 ble to the period July 1, 1987 to December 31, 1987, to the period Janu-
5 ary 1, 1988 to June 30, 1988, to the period July 1, 1988 to December 31,
6 1988, to the period January 1, 1989 to June 30, 1989, to the period July
7 1, 1989 to December 31, 1989, to the period January 1, 1990 to June 30,
8 1990, to the period July 1, 1990 to December 31, 1990, to the period
9 January 1, 1991 to June 30, 1991, to the period July 1, 1991 to December
10 31, 1991, to the period January 1, 1992 to June 30, 1992, to the period
11 July 1, 1992 to December 31, 1992, to the period January 1, 1993 to June
12 30, 1993, to the period July 1, 1993 to December 31, 1993, to the period
13 January 1, 1994 to June 30, 1994, to the period July 1, 1994 to December
14 31, 1994, to the period January 1, 1995 to June 30, 1995, to the period
15 July 1, 1995 to December 31, 1995, to the period January 1, 1996 to June
16 30, 1996, to the period July 1, 1996 to December 31, 1996, to the period
17 January 1, 1997 to June 30, 1997, to the period July 1, 1997 to December
18 31, 1997, to the period January 1, 1998 to June 30, 1998, to the period
19 July 1, 1998 to December 31, 1998, to the period January 1, 1999 to June
20 30, 1999, to the period July 1, 1999 to December 31, 1999, to the period
21 January 1, 2000 to June 30, 2000, to the period July 1, 2000 to December
22 31, 2000, to the period January 1, 2001 to June 30, 2001, to the period
23 July 1, 2001 to June 30, 2002, to the period July 1, 2002 to June 30,
24 2003, to the period July 1, 2003 to June 30, 2004, to the period July 1,
25 2004 to June 30, 2005, to the period July 1, 2005 and June 30, 2006, to
26 the period July 1, 2006 and June 30, 2007, to the period July 1, 2007
27 and June 30, 2008, to the period July 1, 2008 and June 30, 2009, to the
28 period July 1, 2009 and June 30, 2010, to the period July 1, 2010 and

1 June 30, 2011, to the period July 1, 2011 and June 30, 2012, to the
2 period July 1, 2012 and June 30, 2013, to the period July 1, 2013 and
3 June 30, 2014, to the period July 1, 2014 and June 30, 2015, to the
4 period July 1, 2015 and June 30, 2016, and between July 1, 2016 and June
5 30, 2017, and to the period July 1, 2017 and June 30, 2018.

6 § 3. Paragraphs (a), (b), (c), (d) and (e) of subdivision 8 of section
7 18 of chapter 266 of the laws of 1986, amending the civil practice law
8 and rules and other laws relating to malpractice and professional
9 medical conduct, as amended by section 4 of part C of chapter 59 of the
10 laws of 2016, are amended to read as follows:

11 (a) To the extent funds available to the hospital excess liability
12 pool pursuant to subdivision 5 of this section as amended, and pursuant
13 to section 6 of part J of chapter 63 of the laws of 2001, as may from
14 time to time be amended, which amended this subdivision, are insuffi-
15 cient to meet the costs of excess insurance coverage or equivalent
16 excess coverage for coverage periods during the period July 1, 1992 to
17 June 30, 1993, during the period July 1, 1993 to June 30, 1994, during
18 the period July 1, 1994 to June 30, 1995, during the period July 1, 1995
19 to June 30, 1996, during the period July 1, 1996 to June 30, 1997,
20 during the period July 1, 1997 to June 30, 1998, during the period July
21 1, 1998 to June 30, 1999, during the period July 1, 1999 to June 30,
22 2000, during the period July 1, 2000 to June 30, 2001, during the period
23 July 1, 2001 to October 29, 2001, during the period April 1, 2002 to
24 June 30, 2002, during the period July 1, 2002 to June 30, 2003, during
25 the period July 1, 2003 to June 30, 2004, during the period July 1, 2004
26 to June 30, 2005, during the period July 1, 2005 to June 30, 2006,
27 during the period July 1, 2006 to June 30, 2007, during the period July
28 1, 2007 to June 30, 2008, during the period July 1, 2008 to June 30,

1 2009, during the period July 1, 2009 to June 30, 2010, during the period
2 July 1, 2010 to June 30, 2011, during the period July 1, 2011 to June
3 30, 2012, during the period July 1, 2012 to June 30, 2013, during the
4 period July 1, 2013 to June 30, 2014, during the period July 1, 2014 to
5 June 30, 2015, during the period July 1, 2015 and June 30, 2016, [and
6 between] during the period July 1, 2016 and June 30, 2017, and during
7 the period July 1, 2017 and June 30, 2018 allocated or reallocated in
8 accordance with paragraph (a) of subdivision 4-a of this section to
9 rates of payment applicable to state governmental agencies, each physi-
10 cian or dentist for whom a policy for excess insurance coverage or
11 equivalent excess coverage is purchased for such period shall be respon-
12 sible for payment to the provider of excess insurance coverage or equiv-
13 alent excess coverage of an allocable share of such insufficiency, based
14 on the ratio of the total cost of such coverage for such physician to
15 the sum of the total cost of such coverage for all physicians applied to
16 such insufficiency.

17 (b) Each provider of excess insurance coverage or equivalent excess
18 coverage covering the period July 1, 1992 to June 30, 1993, or covering
19 the period July 1, 1993 to June 30, 1994, or covering the period July 1,
20 1994 to June 30, 1995, or covering the period July 1, 1995 to June 30,
21 1996, or covering the period July 1, 1996 to June 30, 1997, or covering
22 the period July 1, 1997 to June 30, 1998, or covering the period July 1,
23 1998 to June 30, 1999, or covering the period July 1, 1999 to June 30,
24 2000, or covering the period July 1, 2000 to June 30, 2001, or covering
25 the period July 1, 2001 to October 29, 2001, or covering the period
26 April 1, 2002 to June 30, 2002, or covering the period July 1, 2002 to
27 June 30, 2003, or covering the period July 1, 2003 to June 30, 2004, or
28 covering the period July 1, 2004 to June 30, 2005, or covering the peri-

1 od July 1, 2005 to June 30, 2006, or covering the period July 1, 2006 to
2 June 30, 2007, or covering the period July 1, 2007 to June 30, 2008, or
3 covering the period July 1, 2008 to June 30, 2009, or covering the peri-
4 od July 1, 2009 to June 30, 2010, or covering the period July 1, 2010 to
5 June 30, 2011, or covering the period July 1, 2011 to June 30, 2012, or
6 covering the period July 1, 2012 to June 30, 2013, or covering the peri-
7 od July 1, 2013 to June 30, 2014, or covering the period July 1, 2014 to
8 June 30, 2015, or covering the period July 1, 2015 to June 30, 2016, or
9 covering the period July 1, 2016 to June 30, 2017, or covering the peri-
10 od July 1, 2017 to June 30, 2018 shall notify a covered physician or
11 dentist by mail, mailed to the address shown on the last application for
12 excess insurance coverage or equivalent excess coverage, of the amount
13 due to such provider from such physician or dentist for such coverage
14 period determined in accordance with paragraph (a) of this subdivision.
15 Such amount shall be due from such physician or dentist to such provider
16 of excess insurance coverage or equivalent excess coverage in a time and
17 manner determined by the superintendent of financial services.

18 (c) If a physician or dentist liable for payment of a portion of the
19 costs of excess insurance coverage or equivalent excess coverage cover-
20 ing the period July 1, 1992 to June 30, 1993, or covering the period
21 July 1, 1993 to June 30, 1994, or covering the period July 1, 1994 to
22 June 30, 1995, or covering the period July 1, 1995 to June 30, 1996, or
23 covering the period July 1, 1996 to June 30, 1997, or covering the peri-
24 od July 1, 1997 to June 30, 1998, or covering the period July 1, 1998 to
25 June 30, 1999, or covering the period July 1, 1999 to June 30, 2000, or
26 covering the period July 1, 2000 to June 30, 2001, or covering the peri-
27 od July 1, 2001 to October 29, 2001, or covering the period April 1,
28 2002 to June 30, 2002, or covering the period July 1, 2002 to June 30,

1 2003, or covering the period July 1, 2003 to June 30, 2004, or covering
2 the period July 1, 2004 to June 30, 2005, or covering the period July 1,
3 2005 to June 30, 2006, or covering the period July 1, 2006 to June 30,
4 2007, or covering the period July 1, 2007 to June 30, 2008, or covering
5 the period July 1, 2008 to June 30, 2009, or covering the period July 1,
6 2009 to June 30, 2010, or covering the period July 1, 2010 to June 30,
7 2011, or covering the period July 1, 2011 to June 30, 2012, or covering
8 the period July 1, 2012 to June 30, 2013, or covering the period July 1,
9 2013 to June 30, 2014, or covering the period July 1, 2014 to June 30,
10 2015, or covering the period July 1, 2015 to June 30, 2016, or covering
11 the period July 1, 2016 to June 30, 2017, or covering the period July 1,
12 2017 to June 30, 2018 determined in accordance with paragraph (a) of
13 this subdivision fails, refuses or neglects to make payment to the
14 provider of excess insurance coverage or equivalent excess coverage in
15 such time and manner as determined by the superintendent of financial
16 services pursuant to paragraph (b) of this subdivision, excess insurance
17 coverage or equivalent excess coverage purchased for such physician or
18 dentist in accordance with this section for such coverage period shall
19 be cancelled and shall be null and void as of the first day on or after
20 the commencement of a policy period where the liability for payment
21 pursuant to this subdivision has not been met.

22 (d) Each provider of excess insurance coverage or equivalent excess
23 coverage shall notify the superintendent of financial services and the
24 commissioner of health or their designee of each physician and dentist
25 eligible for purchase of a policy for excess insurance coverage or
26 equivalent excess coverage covering the period July 1, 1992 to June 30,
27 1993, or covering the period July 1, 1993 to June 30, 1994, or covering
28 the period July 1, 1994 to June 30, 1995, or covering the period July 1,

1 1995 to June 30, 1996, or covering the period July 1, 1996 to June 30,
2 1997, or covering the period July 1, 1997 to June 30, 1998, or covering
3 the period July 1, 1998 to June 30, 1999, or covering the period July 1,
4 1999 to June 30, 2000, or covering the period July 1, 2000 to June 30,
5 2001, or covering the period July 1, 2001 to October 29, 2001, or cover-
6 ing the period April 1, 2002 to June 30, 2002, or covering the period
7 July 1, 2002 to June 30, 2003, or covering the period July 1, 2003 to
8 June 30, 2004, or covering the period July 1, 2004 to June 30, 2005, or
9 covering the period July 1, 2005 to June 30, 2006, or covering the peri-
10 od July 1, 2006 to June 30, 2007, or covering the period July 1, 2007 to
11 June 30, 2008, or covering the period July 1, 2008 to June 30, 2009, or
12 covering the period July 1, 2009 to June 30, 2010, or covering the peri-
13 od July 1, 2010 to June 30, 2011, or covering the period July 1, 2011 to
14 June 30, 2012, or covering the period July 1, 2012 to June 30, 2013, or
15 covering the period July 1, 2013 to June 30, 2014, or covering the peri-
16 od July 1, 2014 to June 30, 2015, or covering the period July 1, 2015 to
17 June 30, 2016, or covering the period July 1, 2016 to June 30, 2017, or
18 covering the period July 1, 2017 to June 30, 2018 that has made payment
19 to such provider of excess insurance coverage or equivalent excess
20 coverage in accordance with paragraph (b) of this subdivision and of
21 each physician and dentist who has failed, refused or neglected to make
22 such payment.

23 (e) A provider of excess insurance coverage or equivalent excess
24 coverage shall refund to the hospital excess liability pool any amount
25 allocable to the period July 1, 1992 to June 30, 1993, and to the period
26 July 1, 1993 to June 30, 1994, and to the period July 1, 1994 to June
27 30, 1995, and to the period July 1, 1995 to June 30, 1996, and to the
28 period July 1, 1996 to June 30, 1997, and to the period July 1, 1997 to

1 June 30, 1998, and to the period July 1, 1998 to June 30, 1999, and to
2 the period July 1, 1999 to June 30, 2000, and to the period July 1, 2000
3 to June 30, 2001, and to the period July 1, 2001 to October 29, 2001,
4 and to the period April 1, 2002 to June 30, 2002, and to the period July
5 1, 2002 to June 30, 2003, and to the period July 1, 2003 to June 30,
6 2004, and to the period July 1, 2004 to June 30, 2005, and to the period
7 July 1, 2005 to June 30, 2006, and to the period July 1, 2006 to June
8 30, 2007, and to the period July 1, 2007 to June 30, 2008, and to the
9 period July 1, 2008 to June 30, 2009, and to the period July 1, 2009 to
10 June 30, 2010, and to the period July 1, 2010 to June 30, 2011, and to
11 the period July 1, 2011 to June 30, 2012, and to the period July 1, 2012
12 to June 30, 2013, and to the period July 1, 2013 to June 30, 2014, and
13 to the period July 1, 2014 to June 30, 2015, and to the period July 1,
14 2015 to June 30, 2016, [and] to the period July 1, 2016 to June 30,
15 2017, and to the period July 1, 2017 to June 30, 2018 received from the
16 hospital excess liability pool for purchase of excess insurance coverage
17 or equivalent excess coverage covering the period July 1, 1992 to June
18 30, 1993, and covering the period July 1, 1993 to June 30, 1994, and
19 covering the period July 1, 1994 to June 30, 1995, and covering the
20 period July 1, 1995 to June 30, 1996, and covering the period July 1,
21 1996 to June 30, 1997, and covering the period July 1, 1997 to June 30,
22 1998, and covering the period July 1, 1998 to June 30, 1999, and cover-
23 ing the period July 1, 1999 to June 30, 2000, and covering the period
24 July 1, 2000 to June 30, 2001, and covering the period July 1, 2001 to
25 October 29, 2001, and covering the period April 1, 2002 to June 30,
26 2002, and covering the period July 1, 2002 to June 30, 2003, and cover-
27 ing the period July 1, 2003 to June 30, 2004, and covering the period
28 July 1, 2004 to June 30, 2005, and covering the period July 1, 2005 to

1 June 30, 2006, and covering the period July 1, 2006 to June 30, 2007,
2 and covering the period July 1, 2007 to June 30, 2008, and covering the
3 period July 1, 2008 to June 30, 2009, and covering the period July 1,
4 2009 to June 30, 2010, and covering the period July 1, 2010 to June 30,
5 2011, and covering the period July 1, 2011 to June 30, 2012, and cover-
6 ing the period July 1, 2012 to June 30, 2013, and covering the period
7 July 1, 2013 to June 30, 2014, and covering the period July 1, 2014 to
8 June 30, 2015, and covering the period July 1, 2015 to June 30, 2016,
9 and covering the period July 1, 2016 to June 30, 2017, and covering the
10 period July 1, 2017 to June 30, 2018 for a physician or dentist where
11 such excess insurance coverage or equivalent excess coverage is
12 cancelled in accordance with paragraph (c) of this subdivision.

13 § 4. Section 40 of chapter 266 of the laws of 1986, amending the civil
14 practice law and rules and other laws relating to malpractice and
15 professional medical conduct, as amended by section 5 of part C of chap-
16 ter 59 of the laws of 2016, is amended to read as follows:

17 § 40. The superintendent of financial services shall establish rates
18 for policies providing coverage for physicians and surgeons medical
19 malpractice for the periods commencing July 1, 1985 and ending June 30,
20 [2017] 2018; provided, however, that notwithstanding any other provision
21 of law, the superintendent shall not establish or approve any increase
22 in rates for the period commencing July 1, 2009 and ending June 30,
23 2010. The superintendent shall direct insurers to establish segregated
24 accounts for premiums, payments, reserves and investment income attrib-
25 utable to such premium periods and shall require periodic reports by the
26 insurers regarding claims and expenses attributable to such periods to
27 monitor whether such accounts will be sufficient to meet incurred claims
28 and expenses. On or after July 1, 1989, the superintendent shall impose

1 a surcharge on premiums to satisfy a projected deficiency that is
2 attributable to the premium levels established pursuant to this section
3 for such periods; provided, however, that such annual surcharge shall
4 not exceed eight percent of the established rate until July 1, [2017]
5 2018, at which time and thereafter such surcharge shall not exceed twen-
6 ty-five percent of the approved adequate rate, and that such annual
7 surcharges shall continue for such period of time as shall be sufficient
8 to satisfy such deficiency. The superintendent shall not impose such
9 surcharge during the period commencing July 1, 2009 and ending June 30,
10 2010. On and after July 1, 1989, the surcharge prescribed by this
11 section shall be retained by insurers to the extent that they insured
12 physicians and surgeons during the July 1, 1985 through June 30, [2017]
13 2018 policy periods; in the event and to the extent physicians and
14 surgeons were insured by another insurer during such periods, all or a
15 pro rata share of the surcharge, as the case may be, shall be remitted
16 to such other insurer in accordance with rules and regulations to be
17 promulgated by the superintendent. Surcharges collected from physicians
18 and surgeons who were not insured during such policy periods shall be
19 apportioned among all insurers in proportion to the premium written by
20 each insurer during such policy periods; if a physician or surgeon was
21 insured by an insurer subject to rates established by the superintendent
22 during such policy periods, and at any time thereafter a hospital,
23 health maintenance organization, employer or institution is responsible
24 for responding in damages for liability arising out of such physician's
25 or surgeon's practice of medicine, such responsible entity shall also
26 remit to such prior insurer the equivalent amount that would then be
27 collected as a surcharge if the physician or surgeon had continued to
28 remain insured by such prior insurer. In the event any insurer that

1 provided coverage during such policy periods is in liquidation, the
2 property/casualty insurance security fund shall receive the portion of
3 surcharges to which the insurer in liquidation would have been entitled.
4 The surcharges authorized herein shall be deemed to be income earned for
5 the purposes of section 2303 of the insurance law. The superintendent,
6 in establishing adequate rates and in determining any projected defi-
7 ciency pursuant to the requirements of this section and the insurance
8 law, shall give substantial weight, determined in his discretion and
9 judgment, to the prospective anticipated effect of any regulations
10 promulgated and laws enacted and the public benefit of stabilizing
11 malpractice rates and minimizing rate level fluctuation during the peri-
12 od of time necessary for the development of more reliable statistical
13 experience as to the efficacy of such laws and regulations affecting
14 medical, dental or podiatric malpractice enacted or promulgated in 1985,
15 1986, by this act and at any other time. Notwithstanding any provision
16 of the insurance law, rates already established and to be established by
17 the superintendent pursuant to this section are deemed adequate if such
18 rates would be adequate when taken together with the maximum authorized
19 annual surcharges to be imposed for a reasonable period of time whether
20 or not any such annual surcharge has been actually imposed as of the
21 establishment of such rates.

22 § 5. Section 5 and subdivisions (a) and (e) of section 6 of part J of
23 chapter 63 of the laws of 2001, amending chapter 266 of the laws of
24 1986, amending the civil practice law and rules and other laws relating
25 to malpractice and professional medical conduct, as amended by section 6
26 of part C of chapter 59 of the laws of 2016, are amended to read as
27 follows:

1 § 5. The superintendent of financial services and the commissioner of
2 health shall determine, no later than June 15, 2002, June 15, 2003, June
3 15, 2004, June 15, 2005, June 15, 2006, June 15, 2007, June 15, 2008,
4 June 15, 2009, June 15, 2010, June 15, 2011, June 15, 2012, June 15,
5 2013, June 15, 2014, June 15, 2015, June 15, 2016, [and] June 15, 2017,
6 and June 15, 2018 the amount of funds available in the hospital excess
7 liability pool, created pursuant to section 18 of chapter 266 of the
8 laws of 1986, and whether such funds are sufficient for purposes of
9 purchasing excess insurance coverage for eligible participating physi-
10 cians and dentists during the period July 1, 2001 to June 30, 2002, or
11 July 1, 2002 to June 30, 2003, or July 1, 2003 to June 30, 2004, or July
12 1, 2004 to June 30, 2005, or July 1, 2005 to June 30, 2006, or July 1,
13 2006 to June 30, 2007, or July 1, 2007 to June 30, 2008, or July 1, 2008
14 to June 30, 2009, or July 1, 2009 to June 30, 2010, or July 1, 2010 to
15 June 30, 2011, or July 1, 2011 to June 30, 2012, or July 1, 2012 to June
16 30, 2013, or July 1, 2013 to June 30, 2014, or July 1, 2014 to June 30,
17 2015, or July 1, 2015 to June 30, 2016, or July 1, 2016 to June 30,
18 2017, or to July 1, 2017 to June 30, 2018 as applicable.

19 (a) This section shall be effective only upon a determination, pursu-
20 ant to section five of this act, by the superintendent of financial
21 services and the commissioner of health, and a certification of such
22 determination to the state director of the budget, the chair of the
23 senate committee on finance and the chair of the assembly committee on
24 ways and means, that the amount of funds in the hospital excess liabil-
25 ity pool, created pursuant to section 18 of chapter 266 of the laws of
26 1986, is insufficient for purposes of purchasing excess insurance cover-
27 age for eligible participating physicians and dentists during the period
28 July 1, 2001 to June 30, 2002, or July 1, 2002 to June 30, 2003, or July

1 1, 2003 to June 30, 2004, or July 1, 2004 to June 30, 2005, or July 1,
2 2005 to June 30, 2006, or July 1, 2006 to June 30, 2007, or July 1, 2007
3 to June 30, 2008, or July 1, 2008 to June 30, 2009, or July 1, 2009 to
4 June 30, 2010, or July 1, 2010 to June 30, 2011, or July 1, 2011 to June
5 30, 2012, or July 1, 2012 to June 30, 2013, or July 1, 2013 to June 30,
6 2014, or July 1, 2014 to June 30, 2015, or July 1, 2015 to June 30,
7 2016, or July 1, 2016 to June 30, 2017, or July 1, 2017 to June 30, 2018
8 as applicable.

9 (e) The commissioner of health shall transfer for deposit to the
10 hospital excess liability pool created pursuant to section 18 of chapter
11 266 of the laws of 1986 such amounts as directed by the superintendent
12 of financial services for the purchase of excess liability insurance
13 coverage for eligible participating physicians and dentists for the
14 policy year July 1, 2001 to June 30, 2002, or July 1, 2002 to June 30,
15 2003, or July 1, 2003 to June 30, 2004, or July 1, 2004 to June 30,
16 2005, or July 1, 2005 to June 30, 2006, or July 1, 2006 to June 30,
17 2007, as applicable, and the cost of administering the hospital excess
18 liability pool for such applicable policy year, pursuant to the program
19 established in chapter 266 of the laws of 1986, as amended, no later
20 than June 15, 2002, June 15, 2003, June 15, 2004, June 15, 2005, June
21 15, 2006, June 15, 2007, June 15, 2008, June 15, 2009, June 15, 2010,
22 June 15, 2011, June 15, 2012, June 15, 2013, June 15, 2014, June 15,
23 2015, June 15, 2016, [and] June 15, 2017, and June 15, 2018 as applica-
24 ble.

25 § 6. Notwithstanding any law, rule or regulation to the contrary, only
26 physicians or dentists who were eligible, and for whom the superinten-
27 dent of financial services and the commissioner of health, or their
28 designee, purchased, with funds available in the hospital excess liabil-

1 ity pool, a full or partial policy for excess coverage or equivalent
2 excess coverage for the coverage period ending the thirtieth of June,
3 two thousand seventeen, shall be eligible to apply for such coverage for
4 the coverage period beginning the first of July, two thousand seventeen;
5 provided, however, if the total number of physicians or dentists for
6 whom such excess coverage or equivalent excess coverage was purchased
7 for the policy year ending the thirtieth of June, two thousand seventeen
8 exceeds the total number of physicians or dentists certified as eligible
9 for the coverage period beginning the first of July, two thousand seven-
10 teen, then the general hospitals may certify additional eligible physi-
11 cians or dentists in a number equal to such general hospital's propor-
12 tional share of the total number of physicians or dentists for whom
13 excess coverage or equivalent excess coverage was purchased with funds
14 available in the hospital excess liability pool as of the thirtieth of
15 June, two thousand seventeen, as applied to the difference between the
16 number of eligible physicians or dentists for whom a policy for excess
17 coverage or equivalent excess coverage was purchased for the coverage
18 period ending the thirtieth of June, two thousand seventeen and the
19 number of such eligible physicians or dentists who have applied for
20 excess coverage or equivalent excess coverage for the coverage period
21 beginning the first of July, two thousand seventeen.

22 § 7. The tax law is amended by adding a new section 171-w to read as
23 follows:

24 § 171-w. Enforcement of delinquent tax liabilities through tax clear-
25 ances. (1) For the purposes of this section, the term "tax liabilities"
26 shall mean any tax, surcharge, or fee administered by the commissioner,
27 or any penalty or interest on such tax, surcharge or fee, owed by an
28 individual or entity. The term "past-due tax liabilities" means any

1 unpaid tax liabilities that have become fixed and final such that the
2 taxpayer no longer has any right to administrative or judicial review.
3 The term "government entity" means the state of New York, or any of its
4 agencies, political subdivisions, instrumentalities, public corporations
5 (including a public corporation created pursuant to agreement or compact
6 with another state or Canada), or combination thereof.

7 (2) The commissioner, or his or her designee, shall cooperate with any
8 government entity that is required by law or has elected to require tax
9 clearances to establish procedures by which the department shall receive
10 a tax clearance request and transmit such tax clearance to the govern-
11 ment entity, and any other procedures deemed necessary to carry out the
12 provisions of this section. These procedures shall, to the extent prac-
13 ticable, require secure electronic communication between the department
14 and the requesting government entity for the transmission of tax clear-
15 ance requests to the department and transmission of tax clearances to
16 the requesting entity. Notwithstanding any other law to the contrary, a
17 government entity shall be authorized to share any applicant data or
18 information with the department that is necessary to ensure the proper
19 matching of the applicant to the tax records maintained by the depart-
20 ment.

21 (3) Upon receipt of a tax clearance request, the department shall
22 examine its records to determine whether the subject of the tax clear-
23 ance request has past-due tax liabilities equal to or in excess of the
24 dollar threshold applicable for such tax clearance request or, where no
25 threshold has been established by law or otherwise, equal to or in
26 excess of five hundred dollars. When a tax clearance request so
27 requires, the department shall also determine whether (i) the subject of
28 such request has complied with applicable tax return filing requirements

1 for each of the past three years; and/or (ii) whether a subject of such
2 request that is an individual or entity that is a person required to
3 register pursuant to section eleven hundred thirty-four of this chapter
4 is registered pursuant to such section. The department shall deny a tax
5 clearance if it determines that the subject of a tax clearance request
6 has past-due tax liabilities equal to or in excess of the applicable
7 threshold or, when the tax clearance request so requires, has not
8 complied with applicable return filing and/or registration requirements.

9 (4) If a tax clearance is denied, the government entity that requested
10 the clearance shall provide notice to the applicant to contact the
11 department. Such notice shall be made by first class mail with a certif-
12 icate of mailing and a copy of such notice also shall be provided to the
13 department. When the applicant contacts the department, the department
14 shall inform the applicant of the basis for the denial of the tax clear-
15 ance and shall also inform the applicant (i) that a tax clearance denied
16 due to past-due tax liabilities may be issued once the taxpayer fully
17 satisfies past-due tax liabilities or makes payment arrangements satis-
18 factory to the commissioner; (ii) that a tax clearance denied due to
19 failure to file tax returns may be issued once the applicant has satis-
20 fied the applicable return filing requirements; (iii) that a tax clear-
21 ance denied for failure to register pursuant to section eleven hundred
22 thirty-four of this chapter may be issued once the applicant has regis-
23 tered pursuant to such section; and (iv) the grounds for challenging the
24 denial of a tax clearance listed in subdivision five of this section.

25 (5) (a) Notwithstanding any other provision of law, and except as
26 specifically provided herein, an applicant denied a tax clearance shall
27 have no right to commence a court action or proceeding or seek any other

1 legal recourse against the department or the government entity related
2 to the denial of a tax clearance by the department.

3 (b) An applicant seeking to challenge the denial of a tax clearance
4 must protest to the department or the division of tax appeals no later
5 than sixty days from the date of the notification to the applicant that
6 the tax clearance was denied. An applicant may challenge a department
7 finding of past-due tax liabilities only on the grounds that (i) the
8 individual or entity denied the tax clearance is not the individual or
9 entity with the past-due tax liabilities at issue; (ii) the past-due tax
10 liabilities were satisfied; (iii) the applicant's wages are being
11 garnished for the payment of child support or combined child and spousal
12 support pursuant to an income execution issued pursuant to section
13 fifty-two hundred forty-one or fifty-two hundred forty-two of the civil
14 practice law and rules or another state's income withholding order as
15 authorized under part five of article five-B of the family court act, or
16 garnished by the department for the payment of the past-due tax liabil-
17 ities at issue; or (iv) the applicant is making child support payments
18 or combined child and spousal support payments pursuant to a satisfac-
19 tory payment arrangement under section one hundred eleven-b of the
20 social services law with a support collection unit or otherwise making
21 periodic payments in accordance with section four hundred forty of the
22 family court act. An applicant may challenge a department finding of
23 failure to comply with tax return filing requirements only on the
24 grounds that all required tax returns have been filed for each of the
25 past three years.

26 (c) Nothing in this subdivision is intended to limit any applicant
27 from seeking relief from joint and several liability pursuant to section
28 six hundred fifty-four of this chapter, to the extent that he or she is

1 eligible pursuant to that section, or establishing to the department
2 that the enforcement of the underlying tax liabilities has been stayed
3 by the filing of a petition pursuant to the Bankruptcy Code of 1978
4 (title eleven of the United States Code).

5 (6) Notwithstanding any other provision of law, the department may
6 exchange with a government entity any data or information that, in the
7 discretion of the commissioner, is necessary for the implementation of a
8 tax clearance requirement. However, no government entity may re-disclose
9 this information to any other entity or person, other than for the
10 purpose of informing the applicant that a required tax clearance has
11 been denied, unless otherwise permitted by law.

12 (7) Except as otherwise provided in this section, the activities to
13 collect past-due tax liabilities undertaken by the department pursuant
14 to this section shall not in any way limit, restrict or impair the
15 department from exercising any other authority to collect or enforce tax
16 liabilities under any other applicable provision of law.

17 § 8. This act shall take effect immediately.

18 PART X

19 Section 1. Section 2 of part Q of chapter 59 of the laws of 2013,
20 amending the tax law, relating to serving an income execution with
21 respect to individual tax debtors without filing a warrant, as amended
22 by section 1 of part DD of chapter 59 of the laws of 2015, is amended to
23 read as follows:

24 § 2. This act shall take effect immediately [and shall expire and be
25 deemed repealed on and after April 1, 2017].

1 § 2. This act shall take effect immediately and shall be deemed to
2 have been in full force and effect on and after April 1, 2017.

3 PART Y

4 Section 1. Subdivision 1-A of section 208 of the tax law, as amended
5 by section 4 of part A of chapter 59 of the laws of 2014, is amended to
6 read as follows:

7 1-A. The term "New York S corporation" means, with respect to any
8 taxable year, a corporation subject to tax under this article [for which
9 an election is in effect pursuant to subsection (a) of section six
10 hundred sixty of this chapter for such year] and described in subsection
11 (b) of section six hundred sixty of this chapter, and any such year
12 shall be denominated a "New York S year"[, and such election shall be
13 denominated a "New York S election"]. The term "New York C corporation"
14 means, with respect to any taxable year, a corporation subject to tax
15 under this article which is not a New York S corporation, and any such
16 year shall be denominated a "New York C year". The term "termination
17 year" means any taxable year of a corporation during which the corpo-
18 ration's status as a New York S [election] corporation terminates on a
19 day other than the first day of such year. The portion of the taxable
20 year ending before the first day for which such termination is effective
21 shall be denominated the "S short year", and the portion of such year
22 beginning on such first day shall be denominated the "C short year". The
23 term "New York S termination year" means any termination year which is
24 [not] also an S termination year for federal purposes.

1 § 2. Subdivision 1-B, paragraph (ii) of the opening paragraph and
2 paragraph (k) of subdivision 9 of section 208 of the tax law are
3 REPEALED.

4 § 3. Subdivision 1 of section 210-A of the tax law, as amended by
5 section 21 of part T of chapter 59 of the laws of 2015, is amended to
6 read as follows:

7 1. General. Business income and capital shall be apportioned to the
8 state by the apportionment factor determined pursuant to this section.
9 The apportionment factor is a fraction, determined by including only
10 those receipts, net income, net gains, and other items described in this
11 section that are included in the computation of the taxpayer's business
12 income (determined without regard to the modification provided in
13 subparagraph nineteen of paragraph (a) of subdivision nine of section
14 two hundred eight of this article) for the taxable year. The numerator
15 of the apportionment fraction shall be equal to the sum of all the
16 amounts required to be included in the numerator pursuant to the
17 provisions of this section and the denominator of the apportionment
18 fraction shall be equal to the sum of all the amounts required to be
19 included in the denominator pursuant to the provisions of this section.
20 For a New York S corporation, the receipts included in the apportionment
21 fraction are those receipts, net income (not less than zero), net gains
22 (not less than zero), and other items described in this section that are
23 included in the New York S corporation's nonseparately computed income
24 and loss or in the New York S corporation's separately stated items of
25 income and loss, determined pursuant to subdivision (a) of section 1366
26 of the internal revenue code.

27 § 4. Section 660 of the tax law, as amended by chapter 606 of the laws
28 of 1984, subsections (a) and (h) as amended by section 73 of part A of

1 chapter 59 of the laws of 2014, paragraph 3 of subsection (b) as amended
2 by section 51 of part A of chapter 389 of the laws of 1997, paragraphs 4
3 and 5 as added and paragraph 6 of subsection (b) as renumbered by
4 section 52 of part A of chapter 389 of the laws of 1997, subsection (d)
5 as added by chapter 760 of the laws of 1992, subsections (e) and (f) as
6 added and subsection (g) as relettered by section 53 of part A of chap-
7 ter 389 of the laws of 1997, subsection (i) as added by section 1 of
8 part L of chapter 60 of the laws of 2007, and paragraph 1 of subsection
9 (i) as amended by section 39 of part T of chapter 59 of the laws of
10 2015, is amended to read as follows:

11 § 660. [Election by shareholders of S corporations.] Tax treatment of
12 federal S corporations. (a) [Election.] If a corporation is an [eligi-
13 ble] S corporation described in subsection (b) of this section, the
14 shareholders of the corporation [may elect in the manner set forth in
15 subsection (b) of this section to] shall take into account, to the
16 extent provided for in this article (or in article thirteen of this
17 chapter, in the case of a shareholder which is a taxpayer under such
18 article), the S corporation items of income, loss, deduction and
19 reductions for taxes described in paragraphs two and three of subsection
20 (f) of section thirteen hundred sixty-six of the internal revenue code
21 which are taken into account for federal income tax purposes for the
22 taxable year. [No election under this subsection shall be effective
23 unless all shareholders of the corporation have so elected. An eligible]
24 (b) A New York S corporation is (i) [an S] a corporation that has made
25 a valid election to be an S corporation for federal income tax purposes
26 pursuant to section 1362 of the internal revenue code which is subject
27 to tax under article nine-A of this chapter, or (ii) [an S] a corpo-
28 ration that has made a valid election to be an S corporation for federal

1 income tax purposes pursuant to section 1362 of the internal revenue
2 code which is the parent of a qualified subchapter S subsidiary as
3 defined in subparagraph (B) of paragraph three of subsection (b) of
4 section thirteen hundred sixty-one of the internal revenue code subject
5 to tax under article nine-A[, where the shareholders of such parent
6 corporation are entitled to make the election under this subsection by
7 reason of subparagraph three of paragraph (k) of subdivision nine of
8 section two hundred eight] of this chapter.

9 [(b) Requirements of election. An election under subsection (a) of
10 this section shall be made on such form and in such manner as the tax
11 commission may prescribe by regulation or instruction.

12 (1) When made. An election under subsection (a) of this section may be
13 made at any time during the preceding taxable year of the corporation or
14 at any time during the taxable year of the corporation and on or before
15 the fifteenth day of the third month of such taxable year.

16 (2) Certain elections made during first two and one-half months. If an
17 election made under subsection (a) of this section is made for any taxa-
18 ble year of the corporation during such year and on or before the
19 fifteenth day of the third month of such year, such election shall be
20 treated as made for the following taxable year if

21 (A) on one or more days in such taxable year before the day on which
22 the election was made the corporation did not meet the requirements of
23 subsection (b) of section thirteen hundred sixty-one of the internal
24 revenue code or

25 (B) one or more of the shareholders who held stock in the corporation
26 during such taxable year and before the election was made did not
27 consent to the election.

1 (3) Elections made after first two and one-half months. If an election
2 under subsection (a) of this section is made for any taxable year of the
3 corporation and such election is made after the fifteenth day of the
4 third month of such taxable year and on or before the fifteenth day of
5 the third month of the following taxable year, such election shall be
6 treated as made for the following taxable year.

7 (4) Taxable years of two and one-half months or less. For purposes of
8 this subsection, an election for a taxable year made not later than two
9 months and fifteen days after the first day of the taxable year shall be
10 treated as timely made during such year.

11 (5) Authority to treat late elections, etc., as timely. If (A) an
12 election under subsection (a) of this section is made for any taxable
13 year (determined without regard to paragraph three of this subsection)
14 after the date prescribed by this subsection for making such election
15 for such taxable year, or if no such election is made for any taxable
16 year, and

17 (B) the commissioner determines that there was reasonable cause for
18 failure to timely make such election, then

19 (C) the commissioner may treat such an election as timely made for
20 such taxable year (and paragraph three of this subsection shall not
21 apply).

22 (6) Years for which effective. An election under subsection (a) of
23 this section shall be effective for the taxable year of the corporation
24 for which it is made and for all succeeding taxable years of the corpo-
25 ration until such election is terminated under subsection (c) of this
26 section.]

27 (c) Termination. An [election under subsection (a) of this section] S
28 corporation shall cease to be [effective

1 (1) a New York S corporation on the day an election to be an S corpo-
2 ration ceases to be effective for federal income tax purposes pursuant
3 to subsection (d) of section thirteen hundred sixty-two of the internal
4 revenue code[, or

5 (2) if shareholders holding more than one-half of the shares of stock
6 of the corporation on the day on which the revocation is made revoke
7 such election in the manner the tax commission may prescribe by regu-
8 lation,

9 (A) on the first day of the taxable year of the corporation, if the
10 revocation is made during such taxable year and on or before the
11 fifteenth day of the third month thereof, or

12 (B) on the first day of the following taxable year of the corporation,
13 if the revocation is made during the taxable year but after the
14 fifteenth day of the third month thereof, or

15 (C) on and after the date so specified, if the revocation specifies a
16 date for revocation which is on or after the day on which the revocation
17 is made, or

18 (3) if any person who was not a shareholder of the corporation on the
19 day on which the election is made becomes a shareholder in the corpo-
20 ration and affirmatively refuses to consent to such election in the
21 manner the tax commission may prescribe by regulation, on the day such
22 person becomes a shareholder].

23 (d) New York S termination year. In the case of a New York S termi-
24 nation year, the amount of any item of S corporation income, loss and
25 deduction and reductions for taxes (as described in paragraphs two and
26 three of subsection (f) of section thirteen hundred sixty-six of the
27 internal revenue code) required to be taken account of under this arti-
28 cle shall be adjusted in the same manner that the S corporation's items

1 which are included in the shareholder's federal adjusted gross income
2 are adjusted under subsection (s) of section six hundred twelve.

3 (e) [Inadvertent invalid elections. If (1) an election under
4 subsection (a) of this section was not effective for the taxable year
5 for which made (determined without regard to paragraph two of subsection
6 (b) of this section) by reason of a failure to obtain shareholder
7 consents,

8 (2) the commissioner determines that the circumstances resulting in
9 such ineffectiveness were inadvertent,

10 (3) no later than a reasonable period of time after discovery of the
11 circumstances resulting in such ineffectiveness, steps were taken to
12 acquire the required shareholder consents, and

13 (4) the corporation, and each person who was a shareholder in the
14 corporation at any time during the period specified pursuant to this
15 subsection, agrees to make such adjustments (consistent with the treat-
16 ment of the corporation as a New York S corporation) as may be required
17 by the commissioner with respect to such period,

18 (5) then, notwithstanding the circumstances resulting in such ineffec-
19 tiveness, such corporation shall be treated as a New York S corporation
20 during the period specified by the commissioner.

21 (f) Validated federal elections. If (1) an election under subsection
22 (a) of this section was made for a taxable year or years of a corpo-
23 ration, which years occur with or within the period for which the feder-
24 al S election of such corporation has been validated pursuant to the
25 provisions of subsection (f) of section thirteen hundred sixty-two of
26 the internal revenue code, and

27 (2) the corporation, and each person who was a shareholder in the
28 corporation at any time during such taxable year or years agrees to make

1 such adjustments (consistent with the treatment of the corporation as a
2 New York S corporation) as may be required by the commissioner with
3 respect to such year or years,

4 (3) then such corporation shall be treated as a New York S corporation
5 during such year or years.

6 (g) Transitional rule. Any election made under this section (as in
7 effect for taxable years beginning before January first, nineteen
8 hundred eighty-three) shall be treated as an election made under
9 subsection (a) of this section.

10 (h) Qualified subchapter S subsidiaries. If an S corporation has
11 elected to treat its wholly owned subsidiary as a qualified subchapter S
12 subsidiary for federal income tax purposes under paragraph three of
13 subsection (b) of section 1361 of the internal revenue code, such
14 election shall be applicable for New York state tax purposes and

15 (1) the assets, liabilities, income, deductions, property, payroll,
16 receipts, capital, credits, and all other tax attributes and elements of
17 economic activity of the subsidiary shall be deemed to be those of the
18 parent corporation,

19 (2) transactions between the parent corporation and the subsidiary,
20 including the payment of interest and dividends, shall not be taken into
21 account, and

22 (3) general executive officers of the subsidiary shall be deemed to be
23 general executive officers of the parent corporation.

24 (f) Cross reference. For definitions relating to S corporations, see
25 subdivision one-A of section two hundred eight of this chapter.

26 [(i) Mandated New York S corporation election. (1) Notwithstanding
27 the provisions in subsection (a) of this section, in the case of an
28 eligible S corporation for which the election under subsection (a) of

1 this section is not in effect for the current taxable year, the share-
2 holders of an eligible S corporation are deemed to have made that
3 election effective for the eligible S corporation's entire current taxa-
4 ble year, if the eligible S corporation's investment income for the
5 current taxable year is more than fifty percent of its federal gross
6 income for such year. In determining whether an eligible S corporation
7 is deemed to have made that election, the income of a qualified subchap-
8 ter S subsidiary owned directly or indirectly by the eligible S corpo-
9 ration shall be included with the income of the eligible S corporation.

10 (2) For the purposes of this subsection, the term "eligible S corpo-
11 ration" has the same definition as in subsection (a) of this section.

12 (3) For the purposes of this subsection, the term "investment income"
13 means the sum of an eligible S corporation's gross income from interest,
14 dividends, royalties, annuities, rents and gains derived from dealings
15 in property, including the corporation's share of such items from a
16 partnership, estate or trust, to the extent such items would be includa-
17 ble in federal gross income for the taxable year.

18 (4) Estimated tax payments. When making estimated tax payments
19 required to be made under this chapter in the current tax year, the
20 eligible S corporation and its shareholders may rely on the eligible S
21 corporation's filing status for the prior year. If the eligible S corpo-
22 ration's filing status changes from the prior tax year the corporation
23 or the shareholders, as the case may be, which made the payments shall
24 be entitled to a refund of such estimated tax payments. No additions to
25 tax with respect to any required declarations or payments of estimated
26 tax imposed under this chapter shall be imposed on the corporation or
27 shareholders, whichever is the taxpayer for the current taxable year, if
28 the corporation or the shareholders file such declarations and make such

1 estimated tax payments by January fifteenth of the following calendar
2 year, regardless of whether the taxpayer's tax year is a calendar or a
3 fiscal year.]

4 § 5. Subparagraph (A) of paragraph 18 of subsection (b) of section 612
5 of the tax law, as amended by chapter 28 of the laws of 1987, is amended
6 to read as follows:

7 (A) [where the election provided for in subsection (a) of section six
8 hundred sixty is in effect with respect to such corporation] that is a
9 New York S corporation, an amount equal to his pro rata share of the
10 corporation's reductions for taxes described in paragraphs two and three
11 of subsection (f) of section thirteen hundred sixty-six of the internal
12 revenue code, and

13 § 6. Paragraph 19 of subsection (b) of section 612 of the tax law is
14 REPEALED.

15 § 7. Paragraphs 20 and 21 of subsection (b) of section 612 of the tax
16 law, paragraph 20 as amended by chapter 606 of the laws of 1984 and
17 paragraph 21 as amended by section 70 of part A of chapter 59 of the
18 laws of 2014, are amended to read as follows:

19 (20) S corporation distributions to the extent not included in federal
20 gross income for the taxable year because of the application of section
21 thirteen hundred sixty-eight, subsection (e) of section thirteen hundred
22 seventy-one or subsection (c) of section thirteen hundred seventy-nine
23 of the internal revenue code which represent income not previously
24 subject to tax under this article because the election provided for in
25 subsection (a) of section six hundred sixty in effect for taxable years
26 beginning before January first, two thousand eighteen had not been made.
27 Any such distribution treated in the manner described in paragraph two
28 of subsection (b) of section thirteen hundred sixty-eight of the inter-

1 nal revenue code for federal income tax purposes shall be treated as
2 ordinary income for purposes of this article.

3 (21) In relation to the disposition of stock or indebtedness of a
4 corporation which elected under subchapter s of chapter one of the
5 internal revenue code for any taxable year of such corporation begin-
6 ning, in the case of a corporation taxable under article nine-A of this
7 chapter, after December thirty-first, nineteen hundred eighty and before
8 January first, two thousand eighteen, the amount required to be added to
9 federal adjusted gross income pursuant to subsection (n) of this
10 section.

11 § 8. Paragraph 21 of subsection (c) of section 612 of the tax law, as
12 amended by section 70 of part A of chapter 59 of the laws of 2014, is
13 amended to read as follows:

14 (21) In relation to the disposition of stock or indebtedness of a
15 corporation which elected under subchapter s of chapter one of the
16 internal revenue code for any taxable year of such corporation begin-
17 ning, in the case of a corporation taxable under article nine-A of this
18 chapter, after December thirty-first, nineteen hundred eighty and before
19 January first, two thousand eighteen, the amounts required to be
20 subtracted from federal adjusted gross income pursuant to subsection (n)
21 of this section.

22 § 9. Paragraph 22 of subsection (c) of section 612 of the tax law is
23 REPEALED.

24 § 10. Subsection (e) of section 612 of the tax law, as amended by
25 chapter 166 of the laws of 1991 and paragraph 3 as added by chapter 760
26 of the laws of 1992, is amended to read as follows:

27 (e) Modifications of partners and shareholders of S corporations. (1)
28 Partners and shareholders of S corporations [which are not New York C

1 corporations]. The amounts of modifications required to be made under
2 this section by a partner or by a shareholder of an S corporation
3 [(other than an S corporation which is a New York C corporation)], which
4 relate to partnership or S corporation items of income, gain, loss or
5 deduction shall be determined under section six hundred seventeen and,
6 in the case of a partner of a partnership doing an insurance business as
7 a member of the New York insurance exchange described in section six
8 thousand two hundred one of the insurance law, under section six hundred
9 seventeen-a of this article.

10 (2) [Shareholders of S corporations which are New York C corporations.
11 In the case of a shareholder of an S corporation which is a New York C
12 corporation, the modifications under this section which relate to the
13 corporation's items of income, loss and deduction shall not apply,
14 except for the modifications provided under paragraph nineteen of
15 subsection (b) and paragraph twenty-two of subsection (c) of this
16 section.

17 (3)] New York S termination year. In the case of a New York S termi-
18 nation year, the amounts of the modifications required under this
19 section which relate to the S corporation's items of income, loss,
20 deduction and reductions for taxes (as described in paragraphs two and
21 three of subsection (f) of section thirteen hundred sixty-six of the
22 internal revenue code) shall be adjusted in the same manner that the S
23 corporation's items are adjusted under subsection (s) of [section six
24 hundred twelve] this section.

25 § 11. Subsection (n) of section 612 of the tax law, as amended by
26 section 61 of part A of chapter 389 of the laws of 1997, is amended to
27 read as follows:

1 (n) Where gain or loss is recognized for federal income tax purposes
2 upon the disposition of stock or indebtedness of a corporation electing
3 under subchapter s of chapter one of the internal revenue code

4 (1) There shall be added to federal adjusted gross income the amount
5 of increase in basis with respect to such stock or indebtedness pursuant
6 to subsection (a) of section thirteen hundred seventy-six of the inter-
7 nal revenue code as such section was in effect for taxable years begin-
8 ning before January first, nineteen hundred eighty-three and subpara-
9 graphs (A) and (B) of paragraph one of subsection (a) of section
10 thirteen hundred sixty-seven of such code, for each taxable year of the
11 corporation beginning, in the case of a corporation taxable under arti-
12 cle nine-A of this chapter, after December thirty-first, nineteen
13 hundred eighty and before January first, two thousand eighteen, and in
14 the case of a corporation taxable under article thirty-two of this chap-
15 ter, after December thirty-first, nineteen hundred ninety-six and before
16 January first, two thousand fifteen, for which the election provided for
17 in subsection (a) of section six hundred sixty of this article was not
18 in effect, and

19 (2) There shall be subtracted from federal adjusted gross income

20 (A) the amount of reduction in basis with respect to such stock or
21 indebtedness pursuant to subsection (b) of section thirteen hundred
22 seventy-six of the internal revenue code as such section was in effect
23 for taxable years beginning before January first, nineteen hundred
24 eighty-three and subparagraphs (B) and (C) of paragraph two of
25 subsection (a) of section thirteen hundred sixty-seven of such code, for
26 each taxable year of the corporation beginning, in the case of a corpo-
27 ration taxable under article nine-A of this chapter, after December
28 thirty-first, nineteen hundred eighty and before January first, two

1 thousand eighteen, and in the case of a corporation taxable under arti-
2 cle thirty-two of this chapter, after December thirty-first, nineteen
3 hundred ninety-six and before January first, two thousand fifteen, for
4 which the election provided for in subsection (a) of section six hundred
5 sixty of this article was not in effect and

6 (B) the amount of any modifications to federal gross income with
7 respect to such stock pursuant to paragraph twenty of subsection (b) of
8 this section.

9 § 12. Subparagraph (E-1) of paragraph 1 of subsection (b) of section
10 631 of the tax law, as added by section 3 of part C of chapter 57 of the
11 laws of 2010, is amended to read as follows:

12 (E-1) in the case of [an] a New York S corporation [for which an
13 election is in effect pursuant to subsection (a) of section six hundred
14 sixty of this article] that terminates its taxable status in New York,
15 any income or gain recognized on the receipt of payments from an
16 installment sale contract entered into when the S corporation was
17 subject to tax in New York, allocated in a manner consistent with the
18 applicable methods and rules for allocation under article nine-A or
19 thirty-two of this chapter prior to its repeal, in the year that the S
20 corporation sold its assets.

21 § 13. The section heading and paragraph 2 of subsection (a) of section
22 632 of the tax law, the section heading as amended by chapter 606 of the
23 laws of 1984, paragraph 2 of subsection (a) as amended by section 71 of
24 part A of chapter 59 of the laws of 2014 and such section as renumbered
25 by chapter 28 of the laws of 1987, are amended to read as follows:

26 Nonresident partners and [electing] shareholders of S corporations.

27 (2) In determining New York source income of a nonresident shareholder
28 of [an] a New York S corporation [where the election provided for in

1 subsection (a) of section six hundred sixty of this article is in
2 effect], there shall be included only the portion derived from or
3 connected with New York sources of such shareholder's pro rata share of
4 items of S corporation income, loss and deduction entering into his
5 federal adjusted gross income, increased by reductions for taxes
6 described in paragraphs two and three of subsection (f) of section thir-
7 teen hundred sixty-six of the internal revenue code, as such portion
8 shall be determined under regulations of the commissioner consistent
9 with the applicable methods and rules for allocation under article
10 nine-A of this chapter, regardless of whether or not such item or
11 reduction is included in entire net income under article nine-A for the
12 tax year. If a nonresident is a shareholder in [an] a New York S corpo-
13 ration [where the election provided for in subsection (a) of section six
14 hundred sixty of this article is in effect, and the S corporation] that
15 has distributed an installment obligation under section 453(h)(1)(A) of
16 the Internal Revenue Code, then any gain recognized on the receipt of
17 payments from the installment obligation for federal income tax purposes
18 will be treated as New York source income allocated in a manner consist-
19 ent with the applicable methods and rules for allocation under article
20 nine-A of this chapter in the year that the assets were sold. In addi-
21 tion, if the shareholders of the New York S corporation have made an
22 election under section 338(h)(10) of the Internal Revenue Code, then any
23 gain recognized on the deemed asset sale for federal income tax purposes
24 will be treated as New York source income allocated in a manner consist-
25 ent with the applicable methods and rules for allocation under article
26 nine-A of this chapter in the year that the shareholder made the section
27 338(h)(10) election. For purposes of a section 338(h)(10) election, when
28 a nonresident shareholder exchanges his or her S corporation stock as

1 part of the deemed liquidation, any gain or loss recognized shall be
2 treated as the disposition of an intangible asset and will not increase
3 or offset any gain recognized on the deemed assets sale as a result of
4 the section 338(h)(10) election.

5 § 14. Subparagraph (A) and the opening paragraph of subparagraph (B)
6 of paragraph 5 of subdivision (a) of section 292 of the tax law, as
7 added by section 48 of part A of chapter 389 of the laws of 1997, are
8 amended to read as follows:

9 (A) In the case of a shareholder of an S corporation,

10 (i) [where the election provided for in subsection (a) of section six
11 hundred sixty of this chapter is in effect with respect to such corpo-
12 ration] that is a New York S corporation, there shall be added to feder-
13 al unrelated business taxable income an amount equal to the sharehold-
14 er's pro rata share of the corporation's reductions for taxes described
15 in paragraphs two and three of subsection (f) of section thirteen
16 hundred sixty-six of the internal revenue code, and

17 (ii) [where such election has not been made with respect to such
18 corporation, there shall be subtracted from federal unrelated business
19 taxable income any items of income of the corporation included therein,
20 and there shall be added to federal unrelated business taxable income
21 any items of loss or deduction included therein, and

22 (iii)] in the case of a New York S termination year, the amount of any
23 such items of S corporation income, loss, deduction and reductions for
24 taxes shall be adjusted in the manner provided in paragraph two or three
25 of subsection (s) of section six hundred twelve of this chapter.

26 In the case of a shareholder of a corporation which was, for any of
27 its taxable years beginning after nineteen hundred ninety-seven and

1 before two thousand eighteen, a federal S corporation but a New York C
2 corporation:

3 § 15. Transition rules. Any prior net operating loss conversion
4 subtraction pool and net operating loss carryforward that otherwise
5 would have been allowed under subparagraph (viii) of paragraph (a) of
6 subdivision 1 of section 210 of the tax law and subparagraph (ix) of
7 paragraph (a) of subdivision 1 of section 210 of the tax law, respec-
8 tively, for the 2018 or subsequent taxable years, to any taxpayer that
9 was a New York C corporation for the 2017 taxable year, and becomes a
10 New York S corporation for the 2018 taxable year as a result of the
11 amendments made by this act, shall be held in abeyance and be available
12 to such taxpayer if its election to be a federal S corporation is termi-
13 nated. Further, any credit carryforwards that otherwise would have been
14 allowed to such a taxpayer under section 210-B of the tax law for the
15 2018 or subsequent taxable years shall be held in abeyance and be avail-
16 able to such taxpayer if its election to be a federal S corporation is
17 terminated. However, the taxpayer's taxable years as a New York S corpo-
18 ration shall be counted for purposes of computing any time period appli-
19 cable to the allowance of the prior net operating loss conversion
20 subtraction, the net operating loss deduction or any credit carryfor-
21 ward.

22 § 16. This act shall take effect immediately and shall apply to taxa-
23 ble years beginning on or after January 1, 2018.

1 Section 1. Clause 1 of subparagraph (A) of paragraph 1 of subsection
2 (b) of section 631 of the tax law, as added by section 1 of part F-1 of
3 chapter 57 of the laws of 2009, is amended to read as follows:

4 (1) For purposes of this subparagraph, the term "real property located
5 in this state" includes an interest in a partnership, limited liability
6 corporation, S corporation, or non-publicly traded C corporation with
7 one hundred or fewer shareholders (hereinafter the "entity") that owns
8 real property that is located in New York [and has a fair market value
9 that] or owns shares of stock in a cooperative housing corporation where
10 the cooperative units relating to the shares are located in New York;
11 provided, that the sum of the fair market values of such real property,
12 cooperative shares, and related cooperative units equals or exceeds
13 fifty percent of all the assets of the entity on the date of sale or
14 exchange of the taxpayer's interest in the entity. Only those assets
15 that the entity owned for at least two years before the date of the sale
16 or exchange of the taxpayer's interest in the entity are to be used in
17 determining the fair market value of all the assets of the entity on the
18 date of sale or exchange. The gain or loss derived from New York sources
19 from the taxpayer's sale or exchange of an interest in an entity that is
20 subject to the provisions of this subparagraph is the total gain or loss
21 for federal income tax purposes from that sale or exchange multiplied by
22 a fraction, the numerator of which is the fair market value of the real
23 property, and the cooperative housing corporation stock and related
24 cooperative units located in New York on the date of sale or exchange
25 and the denominator of which is the fair market value of all the assets
26 of the entity on the date of sale or exchange.

27 § 2. This act shall take effect immediately and shall apply to taxable
28 years beginning on or after January 1, 2017.

1

PART AA

2 Section 1. Paragraph 1 of subsection (a) of section 632 of the tax
3 law, as amended by chapter 28 of the laws of 1987, is amended to read as
4 follows:

5 (1) In determining New York source income of a nonresident partner of
6 any partnership, there shall be included only the portion derived from
7 or connected with New York sources of such partner's distributive share
8 of items of partnership income, gain, loss and deduction entering into
9 his federal adjusted gross income, as such portion shall be determined
10 under regulations of the tax commission consistent with the applicable
11 rules of section six hundred thirty-one of this part. If a nonresident
12 is a partner in a partnership where a sale or transfer of the membership
13 interest of the partner is subject to the provisions of section one-
14 thousand sixty of the internal revenue code, then any gain recognized on
15 the sale or transfer for federal income tax purposes shall be treated as
16 New York source income allocated in a manner consistent with the appli-
17 cable methods and rules for allocation under this article in the year
18 that the assets were sold or transferred.

19 § 2. This act shall take effect immediately

20

PART BB

21 Section 1. Section 1101 of the tax law is amended by adding a new
22 subdivision (e) to read as follows:

23 (e) When used in this article for the purposes of the taxes imposed
24 under subdivision (a) of section eleven hundred five of this article and

1 by section eleven hundred ten of this article, the following terms shall
2 mean:

3 (1) Marketplace provider. A person who, pursuant to an agreement with
4 a marketplace seller, facilitates sales of tangible personal property by
5 such marketplace seller or sellers. A person "facilitates a sale of
6 tangible personal property" for purposes of this paragraph when the
7 person meets both of the following conditions: (i) such person provides
8 the forum in which, or by means of which, the sale takes place or the
9 offer of sale is accepted, including a shop, store, or booth, an inter-
10 net website, catalog, or similar forum; and (ii) such person or an
11 affiliate of such person collects the receipts paid by a customer to a
12 marketplace seller for a sale of tangible personal property, or
13 contracts with a third party to collect such receipts. For purposes of
14 this paragraph, two persons are affiliated if one person has an owner-
15 ship interest of more than five percent, whether direct or indirect, in
16 the other, or where an ownership interest of more than five percent,
17 whether direct or indirect, is held in each of such persons by another
18 person or by a group of other persons that are affiliated persons with
19 respect to each other. Notwithstanding anything in this paragraph, a
20 person who facilitates sales exclusively by means of the internet is not
21 a marketplace provider for a sales tax quarter when such person can show
22 that it has facilitated less than one hundred million dollars of sales
23 annually for every calendar year after two thousand fifteen.

24 (2) Marketplace seller. Any person, whether or not such person is
25 required to obtain a certificate of authority under section eleven
26 hundred thirty-four of this article, who has an agreement with a market-
27 place provider under which the marketplace provider will facilitate

1 sales of tangible personal property by such person within the meaning of
2 paragraph one of this subdivision.

3 § 2. Subdivision 1 of section 1131 of the tax law, as amended by chap-
4 ter 576 of the laws of 1994, is amended to read as follows:

5 (1) "Persons required to collect tax" or "person required to collect
6 any tax imposed by this article" shall include: every vendor of tangible
7 personal property or services; every recipient of amusement charges;
8 [and] every operator of a hotel, and every marketplace provider with
9 respect to sales of tangible personal property it facilitates as
10 described in paragraph one of subdivision (e) of section eleven hundred
11 one of this article. Said terms shall also include any officer, director
12 or employee of a corporation or of a dissolved corporation, any employee
13 of a partnership, any employee or manager of a limited liability compa-
14 ny, or any employee of an individual proprietorship who as such officer,
15 director, employee or manager is under a duty to act for such corpo-
16 ration, partnership, limited liability company or individual proprietor-
17 ship in complying with any requirement of this article; and any member
18 of a partnership or limited liability company. Provided, however, that
19 any person who is a vendor solely by reason of clause (D) or (E) of
20 subparagraph (i) of paragraph (8) of subdivision (b) of section eleven
21 hundred one of this article shall not be a "person required to collect
22 any tax imposed by this article" until twenty days after the date by
23 which such person is required to file a certificate of registration
24 pursuant to section eleven hundred thirty-four of this part.

25 § 3. Section 1132 of the tax law is amended by adding a new subdivi-
26 sion (1) to read as follows:

27 (1) (1) A marketplace provider, with respect to a sale of tangible
28 personal property it facilitates: (i) shall have all the obligations and

1 rights of a vendor under this article and article twenty-nine of this
2 chapter and under any regulations adopted pursuant thereto, including,
3 but not limited to, the duty to obtain a certificate of authority, to
4 collect tax, file returns, remit tax, and the right to accept a certif-
5 icate or other documentation from a customer substantiating an exemption
6 or exclusion from tax, the right to receive the refund authorized by
7 subdivision (e) of this section and the credit allowed by subdivision
8 (f) of section eleven hundred thirty-seven of this part subject to the
9 provisions of such subdivision; and (ii) shall keep such records and
10 information and cooperate with the commissioner to ensure the proper
11 collection and remittance of tax imposed collected or required to be
12 collected under this article and article twenty-nine of this chapter.

13 (2) A marketplace seller who is a vendor is relieved from the duty to
14 collect tax in regard to a particular sale of tangible personal property
15 subject to tax under subdivision (a) of section eleven hundred five of
16 this article and shall not include the receipts from such sale in its
17 taxable receipts for purposes of section eleven hundred thirty-six of
18 this part if, in regard to such sale: (i) the marketplace seller can
19 show that such sale was facilitated by a marketplace provider from whom
20 such seller has received in good faith a properly completed certificate
21 of collection in a form prescribed by the commissioner, certifying that
22 the marketplace provider is registered to collect sales tax and will
23 collect sales tax on all taxable sales of tangible personal property by
24 the marketplace seller facilitated by the marketplace provider, and with
25 such other information as the commissioner may prescribe; and (ii) any
26 failure of the marketplace provider to collect the proper amount of tax
27 in regard to such sale was not the result of such marketplace seller
28 providing the marketplace provider with incorrect information. This

1 provision shall be administered in a manner consistent with subparagraph
2 (i) of paragraph one of subdivision (c) of this section as if a certif-
3 icate of collection were a resale or exemption certificate for purposes
4 of such subparagraph, including with regard to the completeness of such
5 certificate of collection and the timing of its acceptance by the
6 marketplace seller. Provided that, with regard to any sales of tangible
7 personal property by a marketplace seller that are facilitated by a
8 marketplace provider who is affiliated with such marketplace seller
9 within the meaning of paragraph one of subdivision (e) of section eleven
10 hundred one of this article, the marketplace seller shall be deemed
11 liable as a person under a duty to act for such marketplace provider for
12 purposes of subdivision one of section eleven hundred thirty-one of this
13 part.

14 (3) The commissioner may, in his or her discretion: (i) develop a
15 standard provision, or approve a provision developed by a marketplace
16 provider, in which the marketplace provider obligates itself to collect
17 the tax on behalf of all the marketplace sellers for whom the market-
18 place provider facilitates sales of tangible personal property, with
19 respect to all sales that it facilitates for such sellers where delivery
20 occurs in the state; and (ii) provide by regulation or otherwise that
21 the inclusion of such provision in the publicly-available agreement
22 between the marketplace provider and marketplace seller will have the
23 same effect as a marketplace seller's acceptance of a certificate of
24 collection from such marketplace provider under paragraph two of this
25 subdivision.

26 § 4. Section 1133 of the tax law is amended by adding a new subdivi-
27 sion (f) to read as follows:

1 (f) A marketplace provider is relieved of liability under this section
2 for failure to collect the correct amount of tax to the extent that the
3 marketplace provider can show that the error was due to incorrect infor-
4 mation given to the marketplace provider by the marketplace seller.
5 Provided, however, this subdivision shall not apply if the marketplace
6 seller and marketplace provider are affiliated within the meaning of
7 paragraph one of subdivision (e) of section eleven hundred one of this
8 article.

9 § 5. Paragraph 4 of subdivision (a) of section 1136 of the tax law, as
10 amended by section 46 of part K of chapter 61 of the laws of 2011, is
11 amended to read as follows:

12 (4) The return of a vendor of tangible personal property or services
13 shall show such vendor's receipts from sales and the number of gallons
14 of any motor fuel or diesel motor fuel sold and also the aggregate value
15 of tangible personal property and services and number of gallons of such
16 fuels sold by the vendor, the use of which is subject to tax under this
17 article, and the amount of tax payable thereon pursuant to the
18 provisions of section eleven hundred thirty-seven of this part. The
19 return of a recipient of amusement charges shall show all such charges
20 and the amount of tax thereon, and the return of an operator required to
21 collect tax on rents shall show all rents received or charged and the
22 amount of tax thereon. The return of a marketplace seller shall exclude
23 the receipts from a sale of tangible personal property facilitated by a
24 marketplace provider if, in regard to such sale: (A) the marketplace
25 seller has timely received in good faith a properly completed certif-
26 icate of collection from the marketplace provider or the marketplace
27 provider has included a provision approved by the commissioner in the
28 publicly-available agreement between the marketplace provider and the

1 marketplace seller as described in subdivision (1) of section eleven
2 hundred thirty-two of this part, and (B) the information provided by the
3 marketplace seller to the marketplace provider about such tangible
4 personal property is accurate.

5 § 6. Section 1142 of the tax law is amended by adding a new subdivi-
6 sion 15 to read as follows:

7 15. To publish a list on the department's website of marketplace
8 providers whose certificate of authority has been revoked and, if neces-
9 sary to protect sales tax revenue, provide by regulation or otherwise
10 that a marketplace seller who is a vendor will be relieved of the duty
11 to collect tax for sales of tangible personal property facilitated by a
12 marketplace provider only if, in addition to the conditions prescribed
13 by paragraph two of subdivision (1) of section eleven hundred thirty-two
14 of this part being met, such marketplace provider is not on such list at
15 the commencement of the calendar year in which the sale was made.

16 § 7. This act shall take effect September 1, 2017, and shall apply to
17 sales made on or after that date.

18 PART CC

19 Section 1. Paragraph 4 of subdivision (b) of section 1101 of the tax
20 law is amended by adding a new subparagraph (v) to read as follows:

21 (v) Notwithstanding the provisions of subparagraph (i) of this para-
22 graph, the following sales of tangible personal property shall be deemed
23 to be retail sales: (A) a sale to a single member limited liability
24 company or a subsidiary for resale to its member or owner, where such
25 single member limited liability company or subsidiary is disregarded as
26 an entity separate from its owner for federal income tax purposes (with-

1 out reference to any special rules related to the imposition of certain
2 federal taxes), including but not limited to certain employment and
3 excise taxes; (B) a sale to a partnership for resale to one or more of
4 its partners; or (C) a sale to a trustee of a trust for resale to one or
5 more beneficiaries of such trust.

6 § 2. Subdivision 2 of section 1118 of the tax law, as amended by
7 section 4 of subpart B of part S of chapter 57 of the laws of 2010, is
8 amended to read as follows:

9 (2)(a) In respect to the use of property or services purchased by the
10 user while a nonresident of this state, except in the case of tangible
11 personal property or services which the user, in the performance of a
12 contract, incorporates into real property located in the state. A person
13 while engaged in any manner in carrying on in this state any employment,
14 trade, business or profession, shall not be deemed a nonresident with
15 respect to the use in this state of property or services in such employ-
16 ment, trade, business or profession. This exemption does not apply to
17 the use of qualified property where the qualified property is purchased
18 primarily to carry individuals, whether or not for hire, who are agents,
19 employees, officers, shareholders, members, managers, partners, or
20 directors of (A) the purchaser, where any of those individuals was a
21 resident of this state when the qualified property was purchased or (B)
22 any affiliated person that was a resident when the qualified property
23 was purchased. For purposes of this subdivision: (i) persons are affil-
24 iated persons with respect to each other where one of the persons has an
25 ownership interest of more than five percent, whether direct or indi-
26 rect, in the other, or where an ownership interest of more than five
27 percent, whether direct or indirect, is held in each of the persons by
28 another person or by a group of other persons that are affiliated

1 persons with respect to each other; (ii) "qualified property" means
2 [aircraft,] vessels and motor vehicles; and (iii) "carry" means to take
3 any person from one point to another, whether for the business purposes
4 or pleasure of that person. For an exception to the exclusions from the
5 definition of "retail sale" applicable to [aircraft and] vessels, see
6 subdivision (q) of section eleven hundred eleven of this article.

7 (b) Notwithstanding any provision of this article to the contrary, the
8 exclusion in paragraph (a) of this subdivision shall not apply to the
9 use within the state of property or a service purchased outside this
10 state by a nonresident that is not an individual, unless such nonresi-
11 dent has been doing business outside the state for at least six months
12 prior to the date such nonresident brought such property or service into
13 this state.

14 § 3. This act shall take effect immediately.

15 PART DD

16 Section 1. Section 1105-C of the tax law, as added by section 24-a of
17 part Y of chapter 63 of the laws of 2000, and subdivision (d) as added
18 by section 1 of part B of chapter 85 of the laws of 2002, is amended to
19 read as follows:

20 § 1105-C. Reduced tax rates with respect to certain gas service and
21 electric service. Notwithstanding any other provisions of this article
22 or article twenty-nine of this chapter:

23 (a) The rates of taxes imposed by this article and pursuant to the
24 authority of article twenty-nine of this chapter on receipts from every
25 sale of gas service or electric service of whatever nature (including
26 the transportation, transmission or distribution of gas or electricity,

1 but not including gas or electricity) shall be [reduced each year on
2 September first, beginning in the year two thousand, and each year ther-
3 eafter, at the rate per year of twenty-five percent of the rates in
4 effect on September first, two thousand, so that the rates of such taxes
5 on such receipts shall be] zero percent [on and after September first,
6 two thousand three] unless the charge is by the vendor for transporta-
7 tion, transmission or distribution, regardless of whether such charges
8 are separately stated in the written contract, if any, or on the bill
9 rendered to such purchaser and regardless of whether such transporta-
10 tion, transmission, or distribution is provided by such vendor or a
11 third party.

12 (b) [The provisions of subdivision (b) of section eleven hundred six
13 of this article shall apply to the reduced rates described in subdivi-
14 sion (a) of this section, as if such section referred to this section,
15 provided that any reference in subdivision (b) of such section eleven
16 hundred six to the date August first, nineteen hundred sixty-five, shall
17 be deemed to refer, respectively, to September first of the applicable
18 years described in subdivision (a) of this section, and any reference in
19 subdivision (b) of such section eleven hundred six to July thirty-first,
20 nineteen hundred sixty-five, shall be deemed to refer to the day imme-
21 diately preceding each such September first, respectively.

22 (c) Nothing in this section shall be deemed to exempt from the taxes
23 imposed under this article or pursuant to the authority of article twen-
24 ty-nine of this chapter any transaction which may not be subject to the
25 reduced rates of such taxes, each year, as set forth in subdivision (a)
26 of this section in effect on the respective September first.

27 (d)] For [the purpose] purposes of [the reduced rate of tax provided
28 by] subdivision (a) of this section, [the following shall apply to a

1 sale, other than a sale for resale, of the] where the transportation,
2 transmission or distribution of gas or electricity [by a vendor not
3 subject to the supervision of the public service commission where such
4 transportation, transmission or distribution service being] is sold [is]
5 wholly within a service area of the state wherein the public service
6 commission [shall have] has approved by formal order a single retailer
7 model for the regulated utility which has the responsibility to serve
8 that area[. Where such a vendor makes a sale, other than a sale for
9 resale, of gas or electricity to be delivered to a customer within such
10 service area and, for the purpose of transporting, transmitting or
11 distributing such gas or electricity, also makes a sale of transporta-
12 tion, transmission or distribution service to such customer], the charge
13 for [the] such transportation, transmission or distribution [of gas or
14 electricity wholly within such service area made by such vendor,
15 notwithstanding paragraph three of subdivision (b) of section eleven
16 hundred one of this article, shall not be included in the receipt for
17 such gas or electricity, and, therefore,] when made by the provider who
18 also sells, other than as a sale for resale, the gas or electricity,
19 shall qualify for such reduced rate.

20 § 2. This act shall take effect immediately.

21 PART EE

22 Section 1. Subdivision 1 of section 186-f of the tax law is amended by
23 adding three new paragraphs (f), (g) and (h) to read as follows:

24 (f) "Prepaid wireless communications seller" means a person making a
25 retail sale of prepaid wireless communications service or a prepaid
26 wireless communications device.

1 (g) "Prepaid wireless communications device" means any equipment used
2 to access a prepaid wireless communications service.

3 (h) "Prepaid wireless communications service" means a prepaid mobile
4 calling service as defined in paragraph twenty-two of subdivision (b) of
5 section eleven hundred one of this chapter.

6 § 2. Subdivision 2 of section 186-f of the tax law, as added by
7 section 3 of part B of chapter 56 of the laws of 2009, is amended to
8 read as follows:

9 2. Public safety communications surcharge. (a) (1) A surcharge on
10 wireless communications service provided to a wireless communications
11 customer with a place of primary use in this state is imposed at the
12 rate of one dollar and twenty cents per month on each wireless communi-
13 cations device in service during any part of each month. The surcharge
14 must be reflected and made payable on bills rendered to the wireless
15 communications customer for wireless communication service.

16 ~~[(b)]~~ (2) Each wireless communications service supplier providing
17 wireless communications service in New York state must act as a
18 collection agent for the state for the collection of the surcharge. The
19 wireless communications service supplier has no legal obligation to
20 enforce the collection of the surcharge from its customers. However,
21 each wireless communications service supplier must collect and retain
22 the name and address of any wireless communications customer with a
23 place of primary use in this state that refuses or fails to pay the
24 surcharge, as well as the cumulative amount of the surcharge remaining
25 unpaid, and must provide this information to the commissioner at the
26 time and according to the procedures the commissioner may provide. The
27 surcharge must be reported and paid to the commissioner on a quarterly
28 basis on or before the fifteenth day of the month following each quar-

1 terly period ending on the last day of February, May, August and Novem-
2 ber, respectively. The payments must be accompanied by a return in the
3 form and containing the information the commissioner may prescribe.

4 [(c)] (3) The surcharge must be added as a separate line item to bills
5 furnished by a wireless communications service supplier to its custom-
6 ers, and must be identified as the "public safety communications
7 surcharge". Each wireless communications customer who is subject to the
8 provisions of this section remains liable to the state for the surcharge
9 due under this section until it has been paid to the state, except that
10 payment to a wireless communications service supplier is sufficient to
11 relieve the customer from further liability for the surcharge.

12 [(d) Each wireless communications service supplier is entitled to
13 retain, as an administrative fee, an amount equal to two percent of
14 fifty-eight and three-tenths percent of the total collections of the
15 surcharge imposed by this section, provided that the supplier files any
16 required return and remits the surcharge due to the commissioner on or
17 before its due date.]

18 (b) (1) A surcharge is imposed on the retail sale of each prepaid wire-
19 less communications service or device at the rate of: (i) sixty cents
20 per retail sale that does not exceed thirty dollars; and (ii) one dollar
21 and twenty cents per retail sale that exceeds thirty dollars.

22 (2) For purposes of this paragraph, a sale of a prepaid wireless
23 communications service or device occurs in this state if the sale takes
24 place at a seller's business location in the state. If the sale does not
25 take place at the seller's place of business, it shall be conclusively
26 determined to take place at the purchaser's shipping address or, if
27 there is no item shipped, at the purchaser's billing address, or, if the
28 seller does not have that address, at such address as approved by the

1 commissioner that reasonably reflects the customer's location at the
2 time of the sale of the prepaid wireless communications service or
3 device.

4 (3) Each prepaid wireless communications seller in New York state must
5 act as a collection agent for the state for the collection of the
6 surcharge. The surcharge must be reported and paid to the commissioner
7 on a quarterly basis on or before the fifteenth day of the month follow-
8 ing each quarterly period ending on the last day of February, May,
9 August and November, respectively. The payments must be accompanied by a
10 return in the form and containing the information the commissioner may
11 prescribe.

12 (4) The surcharge must be added as a separate line item to a sales
13 slip, invoice, receipt, or other statement of the price, if any, that is
14 furnished by a prepaid wireless communications seller to a purchaser,
15 and must be identified as the "public safety communications surcharge."
16 Each purchaser of a prepaid wireless communications service or device in
17 this state remains liable to the state for the surcharge due under this
18 section until it has been paid to the state, except that payment to a
19 prepaid wireless communications seller is sufficient to relieve the
20 purchaser from further liability for such surcharge.

21 § 3. The county law is amended by adding a new section 309 to read as
22 follows:

23 § 309. Establishment of prepaid wireless surcharge for system costs.

24 1. Definitions. When used in this article, where not otherwise specif-
25 ically defined and unless the specific context clearly indicates other-
26 wise:

1 (a) "Prepaid wireless communications seller" means a person making a
2 retail sale of prepaid wireless communications service or a prepaid
3 wireless communications device.

4 (b) "Prepaid wireless communications device" means any equipment used
5 to access a prepaid wireless communications service.

6 (c) "Prepaid wireless communications service" means a prepaid mobile
7 calling service as defined in paragraph twenty-two of subdivision (b) of
8 section eleven hundred one of the tax law.

9 2. Notwithstanding the provisions of any law to the contrary, any
10 municipality, as defined in section three hundred one of this article,
11 that is authorized to impose an enhanced emergency telephone system
12 surcharge on wireless communications service under this article, is
13 hereby authorized and empowered to adopt, amend or repeal local laws,
14 acting through its board, to impose a surcharge on the retail sale of
15 each prepaid wireless communications service or device, in an amount not
16 to exceed thirty cents per retail sale within such municipality. The
17 proceeds from such surcharge shall be used to pay for the costs associ-
18 ated with obtaining, operating and maintaining the telecommunication
19 equipment and telephone services needed to provide an enhanced 911 emer-
20 gency telephone system to serve such municipality.

21 3. For purposes of this section, a sale of a prepaid wireless communi-
22 cations service or device occurs in a municipality if the sale takes
23 place at a seller's business location in the municipality. If the sale
24 does not take place at the seller's place of business, it shall be
25 conclusively determined to take place at the purchaser's shipping
26 address in the municipality or, if there is no item shipped, at the
27 purchaser's billing address in the municipality, or, if the seller does
28 not have that address, at such address that reasonably reflects the

1 customer's location at the time of the sale of the prepaid wireless
2 communications service or device.

3 4. Any such local law shall state the amount of the surcharge and the
4 date on which sellers in the municipality shall begin to collect such
5 surcharge. Any seller of a prepaid wireless communications service or
6 device within a municipality that has imposed a surcharge pursuant to
7 the provisions of this section shall be given a minimum of forty-five
8 days written notice prior to the date it shall be required to begin to
9 collect such surcharge or prior to any modification to or change in the
10 surcharge amount.

11 5. (a) Each prepaid wireless communications seller in a municipality
12 shall act as collection agent for such municipality and shall remit the
13 funds collected pursuant to a surcharge imposed under the provisions of
14 this section to the chief fiscal officer of the municipality every
15 month. Such funds shall be remitted no later than thirty days after the
16 last business day of the month.

17 (b) The seller shall be entitled to retain, as an administrative fee,
18 an amount equal to two percent of its collections of the surcharge
19 imposed under this article.

20 (c) The surcharge shall be added to and stated separately on a sales
21 slip, invoice, receipt, or other statement of the price, if any, that is
22 provided to the purchaser.

23 (d) The seller shall provide to the municipality an accounting of the
24 surcharge amounts collected no more frequently than annually upon writ-
25 ten request from the municipality's chief fiscal officer.

26 (e) Each purchaser of a prepaid wireless communications service or
27 device in a municipality that has imposed such surcharge shall be liable
28 to the municipality for the surcharge until it has been paid to the

1 municipality, except that payment to a prepaid wireless communications
2 seller is sufficient to relieve the purchaser from further liability for
3 such surcharge.

4 6. All surcharge monies remitted to a municipality by a prepaid wire-
5 less communications seller shall be expended only upon authorization of
6 the legislative body of a municipality and only for payment of eligible
7 wireless 911 service costs as defined in subdivision sixteen of section
8 three hundred twenty-five of this chapter. The municipality shall sepa-
9 rately account for and keep adequate books and records of the amount and
10 source of all such monies and of the amount and object or purpose of all
11 expenditures thereof. If, at the end of any fiscal year, the total
12 amount of all such monies exceeds the amount necessary for payment of
13 the above mentioned costs in such fiscal year, such excess shall be
14 reserved and carried over for the payment of those costs in the follow-
15 ing fiscal year.

16 § 4. This act shall take effect December 1, 2017.

17 PART FF

18 Section 1. Subdivision 8 of section 1399-n of the public health law,
19 as amended by chapter 13 of the laws of 2003, is amended and a new
20 subdivision 9 is added to read as follows:

21 8. "Smoking" means the burning of a lighted cigar, cigarette, pipe or
22 any other matter or substance which contains tobacco, the burning of an
23 herbal cigarette, or the use of a vapor product.

24 9. "Vapor product" means any noncombustible liquid or gel, regardless
25 of the presence of nicotine therein, that is manufactured into a
26 finished product for use in an electronic cigarette, electronic cigar,

1 electronic cigarillo, electronic pipe, vaping pen, hookah pen or other
2 similar device. "Vapor product" shall not include any product approved
3 by the United States food and drug administration as a drug or medical
4 device, or approved for use pursuant to section three thousand three
5 hundred sixty-two of this chapter.

6 § 2. The article heading of article 13-F of the public health law, as
7 amended by chapter 448 of the laws of 2012, is amended to read as
8 follows:

9 REGULATION OF TOBACCO PRODUCTS, HERBAL CIGARETTES AND [SMOKING
10 PARAPHERNALIA] VAPOR PRODUCTS; DISTRIBUTION TO MINORS

11 § 3. Subdivisions 5, 8, and 13 of section 1399-aa of the public health
12 law, subdivision 5 as amended by chapter 152 of the laws of 2004, subdivi-
13 sion 8 as added by chapter 13 of the laws of 2003, and subdivision 13
14 as amended by chapter 542 of the laws of 2014, are amended to read as
15 follows:

16 5. "Tobacco products" means one or more cigarettes or cigars, bidis,
17 chewing tobacco, powdered tobacco, shisha nicotine water or any other
18 product containing or derived from tobacco [products].

19 8. "Tobacco business" means a sole proprietorship, corporation, limit-
20 ed liability company, partnership or other enterprise in which the
21 primary activity is the sale, manufacture or promotion of tobacco,
22 tobacco products, vapor products, and accessories, either at wholesale
23 or retail, and in which the sale, manufacture or promotion of other
24 products is merely incidental.

25 13. ["Electronic cigarette" or "e-cigarette" means an electronic
26 device that delivers vapor which is inhaled by an individual user, and
27 shall include any refill, cartridge and any other component of such a
28 device.] "Vapor product" means any noncombustible liquid or gel, regard-

1 less of the presence of nicotine therein, that is manufactured into a
2 finished product for use in an electronic cigarette, electronic cigar,
3 electronic cigarillo, electronic pipe, vaping pen, hookah pen or other
4 similar device. "Vapor product" shall not include any product approved
5 by the United States food and drug administration as a drug or medical
6 device, or approved for use pursuant to section three thousand three
7 hundred sixty-two of this chapter.

8 § 4. Section 1399-bb of the public health law, as amended by chapter
9 508 of the laws of 2000, subdivision 2 as amended by chapter 13 of the
10 laws of 2003, is amended to read as follows:

11 § 1399-bb. Distribution of tobacco products [or], herbal cigarettes,
12 or vapor products without charge. 1. No person engaged in the business
13 of selling or otherwise distributing tobacco products [or], herbal ciga-
14 rettes, or vapor products for commercial purposes, or any agent or
15 employee of such person, shall knowingly, in furtherance of such busi-
16 ness:

17 (a) distribute without charge any tobacco products [or], herbal ciga-
18 rettes, or vapor products to any individual, provided that the distrib-
19 ution of a package containing tobacco products [or], herbal cigarettes,
20 or vapor products in violation of this subdivision shall constitute a
21 single violation without regard to the number of items in the package;
22 or

23 (b) distribute coupons which are redeemable for tobacco products [or], herbal
24 cigarettes, or vapor products to any individual, provided that
25 this subdivision shall not apply to coupons contained in newspapers,
26 magazines or other types of publications, coupons obtained through the
27 purchase of tobacco products [or], herbal cigarettes, or vapor products
28 or obtained at locations which sell tobacco products [or], herbal ciga-

1 rettes, or vapor products provided that such distribution is confined to
2 a designated area or to coupons sent through the mail.

3 2. The prohibitions contained in subdivision one of this section shall
4 not apply to the following locations:

5 (a) private social functions when seating arrangements are under the
6 control of the sponsor of the function and not the owner, operator,
7 manager or person in charge of such indoor area;

8 (b) conventions and trade shows; provided that the distribution is
9 confined to designated areas generally accessible only to persons over
10 the age of eighteen;

11 (c) events sponsored by tobacco [or], herbal cigarette, or vapor prod-
12 uct manufacturers provided that the distribution is confined to desig-
13 nated areas generally accessible only to persons over the age of eigh-
14 teen;

15 (d) bars as defined in subdivision one of section thirteen hundred
16 ninety-nine-n of this chapter;

17 (e) tobacco businesses as defined in subdivision eight of section
18 thirteen hundred ninety-nine-aa of this article;

19 (f) factories as defined in subdivision nine of section thirteen
20 hundred ninety-nine-aa of this article and construction sites; provided
21 that the distribution is confined to designated areas generally accessi-
22 ble only to persons over the age of eighteen.

23 3. No person shall distribute tobacco products [or], herbal
24 cigarettes, or vapor products at the locations set forth in paragraphs
25 (b), (c) and (f) of subdivision two of this section unless such person
26 gives five days written notice to the enforcement officer.

27 4. The distribution of tobacco products [or], herbal cigarettes, or
28 vapor products pursuant to subdivision two of this section shall be made

1 only to an individual who demonstrates, through (a) a driver's license
2 or [other photographic] non-driver's identification card issued by [a
3 government entity or educational institution] the commissioner of motor
4 vehicles, the federal government, any United States territory, common-
5 wealth or possession, the District of Columbia, a state government with-
6 in the United States or a provincial government of the dominion of Cana-
7 da, or (b) a valid passport issued by the United States government or
8 any other country, or (c) an identification card issued by the armed
9 forces of the United States, indicating that the individual is at least
10 eighteen years of age. Such identification need not be required of any
11 individual who reasonably appears to be at least twenty-five years of
12 age; provided, however, that such appearance shall not constitute a
13 defense in any proceeding alleging the sale of a tobacco product [or],
14 herbal cigarette, or vapor products to an individual.

15 § 5. The section heading of section 1399-cc of the public health law,
16 as amended by chapter 542 of the laws of 2014, is amended to read as
17 follows:

18 Sale of tobacco products, herbal cigarettes, [liquid nicotine, shisha,
19 rolling papers] vapor products or smoking paraphernalia to minors
20 prohibited.

21 § 6. Subdivisions 2, 3, 4, and 7 of section 1399-cc of the public
22 health law, as amended by chapter 542 of the laws of 2014 are amended to
23 read as follows:

24 2. Any person operating a place of business wherein tobacco products,
25 herbal cigarettes, [liquid nicotine, shisha] or [electronic cigarettes]
26 vapor products, are sold or offered for sale is prohibited from selling
27 such products, herbal cigarettes, [liquid nicotine, shisha, electronic
28 cigarettes] vapor products or smoking paraphernalia to individuals under

1 eighteen years of age, and shall post in a conspicuous place a sign upon
2 which there shall be imprinted the following statement, "SALE OF CIGA-
3 RETTES, CIGARS, [CHEWING TOBACCO, POWDERED TOBACCO,] SHISHA OR OTHER
4 TOBACCO PRODUCTS, HERBAL CIGARETTES, [LIQUID NICOTINE, ELECTRONIC CIGA-
5 RETTES] VAPOR PRODUCTS, [ROLLING PAPERS] OR SMOKING PARAPHERNALIA, TO
6 PERSONS UNDER EIGHTEEN YEARS OF AGE IS PROHIBITED BY LAW." Such sign
7 shall be printed on a white card in red letters at least one-half inch
8 in height.

9 3. Sale of tobacco products, herbal cigarettes, [liquid nicotine,
10 shisha] or [electronic cigarettes] vapor products in such places, other
11 than by a vending machine, shall be made only to an individual who
12 demonstrates, through (a) a valid driver's license or non-driver's iden-
13 tification card issued by the commissioner of motor vehicles, the feder-
14 al government, any United States territory, commonwealth or possession,
15 the District of Columbia, a state government within the United States or
16 a provincial government of the dominion of Canada, or (b) a valid pass-
17 port issued by the United States government or any other country, or (c)
18 an identification card issued by the armed forces of the United States,
19 indicating that the individual is at least eighteen years of age. Such
20 identification need not be required of any individual who reasonably
21 appears to be at least twenty-five years of age, provided, however, that
22 such appearance shall not constitute a defense in any proceeding alleg-
23 ing the sale of a tobacco product, herbal cigarettes, [liquid nicotine,
24 shisha] or [electronic cigarettes] vapor products to an individual under
25 eighteen years of age.

26 4. (a) Any person operating a place of business wherein tobacco
27 products, herbal cigarettes, [liquid nicotine, shisha] or [electronic

1 cigarettes] vapor products are sold or offered for sale may perform a
2 transaction scan as a precondition for such purchases.

3 (b) In any instance where the information deciphered by the trans-
4 action scan fails to match the information printed on the driver's
5 license or non-driver identification card, or if the transaction scan
6 indicates that the information is false or fraudulent, the attempted
7 transaction shall be denied.

8 (c) In any proceeding pursuant to section thirteen hundred ninety-
9 nine-ee of this article, it shall be an affirmative defense that such
10 person had produced a driver's license or non-driver identification card
11 apparently issued by a governmental entity, successfully completed that
12 transaction scan, and that the tobacco product, herbal cigarettes [or
13 liquid nicotine], or vapor products had been sold, delivered or given to
14 such person in reasonable reliance upon such identification and trans-
15 action scan. In evaluating the applicability of such affirmative defense
16 the commissioner shall take into consideration any written policy
17 adopted and implemented by the seller to effectuate the provisions of
18 this chapter. Use of a transaction scan shall not excuse any person
19 operating a place of business wherein tobacco products, herbal ciga-
20 rettes, [liquid nicotine, shisha] or [electronic cigarettes] vapor
21 products are sold, or the agent or employee of such person, from the
22 exercise of reasonable diligence otherwise required by this chapter.
23 Notwithstanding the above provisions, any such affirmative defense shall
24 not be applicable in any civil or criminal proceeding, or in any other
25 forum.

26 7. No person operating a place of business wherein tobacco products,
27 herbal cigarettes, [liquid nicotine, shisha] or [electronic cigarettes]
28 vapor products are sold or offered for sale shall sell, permit to be

1 sold, offer for sale or display for sale any tobacco product, herbal
2 cigarettes, [liquid nicotine, shisha] or [electronic cigarettes] vapor
3 products in any manner, unless such products and cigarettes are stored
4 for sale (a) behind a counter in an area accessible only to the person-
5 nel of such business, or (b) in a locked container[; provided, however,
6 such restriction shall not apply to tobacco businesses, as defined in
7 subdivision eight of section thirteen hundred ninety-nine-aa of this
8 article, and to places to which admission is restricted to persons eigh-
9 teen years of age or older].

10 § 7. Section 1399-dd of the public health law, as amended by chapter
11 448 of the laws of 2012, is amended to read as follows:

12 § 1399-dd. Sale of tobacco products, herbal cigarettes or [electronic
13 cigarettes] vapor products in vending machines. No person, firm, part-
14 nership, company or corporation shall operate a vending machine which
15 dispenses tobacco products, herbal cigarettes or [electronic cigarettes]
16 vapor products unless such machine is located: (a) in a bar as defined
17 in subdivision one of section thirteen hundred ninety-nine-n of this
18 chapter, or the bar area of a food service establishment with a valid,
19 on-premises full liquor license; (b) in a private club; (c) in a tobacco
20 business as defined in subdivision eight of section thirteen hundred
21 ninety-nine-aa of this article; or (d) in a place of employment which
22 has an insignificant portion of its regular workforce comprised of
23 people under the age of eighteen years and only in such locations that
24 are not accessible to the general public; provided, however, that in
25 such locations the vending machine is located in plain view and under
26 the direct supervision and control of the person in charge of the
27 location or his or her designated agent or employee.

1 § 8. Subdivision 2 of section 1399-ee of the public health law, as
2 amended by chapter 162 of the laws of 2002, is amended to read as
3 follows:

4 2. If the enforcement officer determines after a hearing that a
5 violation of this article has occurred, he or she shall impose a civil
6 penalty of a minimum of three hundred dollars, but not to exceed one
7 thousand dollars for a first violation, and a minimum of five hundred
8 dollars, but not to exceed one thousand five hundred dollars for each
9 subsequent violation, unless a different penalty is otherwise provided
10 in this article. The enforcement officer shall advise the retail dealer
11 that upon the accumulation of three or more points pursuant to this
12 section the department of taxation and finance shall suspend the deal-
13 er's registration. If the enforcement officer determines after a hearing
14 that a retail dealer was selling tobacco products or vapor products
15 while their registration was suspended or permanently revoked pursuant
16 to subdivision three or four of this section, he or she shall impose a
17 civil penalty of twenty-five hundred dollars.

18 § 9. Subdivision 1 of section 1399-ff of the public health law, as
19 amended by chapter 448 of the laws of 2012, is amended to read as
20 follows:

21 1. Where a civil penalty for a particular incident has not been
22 imposed or an enforcement action regarding an alleged violation for a
23 particular incident is not pending under section thirteen hundred nine-
24 ty-nine-ee of this article, a parent or guardian of a minor to whom
25 tobacco products, herbal cigarettes or [electronic cigarettes] vapor
26 products are sold or distributed in violation of this article may submit
27 a complaint to an enforcement officer setting forth the name and address
28 of the alleged violator, the date of the alleged violation, the name and

1 address of the complainant and the minor, and a brief statement describ-
2 ing the alleged violation. The enforcement officer shall notify the
3 alleged violator by certified or registered mail, return receipt
4 requested, that a complaint has been submitted, and shall set a date, at
5 least fifteen days after the mailing of such notice, for a hearing on
6 the complaint. Such notice shall contain the information submitted by
7 the complainant.

8 § 10. Section 1399-hh of the public health law, as added by chapter
9 433 of the laws of 1997, is amended to read as follows:

10 § 1399-hh. Tobacco and vapor products enforcement. The commissioner
11 shall develop, plan and implement a comprehensive program to reduce the
12 prevalence of tobacco and vapor products use, particularly among persons
13 less than eighteen years of age. This program shall include, but not be
14 limited to, support for enforcement of article thirteen-F of this chap-
15 ter.

16 1. An enforcement officer, as defined in section thirteen hundred
17 ninety-nine-t of this chapter, may annually, on such dates as shall be
18 fixed by the commissioner, submit an application for such monies as are
19 made available for such purpose. Such application shall be in such form
20 as prescribed by the commissioner and shall include, but not be limited
21 to, plans regarding random spot checks, including the number and types
22 of compliance checks that will be conducted, and other activities to
23 determine compliance with this article. Each such plan shall include an
24 agreement to report to the commissioner: the names and addresses of
25 tobacco retailers and vendors determined to be unlicensed, if any; the
26 number of complaints filed against licensed tobacco retail outlets; and
27 the names of tobacco retailers and vendors who have paid fines, or have
28 been otherwise penalized, due to enforcement actions.

1 2. The commissioner shall distribute such monies as are made available
2 for such purpose to enforcement officers and, in so doing, consider the
3 number of retail locations registered to sell tobacco products within
4 the jurisdiction of the enforcement officer and the level of proposed
5 activities.

6 3. Monies made available to enforcement officers pursuant to this
7 section shall only be used for local tobacco, herbal cigarette and vapor
8 products enforcement activities approved by the commissioner.

9 § 11. The public health law is amended by adding a new section
10 1399-mm-1 to read as follows:

11 § 1399-mm-1. Vapor products; child-resistant containers required. No
12 person engaged in the business of manufacturing, selling or otherwise
13 distributing vapor products, may sell any component of such systems that
14 contains nicotine, including any refill, cartridge, or other component,
15 unless such component constitutes "special packaging" for the protection
16 of children, as defined in 15 U.S.C. 1471 or any superseding statute.

17 § 12. Subdivision 2 of section 409 of the education law, as amended by
18 chapter 449 of the laws of 2012, is amended to read as follows:

19 2. Notwithstanding the provisions of any other law, rule or regu-
20 lation, tobacco, herbal cigarette, and vapor products use shall not be
21 permitted and no person shall use [tobacco] such products on school
22 grounds. "School grounds" means any building, structure and surrounding
23 outdoor grounds, including entrances or exits, contained within a public
24 or private pre-school, nursery school, elementary or secondary school's
25 legally defined property boundaries as registered in a county clerk's
26 office.

27 § 13. Section 3624 of the education law, as amended by chapter 529 of
28 the laws of 2002, is amended to read as follows:

1 § 3624. Drivers, monitors and attendants. The commissioner shall
2 determine and define the qualifications of drivers, monitors and attend-
3 ants and shall make the rules and regulations governing the operation of
4 all transportation facilities used by pupils which rules and regulations
5 shall include, but not be limited to, a maximum speed of fifty-five
6 miles per hour for school vehicles engaged in pupil transportation that
7 are operated on roads, interstates or other highways, parkways or bridg-
8 es or portions thereof that have posted speed limits in excess of
9 fifty-five miles per hour, prohibitions relating to smoking and use of
10 vapor products, eating and drinking and any and all other acts or
11 conduct which would otherwise impair the safe operation of such trans-
12 portation facilities while actually being used for the transport of
13 pupils. The employment of each driver, monitor and attendant shall be
14 approved by the chief school administrator of a school district for each
15 school bus operated within his or her district. For the purpose of
16 determining his or her physical fitness, each driver, monitor and
17 attendant may be examined on order of the chief school administrator by
18 a duly licensed physician within two weeks prior to the beginning of
19 service in each school year as a school bus driver, monitor or attend-
20 ant. The report of the physician, in writing, shall be considered by the
21 chief school administrator in determining the fitness of the driver to
22 operate or continue to operate any transportation facilities used by
23 pupils and in determining the fitness of any monitor or attendant to
24 carry out his or her functions on such transportation facilities. Noth-
25 ing in this section shall prohibit a school district from imposing a
26 more restrictive speed limit policy for the operation of school vehicles
27 engaged in pupil transportation than the speed limit policy established
28 by the commissioner.

1 § 14. Subdivision 2 of section 470 of the tax law, as amended by
2 section 15 of part D of chapter 134 of the laws of 2010, is amended to
3 read as follows:

4 2. "Tobacco products." Any cigar, including a little cigar, a vapor
5 product, or tobacco, other than cigarettes, intended for consumption by
6 smoking, chewing, inhaling vapors, or as snuff.

7 § 15. Subdivision 12 of section 470 of the tax law, as added by chap-
8 ter 61 of the laws of 1989, is amended to read as follows:

9 12. "Distributor." Any person who imports or causes to be imported
10 into this state any tobacco product (in excess of fifty cigars [or], one
11 pound of tobacco, or one hundred milliliters of vapor product) for sale,
12 or who manufactures any tobacco product in this state, and any person
13 within or without the state who is authorized by the commissioner of
14 taxation and finance to make returns and pay the tax on tobacco products
15 sold, shipped or delivered by him to any person in the state.

16 § 16. Section 470 of the tax law is amended by adding a new subdivi-
17 sion 20 to read as follows:

18 20. "Vapor product." Any noncombustible liquid or gel, regardless of
19 the presence of nicotine therein, that is manufactured into a finished
20 product for use in an electronic cigarette, electronic cigar, electronic
21 cigarillo, electronic pipe, vaping pen, hookah pen or other similar
22 device. "Vapor product" shall not include any product approved by the
23 United States food and drug administration as a drug or medical device,
24 or approved for use pursuant to section three thousand three hundred
25 sixty-two of the public health law.

26 § 17. Subdivision (a) of subdivision 1 of section 471-b of the tax
27 law, as amended by section 18 of part D of chapter 134 of the laws of
28 2010, is amended to read as follows:

1 (a) Such tax on tobacco products other than snuff, [and] little
2 cigars, and vapor products shall be at the rate of seventy-five percent
3 of the wholesale price, and is intended to be imposed only once upon the
4 sale of any tobacco products other than snuff [and], little cigars, and
5 vapor products.

6 § 18. Subdivision 1 of section 471-b of the tax law is amended by
7 adding a new subdivision (d) to read as follows:

8 (d) Such tax on vapor products shall be at a rate of ten cents per
9 fluid milliliter, or part thereof, of the vapor product. All invoices
10 for vapor products issued by distributors and wholesalers must state the
11 amount of vapor product in milliliters.

12 § 19. The opening paragraph of subdivision (a) of section 471-c of the
13 tax law, as amended by section 2 of part I1 of chapter 57 of the laws of
14 2009, is amended to read as follows:

15 There is hereby imposed and shall be paid a tax on all tobacco
16 products used in the state by any person, except that no such tax shall
17 be imposed (1) if the tax provided in section four hundred seventy-one-b
18 of this article is paid, or (2) on the use of tobacco products which are
19 exempt from the tax imposed by said section, or (3) on the use of two
20 hundred fifty cigars or less, or five pounds or less of tobacco other
21 than roll-your-own tobacco, or three hundred milliliters or less of vapor product
22 brought into the state on, or in the possession of, any person.

24 § 20. Paragraph (i) of subdivision (a) of section 471-c of the tax
25 law, as amended by section 20 of part D of chapter 134 of the laws of
26 2010, is amended to read as follows:

1 (i) Such tax on tobacco products other than snuff [and], little cigars
2 and vapor products shall be at the rate of seventy-five percent of the
3 wholesale price.

4 § 21. Subdivision (a) of section 471-c of the tax law is amended by
5 adding a new paragraph (iv) to read as follows:

6 (iv) Such tax on vapor products shall be at a rate of ten cents per
7 fluid milliliter, or part thereof, of the vapor product. All invoices
8 for vapor products issued by distributors and wholesalers must state the
9 amount of vapor product in milliliters.

10 § 22. Subdivision 2 of section 474 of the tax law, as amended by chap-
11 ter 552 of the laws of 2008, is amended to read as follows:

12 2. Every person who shall possess or transport more than two hundred
13 fifty cigars, or more than five pounds of tobacco other than roll-your-
14 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or
15 more than five hundred milliliters of vapor product upon the public
16 highways, roads or streets of the state, shall be required to have in
17 his actual possession invoices or delivery tickets for such tobacco
18 products. Such invoices or delivery tickets shall show the name and
19 address of the consignor or seller, the name and address of the
20 consignee or purchaser, the quantity and brands of the tobacco products
21 transported, and the name and address of the person who has or shall
22 assume the payment of the tax and the wholesale price or the tax paid or
23 payable. The absence of such invoices or delivery tickets shall be prima
24 facie evidence that such person is a dealer in tobacco products in this
25 state and subject to the requirements of this article.

26 § 23. Subdivision 3 of section 474 of the tax law, as added by chapter
27 61 of the laws of 1989, is amended to read as follows:

1 3. Every dealer or distributor or employee thereof, or other person
2 acting on behalf of a dealer or distributor, who shall possess or trans-
3 port more than fifty cigars or more than one pound of tobacco, or more
4 than one hundred milliliters of vapor product upon the public highways,
5 roads or streets of the state, shall be required to have in his actual
6 possession invoices or delivery tickets for such tobacco products. Such
7 invoices or delivery tickets shall show the name and address of the
8 consignor or seller, the name and address of the consignee or purchaser,
9 the quantity and brands of the tobacco products transported, and the
10 name and address of the person who has or shall assume the payment of
11 the tax and the wholesale price or the tax paid or payable. The absence
12 of such invoices or delivery tickets shall be prima facie evidence that
13 the tax imposed by this article on tobacco products has not been paid
14 and is due and owing.

15 § 24. Subparagraph (i) of paragraph (b) of subdivision 1 of section
16 481 of the tax law, as amended by section 1 of part 0 of chapter 59 of
17 the laws of 2013, is amended to read as follows:

18 (i) In addition to any other penalty imposed by this article, the
19 commissioner may (A) impose a penalty of not more than six hundred
20 dollars for each two hundred cigarettes, or fraction thereof, in excess
21 of one thousand cigarettes in unstamped or unlawfully stamped packages
22 in the possession or under the control of any person or (B) impose a
23 penalty of not more than two hundred dollars for each ten unaffixed
24 false, altered or counterfeit cigarette tax stamps, imprints or
25 impressions, or fraction thereof, in the possession or under the control
26 of any person. In addition, the commissioner may impose a penalty of not
27 more than seventy-five dollars for each fifty cigars [or], one pound of
28 tobacco, or one hundred milliliters of vapor product, or fraction there-

1 of, in excess of two hundred fifty cigars [or], five pounds of tobacco
2 or five hundred milliliters of vapor product in the possession or under
3 the control of any person and a penalty of not more than one hundred
4 fifty dollars for each fifty cigars [or], pound of tobacco, or one
5 hundred milliliters of vapor product, or fraction thereof, in excess of
6 five hundred cigars [or], ten pounds of tobacco, or one thousand milli-
7 liters of vapor product in the possession or under the control of any
8 person, with respect to which the tobacco products tax has not been paid
9 or assumed by a distributor or tobacco products dealer; provided, howev-
10 er, that any such penalty imposed shall not exceed seven thousand five
11 hundred dollars in the aggregate. The commissioner may impose a penalty
12 of not more than seventy-five dollars for each fifty cigars [or], one
13 pound of tobacco, or one hundred milliliters of vapor product, or frac-
14 tion thereof, in excess of fifty cigars [or], one pound of tobacco, or
15 one hundred milliliters of vapor product in the possession or under the
16 control of any tobacco products dealer or distributor appointed by the
17 commissioner, and a penalty of not more than one hundred fifty dollars
18 for each fifty cigars [or], pound of tobacco, or one hundred milliliters
19 of vapor product, or fraction thereof, in excess of two hundred fifty
20 cigars [or], five pounds of tobacco, or five hundred milliliters of
21 vapor product, in the possession or under the control of any such dealer
22 or distributor, with respect to which the tobacco products tax has not
23 been paid or assumed by a distributor or a tobacco products dealer;
24 provided, however, that any such penalty imposed shall not exceed
25 fifteen thousand dollars in the aggregate.

26 § 25. Clauses (B) and (C) of subparagraph (ii) of paragraph (b) of
27 subdivision 1 of section 481 of the tax law, as added by chapter 262 of
28 the laws of 2000, is amended to read as follows:

1 (B) (I) not less than twenty-five dollars but not more than one hundred
2 dollars for each fifty cigars [or], one pound of tobacco, or one hundred
3 milliliters of vapor product, or fraction thereof, in excess of two
4 hundred fifty cigars [or], five pounds of tobacco, or five hundred
5 milliliters of vapor product knowingly in the possession or knowingly
6 under the control of any person, with respect to which the tobacco
7 products tax has not been paid or assumed by a distributor or tobacco
8 products dealer; and

9 (II) not less than fifty dollars but not more than two hundred dollars
10 for each fifty cigars [or], pound of tobacco, or one hundred milliliters
11 of vapor product, or fraction thereof, in excess of five hundred cigars
12 [or], ten pounds of tobacco, or one thousand milliliters of vapor prod-
13 uct knowingly in the possession or knowingly under the control of any
14 person, with respect to which the tobacco products tax has not been paid
15 or assumed by a distributor or tobacco products dealer; provided, howev-
16 er, that any such penalty imposed under this clause shall not exceed ten
17 thousand dollars in the aggregate.

18 (C) (I) not less than twenty-five dollars but not more than one hundred
19 dollars for each fifty cigars [or], one pound of tobacco, or one hundred
20 milliliters of vapor product, or fraction thereof, in excess of fifty
21 cigars [or], one pound of tobacco, or one hundred milliliters of vapor
22 product knowingly in the possession or knowingly under the control of
23 any person, with respect to which the tobacco products tax has not been
24 paid or assumed by a distributor or tobacco products dealer; and

25 (II) not less than fifty dollars but not more than two hundred dollars
26 for each fifty cigars [or], pound of tobacco, or one hundred milliliters
27 of vapor product, or fraction thereof, in excess of two hundred fifty
28 cigars [or], five pounds of tobacco, or five hundred milliliters of

1 vapor product knowingly in the possession or knowingly under the control
2 of any person, with respect to which the tobacco products tax has not
3 been paid or assumed by a distributor or a tobacco products dealer;
4 provided, however, that any such penalty imposed under this clause shall
5 not exceed twenty thousand dollars in the aggregate.

6 § 26. Subdivisions (a) and (h) of section 1814 of the tax law, as
7 amended by section 28 of subpart I of part V1 of chapter 57 of the laws
8 of 2009, are amended to read as follows:

9 (a) Any person who willfully attempts in any manner to evade or defeat
10 the taxes imposed by article twenty of this chapter or payment thereof
11 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
12 or more, [or] (iii) four hundred forty pounds of tobacco or more, or
13 (iv) forty-four thousand milliliters of vapor product or more or has
14 previously been convicted two or more times of a violation of paragraph
15 [one] (i) of this subdivision shall be guilty of a class E felony.

16 (h) (1) Any dealer, other than a distributor appointed by the commis-
17 sioner of taxation and finance under article twenty of this chapter, who
18 shall knowingly transport or have in his custody, possession or under
19 his control more than ten pounds of tobacco, or more than five hundred
20 cigars, or more than one thousand milliliters of vapor product upon
21 which the taxes imposed by article twenty of this chapter have not been
22 assumed or paid by a distributor appointed by the commissioner of taxa-
23 tion and finance under article twenty of this chapter, or other person
24 treated as a distributor pursuant to section four hundred seventy-one-d
25 of this chapter, shall be guilty of a misdemeanor punishable by a fine
26 of not more than five thousand dollars or by a term of imprisonment not
27 to exceed thirty days.

1 (2) Any person, other than a dealer or a distributor appointed by the
2 commissioner under article twenty of this chapter, who shall knowingly
3 transport or have in his custody, possession or under his control more
4 than fifteen pounds of tobacco, or more than seven hundred fifty cigars,
5 or more than fifteen hundred milliliters or more of vapor product upon
6 which the taxes imposed by article twenty of this chapter have not been
7 assumed or paid by a distributor appointed by the commissioner under
8 article twenty of this chapter, or other person treated as a distributor
9 pursuant to section four hundred seventy-one-d of this chapter shall be
10 guilty of a misdemeanor punishable by a fine of not more than five thou-
11 sand dollars or by a term of imprisonment not to exceed thirty days.

12 (3) Any person, other than a distributor appointed by the commissioner
13 under article twenty of this chapter, who shall knowingly transport or
14 have in his custody, possession or under his control twenty-five hundred
15 or more cigars, or fifty or more pounds of tobacco, or five thousand
16 milliliters or more of vapor product upon which the taxes imposed by
17 article twenty of this chapter have not been assumed or paid by a
18 distributor appointed by the commissioner under article twenty of this
19 chapter, or other person treated as a distributor pursuant to section
20 four hundred seventy-one-d of this chapter shall be guilty of a misde-
21 meanor. Provided further, that any person who has twice been convicted
22 under this subdivision shall be guilty of a class E felony for any
23 subsequent violation of this section, regardless of the amount of tobac-
24 co products involved in such violation.

25 (4) For purposes of this subdivision, such person shall knowingly
26 transport or have in his custody, possession or under his control tobac-
27 co, [or] cigars, or vapor products on which such taxes have not been
28 assumed or paid by a distributor appointed by the commissioner where

1 such person has knowledge of the requirement of the tax on tobacco
2 products and, where to his knowledge, such taxes have not been assumed
3 or paid on such tobacco products by a distributor appointed by the
4 commissioner of taxation and finance.

5 § 27. Subdivisions (a) and (b) of section 1814-a of the tax law, as
6 added by chapter 61 of the laws of 1989, are amended to read as follows:

7 (a) Any person who, while not appointed as a distributor of tobacco
8 products pursuant to the provisions of article twenty of this chapter,
9 imports or causes to be imported into the state more than fifty cigars,
10 or more than one pound of tobacco, or more than one hundred milliliters
11 of vapor product for sale within the state, or produces, manufactures or
12 compounds tobacco products within the state shall be guilty of a misde-
13 meanor punishable by a fine of not more than five thousand dollars or by
14 a term of imprisonment not to exceed thirty days. If, within any ninety
15 day period, one thousand or more cigars, or five hundred pounds or more
16 of tobacco, or fifty thousand milliliters or more of vapor product are
17 imported or caused to be imported into the state for sale within the
18 state or are produced, manufactured or compounded within the state by
19 any person while not appointed as a distributor of tobacco products,
20 such person shall be guilty of a misdemeanor. Provided further, that any
21 person who has twice been convicted under this section shall be guilty
22 of a class E felony for any subsequent violation of this section,
23 regardless of the amount of tobacco products involved in such violation.

24 (b) For purposes of this section, the possession or transportation
25 within this state by any person, other than a tobacco products distribu-
26 tor appointed by the commissioner of taxation and finance, at any one
27 time of seven hundred fifty or more cigars [or], fifteen pounds or more
28 of tobacco, or fifteen hundred milliliters or more of vapor product

1 shall be presumptive evidence that such tobacco products are possessed
2 or transported for the purpose of sale and are subject to the tax
3 imposed by section four hundred seventy-one-b of this chapter. With
4 respect to such possession or transportation, any provisions of article
5 twenty of this chapter providing for a time period during which the tax
6 imposed by such article may be paid shall not apply.

7 § 28. Subdivision (a) of section 1846-a of the tax law, as amended by
8 chapter 556 of the laws of 2011, is amended to read as follows:

9 (a) Whenever a police officer designated in section 1.20 of the crimi-
10 nal procedure law or a peace officer designated in subdivision four of
11 section 2.10 of such law, acting pursuant to his special duties, shall
12 discover any tobacco products in excess of five hundred cigars [or], ten
13 pounds of tobacco, or one thousand milliliters of vapor product which
14 are being imported for sale in the state where the person importing or
15 causing such tobacco products to be imported has not been appointed as a
16 distributor pursuant to section four hundred seventy-two of this chap-
17 ter, such police officer or peace officer is hereby authorized and
18 empowered forthwith to seize and take possession of such tobacco
19 products. Such tobacco products seized by a police officer or peace
20 officer shall be turned over to the commissioner. Such seized tobacco
21 products shall be forfeited to the state. All tobacco products forfeited
22 to the state shall be destroyed or used for law enforcement purposes,
23 except that tobacco products that violate, or are suspected of violat-
24 ing, federal trademark laws or import laws shall not be used for law
25 enforcement purposes. If the commissioner determines the tobacco
26 products may not be used for law enforcement purposes, the commissioner
27 must, within a reasonable time thereafter, upon publication in the state
28 registry of a notice to such effect before the day of destruction,

1 destroy such forfeited tobacco products. The commissioner may, prior to
2 any destruction of tobacco products, permit the true holder of the
3 trademark rights in the tobacco products to inspect such forfeited
4 products in order to assist in any investigation regarding such tobacco
5 products.

6 § 29. Subdivision (b) of section 1847 of the tax law, as added by
7 chapter 61 of the laws of 1989, is amended to read as follows:

8 (b) Any peace officer designated in subdivision four of section 2.10
9 of the criminal procedure law, acting pursuant to his special duties, or
10 any police officer designated in section 1.20 of the criminal procedure
11 law may seize any vehicle or other means of transportation used to
12 import tobacco products in excess of five hundred cigars [or], ten
13 pounds of tobacco, or one thousand milliliters of vapor product for sale
14 where the person importing or causing such tobacco products to be
15 imported has not been appointed a distributor pursuant to section four
16 hundred seventy-two of this chapter, other than a vehicle or other means
17 of transportation used by any person as a common carrier in transaction
18 of business as such common carrier, and such vehicle or other means of
19 transportation shall be subject to forfeiture as hereinafter in this
20 section provided.

21 § 30. This act shall take effect on the one hundred eightieth day
22 after it shall have become a law and shall apply to vapor products that
23 first become subject to taxation under article 20 of the tax law on or
24 after that date.

1 Section 1. Subdivision (d) of section 1814 of the tax law, as amended
2 by section 28 of subpart I of part V-1 of chapter 57 of the laws of
3 2009, is amended to read as follows:

4 (d) For the purposes of this section, the possession or transportation
5 within this state by any person, other than an agent, at any one time of
6 [five] two thousand or more cigarettes in unstamped or unlawfully
7 stamped packages shall be presumptive evidence that such cigarettes are
8 possessed or transported for the purpose of sale and are subject to the
9 tax imposed by section four hundred seventy-one of this chapter. With
10 respect to such possession or transportation any provisions of article
11 twenty of this chapter providing for a time period during which a use
12 tax imposed by such article may be paid on unstamped cigarettes or
13 unlawfully or improperly stamped cigarettes or during which such ciga-
14 rettes may be returned to an agent shall not apply. The possession with-
15 in this state of more than four hundred cigarettes in unstamped or
16 unlawfully stamped packages by any person other than an agent at any one
17 time shall be presumptive evidence that such cigarettes are subject to
18 tax as provided by article twenty of this chapter.

19 § 2. Subdivision (g) of section 1814 of the tax law, as amended by
20 section 28 of subpart I of part V-1 of chapter 57 of the laws of 2009,
21 is amended to read as follows:

22 (g) Any person who falsely or fraudulently makes, alters or counter-
23 feits any stamp prescribed by the tax commission under the provisions of
24 article twenty of this chapter, or causes or procures to be falsely or
25 fraudulently made, altered or counterfeited any such stamp, or knowingly
26 and willfully utters, purchases, passes or tenders as true any such
27 false, altered or counterfeited stamp, or knowingly and willfully
28 possesses any cigarettes in packages bearing any such false, altered or

1 counterfeited stamp, and any person who knowingly and willfully makes,
2 causes to be made, purchases or receives any device for forging or coun-
3 terfeiting any stamp, prescribed by the tax commission under the
4 provisions of article twenty of this chapter, or who knowingly and will-
5 fully possesses any such device, shall be guilty of a class [E] C felo-
6 ny. For the purposes of this subdivision, the words "stamp prescribed by
7 the tax commission" shall include a stamp, impression or imprint made by
8 a metering machine, the design of which has been approved by such
9 commission.

10 § 3. This act shall take effect immediately and apply to offenses
11 committed on and after such effective date.

12 PART HH

13 Section 1. The tax law is amended by adding a new section 478-a to
14 read as follows:

15 § 478-a. Jeopardy assessments. If the commissioner believes that the
16 collection of any tax will be jeopardized by delay, he or she may deter-
17 mine the amount of such tax and assess the same, together with all
18 interest and penalties provided by law, against any person liable there-
19 for prior to the filing of his or her return and prior to the date when
20 his or her return is required to be filed. The amount so determined
21 shall become due and payable to the commissioner by the person against
22 whom such a jeopardy assessment is made, as soon as notice thereof is
23 given to him or her. The provisions of section four hundred seventy-
24 eight of this article shall apply to any such determination except to
25 the extent that they may be inconsistent with the provisions of this
26 section. The commissioner may abate any jeopardy assessment if he or she

1 finds that jeopardy does not exist. The collection of any jeopardy
2 assessment may be stayed by filing with the commissioner a bond issued
3 by a surety company authorized to transact business in this state and
4 approved by the superintendent of financial services as to solvency and
5 responsibility, or such other security acceptable to the commissioner,
6 conditioned upon payment of the amount assessed and interest thereon, or
7 any lesser amount to which such assessment may be reduced by the divi-
8 sion of tax appeals or by a proceeding under article seventy-eight of
9 the civil practice law and rules as provided in section four hundred
10 seventy-eight of this article, such payment to be made when the assess-
11 ment or any such reduction thereof becomes final and not subject to
12 further review. If such a bond is filed and thereafter a proceeding
13 under article seventy-eight of the civil practice law and rules is
14 commenced as provided in section four hundred seventy-eight of this
15 article, deposit of the taxes, interest and penalties assessed shall not
16 be required as a condition precedent to the commencement of such
17 proceeding. Where a jeopardy assessment is made, any property seized for
18 the collection of the tax shall not be sold: (1) until expiration of the
19 time to apply for a hearing as provided in section four hundred seven-
20 ty-eight of this article, and (2) if such application is timely filed,
21 until the expiration of the time to file an exception to the determi-
22 nation of the administrative law judge or, if an exception is timely
23 filed, until four months after the tax appeals tribunal has given notice
24 of its decision to the person against whom the assessment is made;
25 provided, however, such property may be sold at any time if such person
26 has failed to attend a hearing of which he or she has been duly noti-
27 fied, or if he or she consents to the sale, or if the commissioner

1 determines that the expenses of conservation and maintenance will great-
2 ly reduce the net proceeds, or if the property is perishable.

3 § 2. This act shall take effect immediately.

4 PART II

5 Section 1. Paragraph (a) of subdivision 1 of section 471-b of the tax
6 law, as amended by section 18 of part D of chapter 134 of the laws of
7 2010, is amended to read as follows:

8 (a) Such tax on tobacco products other than snuff [and], little
9 cigars, and cigars shall be at the rate of seventy-five percent of the
10 wholesale price, and is intended to be imposed only once upon the sale
11 of any tobacco products other than snuff [and], little cigars and
12 cigars.

13 § 2. Subdivision 1 of section 471-b of the tax law is amended by
14 adding a new paragraph (d) to read as follows:

15 (d) Such tax on cigars as defined in subdivision nineteen of section
16 four hundred seventy of this article shall be at a rate of forty-five
17 cents per cigar.

18 § 3. Paragraph (i) of subdivision (a) of section 471-c of the tax law,
19 as amended by section 20 of part D of chapter 134 of the laws of 2010,
20 is amended to read as follows:

21 (i) Such tax on tobacco products other than snuff [and], little cigars
22 and cigars shall be at the rate of seventy-five percent of the wholesale
23 price.

24 § 4. Subdivision (a) of section 471-c of the tax law is amended by
25 adding a new paragraph (iv) to read as follows:

1 (iv) Such tax on cigars as defined in subdivision nineteen of section
2 four hundred seventy of this article shall be at a rate of forty-five
3 cents per cigar.

4 § 5. This act shall take effect September 1, 2017.

5 PART JJ

6 Section 1. Subdivision (e) of section 1401 of the tax law, as amended
7 by chapter 760 of the laws of 1992, is amended to read as follows:

8 (e) "Conveyance" means the transfer or transfers of any interest in
9 real property by any method, including but not limited to sale,
10 exchange, assignment, surrender, mortgage foreclosure, transfer in lieu
11 of foreclosure, option, trust indenture, taking by eminent domain,
12 conveyance upon liquidation or by a receiver, or transfer or acquisition
13 of a controlling interest in any entity with an interest in real proper-
14 ty. Conveyance also includes the transfer of an interest in a partner-
15 ship, limited liability corporation, S corporation or non-publicly trad-
16 ed C corporation with fewer than one hundred shareholders that owns an
17 interest in real property that is located in New York and has a fair
18 market value that equals or exceeds fifty percent of all the assets of
19 the entity on the date of the transfer of an interest in the entity.
20 Only those assets that the entity owned for at least two years before
21 the date of the transfer of the taxpayer's interest in the entity shall
22 be used in determining the fair market value of all the assets of the
23 entity on the date of the transfer. Transfer of an interest in real
24 property shall include the creation of a leasehold or sublease only
25 where (i) the sum of the term of the lease or sublease and any options
26 for renewal exceeds forty-nine years, (ii) substantial capital improve-

1 ments are or may be made by or for the benefit of the lessee or subles-
2 see, and (iii) the lease or sublease is for substantially all of the
3 premises constituting the real property. Notwithstanding the foregoing,
4 conveyance of real property shall not include a conveyance pursuant to
5 devise, bequest or inheritance; the creation, modification, extension,
6 spreading, severance, consolidation, assignment, transfer, release or
7 satisfaction of a mortgage; a mortgage subordination agreement, a mort-
8 gage severance agreement, an instrument given to perfect or correct a
9 recorded mortgage; or a release of lien of tax pursuant to this chapter
10 or the internal revenue code.

11 § 2. Subdivision (d) of section 1401 of the tax law is amended by
12 adding a new paragraph (vi) to read as follows:

13 (vi) In the case of a transfer of an interest in a partnership, limit-
14 ed liability corporation, S corporation or non-publicly traded C corpo-
15 ration with one hundred or fewer shareholders that owns real property
16 that is located in New York and has a fair market value that equals or
17 exceeds fifty percent of all the assets of the entity on the date of the
18 transfer of an interest in the entity, the consideration for the convey-
19 ance shall be calculated by multiplying (1) the fair market value of the
20 real property that is located in New York that is owned by the entity
21 and (2) the percentage of the entity that is transferred.

22 § 3. This act shall take effect immediately and shall apply to trans-
23 fers occurring on and after the effective date.

24 PART KK

25 Section 1. Section 1402-a of the tax law is amended by adding a new
26 subdivision (b-1) to read as follows:

1 (b-1) The commissioner is authorized to treat as subject to tax under
2 this section any conveyance of an interest in real property made pursu-
3 ant to an agreement, understanding or arrangement that results in the
4 avoidance or evasion of the tax imposed by this section.

5 § 2. This act shall take effect immediately.

6 PART LL

7 Section 1. Section 902 of the racing, pari-mutuel wagering and breed-
8 ing law, as amended by chapter 60 of the laws of 1993, subdivision 1 as
9 amended by chapter 15 of the laws of 2010 and subdivision 2 as amended
10 by chapter 18 of the laws of 2008, is amended to read as follows:

11 § 902. Equine drug testing and expenses. 1. In order to assure the
12 public's confidence and continue the high degree of integrity in racing
13 at the pari-mutuel betting tracks, equine drug testing at race meetings
14 shall be conducted by a [state college within this state with an
15 approved equine science program] suitable laboratory or laboratories
16 located in New York state, as the gaming commission may determine in its
17 discretion. The [state racing and wagering board] gaming commission
18 shall promulgate any rules and regulations necessary to implement the
19 provisions of this section, including administrative penalties of loss
20 of purse money, fines, or denial, suspension[,] or revocation of a
21 license for racing drugged horses.

22 2. Notwithstanding any inconsistent provision of law, all costs and
23 expenses of the [state racing and wagering board] gaming commission for
24 equine drug testing and research shall be paid from [an appropriation
25 from the state treasury, on the certification of the chairman of the
26 state racing and wagering board, upon the audit and warrant of the comp-

1 troller and pursuant to a plan developed by the state racing and wager-
2 ing board as approved by the director of the budget] an assessment the
3 commission may make on horsemen entering horses in races, an assessment
4 the commission may make on racetracks, or both.

5 § 2. Subdivision 2 of section 228 of the racing, pari-mutuel wagering
6 and breeding law, as amended by chapter 18 of the laws of 2008 and the
7 opening paragraph as amended by chapter 291 of the laws of 2016, is
8 amended to read as follows:

9 2. The New York state gaming commission shall, as a condition of
10 racing, require any franchised corporation and every other corporation
11 subject to its jurisdiction to withhold one percent of all purses,
12 except that for the franchised corporation, starting on September first,
13 two thousand seven and continuing through August thirty-first, two thou-
14 sand seventeen, two percent of all purses shall be withheld, and, in the
15 case of the franchised corporation, to pay such sum to the horsemen's
16 organization or its successor that was first entitled to receive
17 payments pursuant to this section in accordance with rules of the
18 commission adopted effective November third, nineteen hundred eighty-
19 three representing at least fifty-one percent of the owners and trainers
20 [utilizing] using the facilities of such franchised corporation, on the
21 condition that such horsemen's organization shall expend [as much as is
22 necessary, but not to exceed] one-half of one percent of such total
23 sum[,] to acquire and maintain the equipment required to [establish a
24 program at a state college within this state with an approved equine
25 science program to] test, at a suitable laboratory located in New York
26 state, as the gaming commission may determine in its discretion, for the
27 presence of [steroids] impermissible drugs or other substances that
28 might be classified as impermissible substances in horses, provided

1 further that the qualified organization shall also, in an amount to be
2 determined by its board of directors, annually include in its expendi-
3 tures for benevolence programs, funds to support an organization provid-
4 ing services necessary to backstretch employees, and, in the case of
5 every other corporation, to pay such one percent sum of purses to the
6 horsemen's organization or its successor that was first entitled to
7 receive payments pursuant to this section in accordance with rules of
8 the commission adopted effective May twenty-third, nineteen hundred
9 eighty-six representing at least fifty-one percent of the owners and
10 trainers [utilizing] using the facilities of such corporation.

11 In either case, any other horsemen's organization may apply to the
12 [board] commission to be approved as the qualified organization to
13 receive payment of the one percent of all purses by submitting to the
14 [board] commission proof of both, that (i) it represents more than
15 fifty-one percent of all the owners and trainers [utilizing] using the
16 same facilities and (ii) the horsemen's organization previously approved
17 as qualified by the [board] commission does not represent fifty-one
18 percent of all the owners and trainers [utilizing] using the same facil-
19 ities. If the [board] commission is satisfied that the documentation
20 submitted with the application of any other horsemen's organization is
21 conclusive with respect to items (i) and (ii) of this paragraph, it may
22 approve the applicant as the qualified recipient organization.

23 In the best interests of racing, upon receipt of such an application,
24 the [board] commission may direct the payments to the previously quali-
25 fied horsemen's organization to continue uninterrupted, or it may direct
26 the payments to be withheld and placed in interest-bearing accounts for
27 a period not to exceed ninety days, during which time the [board]
28 commission shall review and approve or disapprove the application. Funds

1 held in such manner shall be paid to the organization approved by the
2 [board] commission. In no event shall the [board] commission accept more
3 than one such application in any calendar year from the same horsemen's
4 organization.

5 The funds authorized to be paid by the [board] commission are to be
6 used exclusively for the benefit of those horsemen racing in New York
7 state through the administrative purposes of such qualified organiza-
8 tion, benevolent activities on behalf of backstretch employees, and for
9 the promotion of equine research.

10 § 3. This act shall take effect immediately.

11 PART MM

12 Section 1. Article 19-B of the executive law is REPEALED.

13 § 1-a. Article 9-A of the general municipal law is REPEALED.

14 § 1-b. Article 14-H of the general municipal law is REPEALED.

15 § 1-c. Article 34 of the tax law is REPEALED.

16 § 2. The racing, pari-mutuel wagering and breeding law is amended by
17 adding a new article 15 to read as follows:

18 ARTICLE 15

19 CHARITABLE GAMING

20 Title 1. General provisions.

21 2. Bingo control.

22 3. Local option for conduct of bingo by certain organizations.

23 4. Local option for conduct of games of chance by certain organ-
24 izations.

25 TITLE 1

26 GENERAL PROVISIONS

1 Section 1500. Definitions.

2 1501. Forms.

3 1502. Participation by persons under the age of eighteen.

4 1503. Sundays.

5 1504. Advertising of charitable games.

6 1505. Sanctions for violations.

7 1506. Severability.

8 § 1500. Definitions. As used in this article, in addition to the defi-
9 nitions set forth in section one hundred one of this chapter, the
10 following terms shall have the following meanings:

11 1. "Authorized bingo lessor" shall mean a person, firm or corporation
12 other than a licensee to conduct bingo under the provisions of this
13 article, who or which owns or is a net lessee of premises and offer the
14 same for leasing by him, her or it to an authorized organization for any
15 consideration whatsoever, direct or indirect, for the purpose of
16 conducting bingo therein, provided, that he, she or it, as the case may
17 be, shall not be:

18 (a) a person convicted of a crime if there is a direct relationship
19 between one or more of the previous criminal offenses and the integrity
20 of bingo, considering the factors set forth in section seven hundred
21 fifty-three of the correction law;

22 (b) a person who is or has been a professional gambler or gambling
23 promoter or who for other reasons is not of good moral character;

24 (c) a public officer who receives any consideration, direct or indi-
25 rect, as owner or lessor of premises offered for the purpose of conduct-
26 ing bingo therein; or

27 (d) a firm or corporation in which a person defined in paragraph (a),
28 (b) or (c) of this subdivision or a person married or related in the

1 first degree to such a person has greater than a ten percent proprie-
2 tary, equitable or credit interest or in which such a person is active
3 or employed.

4 Nothing contained in this subdivision shall be construed to bar any
5 firm or corporation that is not organized for pecuniary profit and no
6 part of the net earnings of which inure to the benefit of any individ-
7 ual, member or shareholder, from being an authorized bingo lessor solely
8 because a public officer, or a person married or related in the first
9 degree to a public officer, is a member of, active in or employed by
10 such firm or corporation.

11 2. "Authorized games of chance lessor" shall mean an authorized organ-
12 ization that has been granted a lessor's license pursuant to the
13 provisions of title four of this article or a municipality.

14 3. "Authorized organization" shall mean any bona fide religious or
15 charitable organization or bona fide educational, fraternal, civic or
16 service organization or bona fide organization of veterans, volunteer
17 firefighters or volunteer ambulance workers that by its charter, certif-
18 icate of incorporation, constitution or act of the legislature has among
19 its dominant purposes one or more of the lawful purposes as defined in
20 this section, provided that each shall operate without profit to its
21 members and provided that each such organization has engaged in serving
22 one or more of the lawful purposes as defined in this section for a
23 period of one year immediately prior to applying for a license under
24 this article. No organization shall be deemed an authorized organization
25 that is formed primarily for the purpose of conducting bingo or games of
26 chance and that does not devote at least seventy-five percent of its
27 activities to other than conducting bingo or games of chance. No poli-

1 tical party, political campaign or political campaign committee shall be
2 deemed an authorized organization.

3 4. "Authorized supplier of games of chance equipment" shall mean any
4 person, firm, partnership, corporation or organization licensed by the
5 commission to sell or lease games of chance equipment or paraphernalia
6 that meets the specifications and regulations established by the commis-
7 sion. Nothing herein shall prevent an authorized organization from
8 purchasing common articles, such as cards and dice, from normal sources
9 of supply of such articles or from constructing equipment and parapher-
10 naliam for games of chance for its own use. However, no such equipment
11 or paraphernalia, constructed or owned by an authorized organization
12 shall be sold or leased to any other authorized organization, without
13 written permission from the commission.

14 5. "Bell jars" shall mean and include those games in which a partic-
15 ipant shall draw a card that contains numbers, colors or symbols that
16 are covered and that, when uncovered, may reveal that a prize shall be
17 awarded on the basis of a designated winning number, color or symbol or
18 combination of numbers, colors or symbols. Such card shall be drawn from
19 a jar, vending machine or other suitable device or container. Bell jars
20 shall also include seal cards, coin boards, event games and merchandise
21 boards.

22 6. "Bingo" shall mean a specific game of chance, commonly known as
23 bingo or lotto, in which prizes are awarded on the basis of designated
24 numbers or symbols on a card conforming to numbers or symbols selected
25 at random.

26 7. "Bingo control law" shall mean title two of this article.

27 8. "Bingo licensing law" shall mean title three of this article.

1 9. "Bonus ball" shall mean a bingo game that is played in conjunction
2 with one or more regular or special bingo games designated as bonus ball
3 games by the licensed authorized organization during one or more consec-
4 utive bingo occasions in which a prize is awarded to the player obtain-
5 ing a specified winning bingo pattern when the last number called by the
6 licensed authorized organization is the designated bonus ball number.
7 The bonus ball prize shall be based upon a percentage of the sales from
8 opportunities to participate in bonus ball games not to exceed seventy-
9 five percent of the sum of money received from the sale of bonus ball
10 opportunities or ten thousand dollars, whichever shall be less, and
11 which is not subject to the prize limits imposed by subdivisions five
12 and six of section fifteen hundred twenty-three and paragraph (a) of
13 subdivision one of section fifteen hundred twenty-five of this article.
14 The percentage shall be specified both in the application for the bingo
15 license and the licensee. Notwithstanding section fifteen hundred thir-
16 ty-one of this article, not more than one dollar shall be charged per
17 player for an opportunity to participate in all bonus ball games
18 conducted during a single bingo occasion, and the total amount collected
19 from the sale of bonus ball opportunities and the amount of the prize to
20 be awarded shall be announced prior to the start of each bingo occasion.

21 10. "Coin board" and "merchandise board" shall mean a board used in
22 conjunction with bell jar tickets that contains and displays various
23 coins and/or merchandise as prizes. A player having a bell jar ticket
24 with a number matching a pre-designated number reflected on the board
25 for a prize wins that prize.

26 11. "Clerk" shall mean the clerk of a municipality outside the city of
27 New York.

1 12. "Department" shall mean the New York city department of consumer
2 affairs.

3 13. "Early bird" shall mean a bingo game that is played as a special
4 game, conducted not more than twice during a bingo occasion, in which
5 prizes are awarded based upon a percentage not to exceed seventy-five
6 percent of the sum of money received from the sale of the early bird
7 cards and that is neither subject to the prize limits imposed by subdi-
8 visions five and six of section fifteen hundred twenty-three and para-
9 graph (a) of subdivision one of section fifteen hundred twenty-five, nor
10 the special game opportunity charge limit imposed by section fifteen
11 hundred thirty-one of this article. The percentage shall be specified
12 both in the application for bingo license and the license. Not more
13 than one dollar shall be charged per card with the total amount
14 collected from the sale of the early bird cards and the prize for each
15 game to be announced before the commencement of each game.

16 14. "Event game" shall mean a bell jar game in which certain winners
17 are determined by the random selection of one or more bingo numbers, the
18 use of a seal card or by another method approved by the commission.

19 15. "Flare" shall mean a poster description of the bell jar game,
20 which shall include:

21 (a) a declaration of the number of winners and amount of prizes in
22 each deal;

23 (b) the number of prizes available in the deal;

24 (c) the number of tickets in each deal that contain the stated prize;

25 (d) the manufacturer's game form number and the serial number of the
26 deal, which shall be identical to the serial number imprinted on each
27 ticket contained in the deal; and

1 (e) such other requirements as the rules and regulations of the
2 commission may require.

3 16. "Games of chance" shall mean and include only the games known as
4 "merchandise wheels," "coin boards," "merchandise boards," "seal cards,"
5 "event games," "raffles," "bell jars" and such other specific games as
6 may be authorized by the commission, in which prizes are awarded on the
7 basis of a designated winning number or numbers, color or colors, symbol
8 or symbols determined by chance, but not including games commonly known
9 as "bingo" or "lotto," which are controlled under titles two and three
10 of this article, and also not including "bookmaking," "policy or numbers
11 games" and "lottery" as defined in section 225.00 of the penal law.

12 17. "Lawful purposes" shall mean one or more of the following causes,
13 deeds or activities:

14 (a) those that benefit needy or deserving persons indefinite in number
15 by enhancing their opportunity for religious or educational advancement,
16 by relieving them from disease, suffering or distress, or by contribut-
17 ing to their physical well-being, by assisting them in establishing
18 themselves in life as worthy and useful citizens, or by increasing their
19 comprehension of and devotion to the principles upon which this nation
20 was founded and enhancing their loyalty to their governments;

21 (b) those that initiate, perform or foster worthy public works or
22 enable or further the erection or maintenance of public structures;

23 (c) those that initiate, perform or foster the provisions of services
24 to veterans by encouraging the gathering of such veterans and enable or
25 further the erection or maintenance of facilities for use by such veter-
26 ans that shall be used primarily for charitable or patriotic purposes,
27 or those purposes that shall be authorized by a bona fide organization
28 of veterans, provided however that such proceeds are disbursed in

1 accordance with the rules and regulations of the commission and section
2 fifteen hundred fifty-four of this article; and

3 (d) those that otherwise lessen the burdens borne by the government or
4 that are voluntarily undertaken by an authorized organization to augment
5 or supplement services that the government would normally render to the
6 people, including, in the case of volunteer firefighters' activities,
7 the purchase, erection or maintenance of a building for a firehouse,
8 activities open to the public for the enhancement of membership and the
9 purchase of equipment that can reasonably be expected to increase the
10 efficiency of response to fires, accidents, public calamities and other
11 emergencies.

12 18. "License period" shall mean:

13 (a) for bingo, the duration of a license issued pursuant to section
14 fifteen hundred twenty-five of this article;

15 (b) for games of chance other than bell jars or raffles, a period of
16 time not to exceed fourteen consecutive hours; and

17 (c) for bell jars and raffles, a period of time running from January
18 first to December thirty-first of the year set forth in the license.

19 19. "Limited-period bingo" shall mean the conduct of bingo by a
20 licensed authorized organization, for a period of not more than seven of
21 twelve consecutive days in any one year, at a festival, bazaar, carnival
22 or similar function conducted by such licensed authorized organization.
23 No authorized organization licensed to conduct limited-period bingo
24 shall be otherwise eligible to conduct bingo pursuant to this title in
25 the same year.

26 20. "Municipal officer" shall mean the chief law enforcement officer
27 of a municipality outside the city of New York, or if such municipality
28 exercises the option set forth in subdivision two of section fifteen

1 hundred sixty-three of this article, the chief law enforcement officer
2 of the county.

3 21. "Municipality" shall mean any city, town or village within this
4 state.

5 22. "Net lease" shall mean a written agreement between a lessor and
6 lessee under the terms of which the lessee is entitled to the
7 possession, use or occupancy of the whole or part of any commercial
8 premises for which the lessee pays rent to the lessor and likewise
9 undertakes to pay substantially all of the regularly recurring expenses
10 incident to the operation and maintenance of such leased premises.

11 23. "Net proceeds" shall mean:

12 (a) in relation to the gross receipts from one or more occasions of
13 bingo, the amount that remains after deducting the reasonable sums
14 necessarily and actually expended for bingo supplies and equipment,
15 prizes, stated rental, if any, bookkeeping or accounting services
16 according to a schedule of compensation prescribed by the commission,
17 janitorial services and utility supplies if any, license fees, and the
18 cost of bus transportation, if authorized by the commission;

19 (b) in relation to bell jars, the difference between the ideal handle
20 from the sale of bell jar tickets, seal cards, merchandise boards and
21 coin boards less the amount of money paid out in prizes and less the
22 purchase price of the bell jar deal, seal card deal, merchandise board
23 deal or coin board deal. Additionally, a credit shall be permitted
24 against the net proceeds fee tendered to the commission for unsold tick-
25 ets of the bell jar deal so long as the unsold tickets have the same
26 serial and form number as the tickets for which the fee is rendered;

27 (c) in relation to the gross receipts from one or more license periods
28 of games of chance, the amount that shall remain after deducting the

1 reasonable sums necessarily and actually expended for supplies and
2 equipment, prizes, security-personnel, stated rental if any, bookkeeping
3 or accounting services according to a schedule of compensation
4 prescribed by the commission, janitorial services and utility supplies,
5 if any, license fees, and the cost of bus transportation, if authorized
6 by the clerk or department;

7 (d) in relation to the gross rent received by an organization licensed
8 to conduct bingo for the use of its premises by another licensee, the
9 amount that remains after deducting the reasonable sums necessarily and
10 actually expended for janitorial services and utility supplies directly
11 attributable thereto if any; and

12 (e) in relation to the gross rent received by an authorized games of
13 chance lessor for the use of its premises by a game of chance licensee,
14 the amount that shall remain after deducting the reasonable sums neces-
15 sarily and actually expended for janitorial services and utility
16 supplies directly attributable thereto if any.

17 24. (a) "One occasion" shall mean the successive operations of any one
18 single type of game of chance that results in the awarding of a series
19 of prizes amounting to five hundred dollars or four hundred dollars
20 during any one license period, in accordance with the provisions of
21 subdivision eight of section fifteen hundred fifty-four of this article,
22 as the case may be.

23 (b) For purposes of the game of chance known as a merchandise wheel or
24 a raffle, "one occasion" shall mean the successive operations of any one
25 such merchandise wheel or raffle for which the limit on a series of
26 prizes provided by subdivision six of section fifteen hundred fifty-four
27 of this article shall apply.

1 (c) For purposes of the game of chance known as a bell jar, "one occa-
2 sion" shall mean the successive operation of any one such bell jar, seal
3 card, event game, coin board, or merchandise board that results in the
4 awarding of a series of prizes amounting to six thousand dollars.

5 (d) For the purposes of the game of chance known as raffle "one occa-
6 sion" shall mean a calendar year during which successive operations of
7 such game are conducted.

8 25. "Operation" shall mean, in regard to a game of chance, the play of
9 a single type of game of chance necessary to determine the outcome or
10 winners each time wagers are made. A single drawing of a winning ticket
11 or other receipt in a raffle shall be deemed one operation.

12 26. "Premises" shall mean, in regard to games of chance, a designated
13 area within a building, hall, tent or grounds reasonably identified for
14 the conduct of games of chance. Nothing herein shall require such area
15 to be enclosed.

16 27. "Prize," where supercard is played as set forth in subdivision
17 thirty-three of this section, shall mean the sum of money or actual
18 value of merchandise awarded to the winner or winners on a game card
19 during a game of bingo and the sum of money or actual value of merchan-
20 dise awarded to the winner or winners on a supercard in excess of the
21 total receipts derived from the sale of supercards for that specific
22 game.

23 28. "Raffle" shall mean and include those games of chance in which a
24 participant pays money in return for a ticket or other receipt and in
25 which a prize is awarded on the basis of a winning number or numbers,
26 color or colors, or symbol or symbols designated on the ticket or
27 receipt, determined by chance as a result of:

28 (a) a drawing from among those tickets or receipts previously sold; or

1 (b) a random event, the results of which correspond with tickets or
2 receipts previously sold.

3 29. "Seal cards" shall mean a board or placard used in conjunction
4 with a deal of the same serial number that contains one or more
5 concealed areas that, when removed or opened, reveal a predesignated
6 winning number, letter or symbol located on the board or placard. A seal
7 card used in conjunction with an event game shall not be required to
8 contain lines for prospective seal winners to sign their name.

9 30. "Series of prizes" shall mean the total amount of single prizes
10 minus the total amount of wagers lost during the successive operations
11 of a single type of game of chance, except that for merchandise wheels
12 and raffles, "series of prizes" shall mean the sum of cash and the fair
13 market value of merchandise awarded as single prizes during the succes-
14 sive operations of any single merchandise wheel or raffle. In the game
15 of raffle, a series of prizes may include a percentage of the sum of
16 cash received from the sale of raffle tickets.

17 31. "Single prize" shall mean the sum of money or fair market value of
18 merchandise or coins awarded to a participant by a games of chance
19 licensee in any one operation of a single type of game of chance in
20 excess of his or her wager.

21 32. "Single type of game" shall mean the games of chance known as
22 merchandise wheels, coin boards, merchandise boards, event games,
23 raffles and bell jars and each other specific game of chance authorized
24 by the commission.

25 33. "Supercard" shall mean a bingo card on which prizes are awarded,
26 which card is selected by the player, containing five designated
27 numbers, colors or symbols, corresponding to the letters B, I, N, G, O,
28 displayed on the bingo board of the bingo premises operator, which can

1 be played concurrently with the other bingo cards played during the game
2 of bingo.

3 § 1501. Forms. The commission shall, to the greatest extent practica-
4 ble, make forms and applications required by this article or related
5 rules and regulations of the commission available in electronic formats
6 that minimize paperwork and are designed to maximize efficiency for
7 authorized organizations, municipalities and the commission.

8 § 1502. Participation by persons under the age of eighteen. 1. No
9 person under the age of eighteen years shall be permitted to play any
10 game of bingo or any game of chance conducted pursuant to this article.

11 2. No person under the age of eighteen years shall be permitted to
12 conduct, operate or assist in the conduct of any game of bingo or game
13 of chance conducted pursuant to this article.

14 3. Persons under the age of eighteen years may be permitted to attend
15 games of chance at the discretion of the games of chance licensee.

16 § 1503. Sundays. A municipality may restrict a license to conduct
17 bingo or games of chance by providing that no bingo or games of chance
18 shall be conducted on the first day of the week, commonly known as
19 Sunday, if the provisions of a local law or an ordinance duly adopted by
20 the governing body of the municipality issuing the license prohibits the
21 conduct of bingo or games of chance pursuant to this title on such days.

22 § 1504. Advertising of charitable games. A licensee may advertise the
23 conduct of an occasion of bingo or games of chance event to the general
24 public by means of newspaper, radio, circular, handbill and poster, by
25 one sign not exceeding sixty square feet in area, which may be displayed
26 on or adjacent to the premises owned or occupied by a licensed author-
27 ized organization, by other signs as may be permitted by the rules and
28 regulations of the commission and through the internet as may be permit-

1 ted by the rules and regulations of the commission. When an organization
2 is licensed or authorized to conduct bingo occasions or games of chance
3 events on the premises of another licensed authorized organization or of
4 an authorized bingo lessor or authorized games of chance lessor, one
5 additional such sign may be displayed on or adjacent to the premises in
6 which the occasions are to be conducted. Additional signs may be
7 displayed upon any firefighting equipment belonging to any licensed
8 authorized organization that is a volunteer fire company, or upon any
9 equipment of a first aid or rescue squad in and throughout the community
10 served by such volunteer fire company or such first aid or rescue squad,
11 as the case may be. All advertisements shall be limited to:

12 (a) the description of such event as "bingo," "games of chance" or
13 "casino night," as the case may be;

14 (b) the name of the authorized organization conducting such bingo
15 occasions or games of chance;

16 (c) the license number of the authorized organization as assigned by
17 the clerk or department;

18 (d) the prizes offered; and

19 (e) the date, location and time of the bingo occasion or games of
20 chance event.

21 § 1505. Sanctions for violations. The commission shall have the power
22 to issue letters of reprimand or impose fines in any amount up to the
23 maximum authorized by section one hundred sixteen of this chapter for
24 any violation of this article or the rules and regulations of the
25 commission. A person or entity that has been fined may request a de novo
26 hearing before the commission to review and determine such fine, pursu-
27 ant to the rules and regulations of the commission.

1 § 1506. Severability. If any provision of this article or the applica-
2 tion thereof to any municipality, person or circumstances shall be
3 adjudged unconstitutional by any court of competent jurisdiction, the
4 remainder of this article or the application thereof to other munici-
5 palities, persons and circumstances shall not be affected thereby, and
6 the legislature hereby declares that it would have enacted this title
7 without the invalid provision or application, as the case may be, had
8 such invalidity been apparent.

9 TITLE 2

10 BINGO CONTROL

11 Section 1510. Short title.

12 1511. Purpose of title.

13 1512. Other agency assistance.

14 1513. Powers and duties of the commission.

15 1514. Hearings; immunity.

16 1515. Place of investigations and hearings; witnesses; books and
17 documents.

18 1516. Privilege against self-incrimination.

19 1517. Filing and availability of rules and regulations.

20 1518. Municipality to file copies of local laws and ordinances;
21 reports.

22 § 1510. Short title. This title shall be known and may be cited as the
23 bingo control law.

24 § 1511. Purpose of title. The purpose of this title is to implement
25 section nine of article one of the state constitution, as amended by
26 vote of the people at the general election in November, nineteen hundred
27 fifty-seven. The legislature hereby declares that the raising of funds
28 for the promotion of bona fide charitable, educational, scientific,

1 health, religious, civic and patriotic causes and undertakings, where
2 the beneficiaries are indefinite, is in the public interest. It hereby
3 finds that, as conducted prior to the enactment of this title, bingo was
4 the subject of exploitation by professional gamblers, promoters and
5 commercial interests. It is hereby declared to be the policy of the
6 legislature that all phases of the supervision, licensing and the regu-
7 lation of bingo and of the conduct of bingo games, should be controlled
8 closely and that the laws and regulations pertaining thereto should be
9 construed strictly and enforced rigidly; that the conduct of bingo and
10 all attendant activities should be so regulated and adequate controls so
11 instituted as to discourage commercialization in all its forms, includ-
12 ing the rental of commercial premises for bingo games, and to ensure a
13 maximum availability of the net proceeds of bingo exclusively for appli-
14 cation to the worthy causes and undertakings specified herein; that the
15 only justification for this title is to foster and support such worthy
16 causes and undertakings, and that the mandate of section nine of article
17 one of the state constitution, as amended, should be carried out by
18 rigid regulation to prevent commercialized gambling, prevent partic-
19 ipation by criminal and other undesirable elements and prevent the
20 diversion of funds from the purposes herein authorized.

21 § 1512. Other agency assistance. To effectuate the purposes of this
22 title, the governor may authorize any department, division, board,
23 bureau, commission or agency of the state or in any political subdivi-
24 sion thereof to provide such facilities, assistance and data as will
25 enable the commission properly to carry out its activities and effectu-
26 ate its purposes hereunder.

27 § 1513. Powers and duties of the commission. 1. The commission shall
28 have the power and it shall be its duty to:

1 (a) supervise the administration of the bingo licensing law and adopt,
2 amend and repeal rules and regulations governing the issuance and amend-
3 ment of licenses thereunder and the conducting of bingo under such
4 licenses, which rules and regulations shall have the force and effect of
5 law and shall be binding upon all municipalities issuing licenses and
6 upon licensees thereunder and licensees of the commission, to the end
7 that such licenses shall be issued to qualified licensees only and that
8 said bingo games shall be fairly and properly conducted for the purposes
9 and in the manner in the said bingo licensing law prescribed and to
10 prevent the bingo games thereby authorized to be conducted from being
11 conducted for commercial purposes or purposes other than those therein
12 authorized, participated in by criminal or other undesirable elements
13 and the funds derived from the bingo games being diverted from the
14 purposes authorized, and, to provide uniformity in the administration of
15 said law throughout the state, the commission shall prescribe forms of
16 application for licenses, licenses, amendment of licenses, reports of
17 the conduct of bingo games and other matters incident to the adminis-
18 tration of such law;

19 (b) conduct, anywhere within the state, investigations of the adminis-
20 tration, enforcement and potential or actual violations of the bingo
21 licensing law and of the rules and regulations of the commission;

22 (c) review all determinations and actions of the municipal governing
23 body in issuing an initial license and review the issuance of subsequent
24 licenses and, after hearing, revoke those licenses that do not in all
25 respects meet the requirements of this title and the rules and regu-
26 lations of the commission;

1 (d) suspend or revoke a license, after hearing, for any violation of
2 the provisions of this title or the rules and regulations of the commis-
3 sion;

4 (e) hear appeals from the determinations and action of the municipal
5 governing body in connection with the refusing to issue licenses, the
6 suspension and revocation of licenses and the imposition of fines in the
7 manner prescribed by law and the action and determination of the commis-
8 sion upon any such appeal shall be binding upon the municipal governing
9 body and all parties thereto;

10 (f) initiate prosecutions for violations of this title and of the
11 bingo licensing law;

12 (g) carry on continuous study of the operation of the bingo licensing
13 law to ascertain from time to time defects therein jeopardizing or
14 threatening to jeopardize the purposes of this title and to formulate
15 and recommend changes in such law and in other laws of the state that
16 the commission may determine to be necessary for the realization of such
17 purposes, and to the same end to make a continuous study of the opera-
18 tion and administration of similar laws that may be in effect in other
19 states of the United States;

20 (h) supervise the disposition of all funds derived from the conduct of
21 bingo by authorized organizations not currently licensed to conduct such
22 bingo games; and

23 (i) issue an identification number to an applicant authorized organ-
24 ization if the commission determines that the applicant satisfies the
25 requirements of the bingo licensing law and the rules and regulations of
26 the commission.

27 2. (a) The commission shall have the power to issue or, after hearing,
28 refuse to issue a license permitting a person, firm or corporation to

1 sell or distribute to any other person, firm or corporation engaged in
2 business as a wholesaler, jobber, distributor or retailer of all cards,
3 boards, sheets, pads and all other supplies, devices and equipment
4 designed for use in the play of bingo by an organization duly licensed
5 to conduct bingo games or to sell or distribute any such materials
6 directly to such an organization. For the purposes of this section the
7 words "sell or distribute" shall include, without limitation, the
8 following activities: offering for sale, receiving, handling, maintain-
9 ing, storing the same on behalf of such an organization, distributing or
10 providing the same to such an organization and offering for sale or
11 lease bingo devices and equipment. Each such license shall be valid for
12 one year.

13 (b) (1) No person, firm or corporation, other than an organization
14 that is or has been during the preceding twelve months duly licensed to
15 conduct bingo games, shall sell or distribute bingo supplies or equip-
16 ment without having first obtained a license therefor upon written
17 application made, verified and filed with the commission in the form
18 prescribed by the rules and regulations of the commission.

19 (2) The commission, as a part of its determination concerning the
20 applicant's suitability for licensing as a bingo supplier, shall require
21 the applicant to furnish to the commission two sets of fingerprints.
22 Such fingerprints shall be submitted to the division of criminal justice
23 services for a state criminal history record check, as defined in subdi-
24 vision one of section three thousand thirty-five of the education law,
25 and may be submitted to the federal bureau of investigation for a
26 national criminal history record check.

27 (3) In each such application for a license under this section shall be
28 stated:

- 1 (i) the name and address of the applicant;
2 (ii) the names and addresses of its officers, directors, shareholders
3 or partners;
4 (iii) the amount of gross receipts realized on the sale or distrib-
5 ution of bingo supplies and equipment to duly licensed organizations
6 during the last preceding calendar or fiscal year; and
7 (iv) such other information as shall be prescribed by such rules and
8 regulations.
- 9 (4) The fee for such license shall be as prescribed by regulation of
10 the commission, which shall take into account the quantity of gross
11 sales of the applicant.
- 12 (c) The following shall be ineligible for such a license:
13 (1) a person convicted of a crime if there is a direct relationship
14 between one or more of the previous criminal offenses and the integrity
15 of bingo, considering the factors set forth in section seven hundred
16 fifty-three of the correction law;
17 (2) a person who is or has been a professional gambler or gambling
18 promoter or who for other reasons is not of good moral character;
19 (3) a public officer or employee;
20 (4) an operator or proprietor of a commercial hall duly licensed under
21 the bingo licensing law; and
22 (5) a firm or corporation in which a person defined in subparagraph
23 one, two, three or four of this paragraph, or a person married or
24 related in the first degree to such a person, has greater than a ten
25 percent proprietary, equitable or credit interest or in which such a
26 person is active or employed.
- 27 (d) The commission shall have power to examine or cause to be examined
28 the books and records of any applicant for a license, or any licensee,

1 under this section. Any information so received shall not be disclosed
2 except so far as may be necessary for the purpose of carrying out the
3 provisions of this article.

4 (e) Any solicitation of an organization licensed to conduct bingo
5 games, to purchase or induce the purchase of bingo supplies and equip-
6 ment, or any representation, statement or inquiry designed or reasonably
7 tending to influence such an organization to purchase the same, other
8 than by a person licensed or otherwise authorized pursuant to this
9 section shall constitute a violation of this section.

10 (f) Any person who willfully makes any material false statement in any
11 application for a license authorized to be issued under this title or
12 who willfully violates any of the provisions of this section or of any
13 license issued hereunder shall be guilty of a misdemeanor and, in addi-
14 tion to the penalties in such case made and provided, shall forfeit any
15 license issued to him, her or it under this section and be ineligible to
16 apply for a license under this section for one year thereafter.

17 (g) At the end of the license period, a recapitulation shall be made
18 as between the licensee and the commission in respect of the gross sales
19 actually recorded during the license period and the fee paid therefor,
20 and any deficiency of fee thereby shown to be due shall be paid by the
21 licensee and any excess of fee thereby shown to have been paid shall be
22 credited to said licensee in such manner as the commission by the rules
23 and regulations shall prescribe.

24 3. The commission shall have the power to approve and establish a
25 standard set of bingo cards comprising a consecutively numbered series
26 and shall by rules and regulations prescribe the manner in which such
27 cards are to be reproduced and distributed to licensed authorized organ-
28 izations. The sale or distribution to a licensed authorized organization

1 of any card or cards other than those contained in the standard set of
2 bingo cards shall constitute a violation of this section. Licensed
3 authorized organizations shall not be required to use nor to maintain
4 such cards seriatim excepting that the same may be required in the
5 conduct of limited-period bingo games.

6 § 1514. Hearings; immunity. 1. A hearing upon any investigation or
7 review authorized by this article may be conducted by two or more
8 members of the commission or by a hearing officer duly designated by the
9 commission, as the commission shall determine.

10 2. A person who has violated any provision of this article, or of the
11 rules and regulations of the commission, or any term of any license
12 issued under this article or such rules and regulations, is a competent
13 witness against another person so charged. In any hearing upon any
14 investigation or review authorized by this article, for or relating to a
15 violation of any provision of said article or of the rules and regu-
16 lations of the commission or of the term of any such license, the
17 commission may confer immunity upon such witness in accordance with the
18 provisions of section 50.20 of the criminal procedure law. Such immuni-
19 ty shall be conferred only upon the vote of at least three members of
20 the commission and only after affording the attorney general and the
21 appropriate district attorney a reasonable opportunity to be heard with
22 respect to any objections that they or either of them may have to the
23 granting of such immunity.

24 § 1515. Place of investigations and hearings; witnesses; books and
25 documents. The commission may conduct investigations and hearings within
26 or without the state and shall have power to compel the attendance of
27 witnesses, the production of books, records, documents and other

1 evidence by the issuance of a subpoena signed by a person authorized by
2 the commission to do so.

3 § 1516. Privilege against self-incrimination. The willful refusal to
4 answer a material question or the assertion of privilege against self-
5 incrimination during a hearing upon any investigation or review author-
6 ized by this article by any licensee or any person identified with any
7 licensee as an officer, director, stockholder, partner, member, employee
8 or agent thereof shall constitute sufficient cause for the revocation or
9 suspension of any license issued under this title or under the licensing
10 law, as the commission or as the municipal governing body may determine.

11 § 1517. Filing and availability of rules and regulations. A copy of
12 every rule and regulation adopted and promulgated by the commission
13 shall be made available to the various municipalities operating under
14 the bingo licensing law.

15 § 1518. Municipality to file copies of local laws and ordinances;
16 reports. Each municipality in which the bingo licensing law is adopted
17 shall file with the commission a copy of each local law or ordinance
18 enacted pursuant thereto within ten days after the same has been
19 approved by a majority of the electors voting on a proposition submitted
20 at a general or special election, or within ten days after the same has
21 been amended or repealed by the common council or other local legisla-
22 tive body and on or before February first of each year, and at any other
23 time or times that the commission may determine, make a report to the
24 commission of the number of licenses issued therein under the bingo
25 licensing law, the names and addresses of the licensees, the aggregate
26 amount of license fees collected, the names and addresses of all persons
27 detected of violating the bingo licensing law, this title or the rules
28 and regulations adopted by the commission pursuant hereto, and of all

1 persons prosecuted for such violations and the result of each such pros-
2 ecution, the penalties imposed therein during the preceding calendar
3 year, or the period for which the report is required, which report may
4 contain any recommendations for improvement of the bingo licensing law
5 or the administration thereof that the governing body of the munici-
6 pality deems desirable.

7 TITLE 3

8 LOCAL OPTION FOR CONDUCT OF BINGO BY CERTAIN ORGANIZATIONS

9 Section 1520. Short title; purpose of title.

10 1521. Local option.

11 1522. Local laws and ordinances.

12 1523. Restrictions upon conduct of bingo games.

13 1524. Application for license.

14 1525. Investigation; matters to be determined; issuance of
15 license; fees; duration of license.

16 1526. Hearing; amendment of license.

17 1527. Form and contents of license; display of license.

18 1528. Control and supervision; suspension of licenses;
19 inspection of premises.

20 1529. Frequency of game; sale of alcoholic beverages.

21 1530. Persons operating and conducting bingo games; equipment;
22 expenses; compensation.

23 1531. Charge for admission and participation; amount of prizes;
24 award of prizes.

25 1532. Statement of receipts, expenses; additional license fees.

26 1533. Examination of books and records; examination of managers,
27 etc.; disclosure of information.

28 1534. Appeals from municipal governing body to commission.

1 1535. Exemption from prosecution.

2 1536. Offenses; forfeiture of license; ineligibility to apply
3 for license.

4 1537. Unlawful bingo.

5 1538. Title inoperative until adopted by voters.

6 1539. Amendment and repeal of local laws and ordinances.

7 1540. Delegation of authority.

8 1541. Powers and duties of mayors or managers of certain cities.

9 § 1520. Short title; purpose of title. This title shall be known and
10 may be cited as the bingo licensing law. The legislature hereby declares
11 that the raising of funds for the promotion of bona fide charitable,
12 educational, scientific, health, religious, civic and patriotic causes
13 and undertakings, where the beneficiaries are indefinite, is in the
14 public interest. It hereby finds that, as conducted prior to the effec-
15 tive date of this title, bingo was the subject of exploitation by
16 professional gamblers, promoters, and commercial interests. It is hereby
17 declared to be the policy of the legislature that all phases of the
18 supervision, licensing and regulation of bingo and of the conduct of
19 bingo games, should be closely controlled and that the laws and regu-
20 lations pertaining thereto should be strictly construed and rigidly
21 enforced; that the conduct of the bingo game and all attendant activ-
22 ities should be so regulated and adequate controls so instituted as to
23 discourage commercialization in all its forms, including the rental of
24 commercial premises for bingo games, and to ensure a maximum availabili-
25 ty of the net proceeds of bingo exclusively for application to the
26 worthy causes and undertakings specified herein; that the only justi-
27 fication for this title is to foster and support such worthy causes and
28 undertakings, and that the mandate of section nine of article one of the

1 state constitution, as amended, should be carried out by rigid regu-
2 lation to prevent commercialized gambling, prevent participation by
3 criminal and other undesirable elements and prevent the diversion of
4 funds from the purposes herein authorized.

5 § 1521. Local option. Subject to the provisions of this title, and
6 pursuant to the direction contained in subdivision two of section nine
7 of article one of the constitution of the state, the legislature hereby
8 gives and grants to every municipality the right, power and authority to
9 authorize the conduct of bingo games by authorized organizations within
10 the territorial limits of such municipality provided, however, that
11 where the electors of a village hereafter approve a local law or ordi-
12 nance pursuant to section fifteen hundred twenty-three of this title,
13 the right, power and authority under this title of any town in which
14 such village is located shall not extend to such village during such
15 time as such village local law or ordinance is in effect.

16 § 1522. Local laws and ordinances. 1. The common council or other
17 local legislative body of any municipality may, either by local law or
18 ordinance, provide that it shall be lawful for any authorized organiza-
19 tion, upon obtaining a license therefor as provided in this title, to
20 conduct the game of bingo within the territorial limits of such munici-
21 pality, subject to the provisions of such local law or ordinance, the
22 provisions of this title and the provisions of the bingo control law.

23 2. No such local law or ordinance shall become operative or effective
24 unless and until it has been approved by a majority of the electors
25 voting on a proposition submitted at a general or special election held
26 within such municipality who are qualified to vote for officers of such
27 municipality.

1 3. The time, method and manner of submission, preparation and
2 provision of ballots and ballot labels, balloting by voting machine and
3 conducting the election, canvassing the result and making and filing the
4 returns and all other procedure with reference to the submission of and
5 action upon any proposition for the approval of any such local law or
6 ordinance shall be the same as in the case of any other proposition to
7 be submitted to the electors of such municipality at a general or
8 special election in such municipality, as provided by law.

9 § 1523. Restrictions upon conduct of bingo games. The conduct of bingo
10 games authorized by local law or ordinance shall be subject to the
11 following restrictions without regard to whether such restrictions are
12 contained in such local law or ordinance, but nothing in this section
13 shall be construed to prevent the inclusion within such local law or
14 ordinance of other provisions imposing additional restrictions upon the
15 conduct of bingo games:

16 1. No person, firm, association, corporation or organization, other
17 than a licensee under the provisions of this title, shall

18 (a) conduct bingo; or

19 (b) lease or otherwise make available for conducting bingo a hall or
20 other premises for any consideration whatsoever, direct or indirect,
21 without obtaining the prior written approval of the commission.

22 2. No bingo games shall be held, operated or conducted on or within
23 any leased premises if rental under such lease is to be paid, wholly or
24 partly, on the basis of a percentage of the receipts or net profits
25 derived from the operation of such game.

26 3. No authorized organization licensed under the provisions of this
27 title shall purchase, lease or receive any supplies or equipment specif-
28 ically designed or adapted for use in the conduct of bingo games from

1 other than a supplier licensed under the bingo control law or from
2 another authorized organization.

3 4. The entire net proceeds of any game of bingo and of any rental
4 shall be devoted exclusively to the lawful purposes of the organization
5 permitted to conduct the same.

6 5. No prize shall exceed the sum or value of five thousand dollars in
7 any single game of bingo.

8 6. No series of prizes on any one bingo occasion shall aggregate more
9 than fifteen thousand dollars.

10 7. No person except a bona fide member of any such organization shall
11 participate in the management or operation of such bingo game.

12 8. No person shall receive any remuneration for participating in the
13 management or operation of any game of bingo.

14 9. The unauthorized conduct of a bingo game and any willful violation
15 of any provision of any local law or ordinance shall constitute and be
16 punishable as a misdemeanor.

17 10. No person licensed to sell bingo supplies or equipment, or any
18 agent of such person, shall conduct, participate in or assist in the
19 conduct of bingo. Nothing herein shall prohibit a licensed distributor
20 from selling, offering for sale or explaining a product to an authorized
21 organization or installing or servicing bingo equipment upon the prem-
22 ises of a bingo game licensee.

23 11. Limited-period bingo shall be conducted in accordance with the
24 provisions of this title and the rules and regulations of the commis-
25 sion.

26 § 1524. Application for license. 1. To conduct bingo. (a) Each appli-
27 cant for a license to conduct bingo shall, after obtaining an identifi-
28 cation number from the commission, file with the clerk of the municipi-

1 pality an application therefor in the form prescribed in the rules and
2 regulations of the commission, duly executed and verified, in which such
3 applicant shall state:

4 (1) the name and address of the applicant together with sufficient
5 facts relating to such applicant's incorporation and organization to
6 enable the governing body of the municipality to determine whether or
7 not the applicant is a bona fide authorized organization;

8 (2) the names and addresses of the applicant's officers;

9 (3) the place or places where, and the date or dates and the time or
10 times when, the applicant intends to conduct bingo under the license
11 applied for;

12 (4) in case the applicant intends to lease premises for this purpose
13 from other than an authorized organization, the name and address of the
14 licensed bingo lessor of such premises, and the capacity or potential
15 capacity for public assembly purposes of space in any premises presently
16 owned or occupied by the applicant;

17 (5) the amount of rent to be paid or other consideration to be given
18 directly or indirectly for each occasion for use of the premises of
19 another authorized organization licensed under this title to conduct
20 bingo or for use of the premises of a licensed bingo lessor;

21 (6) all other items of expense intended to be incurred or paid in
22 connection with the holding, operating and conducting of such games of
23 bingo and the names and addresses of the persons to be paid and the
24 purposes for which such persons are to be paid;

25 (7) the specific purposes to which the entire net proceeds of such
26 games of bingo are to be devoted and in what manner;

1 (8) that no commission, salary, compensation, reward or recompense
2 will be paid to any person for conducting such bingo game or games or
3 for assisting therein except as in this title otherwise provided; and

4 (9) such other information as shall be prescribed by the rules and
5 regulations of the commission.

6 (b) In each application there shall be designated an active member or
7 members of the applicant organization under whom the game or games of
8 bingo will be conducted and to the application shall be appended a
9 statement executed by the member or members so designated, that he, she
10 or they will be responsible for the conduct of such bingo games in
11 accordance with the terms of the license and the rules and regulations
12 of the commission and of this title.

13 2. Bingo lessor. (a) Each applicant for a license to lease premises to
14 a licensed organization for the purposes of conducting bingo therein
15 shall file with the clerk of the municipality an application therefor in
16 a form prescribed in the rules and regulations of the commission duly
17 executed and verified, which shall set forth:

18 (1) the name and address of the applicant;

19 (2) designation and address of the premises intended to be covered by
20 the license sought;

21 (3) lawful capacity for public assembly purposes;

22 (4) cost of premises and assessed valuation for real estate tax
23 purposes, or annual net lease rent, whichever is applicable;

24 (5) gross rentals received and itemized expenses for the immediately
25 preceding calendar or fiscal year, if any;

26 (6) gross rentals, if any, derived from bingo during the last preced-
27 ing calendar or fiscal year;

28 (7) computation by which proposed rental schedule was determined;

1 (8) number of occasions on which applicant anticipates receiving rent
2 for bingo during the ensuing year or shorter period if applicable;

3 (9) proposed rent for each such occasion; estimated gross rental
4 income from all other sources during the ensuing year;

5 (10) estimated expenses itemized for ensuing year and amount of each
6 item allocated to bingo rentals;

7 (11) a statement that the applicant in all respects conforms with the
8 specifications contained in the definition of "authorized bingo lessor"
9 set forth in section fifteen hundred of this article; and

10 (12) such other information as shall be prescribed by the rules and
11 regulations of the commission.

12 (b) At the end of the license period, a recapitulation, in a manner
13 prescribed in the rules and regulations of the commission, shall be made
14 as between the licensee and the municipal governing body in respect of
15 the gross rental actually received during the license period and the fee
16 paid therefor. The licensee shall pay any deficiency of fee thereby
17 shown to be due and any excess of fee thereby shown to have been paid
18 shall be credited to such licensee, in such manner as the commission by
19 rules and regulations shall prescribe.

20 § 1525. Investigation; matters to be determined; issuance of license;
21 fees; duration of license. 1. The governing body of the municipality
22 shall make an investigation of the qualifications of each applicant and
23 the merits of each application, with due expedition after the filing of
24 the application.

25 (a) Issuance of licenses to conduct bingo. If the governing body of
26 the municipality determines:

27 (1) that the applicant is duly qualified to be licensed to conduct
28 bingo under this title;

1 (2) that the member or members of the applicant designated in the
2 application to conduct bingo are bona fide active members of the appli-
3 cant and are persons of good moral character and have never been
4 convicted of a crime if there is a direct relationship between one or
5 more of the previous criminal offenses and the integrity of bingo,
6 considering the factors set forth in section seven hundred fifty-three
7 of the correction law;

8 (3) that such games of bingo are to be conducted in accordance with
9 the provisions of this title and in accordance with the rules and regu-
10 lations of the commission;

11 (4) that the proceeds thereof are to be disposed of as provided by
12 this title;

13 (5) if the governing body is satisfied that no commission, salary,
14 compensation, reward or recompense whatever will be paid or given to any
15 person holding, operating or conducting or assisting in the holding,
16 operation and conduct of any such games of bingo except as in this title
17 otherwise provided; and

18 (6) that no prize will be offered and given in excess of the sum or
19 value of five thousand dollars in any single game of bingo and that the
20 aggregate of all prizes offered and given in all of such games of bingo
21 conducted on a single occasion, under said license shall not exceed the
22 sum or value of fifteen thousand dollars, then the municipality shall
23 issue a license to the applicant for the conduct of bingo upon payment
24 of a license fee for each bingo occasion, to be established by regu-
25 lation of the commission. Notwithstanding anything to the contrary in
26 this paragraph, the governing body shall refuse to issue a license to an
27 applicant seeking to conduct bingo in premises of a licensed bingo
28 lessor where such governing body determines that the premises presently

1 owned or occupied by such applicant are in every respect adequate and
2 suitable for conducting bingo games.

3 (b) Issuance of licenses to bingo lessors. If the governing body of
4 the municipality determines that:

5 (1) the applicant seeking to lease a hall or premises for the conduct
6 of bingo to an authorized organization is duly qualified to be licensed
7 under this title;

8 (2) the applicant satisfies the requirements for an authorized bingo
9 lessor as defined in section fifteen hundred of this article;

10 (3) at the time of the issuance of an initial license, there is a
11 public need and that public advantage will be served by the issuance of
12 such license;

13 (4) the applicant has filed its proposed rent for each bingo occasion;

14 (5) the commission has approved as fair and reasonable a schedule of
15 maximum rentals for each such occasion;

16 (6) there is no diversion of the funds of the proposed lessee from the
17 lawful purposes as defined in this title; and

18 (7) such leasing of a hall or premises for the conduct of bingo is to
19 be in accordance with the provisions of this title and in accordance
20 with the rules and regulations of the commission, such governing body
21 shall issue a license permitting the applicant to lease said premises
22 for the conduct of bingo to the authorized organization or organizations
23 specified in the application during the period therein specified or such
24 shorter period as the governing body of the municipality determines, but
25 not to exceed one year, upon payment of a license fee established by
26 regulation of the commission.

27 2. On or before the thirtieth day of each month, the treasurer of the
28 municipality shall transmit to the state comptroller a sum equal to

1 fifty percent of all bingo lessor license fees and an amount established
2 by regulation of the commission per occasion of all license fees for the
3 conduct of bingo collected by such municipality pursuant to this section
4 during the preceding calendar month.

5 3. No license shall be issued under this title that is effective for a
6 period of more than one year. In the case of limited-period bingo, no
7 license shall be issued authorizing the conduct of such games on more
8 than two occasions in any one day, nor shall any license be issued under
9 this title that is effective for a period of more than seven of twelve
10 consecutive days in any one year. No license for the conduct of limit-
11 ed-period bingo shall be issued in cities having a population of one
12 million or more.

13 § 1526. Hearing; amendment of license. 1. No application for the issu-
14 ance of a license shall be denied by the governing body until after a
15 hearing, held on due notice to the applicant, at which the applicant
16 shall be entitled to be heard upon the qualifications of the applicant
17 and the merits of the application.

18 2. Any license issued under this title may be amended, upon applica-
19 tion made to the governing body of the municipality that issued such
20 license, if the subject matter of the proposed amendment could lawfully
21 and properly have been included in the original license and upon payment
22 of such additional license fee if any, as would have been payable if
23 such amendment had been so included.

24 § 1527. Form and contents of license; display of license. 1. Each
25 license to conduct bingo shall be in such form as the rules and regu-
26 lations of the commission prescribe and shall contain:

27 (a) the name and address of the licensee;

1 (b) the names of the member or members of the licensee under whom the
2 games will be conducted;

3 (c) the place or places where and the date or dates and time or times
4 when such games are to be conducted;

5 (d) the specific purposes to which the entire net proceeds of such
6 games are to be devoted; and

7 (e) if any prize or prizes are to be offered and given in cash, a
8 statement of the amounts of the prizes authorized so to be offered and
9 given and any other information that the rules and regulations of the
10 commission may require.

11 2. Each license issued for the conduct of any game of bingo shall be
12 displayed conspicuously at the place where such game of bingo is to be
13 conducted at all times during such conduct.

14 3. Each license to lease premises for conducting bingo shall be in
15 such form as the rules and regulations of the commission prescribe and
16 shall contain a statement of the name and address of the licensee and
17 the address of the leased premises, the amount of permissible rent and
18 any other information that the rules and regulations of the commission
19 may require. Each such license shall be displayed conspicuously upon
20 such premises at all times during the conduct of bingo.

21 § 1528. Control and supervision; suspension of licenses; inspection of
22 premises. 1. The governing body of any municipality issuing any license
23 under this title shall have and exercise rigid control and close super-
24 vision over all games of bingo conducted under such license, to the end
25 that the same are fairly conducted in accordance with the provisions of
26 such license, the provisions of the rules and regulations of the commis-
27 sion and the provisions of this title and such governing body.

1 2. The commission shall have the power and the authority to suspend
2 any license issued by such governing body and to revoke the same, and,
3 additionally, in the case of an authorized bingo lessor, to impose a
4 fine in an amount not exceeding one thousand dollars, after notice and
5 hearing, for violation of any such provisions, and shall have the right
6 of entry, by the commission's officers and agents, at all times into any
7 premises where any game of bingo is being conducted or where it is
8 intended that any such game of bingo shall be conducted, or where any
9 equipment being used or intended to be used in the conduct thereof is
10 found, for the purpose of inspecting the same.

11 3. In addition to the authority granted pursuant to subdivision two of
12 this section, the governing body in a city having a population of one
13 million or more and the commission may impose a fine in an amount not
14 exceeding one thousand dollars, after notice and hearing, on any licen-
15 see under this title for violation of any provision of such license,
16 this title or rules and regulations of the commission.

17 § 1529. Frequency of game; sale of alcoholic beverages. No game or
18 games of bingo, except limited-period bingo, shall be conducted under
19 any license issued under this title more often than on eighteen days in
20 any three successive calendar months. No game or games of limited-period
21 bingo shall be conducted between the hours of twelve midnight and noon,
22 and no more than sixty games may be conducted on any single occasion of
23 limited-period bingo. No game or games of bingo shall be conducted in
24 any room or outdoor area where alcoholic beverages are sold, served or
25 consumed during the progress of the game or games.

26 § 1530. Persons operating and conducting bingo games; equipment;
27 expenses; compensation. 1. (a) No person shall hold, operate or conduct
28 any game of bingo under any license issued under this title except a

1 bona fide member of the authorized organization to which the license is
2 issued. No person shall assist in the holding, operating or conducting
3 of any game of bingo under such license except such a bona fide member
4 or a bona fide member of an organization or association that is an
5 auxiliary to the licensee or a bona fide member of an organization or
6 association of which such licensee is an auxiliary or a bona fide member
7 of an organization or association that is affiliated with the licensee
8 by being, with it, auxiliary to another organization or association and
9 except bookkeepers or accountants as hereinafter provided, but any
10 person may assist the licensed organization in any activity related to
11 the game of bingo that does not actually involve the holding, conduct-
12 ing, managing or operating of such game of bingo.

13 (b) No game of bingo shall be conducted with any equipment except such
14 as shall be owned absolutely or leased by the authorized organization so
15 licensed or used without payment of any compensation therefor by the
16 licensee.

17 (c) Lease terms and conditions shall be subject to the rules and regu-
18 lations of the commission.

19 (d) This title shall not be construed to authorize or permit an
20 authorized organization to engage in the business of leasing bingo
21 supplies or equipment.

22 (e) No items of expense shall be incurred or paid in connection with
23 the conducting of any game of bingo pursuant to any license issued under
24 this title, except those that are reasonable and are necessarily
25 expended for bingo supplies and equipment, prizes, stated rental, if
26 any, bookkeeping or accounting services according to a schedule of
27 compensation prescribed by the commission, janitorial services and util-

1 ity supplies, if any, and license fees, and the cost of bus transporta-
2 tion, if authorized by the commission.

3 2. Notwithstanding any provision of this title to the contrary, a
4 person who is a bona fide member of an organization licensed to conduct
5 the game of bingo and is also a bona fide member of one or more other
6 organizations that are also licensed to conduct the game of bingo, and
7 such organizations are not affiliates or auxiliaries of the others,
8 shall be authorized to operate, conduct or assist in the operation or
9 conduct of games of bingo held by any of such organizations licensed to
10 conduct bingo.

11 § 1531. Charge for admission and participation; amount of prizes;
12 award of prizes. 1. Except in the conduct of limited-period bingo, the
13 regulations of the commission shall establish a maximum amount to be
14 charged by any licensee for admission to any room or place in which any
15 game or games of bingo are to be conducted under any license issued
16 under this title, which admission fee, upon payment thereof, shall enti-
17 tle the person paying the same to participate without additional charge
18 in all regular games of bingo to be played under such license on such
19 occasion.

20 2. In the conduct of limited-period bingo:

21 (a) no admission fee shall be charged;

22 (b) not more than an amount established by regulation of the commis-
23 sion shall be charged for a single opportunity to participate in any one
24 game of bingo, which charge, upon payment thereof, shall entitle the
25 person paying the same to one card for participation in one such game;
26 and

27 (c) no licensee shall sell more than five opportunities to each player
28 participating in any one game of bingo. Every winner in a game of bingo

1 shall be determined and every prize shall be awarded and delivered with-
2 in the same calendar day as that upon which the game of bingo was
3 played.

4 § 1532. Statement of receipts, expenses; additional license fees. 1.
5 Within seven days after the conclusion of any occasion of bingo, the
6 authorized organization that conducted the same, and such authorized
7 organization's members who were in charge thereof, and when applicable
8 the authorized organization that rented its premises therefor, shall
9 each furnish to the clerk or the department a statement subscribed by
10 the member in charge and affirmed by such person as true, under the
11 penalties of perjury, showing the amount of the gross receipts derived
12 therefrom and each item of expense incurred, or paid, and each item of
13 expenditure made or to be made, the name and address of each person to
14 whom each such item has been paid, or is to be paid, with a detailed
15 description of the merchandise purchased or the services rendered there-
16 for, the net proceeds derived from such game or rental, as the case may
17 be, and the use to which such proceeds have been or are to be applied
18 and a list of prizes offered and given, with the respective values ther-
19 eof. A clerk or the department shall make provisions for the electronic
20 filing of such statement. It shall be the duty of each licensee to main-
21 tain and keep such books and records as may be necessary to substantiate
22 the particulars of each such statement and within fifteen days after the
23 end of each calendar quarter during which there has been any occasion of
24 bingo, a summary statement of such information, in form prescribed by
25 the commission, shall be furnished in the same manner to the commission.

26 2. Upon the filing of such statement of receipts, the authorized
27 organization furnishing the same shall pay to the clerk of the munici-
28 pality as and for an additional license fee a sum based upon the

1 reported net proceeds, if any, for the occasion covered by such state-
2 ment and determined in accordance with such schedule as shall be estab-
3 lished from time to time by the commission to defray the cost to munici-
4 pality of administering the provisions of this article.

5 § 1533. Examination of books and records; examination of managers,
6 etc.; disclosure of information. 1. The governing body of the munici-
7 pality and the commission shall have power to examine or cause to be
8 examined the books and records of any:

9 (a) authorized organization that is or has been licensed to conduct
10 bingo, so far as such books and records may relate to bingo, including
11 the maintenance, control and disposition of net proceeds derived from
12 bingo or from the use of its premises for bingo, and to examine any
13 manager, officer, director, agent, member or employee thereof under oath
14 in relation to the conduct of any such game of bingo under any such
15 license, the use of its premises for bingo, or the disposition of net
16 proceeds derived from bingo, as the case may be; and

17 (b) licensed authorized bingo lessor so far as such books and records
18 may relate to leasing premises for bingo and to examine said lessor or
19 any manager, officer, director, agent or employee thereof under oath in
20 relation to such leasing.

21 2. Any information so received shall not be disclosed except so far as
22 may be necessary for the purpose of carrying out the provisions of this
23 article.

24 § 1534. Appeals from municipal governing body to commission. Any
25 applicant for, or holder of, any license issued or to be issued under
26 this title aggrieved by any action of the governing body of the munici-
27 pality to which such application has been made or by which such license
28 has been issued, may appeal to the commission from the determination of

1 said governing body by filing with the governing body a written notice
2 of appeal within thirty days after the determination or action appealed
3 from. Upon the hearing of such appeal, the evidence, if any, taken
4 before the governing body and any additional evidence may be produced
5 and shall be considered in arriving at a determination of the matters in
6 issue. Action of the commission upon said appeal shall be binding upon
7 said governing body and all parties to said appeal.

8 § 1535. Exemption from prosecution. No person or corporation lawfully
9 conducting, or participating in the conduct of bingo or permitting the
10 conduct upon any premises owned or leased by him, her or it under any
11 license lawfully issued pursuant to this title, shall be liable to pros-
12 ecution or conviction for violation of any provision of article two
13 hundred twenty-five of the penal law or any other law or ordinance to
14 the extent that such conduct is specifically authorized by this title,
15 but this immunity shall not extend to any person or corporation knowng-
16 ly conducting or participating in the conduct of bingo under any license
17 obtained by any false pretense or by any false statement made in any
18 application for license or otherwise, or permitting the conduct upon any
19 premises owned or leased by him, her or it of any game of bingo
20 conducted under any license known to him, her or it to have been
21 obtained by any such false pretense or statement.

22 § 1536. Offenses; forfeiture of license; ineligibility to apply for
23 license. Any person who, or association or corporation that:

24 1. makes any false statement in any application for any license
25 authorized to be issued under this title;

26 2. pays or receives, for the use of any premises for conducting bingo,
27 a rental in excess of the amount specified as the permissible rent in

1 the license provided for in subdivision two of section fifteen hundred
2 twenty-four of this title;

3 3. fails to keep books and records that fully and truly record all
4 transactions connected with the conducting of bingo or the leasing of
5 premises to be used for the conduct of bingo;

6 4. falsifies or makes any false entry in any books or records so far
7 as such books or records relate in any manner to the conduct of bingo,
8 to the disposition of the proceeds thereof and to the application of the
9 rents received by any authorized organization;

10 5. diverts or pays any portion of the net proceeds of any game of
11 bingo to any person, association or corporation, except in furtherance
12 of one or more of the lawful purposes defined in this title; or

13 6. violates any of the provisions of this title or of any term of any
14 license issued under this title; shall be guilty of a misdemeanor and
15 shall forfeit any license issued under this title and be ineligible to
16 apply for a license under this title for one year thereafter.

17 § 1537. Unlawful bingo. 1. For the purposes of this section, bingo
18 shall include a game of bingo whether or not a person who participates
19 as a player furnishes something of value for the opportunity to partic-
20 ipate.

21 2. Any person, firm, partnership, association, corporation or organ-
22 ization holding, operating or conducting bingo is guilty of a misdemea-
23 nor, except when operating, holding or conducting:

24 (a) in accordance with a valid license issued pursuant to this title;
25 or

26 (b) within a municipality that has authorized the conduct of bingo
27 games by authorized organizations:

1 (1) within the confines of a home for purposes of amusement or recre-
2 ation where no player or other person furnishes anything of value for
3 the opportunity to participate and the prizes awarded or to be awarded
4 are nominal.

5 (2) within any apartment, condominium or cooperative complex, retire-
6 ment community, or other group residential complex or facility where:

7 (i) sponsored by the operator of or an association related to such
8 complex, community or facility;

9 (ii) such games are conducted solely for the purpose of amusement and
10 recreation of its residents;

11 (iii) no player or other person furnishes anything of value for the
12 opportunity to participate;

13 (iv) the value of the prizes do not exceed ten dollars for any one
14 game or a total of one hundred fifty dollars in any calendar day;

15 (v) such games are not conducted on more than fifteen days during any
16 calendar year; and

17 (vi) no person other than an employee or volunteer of such complex,
18 community or facility conducts or assists in conducting the game or
19 games.

20 (3) on behalf of any bona fide social, charitable, educational, recre-
21 ational, fraternal or age-group organization, club or association solely
22 for the purpose of amusement and recreation of its members or benefici-
23 aries where:

24 (i) no player or other person furnishes anything of value for the
25 opportunity to participate;

26 (ii) the value of the prizes do not exceed ten dollars for any one
27 game or a total of one hundred fifty dollars in any calendar day;

1 (iii) such games are not conducted on more than fifteen days during
2 any calendar year;

3 (iv) no person other than a bona fide active member of the organiza-
4 tion, club or association participates in the conduct of the games; and

5 (v) no person is paid for conducting or assisting in the conduct of
6 the game or games.

7 (4) as a hotel's, motel's, recreational or entertainment facility's or
8 common carrier's social activity solely for the purpose of amusement and
9 recreation of its patrons where:

10 (i) no player or other person furnishes anything of value for the
11 opportunity to participate;

12 (ii) the value of the prizes do not exceed ten dollars for any one
13 game or a total of one hundred fifty dollars in any calendar day;

14 (iii) such games are not conducted on more than fifteen days during
15 any calendar year;

16 (iv) no person other than an employee or volunteer conducts or assists
17 in conducting the game or games; and

18 (v) the game or games are not conducted in the same room where alco-
19 holic beverages are sold.

20 (5) The commission and the governing body of the municipality in which
21 bingo games are conducted pursuant to paragraph (b) of subdivision two
22 of this section shall have the authority to regulate the conduct of such
23 games. Any bingo game or games, in which no participant or other person
24 furnishes anything of value for the opportunity to participate, that is
25 or are operated in violation of paragraph (b) of subdivision two of this
26 section, a civil penalty of not more than one hundred dollars may be
27 imposed for the first such violation, a civil penalty of not more than
28 one hundred fifty dollars may be imposed for the second such violation

1 in a period of three years and a civil penalty of not more than two
2 hundred dollars may be imposed for the third or subsequent such
3 violation in a period of five years.

4 3. The provisions of this section shall apply to all municipalities
5 within this state, including those municipalities where this title is
6 inoperative.

7 § 1538. Title inoperative until adopted by voters. Except as provided
8 in section fifteen hundred forty, the provisions of this title shall
9 remain inoperative in any municipality unless and until a proposition
10 therefor submitted at a general or special election in such municipality
11 is approved by a vote of the majority of the qualified electors in such
12 municipality voting thereon.

13 § 1539. Amendment and repeal of local laws and ordinances. 1. Any
14 local law or ordinance concerning bingo may be amended, from time to
15 time, or repealed by the common council or other local legislative body
16 of the municipality that enacted it and such amendment or repeal, as the
17 case may be, may be made effective and operative not earlier than thirty
18 days following the effective date of the local law or ordinance effect-
19 ing such amendment or repeal, as the case may be.

20 2. The approval of a majority of the electors of such municipality
21 shall not be a condition prerequisite to the taking effect of such local
22 law or ordinance.

23 § 1540. Delegation of authority. The governing body of a municipality
24 may delegate to a municipal officer or officers designated by such muni-
25 cipality for that purpose any of the authority granted to it hereby in
26 relation to the issuance, amendment and cancellation of licenses, the
27 conduct of investigations and hearings, the supervision of the operation
28 of the games and the collection and transmission of fees.

1 § 1541. Powers and duties of mayors or managers of certain cities.
2 Notwithstanding any other provision of this title, whenever the charter
3 of any city, or any special or local law, provides that the mayor or
4 manager of such city is the chief law enforcement officer thereof, then
5 and in that event such mayor or manager, as the case may be, shall have,
6 exercise and perform all the powers and duties otherwise prescribed by
7 this title to be exercised and performed by the governing body of such
8 city except those prescribed by section fifteen hundred twenty-two of
9 this title, and in any such case, the term "governing body of a munici-
10 pality" as used in this title shall be deemed to mean and include the
11 mayor or manager of any such city.

12 TITLE 4

13 LOCAL OPTION FOR CONDUCT OF GAMES OF CHANCE BY CERTAIN

14 ORGANIZATIONS

15 Section 1550. Short title; purpose of title.

16 1551. Local option.

17 1552. Local laws and ordinances.

18 1553. Powers and duties of the commission.

19 1554. Restrictions upon conduct of games of chance.

20 1555. Authorized supplier of games of chance equipment.

21 1556. Declaration of state's exemption from operation of
22 provisions of 15 U.S.C. § 1172.

23 1557. Legal shipments of gaming devices into New York state.

24 1558. Application for license.

25 1559. Raffles; license not required.

26 1560. Investigation; matters to be determined; issuance of
27 license; fees; duration of license.

28 1561. Hearing; amendment of license.

- 1 1562. Form and contents of license; display of license.
- 2 1563. Control and supervision; suspension of identification
3 numbers and licenses; inspections of premises.
- 4 1564. Frequency of games.
- 5 1565. Persons operating games; equipment; expenses; compen-
6 sation.
- 7 1566. Charge for admission and participation; amount of prizes;
8 award of prizes.
- 9 1567. Statement of receipts and expenses; additional license
10 fees.
- 11 1568. Examination of books and records; examination of officers
12 and employees; disclosure of information.
- 13 1569. Appeals for the decision of a municipal officer, clerk or
14 department to the commission.
- 15 1570. Exemption from prosecution.
- 16 1571. Offenses; forfeiture of license; ineligibility to apply
17 for license.
- 18 1572. Unlawful games of chance.
- 19 1573. Title inoperative until adopted by voters.
- 20 1574. Amendment and repeal of local laws and ordinances.
- 21 1575. Manufacturers of bell jars; reports and records.
- 22 1576. Distributor of bell jars; reports and records.
- 23 1577. Transfer restrictions.
- 24 1578. Bell jars compliance and enforcement.
- 25 § 1550. Short title; purpose of title. This title shall be known and
26 may be cited as the games of chance licensing law. The legislature here-
27 by declares that the raising of funds for the promotion of bona fide
28 charitable, educational, scientific, health, religious and patriotic

1 causes and undertakings, where the beneficiaries are undetermined, is in
2 the public interest. The legislature hereby finds that, as conducted
3 prior to the effective date of this title, games of chance were the
4 subject of exploitation by professional gamblers, promoters and commer-
5 cial interests. It is hereby declared to be the policy of the legisla-
6 ture that all phases of the supervision, licensing and regulation of
7 games of chance and of the conduct of games of chance should be closely
8 controlled and that the laws and regulations pertaining thereto should
9 be strictly construed and rigidly enforced; that the conduct of the game
10 and all attendant activities should be so regulated and adequate
11 controls so instituted as to discourage commercialization of gambling in
12 all its forms, including the rental of commercial premises for games of
13 chance, and to ensure a maximum availability of the net proceeds of
14 games of chance exclusively for application to the worthy causes and
15 undertakings specified herein; that the only justification for this
16 title is to foster and support such worthy causes and undertakings, and
17 that the mandate of subdivision two of section nine of article one of
18 the state constitution, as amended, should be carried out by rigid regu-
19 lations to prevent commercialized gambling, prevent participation by
20 criminal and other undesirable elements and prevent the diversion of
21 funds from the purposes herein authorized.

22 § 1551. Local option. Subject to the provisions of this title, and
23 pursuant to the direction contained in subdivision two of section nine
24 of article one of the state constitution, the legislature hereby gives
25 and grants to every municipality the right, power and authority to
26 authorize the conduct of games of chance by authorized organizations
27 within the territorial limits of such municipality. A local law or ordi-
28 nance adopted by a town shall be operative in any village or within any

1 part of any village located within such town if, after adoption of such
2 local law or ordinance, the board of trustees of such village adopts a
3 local law or resolution subject to a permissive referendum as provided
4 in article nine of the village law authorizing the issuance of licenses
5 by the town for games of chance within such village. Such local law or
6 resolution may be repealed only by a local law or resolution that shall
7 also be subject to a permissive referendum, or by enactment of a local
8 law authorizing games of chance as provided in section fifteen hundred
9 fifty-two of this title.

10 § 1552. Local laws and ordinances. 1. The common council or other
11 local legislative body of any municipality may, either by local law or
12 ordinance, provide that it shall be lawful for any authorized organiza-
13 tion, upon obtaining a license therefor as hereinafter provided, to
14 conduct games of chance within the territorial limits of such munici-
15 pality, subject to the provisions of such local law or ordinance, the
16 provisions of this title and the provisions set forth by the commission.

17 2. No such local law or ordinance shall become operative or effective
18 unless and until it shall have been approved by a majority of the elec-
19 tors voting on a proposition submitted at a general or special election
20 held within such municipality who are qualified to vote for officers of
21 such municipality.

22 3. The time, method and manner of submission, preparation and
23 provision of ballots and ballot labels, balloting by voting machine and
24 conducting the election, canvassing the result and making and filing the
25 returns and all other procedure with reference to the submission of and
26 action upon any proposition for the approval of any such local law or
27 ordinance shall be the same as in the case of any other proposition to

1 be submitted to the electors of such municipality at a general or
2 special election in such municipality, as provided by law.

3 § 1553. Powers and duties of the commission. The commission shall have
4 the power and it shall be the duty of the commission to:

5 1. supervise the administration of the games of chance licensing law
6 and to adopt, amend and repeal rules and regulations governing the issu-
7 ance and amendment of licenses thereunder and the conducting of games
8 under such licenses, which rules and regulations shall have the force
9 and effect of law and shall be binding upon all municipalities issuing
10 licenses, and upon licensees of the commission, to the end that such
11 licenses shall be issued to qualified licensees only, and that said
12 games shall be fairly and properly conducted for the purposes and in the
13 manner of the said games of chance licensing law prescribed and to
14 prevent the games of chance thereby authorized to be conducted from
15 being conducted for commercial purposes or purposes other than those
16 therein authorized, participated in by criminal or other undesirable
17 elements and the funds derived from the games being diverted from the
18 purposes authorized, and to provide uniformity in the administration of
19 said law throughout the state, the commission shall prescribe forms of
20 application for licenses, licensees, amendment of licenses, reports of
21 the conduct of games and other matters incident to the administration of
22 such law.

23 2. conduct, anywhere in the state, investigations of the adminis-
24 tration, enforcement and potential or actual violations of the games of
25 chance licensing law and of the rules and regulations of the commission.

26 3. review all determinations and actions of the clerk or department in
27 issuing an initial license and it may review the issuance of subsequent
28 licenses and, after hearing, revoke those licenses that do not in all

1 respects meet the requirements of this title and the rules and regu-
2 lations of the commission.

3 4. suspend or revoke a license, after hearing, for any violation of
4 the provisions of this title or the rules and regulations of the commis-
5 sion.

6 5. hear appeals from the determinations and action of the clerk,
7 department or municipal officer in connection with the refusing to issue
8 licenses, the suspension and revocation of licenses and the imposition
9 of fines in the manner prescribed by law and the action and determi-
10 nation of the commission upon any such appeal shall be binding upon the
11 clerk, department or municipal officer and all parties thereto.

12 6. carry on continuous study of the operation of the games of chance
13 licensing law to ascertain from time to time defects therein jeopardiz-
14 ing or threatening to jeopardize the purposes of this title, and to
15 formulate and recommend changes in such law and in other laws of the
16 state that the commission may determine to be necessary for the realiza-
17 tion of such purposes, and to the same end to make a continuous study of
18 the operation and administration of similar laws that may be in effect
19 in other states of the United States.

20 7. supervise the disposition of all funds derived from the conduct of
21 games of chance by authorized organizations not currently licensed to
22 conduct such games.

23 8. issue an identification number to an applicant authorized organiza-
24 tion if the commission determines that the applicant satisfies the
25 requirements of the games of chance licensing law and the rules and
26 regulations of the commission.

27 9. approve and establish a standard set of games of chance equipment
28 and by rules and regulations prescribe the manner in which such equip-

1 ment is to be reproduced and distributed to licensed authorized organ-
2 izations. The sale or distribution to a licensed authorized organization
3 of any equipment other than that contained in the standard set of games
4 of chance equipment shall constitute a violation of this section.

5 § 1554. Restrictions upon conduct of games of chance. The conduct of
6 games of chance authorized by local law or ordinance shall be subject to
7 the following restrictions without regard to whether the restrictions
8 are contained in such local law or ordinance, but nothing herein shall
9 be construed to prevent the inclusion within such local law or ordinance
10 of other provisions imposing additional restrictions upon the conduct of
11 such games:

12 1. No person, firm, partnership, corporation or organization, other
13 than a licensee under the provisions of section fifteen hundred sixty of
14 this title, shall

15 (a) conduct such game; or

16 (b) lease or otherwise make available for conducting games of chance
17 premises for any consideration whatsoever, direct or indirect, without
18 obtaining the prior written approval of the commission.

19 2. No game of chance shall be held, operated or conducted on or within
20 any leased premises if rental under such lease is to be paid, wholly or
21 partly, on the basis of a percentage of the receipts or net profits
22 derived from the operation of such game.

23 3. No authorized organization licensed under the provisions of this
24 title shall purchase, lease, or receive any supplies or equipment
25 specifically designed or adapted for use in the conduct of games of
26 chance from other than a supplier licensed by the commission or from
27 another authorized organization. Lease terms and conditions shall be
28 subject to rules and regulations of the commission. The provisions of

1 this title shall not be construed to authorize or permit an authorized
2 organization to engage in the business of leasing games of chance,
3 supplies or equipment. No organization shall purchase bell jar tickets,
4 or deals of bell jar tickets, from any other person or organization
5 other than those specifically authorized under section fifteen hundred
6 seventy-six of this title.

7 4. The entire net proceeds of any game of chance shall be devoted
8 exclusively to the lawful purposes of the organization permitted to
9 conduct the same and the net proceeds of any rental derived therefrom
10 shall be devoted exclusively to the lawful purposes of the authorized
11 games of chance lessor.

12 5. (a) No single prize awarded by games of chance other than raffle
13 shall exceed the sum or value of three hundred dollars, except that for
14 merchandise wheels, no single prize shall exceed the sum or value of two
15 hundred fifty dollars, and for bell jar, no single prize shall exceed
16 the sum or value of one thousand dollars.

17 (b) No single prize awarded by raffle shall exceed the sum or value of
18 three hundred thousand dollars.

19 (c) No single wager shall exceed six dollars and for bell jars, coin
20 boards or merchandise boards, no single prize shall exceed one thousand
21 dollars, provided, however, that such limitation shall not apply to the
22 amount of money or value paid by the participant in a raffle in return
23 for a ticket or other receipt.

24 (d) For coin boards and merchandise boards, the value of a prize shall
25 be determined by the cost of such prize to the authorized organization
26 or, if donated, the fair market value of such prize.

1 6. (a) No authorized organization shall award a series of prizes
2 consisting of cash or of merchandise with an aggregate value in excess
3 of:

4 (1) ten thousand dollars during the successive operations of any one
5 merchandise wheel; and

6 (2) six thousand dollars during the successive operations of any bell
7 jar, coin board or merchandise board.

8 (b) No series of prizes awarded by raffle shall have an aggregate
9 value in excess of five hundred thousand dollars.

10 (c) For coin boards and merchandise boards, the value of a prize shall
11 be determined by its cost to the authorized organization or, if donated,
12 its fair market value.

13 7. In addition to merchandise wheels, raffles and bell jars, no more
14 than five other single types of games of chance shall be conducted
15 during any one license period.

16 8. (a) Except for merchandise wheels and raffles, no series of prizes
17 on any one occasion shall aggregate more than four hundred dollars when
18 the licensed authorized organization conducts five single types of games
19 of chance during any one license period. Except for merchandise wheels,
20 raffles and bell jars, no series of prizes on any one occasion shall
21 aggregate more than five hundred dollars when the licensed authorized
22 organization conducts fewer than five single types of games of chance,
23 exclusive of merchandise wheels, raffles and bell jars, during any one
24 license period.

25 (b) No authorized organization shall award by raffle prizes with an
26 aggregate value in excess of three million dollars during any one
27 license period.

1 9. Except for the limitations on the sum or value for single prizes
2 and series of prizes, no limit shall be imposed on the sum or value of
3 prizes awarded to any one participant during any occasion or any license
4 period.

5 10. (a) No person except a bona fide member of the licensed authorized
6 organization shall participate in the management of such games.

7 (b) No person except a bona fide member of the licensed authorized
8 organization, its auxiliary or affiliated organization, shall partic-
9 ipate in the operation of such game, as set forth in section fifteen
10 hundred sixty-five of this title.

11 11. No person shall receive any remuneration for participating in the
12 management or operation of any such game.

13 12. No authorized organization shall extend credit to a person to
14 participate in playing a game of chance.

15 13. (a) No game of chance, other than a raffle that complies with
16 paragraph (b) of this subdivision, shall be conducted on other than the
17 premises of an authorized organization or an authorized games of chance
18 lessor.

19 (b) Raffle tickets may be sold to the public outside the premises of
20 an authorized organization or an authorized games of chance lessor if
21 such sales occur in a municipality that:

22 (1) has passed a local law, ordinance or resolution in accordance with
23 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
24 title approving the conduct of games of chance;

25 (2) is located in the county in which the municipality issuing the
26 raffle license is located or in a county that is contiguous to the coun-
27 ty in which the municipality issuing the raffle license is located; and

1 (3) has not objected to such sales after the commission gives notice
2 to such municipality of an authorized organization's request to sell
3 such raffle tickets in such municipality.

4 (c) The commission may by regulation prescribe the advance notice an
5 authorized organization must provide to the commission in order to take
6 advantage of the provisions of paragraph (b) of this subdivision, forms
7 in which such a request shall be made and the time period in which a
8 municipality must communicate an objection to the commission.

9 (d) No sale of raffle tickets shall be made more than one hundred
10 eighty days prior to the date scheduled for the occasion at which the
11 raffle will be conducted.

12 (e) The winner of any single prize in a raffle shall not be required
13 to be present at the time such raffle is conducted.

14 14. No person licensed to manufacture, distribute or sell games of
15 chance supplies or equipment, or their agents, shall conduct, partic-
16 ipate in, or assist in the conduct of games of chance. Nothing herein
17 shall prohibit a licensed distributor from selling, offering for sale or
18 explaining a product to an authorized organization or installing or
19 servicing games of chance equipment upon the premises of games of chance
20 licensees.

21 15. The unauthorized conduct of a game of chance shall constitute and
22 be punishable as a misdemeanor.

23 16. No coins or merchandise from a coin board or merchandise board
24 shall be redeemable or convertible into cash directly or indirectly by
25 the authorized organization.

26 17. No game of chance shall involve wagering of money by one player
27 against another player.

1 § 1555. Authorized supplier of games of chance equipment. 1. No
2 person, firm, partnership, corporation or organization shall sell or
3 distribute supplies or equipment specifically designed or adapted for
4 use in conduct of games of chance without having first obtained a
5 license therefor upon written application made, verified and filed with
6 the commission in the form prescribed by the rules and regulations of
7 the commission. As a part of the commission's determination concerning
8 the applicant's suitability for licensing as a games of chance supplier,
9 the commission shall require the applicant to furnish to the commission
10 two sets of fingerprints. Such fingerprints shall be submitted to the
11 division of criminal justice services for a state criminal history
12 record check, as defined in subdivision one of section three thousand
13 thirty-five of the education law, and may be submitted to the federal
14 bureau of investigation for a national criminal history record check.
15 Manufacturers of bell jar tickets shall be considered suppliers of such
16 equipment. In each such application for a license under this section
17 shall be stated the name and address of the applicant; the names and
18 addresses of its officers, directors, shareholders or partners; the
19 amount of gross receipts realized on the sale and rental of games of
20 chance supplies and equipment to duly licensed authorized organizations
21 during the last preceding calendar or fiscal year, and such other infor-
22 mation as shall be prescribed by such rules and regulations. The fee for
23 such license shall be a sum equal to an amount established by commission
24 regulation plus an amount equal to two percent of the gross sales and
25 rentals, if any, of games of chance equipment and supplies to authorized
26 organizations or authorized games of chance lessors by the applicant
27 during the preceding calendar year, or fiscal year if the applicant
28 maintains his accounts on a fiscal year basis. No license granted

1 pursuant to the provisions of this section shall be effective for a
2 period of more than one year.

3 2. The following shall be ineligible for such a license:

4 (a) a person convicted of a crime if there is a direct relationship
5 between one or more of the previous criminal offenses and the integrity
6 of charitable gaming, considering the factors set forth in section seven
7 hundred fifty-three of the correction law;

8 (b) a person who is or has been a professional gambler or gambling
9 promoter or who for other reasons is not of good moral character;

10 (c) a public officer or employee;

11 (d) an authorized games of chance lessor; or

12 (e) a firm or corporation in which a person defined in subparagraph
13 (a), (b), (c) or (d) of this subdivision has greater than a ten percent
14 proprietary, equitable or credit interest or in which such a person is
15 active or employed.

16 3. The commission shall have power to examine or cause to be examined
17 the books and records of any applicant for a license under this section.
18 Any information so received shall not be disclosed except so far as may
19 be necessary for the purpose of carrying out the provisions of this
20 title.

21 4. Any solicitation of an organization licensed to conduct games of
22 chance, to purchase or induce the purchase of games of chance supplies
23 and equipment, other than by a person licensed or otherwise authorized
24 pursuant to this section, shall constitute a violation of this section.

25 5. Any person who willfully makes any material false statement in any
26 application for a license authorized to be issued under this section or
27 who willfully violates any of the provisions of this section or of any
28 license issued hereunder shall be guilty of a misdemeanor and, in addi-

1 tion to the penalties in such case made and provided, shall forfeit any
2 license issued to him, her or it under this section and be ineligible to
3 apply for a license under this section for one year thereafter.

4 6. At the end of such period specified in the license, a recapitu-
5 lation shall be made as between the licensee and the commission in
6 respect of the gross sales and rentals actually recorded during that
7 period and the fee paid therefor, and any deficiency of fee thereby
8 shown to be due shall be paid by the licensee and any excess of fee
9 thereby shown to have been paid shall be credited to said licensee in
10 such manner as the commission by rules and regulations shall prescribe.

11 § 1556. Declaration of state's exemption from operation of provisions
12 of 15 U.S.C. § 1172. Pursuant to section two of an Act of Congress of
13 the United States entitled "An act to prohibit transportation of gambl-
14 ing devices in interstate and foreign commerce," approved January
15 second, nineteen hundred fifty-one, being chapter 1194, 64 Stat. 1134,
16 and also designated as 15 U.S.C. §§ 1171-1177, the state of New York,
17 acting by and through the duly elected and qualified members of its
18 legislature, does hereby, in accordance with and in compliance with the
19 provisions of section two of said Act of Congress, declare and proclaim
20 that it is exempt from the provisions of section two of said Act of
21 Congress.

22 § 1557. Legal shipments of gaming devices into New York state. All
23 shipments into this state of gaming devices, excluding slot machines and
24 coin operated gambling devices, as defined in subdivision seven-a of
25 section 225.00 of the penal law, the registering, recording and labeling
26 of which has been duly had by the manufacturer or dealer thereof in
27 accordance with sections three and four of an Act of Congress of the
28 United States entitled "An act to prohibit transportation of gambling

1 devices in interstate and foreign commerce," approved January second,
2 nineteen hundred fifty-one, being chapter 1194, 64 Stat. 1134, and also
3 designated as 15 U.S.C. §§ 1171-1177, shall be deemed legal shipments
4 thereof into this state.

5 § 1558. Application for license. 1. To conduct games of chance. (a)
6 Each applicant for a license shall, after obtaining an identification
7 number from the commission, file with the clerk or department, an appli-
8 cation therefor in a form to be prescribed by the commission, duly
9 executed and verified, in which shall be stated:

10 (1) the name and address of the applicant together with sufficient
11 facts relating to its incorporation and organization to enable such
12 clerk or department, as the case may be, to determine whether or not it
13 is a bona fide authorized organization;

14 (2) the names and addresses of its officers; the place or places
15 where, the date or dates and the time or times when the applicant
16 intends to conduct games under the license applied for;

17 (3) the amount of rent to be paid or other consideration to be given
18 directly or indirectly for each licensed period for use of the premises
19 of an authorized games of chance lessor;

20 (4) all other items of expense intended to be incurred or paid in
21 connection with the holding, operating and conducting of such games of
22 chance and the names and addresses of the persons to whom, and the
23 purposes for which, they are to be paid;

24 (5) the purposes to which the entire net proceeds of such games are to
25 be devoted and in what manner; that no commission, salary, compensation,
26 reward or recompense will be paid to any person for conducting such game
27 or games or for assisting therein except as in this title otherwise

1 provided; and such other information as shall be prescribed by such
2 rules and regulations; and

3 (6) the name of each single type of game of chance to be conducted
4 under the license applied for and the number of merchandise wheels and
5 raffles, if any, to be operated.

6 (b) In each application there shall be designated not less than four
7 bona fide members of the applicant organization under whom the game or
8 games of chance will be managed and to the application shall be appended
9 a statement executed by the members so designated, that they will be
10 responsible for the management of such games in accordance with the
11 terms of the license, the rules and regulations of the commission, this
12 title and the applicable local laws or ordinances.

13 2. Authorized games of chance lessor. Each applicant for a license to
14 lease premises to a licensed organization for the purposes of conducting
15 games of chance therein shall file with the clerk or department an
16 application therefor, in a form to be prescribed by the commission duly
17 executed and verified, which shall set forth:

18 (a) the name and address of the applicant;

19 (b) designation and address of the premises intended to be covered by
20 the license sought;

21 (c) a statement that the applicant in all respects conforms with the
22 specifications contained in the definition of "authorized organization"
23 set forth in section fifteen hundred of this article; and

24 (d) a statement of the lawful purposes to which the net proceeds from
25 any rental are to be devoted by the applicant and such other information
26 as shall be prescribed by the commission.

27 3. In counties outside the city of New York, municipalities may,
28 pursuant to section fifteen hundred fifty-two of this title, adopt an

1 ordinance providing that an authorized organization having obtained an
2 identification number from the commission, and having applied for no
3 more than one license to conduct games of chance during the period not
4 less than twelve nor more than eighteen months immediately preceding,
5 may file with the clerk or department a summary application in a form to
6 be prescribed by the commission duly executed and verified, containing
7 the names and addresses of the applicant organization and its officers,
8 the date, time and place or places where the applicant intends to
9 conduct games under the license applied for, the purposes to which the
10 entire net proceeds of such games are to be devoted and the information
11 and statement required by paragraph (b) of subdivision one of this
12 section in lieu of the application required under subdivision one of
13 this section.

14 4. (a) Notwithstanding and in lieu of the licensing requirements set
15 forth in this title, an authorized organization defined in section
16 fifteen hundred of this article may file a verified statement, for which
17 no fee shall be required, with the clerk or department and the commis-
18 sion attesting that such organization shall derive net proceeds or net
19 profits from raffles in an amount less than thirty thousand dollars
20 during one occasion or part thereof at which raffles are to be
21 conducted. Such statement shall be on a single-page form prescribed by
22 the commission, and shall be deemed a license to conduct raffles:

23 (1) under this title; and

24 (2) within the municipalities in which the authorized organization is
25 domiciled that have passed a local law, ordinance or resolution in
26 accordance with sections fifteen hundred fifty-one and fifteen hundred
27 fifty-two of this title approving the conduct of games of chance, and in
28 municipalities that have passed a local law, ordinance or resolution in

1 accordance with sections fifteen hundred fifty-one and fifteen hundred
2 fifty-two of this title approving the conduct of games of chance that
3 are located in the county in which the municipality issuing the license
4 is located and in the counties that are contiguous to the county in
5 which the municipality issuing the raffle license is located, provided
6 those municipalities have authorized the licensee, in writing, to sell
7 such raffle tickets therein.

8 (b) An organization that has filed a verified statement with the clerk
9 or department and the commission attesting that such organization shall
10 derive net proceeds or net profits from raffles in an amount less than
11 thirty thousand dollars during one occasion or part thereof that in fact
12 derives net proceeds or net profits exceeding thirty thousand dollars
13 during any one occasion or part thereof shall be required to obtain a
14 license as required by this title and shall be subject to the provisions
15 of section fifteen hundred sixty-seven of this title.

16 § 1559. Raffles; license not required. 1. Notwithstanding the licens-
17 ing requirements set forth in this title and their filing requirements
18 set forth in subdivision four of section fifteen hundred fifty-eight of
19 this title, an authorized organization may conduct a raffle without
20 complying with such licensing requirements or such filing requirements,
21 provided, that such organization shall derive net proceeds from raffles
22 in an amount less than five thousand dollars during the conduct of one
23 raffle and shall derive net proceeds from raffles in an amount less than
24 thirty thousand dollars during one calendar year.

25 2. No person under the age of eighteen shall be permitted to play,
26 operate or assist in any raffle conducted pursuant to this section.

27 3. No raffle shall be conducted pursuant to this section except within
28 a municipality in which the authorized organization is domiciled that

1 has passed a local law, ordinance or resolution in accordance with
2 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
3 title approving the conduct of games of chance, and in municipalities
4 that have passed a local law, ordinance or resolution in accordance with
5 sections fifteen hundred fifty-one and fifteen hundred fifty-two of this
6 title approving the conduct of games of chance that are located within
7 the county or contiguous to the county in which the organization is
8 domiciled.

9 § 1560. Investigation; matters to be determined; issuance of license;
10 fees; duration of license. 1. The clerk or department shall make an
11 investigation of the qualifications of each applicant and the merits of
12 each application, with due expedition after the filing of the applica-
13 tion.

14 (a) Issuance of licenses to conduct games of chance. If such clerk or
15 department determines:

16 (1) that the applicant is duly qualified to be licensed to conduct
17 games of chance under this title;

18 (2) that the member or members of the applicant designated in the
19 application to manage games of chance are bona fide active members of
20 the applicant and are persons of good moral character and have never
21 been convicted of a crime if there is a direct relationship between one
22 or more of the previous criminal offenses and the integrity of charita-
23 ble gaming, considering the factors set forth in section seven hundred
24 fifty-three of the correction law;

25 (3) that such games are to be conducted in accordance with the
26 provisions of this title and in accordance with the rules and regu-
27 lations of the commission and applicable local laws or ordinances and

1 that the proceeds thereof are to be disposed of as provided by this
2 title; and

3 (4) is satisfied that no commission, salary, compensation, reward or
4 recompense whatsoever will be paid or given to any person managing,
5 operating or assisting therein except as in this title otherwise
6 provided, then such clerk or department shall issue a license to the
7 applicant for the conduct of games of chance upon payment of a license
8 fee in an amount established by regulation of the commission for each
9 license period.

10 (b) Issuance of licenses to authorized games of chance lessors. If
11 such clerk or department determines:

12 (1) that the applicant seeking to lease premises for the conduct of
13 games of chance to a games of chance licensee is duly qualified to be
14 licensed under this title;

15 (2) that the applicant satisfies the requirements for an authorized
16 organization as defined in section fifteen hundred of this article;

17 (3) that the applicant has filed its proposed rent for each license
18 period; and

19 (4) that such proposed rent is fair and reasonable;

20 (5) that the net proceeds from any rental will be devoted to the
21 lawful purposes of the applicant;

22 (6) that there is no diversion of the funds of the proposed lessee
23 from the lawful purposes as defined in this title; and

24 (7) that such leasing of premises for the conduct of such games is to
25 be in accordance with the provisions of this title, with the rules and
26 regulations of the commission and applicable local laws and ordinances,
27 then such clerk or department shall issue a license permitting the
28 applicant to lease said premises for the conduct of such games to the

1 games of chance licensee or licensees specified in the application
2 during the period therein specified or such shorter period as such clerk
3 or department determines, but not to exceed twelve license periods
4 during a calendar year, upon payment of a license fee in an amount
5 established by the regulations of the commission. Nothing herein shall
6 be construed to require the applicant to be licensed under this title to
7 conduct games of chance.

8 (c) Issuance of license upon summary application. If, upon the basis
9 of a summary application as prescribed under subdivision three of
10 section fifteen hundred fifty-eight of this title, the clerk or depart-
11 ment determines that the applicant is duly qualified to be licensed to
12 conduct games of chance under this title, said clerk or department shall
13 forthwith issue said license. In the event the clerk or department has
14 reason to believe that the applicant is not so qualified the applicant
15 shall be directed to file an application pursuant to subdivision one of
16 section fifteen hundred fifty-eight of this title.

17 2. On or before the last day of each month, the treasurer of the muni-
18 cipality in which the licensed property is located shall transmit to the
19 state comptroller a sum equal to fifty percent of all authorized games
20 of chance lessor license fees and a sum established by regulation of the
21 commission per license period for the conduct of games of chance
22 collected by such clerk or department pursuant to this section during
23 the preceding calendar month.

24 3. No license shall be issued under this section that is effective for
25 a period of more than one year.

26 § 1561. Hearing; amendment of license. 1. No application for the issu-
27 ance of a license to conduct games of chance or lease premises to an
28 authorized organization shall be denied by the clerk or department,

1 until after a hearing, held on due notice to the applicant, at which the
2 applicant shall be entitled to be heard upon the qualifications of the
3 applicant and the merits of the application.

4 2. Any license issued under this title may be amended, upon applica-
5 tion made to such clerk or department that issued it, if the subject
6 matter of the proposed amendment could lawfully and properly have been
7 included in the original license and upon payment of such additional
8 license fee, if any, as would have been payable if it had been so
9 included.

10 § 1562. Form and contents of license; display of license. 1. Each
11 license to conduct games of chance shall be in such form as shall be
12 prescribed in the rules and regulations of the commission and shall
13 contain:

14 (a) a statement of the name and address of the licensee, of the names
15 and addresses of the members of the licensee under whom the games will
16 be managed;

17 (b) a statement of the place or places where, and the date or dates
18 and time or times when, such games are to be conducted;

19 (c) a statement of the purposes to which the entire net proceeds of
20 such games are to be devoted;

21 (d) the name of each single type of game to be conducted under the
22 license and the number of merchandise wheels and raffles, if any, to be
23 operated; and

24 (e) any other information that may be required by the rules and regu-
25 lations of the commission to be contained therein.

26 2. Each license issued for the conduct of any games shall be displayed
27 conspicuously at the place where such games are to be conducted at all
28 times during the conduct thereof.

1 3. Each license to lease premises for conducting games of chance shall
2 be in such form as shall be prescribed in the rules and regulations of
3 the commission and shall contain a statement of the name and address of
4 the licensee and the address of the leased premises, the amount of
5 permissible rent and any information that may be required by said rules
6 and regulations to be contained therein, and each such license shall be
7 conspicuously displayed upon such premises at all times during the
8 conduct of games of chance.

9 § 1563. Control and supervision; suspension of identification numbers
10 and licenses; inspections of premises. 1. The municipal officer or
11 department shall have and exercise rigid control and close supervision
12 over all games of chance conducted under such license, to the end that
13 the same are conducted fairly in accordance with the provisions of such
14 license, the provisions of the rules and regulations promulgated by the
15 commission and the provisions of this title. Such municipal officer or
16 department and the commission shall have the power and the authority to
17 suspend temporarily any license issued by the clerk or department and/or
18 impose fines for violations not to exceed one thousand dollars. Tempo-
19 rary suspension of licenses shall be followed promptly by a hearing, and
20 after notice and hearing, the clerk, department or the commission may
21 suspend or revoke the same and declare the violator ineligible to apply
22 for a license for a period not exceeding twelve months thereafter. Any
23 fines tendered to the clerk, department or the commission shall not be
24 paid from funds derived from the conduct of games of chance. The munici-
25 pal officer and the department or the commission shall additionally have
26 the right of entry, by their respective municipal officers and agents,
27 at all times into any premises where any game of chance is being
28 conducted or where it is intended that any such game shall be conducted,

1 or where any equipment being used or intended to be used in the conduct
2 thereof is found, for the purpose of inspecting the same. Upon suspen-
3 sion or revocation of any license or upon declaration of ineligibility
4 to apply for a license, the commission may suspend or revoke the iden-
5 tification number issued pursuant to section fifteen hundred fifty-three
6 of this title. An agent of the appropriate municipal officer or depart-
7 ment shall make an on-site inspection during the conduct of all games of
8 chance licensed pursuant to this title.

9 2. A municipality may, by local law or ordinance enacted pursuant to
10 the provisions of section fifteen hundred fifty-two of this title,
11 provide that the powers and duties set forth in subdivision one of this
12 section shall be exercised by the chief law enforcement officer of the
13 county. In the event a municipality exercises this option, the fees
14 provided for by subdivision two of section fifteen hundred sixty-seven
15 of this title shall be remitted to the chief fiscal officer of the coun-
16 ty.

17 3. Service of alcoholic beverages. Subject to the applicable
18 provisions of the alcoholic beverage control law, beer may be offered
19 for sale during the conduct of games of chance on games of chance prem-
20 ises as such premises are defined in section fifteen hundred of this
21 article; provided, however, that nothing herein shall be construed to
22 limit the offering for sale of any other alcoholic beverage in areas
23 other than the games of chance premises or the sale of any other alco-
24 holic beverage in premises where only the games of chance known as bell
25 jars or raffles are conducted.

26 § 1564. Frequency of games. 1. No game or games of chance shall be
27 conducted under any license issued under this title more often than
28 twelve times in any calendar year. No particular premises shall be used

1 for the conduct of games of chance on more than twenty-four license
2 periods during any one calendar year.

3 2. Games of chance other than bell jars and raffles may be conducted
4 at any time, unless the games of chance license provides otherwise. No
5 license may restrict the times in which bell jars or raffles are
6 conducted, subject to the limitations on the license period for such
7 games set forth in subdivision eighteen of section fifteen hundred of
8 this article.

9 § 1565. Persons operating games; equipment; expenses; compensation. 1.
10 No person shall operate any game of chance under any license issued
11 under this title except a bona fide member of the authorized organiza-
12 tion to which the license is issued, or a bona fide member of an organ-
13 ization or association that is an auxiliary to the licensee or a bona
14 fide member of an organization or association of which such licensee is
15 an auxiliary or a bona fide member of an organization or association
16 that is affiliated with the licensee by being, with it, auxiliary to
17 another organization or association. Nothing herein shall be construed
18 to limit the number of games of chance licensees for whom such persons
19 may operate games of chance nor to prevent non-members from assisting
20 the licensee in any activity other than managing or operating games. For
21 the purpose of the sale of tickets for the game of raffle, the term
22 "operate" shall not include the sale of such tickets by persons of
23 lineal or collateral consanguinity to members of an authorized organiza-
24 tion licensed to conduct a raffle.

25 2. No game of chance shall be conducted with any equipment except such
26 as shall be owned or leased by the authorized organization so licensed
27 or used without payment of any compensation therefor by the licensee.
28 However, in no event shall bell jar tickets be transferred from one

1 authorized organization to another, with or without payment of any
2 compensation thereof.

3 3. The head or heads of the authorized organization shall upon request
4 certify, under oath, that the persons operating any game of chance are
5 bona fide members of such authorized organization, auxiliary or affil-
6 iated organization.

7 4. Upon request by a municipal officer or the department any such
8 person involved in such games of chance shall certify that he or she has
9 no criminal record or shall disclose previous criminal offenses for
10 consideration of the factors set forth in section seven hundred fifty-
11 three of the correction law.

12 5. No items of expense shall be incurred or paid in connection with
13 the conducting of any game of chance pursuant to any license issued
14 under this title except those that are reasonable and are necessarily
15 expended for games of chance supplies and equipment, prizes, security
16 personnel, stated rental if any, bookkeeping or accounting services
17 according to a schedule of compensation prescribed by the commission,
18 janitorial services and utility supplies if any, and license fees, and
19 the cost of bus transportation, if authorized by such clerk or depart-
20 ment.

21 6. No commission, salary, compensation, reward or recompense shall be
22 paid or given to any person for the sale or assisting with the sale of
23 raffle tickets.

24 § 1566. Charge for admission and participation; amount of prizes;
25 award of prizes. 1. A fee may be charged by any licensee for admission
26 to any game or games of chance conducted under any license issued under
27 this title. The clerk or department may in its discretion fix a minimum
28 fee.

1 2. With the exception of bell jars, coin boards, seal cards, merchan-
2 dise boards and raffles, every winner shall be determined and every
3 prize shall be awarded and delivered within the same calendar day as
4 that upon which the game was played.

5 3. A player may purchase a chance with cash or, if the authorized
6 organization wishes, with a personal check, credit card or debit card.

7 § 1567. Statement of receipts and expenses; additional license fees.

8 1. Within seven days after the conclusion of any license period other
9 than a license period for a raffle, or as otherwise prescribed by the
10 commission, the authorized organization that conducted the same, and its
11 members who were in charge thereof, and when applicable the authorized
12 games of chance lessor that rented its premises therefor, shall each
13 furnish to the clerk or department a statement subscribed by the member
14 in charge and affirmed by him or her as true, under the penalties of
15 perjury, showing the amount of the gross receipts derived therefrom and
16 each item of expense incurred, or paid, and each item of expenditure
17 made or to be made other than prizes, the name and address of each
18 person to whom each such item of expense has been paid, or is to be
19 paid, with a detailed description of the merchandise purchased or the
20 services rendered therefor, the net proceeds derived from the conduct of
21 games of chance during such license period, and the use to which such
22 proceeds have been or are to be applied. It shall be the duty of each
23 licensee to maintain and keep such books and records as may be necessary
24 to substantiate the particulars of each such statement.

25 2. Within thirty days after the conclusion of an occasion during which
26 a raffle was conducted, the authorized organization conducting such
27 raffle and the members in charge of such raffle, and, when applicable,
28 the authorized games of chance lessor that rented its premises therefor,

1 shall each furnish to the clerk or department a statement on a form
2 prescribed by the commission, subscribed by the member in charge and
3 affirmed by him or her as true, under the penalties of perjury, showing:
4 (a) the number of tickets printed;
5 (b) the number of tickets sold;
6 (c) the price and the number of tickets returned to or retained by the
7 authorized organization as unsold;
8 (d) a description and statement of the fair market value for each
9 prize actually awarded;
10 (e) the amount of the gross receipts derived therefrom;
11 (f) each item of expenditure made or to be made other than prizes;
12 (g) the name and address of each person to whom each such item of
13 expense has been paid, or is to be paid;
14 (h) a detailed description of the merchandise purchased or the
15 services rendered therefor;
16 (i) the net proceeds derived from the raffle at such occasion; and
17 (j) the use to which the proceeds have been or are to be applied. It
18 shall be the duty of each licensee to maintain and keep such books and
19 records as may be necessary to substantiate the particulars of each such
20 statement, provided, however, where the cumulative net proceeds or net
21 profits derived from the conduct of a raffle or raffles are less than
22 thirty thousand dollars during any one occasion, in such case, the
23 reporting requirement shall be satisfied by the filing within thirty
24 days of the conclusion of such occasion a verified statement prescribed
25 by the commission attesting to the amount of such net proceeds or net
26 profits and the distribution thereof for lawful purposes with the clerk
27 or department and a copy with the commission, and provided further,
28 however, where the cumulative net proceeds derived from the conduct of a

1 raffle or raffles are less than five thousand dollars during any one
2 occasion and less than thirty thousand dollars during one calendar year,
3 no reporting shall be required.

4 3. Any authorized organization required to file an annual report with
5 the secretary of state pursuant to article seven-A of the executive law
6 or the attorney general pursuant to article eight of the estates, powers
7 and trusts law shall include with such annual report a copy of the
8 statement required to be filed with the clerk or department pursuant to
9 subdivision one or two of this section.

10 4. Upon the filing of such statement of receipts pursuant to subdivi-
11 sion one or two of this section, the authorized organization furnishing
12 the same shall pay to the clerk or department as and for an additional
13 license fee a sum based upon the reported net proceeds, if any, for the
14 license period, or in the case of raffles, for the occasion covered by
15 such statement and determined in accordance with such schedule as shall
16 be established from time to time by the commission to defray the actual
17 cost to municipalities or counties of administering the provisions of
18 this title, but such additional license fee shall not exceed five
19 percent of the net proceeds for such license period. The provisions of
20 this subdivision shall not apply to the net proceeds from the sale of
21 bell jar tickets. No fee shall be required where the net proceeds or net
22 profits derived from the conduct of a raffle or raffles are less than
23 thirty thousand dollars during any one occasion.

24 § 1568. Examination of books and records; examination of officers and
25 employees; disclosure of information. The clerk or department and the
26 commission shall have power to examine or cause to be examined the books
27 and records of:

1 1. any authorized organization that is or has been licensed to conduct
2 games of chance, so far as they may relate to games of chance, including
3 the maintenance, control and disposition of net proceeds derived from
4 games of chance or from the use of its premises for games of chance, and
5 to examine any manager, officer, director, agent, member or employee
6 thereof under oath in relation to the conduct of any such game under any
7 such license, the use of its premises for games of chance, or the dispo-
8 sition of net proceeds derived from games of chance, as the case may be;
9 or

10 2. any authorized games of chance lessor, so far as such books and
11 records may relate to leasing premises for games of chance, and to exam-
12 ine such lessor or any manager, officer, director, agent or employee
13 thereof under oath in relation to such leasing. Any information so
14 received shall not be disclosed except so far as may be necessary for
15 the purpose of carrying out the provisions of this title.

16 § 1569. Appeals for the decision of a municipal officer, clerk or
17 department to the commission. Any applicant for, or holder of, any
18 license issued or to be issued under this title aggrieved by any action
19 of a municipal officer, clerk or department, to which such application
20 has been made or by which such license has been issued, may appeal to
21 the commission from the determination of said municipal officer, clerk
22 or department by filing with such municipal officer, clerk or department
23 a written notice of appeal within thirty days after the determination or
24 action appealed from, and upon the hearing of such appeal, the evidence,
25 if any, taken before such municipal officer, clerk or department and any
26 additional evidence may be produced and shall be considered in arriving
27 at a determination of the matters in issue, and the action of the

1 commission upon said appeal shall be binding upon such municipal offi-
2 cer, clerk or department and all parties to said appeal.

3 § 1570. Exemption from prosecution. No person, firm, partnership,
4 corporation or organization lawfully conducting, or participating in the
5 conduct of, games of chance, or permitting the conduct upon any premises
6 owned or leased by him, her or it under any license lawfully issued
7 pursuant to this title, shall be liable to prosecution or conviction for
8 violation of any provision of article two hundred twenty-five of the
9 penal law or any other law or ordinance to the extent that such conduct
10 is specifically authorized by this title, but this immunity shall not
11 extend to any person or corporation knowingly conducting or participat-
12 ing in the conduct of games of chance under any license obtained by any
13 false pretense or by any false statement made in any application for
14 license or otherwise, or permitting the conduct upon any premises owned
15 or leased by him, her or it of any game of chance conducted under any
16 license known to him, her or it to have been obtained by any such false
17 pretense or statement.

18 § 1571. Offenses; forfeiture of license; ineligibility to apply for
19 license. Any person, firm, partnership, corporation or organization who
20 or that shall:

21 1. make any material false statement in any application for any
22 license authorized to be issued under this title;

23 2. pay or receive, for the use of any premises for conducting games of
24 chance, a rental in excess of the amount specified as the permissible
25 rent in the license provided for in subdivision three of section fifteen
26 hundred sixty-two of this title;

1 3. fail to keep such books and records as shall fully and truly record
2 all transactions connected with the conducting of games of chance or the
3 leasing of premises to be used for the conduct of games of chance;

4 4. falsify or make any false entry in any books or records so far as
5 they relate in any manner to the conduct of games of chance, to the
6 disposition of the proceeds thereof and to the application of the rents
7 received by any authorized organization;

8 5. divert or pay any portion of the net proceeds of any game of chance
9 to any person, firm, partnership, corporation, except in furtherance of
10 one or more of the lawful purposes defined in this title; shall be guil-
11 ty of a misdemeanor and shall forfeit any license issued under this
12 title and be ineligible to apply for a license under this title for at
13 least one year thereafter.

14 § 1572. Unlawful games of chance. 1. Any person, association, corpo-
15 ration or organization holding, operating or conducting a game or games
16 of chance is guilty of a misdemeanor, except when operating, holding or
17 conducting:

18 (a) in accordance with a valid license issued pursuant to this title;

19 (b) on behalf of a bona fide organization of persons sixty years of
20 age or over, commonly referred to as senior citizens, solely for the
21 purpose of amusement and recreation of its members where:

22 (1) the organization has applied for and received an identification
23 number from the commission;

24 (2) no player or other person furnishes anything of value for the
25 opportunity to participate;

26 (3) the prizes awarded or to be awarded are nominal;

27 (4) no person other than a bona fide active member of the organization
28 participates in the conduct of the games; and

1 (5) no person is paid for conducting or assisting in the conduct of
2 the game or games; or

3 (c) a raffle pursuant to section fifteen hundred fifty-nine of this
4 title.

5 2. The provisions of this section shall apply to all municipalities
6 within this state, including those municipalities where this title is
7 inoperative.

8 § 1573. Title inoperative until adopted by voters. Except as provided
9 in section fifteen hundred seventy-two of this title, the provisions of
10 this title shall remain inoperative in any municipality unless and until
11 a proposition therefor submitted at a general or special election in
12 such municipality shall be approved by a vote of the majority of the
13 qualified electors in such municipality voting thereon.

14 § 1574. Amendment and repeal of local laws and ordinances. Any such
15 local law or ordinance may be amended, from time to time, or repealed by
16 the common council or other local legislative body of the municipality
17 that enacted it, by a two-thirds vote of such legislative body and such
18 amendment or repeal, as the case may be, may be made effective and oper-
19 ative not earlier than thirty days following the effective date of the
20 local law or ordinance effecting such amendment or repeal, as the case
21 may be, and the approval of a majority of the electors of such munici-
22 pality shall not be a condition prerequisite to the taking effect of
23 such local law or ordinance.

24 § 1575. Manufacturers of bell jars; reports and records. 1. Distrib-
25 ution; manufacturers. For business conducted in this state, manufactur-
26 ers licensed by the commission to sell bell jar tickets shall sell such
27 tickets only to distributors licensed by the commission. Manufacturers
28 of bell jar tickets, seal cards, merchandise boards and coin boards may

1 submit samples, artists' renderings or color photocopies of proposed
2 bell jar tickets, seal cards, merchandise boards, coin boards, payout
3 cards and flares for review and approval by the commission. Within thir-
4 ty days of receipt of such sample or rendering, the commission shall
5 approve or deny such bell jar tickets. Following approval of a rendering
6 of a bell jar ticket, seal card, merchandise board or coin board by the
7 commission, the manufacturer shall submit to the commission a sample of
8 the printed bell jar ticket, seal card, merchandise board, coin board,
9 payout card and flare for such game. Such sample shall be submitted
10 prior to the sale of the game to any licensed distributor for resale in
11 this state. For coin boards and merchandise boards, nothing herein shall
12 require the submittal of actual coins or merchandise as part of the
13 approval process. Any licensed manufacturer who willfully violates the
14 provisions of this section shall:

15 (a) upon such first offense, have its license suspended for a period
16 of thirty days;

17 (b) upon such second offense, participate in a hearing to be conducted
18 by the commission, and surrender its license for such period as recom-
19 mended by the commission; and

20 (c) upon such third or subsequent offense, have its license suspended
21 for a period of one year and shall be guilty of a class E felony. Any
22 unlicensed manufacturer who violates the provisions of this section
23 shall be guilty of a class E felony.

24 2. Bar codes. The manufacturer shall affix to the flare of each bell
25 jar game a bar code that provides all information prescribed by the
26 commission and shall require that the bar code include the serial number
27 of the game the flare describes. A manufacturer shall also affix to the
28 outside of the container or wrapping containing a deal of bell jar tick-

1 ets a bar code providing all information prescribed by the commission
2 and containing the same information as the bar code affixed to the
3 flare. The commission may also prescribe additional bar code require-
4 ments. No person may alter the bar code that appears on the flare or on
5 the outside of the container or wrapping containing a deal of bell jar
6 tickets. Possession of a deal of bell jar tickets that has a bar code
7 different from the serial number of the deal inside the container or
8 wrapping as evidenced on the flare is prima facie evidence that the
9 possessor has altered the bar code on the container or wrapping.

10 3. Bell jar flares. (a) A manufacturer shall not ship or cause to be
11 shipped into this state any deal of bell jar tickets that does not have
12 its own individual flare as required for that deal by rule of the
13 commission. A person other than a licensed manufacturer shall not manu-
14 facture, alter, modify or otherwise change a flare for a deal of bell
15 jar tickets except as authorized by this title or rules and regulations
16 promulgated by the commission.

17 (b) The flare for each deal of bell jar tickets sold by a manufacturer
18 in this state shall be placed inside the wrapping of the deal that the
19 flare describes.

20 (c) The bar code affixed to the flare of each bell jar game shall bear
21 the serial number of such game as prescribed by the commission.

22 (d) The flare of each bell jar game shall have affixed a bar code that
23 provides:

24 (1) the game code;

25 (2) the serial number of the game;

26 (3) the name of the manufacturer; and

27 (4) other information the commission by rule may require.

1 The serial number included on the bar code shall be the same as the
2 serial number of the tickets included in the deal. A manufacturer who
3 manufactures a deal of bell jar tickets shall affix to the outside of
4 the container or wrapping containing the bell jar tickets the same bar
5 code that is affixed to the flare for that deal.

6 (e) No person shall alter the bar code that appears on the outside of
7 a container or wrapping containing a deal of bell jar tickets.
8 Possession of a deal of bell jar tickets that has a bar code different
9 from the bar code of the deal inside the container or wrapping is prima
10 facie evidence that the possessor has altered the bar code on the box.

11 4. Reports of sales. A manufacturer who sells bell jar tickets for
12 resale in this state shall file with the commission, on a form
13 prescribed by the commission, a report of all bell jar tickets sold to
14 distributors in the state. The report shall be filed quarterly on or
15 before the twentieth day of the month succeeding the end of the quarter
16 in which the sale was made. The commission may require that the report
17 be submitted via electronic media or electronic data transfer.

18 5. Inspection. The commission may inspect the premises, books,
19 records, and inventory of a manufacturer without notice during the
20 normal business hours of the manufacturer.

21 § 1576. Distributor of bell jars; reports and records. 1. Distrib-
22 ution; distributors. Any distributor licensed in accordance with section
23 fifteen hundred fifty-five of this title to distribute bell jar tickets
24 shall purchase bell jar tickets only from licensed manufacturers and may
25 manufacture coin boards and merchandise boards only as authorized in
26 subdivision two of this section. Licensed distributors of bell jar tick-
27 ets shall sell such tickets only to not-for-profit, charitable or reli-

1 gious organizations registered by the commission. Any licensed distribu-
2 tor who willfully violates the provisions of this section shall:

3 (a) upon such first offense, have its license suspended for a period
4 of thirty days;

5 (b) upon such second offense, participate in a hearing to be conducted
6 by the commission, and surrender its license for such period as recom-
7 mended by the commission; and

8 (c) upon such third or subsequent offense, have its license suspended
9 for a period of one year and shall be guilty of a class E felony. Any
10 unlicensed distributor who violates this section shall be guilty of a
11 class E felony.

12 2. Coin boards and merchandise boards. Distributors of bell jar tick-
13 ets may manufacture coin boards and merchandise boards only if such
14 boards have been approved by the commission and have a bar code affixed
15 to them setting forth all information required by the commission. Except
16 that for coin boards and merchandise boards, delineation of the prize or
17 prize value need not be included on the game ticket sold in conjunction
18 with a coin board or merchandise board. In lieu of such requirement,
19 the distributor shall be required to disclose the prize levels and the
20 number of winners at each level and shall print clearly on the game
21 ticket that a ticket holder may obtain the prize and prize value for
22 each prize level by referencing the flare. Such coin boards shall be
23 sold only by licensed distributors to licensed authorized organizations
24 registered by the commission in accordance with the provisions of this
25 title.

26 3. Business records. A distributor shall keep at each place of busi-
27 ness complete and accurate records for that place of business, including
28 itemized invoices of bell jar tickets held and purchased. The records

1 must show the names and addresses of purchasers, the inventory at the
2 close of each period for which a return is required, all bell jar tick-
3 ets on hand and other pertinent papers and documents relating to the
4 purchase, sale or disposition of bell jar tickets as may be required by
5 the commission. Books, records, itemized invoices and other papers and
6 documents required by this section shall be kept for a period of at
7 least four years after the date of the documents, or the date of the
8 entries appearing in the records, unless the commission authorizes in
9 writing their destruction or disposal at an earlier date. A person who
10 violates this section shall be guilty of a misdemeanor.

11 4. Sales records. A distributor shall maintain a record of all bell
12 jar tickets that it sells. The record shall include, but need not be
13 limited to:

14 (a) the identity of the manufacturer from whom the distributor
15 purchased the product;

16 (b) the serial number of the product;

17 (c) the name, address and license or exempt permit number of the
18 organization or person to which the sale was made;

19 (d) the date of the sale;

20 (e) the name of the person who ordered the product;

21 (f) the name of the person who received the product;

22 (g) the type of product;

23 (h) the serial number of the product;

24 (i) the account number identifying the sale from the manufacturer to
25 distributor and the account number identifying the sale from the
26 distributor to the licensed organization; and

27 (j) the name, form number or other identifying information for each
28 game.

1 5. Invoices. A distributor shall supply with each sale of a bell jar
2 product an itemized invoice showing:

3 (a) the distributor's name and address;

4 (b) the purchaser's name, address, and license number;

5 (c) the date of the sale;

6 (d) the account number identifying the sale from the manufacturer to
7 distributor;

8 (e) the account number identifying the sale from the distributor to
9 the licensed organization; and

10 (f) the description of the deals, including the form number, the seri-
11 al number and the ideal gross from every deal of bell jar or similar
12 game.

13 6. Reports. A distributor shall report quarterly to the commission, on
14 a form prescribed by the commission, its sales of each type of bell jar
15 deal or tickets. This report shall be filed quarterly on or before the
16 twentieth day of the month succeeding the end of the quarter in which
17 the sale was made. The commission may require that a distributor submit
18 the quarterly report and invoices required by this section via electron-
19 ic media or electronic data transfer.

20 7. The commission may inspect the premises, books, records and inven-
21 tory of a distributor without notice during the normal business hours of
22 the distributor.

23 8. Certified physical inventory. The commission may, upon request,
24 require a distributor to furnish a certified physical inventory of all
25 bell jar tickets in stock. The inventory shall contain the information
26 requested by the commission.

27 § 1577. Transfer restrictions. Not-for-profit, charitable or religious
28 organizations authorized to sell bell jar tickets in accordance with

1 this title shall purchase bell jar tickets only from distributors
2 licensed by the commission. No not-for-profit, charitable or religious
3 organization shall sell, donate or otherwise transfer bell jar tickets
4 to any other not-for-profit, charitable or religious organization.

5 § 1578. Bell jars compliance and enforcement. 1. In the case of bell
6 jars, the licensee, upon filing financial statements of bell jar oper-
7 ations, shall also tender to the commission a sum in the amount of five
8 percent of the net proceeds from the sale of bell jar tickets, seal
9 cards, merchandise boards and coin boards, if any, for that portion of
10 license period covered by such statement.

11 2. Unsold tickets of the bell jar deal shall be kept on file by the
12 selling organization for inspection by the commission for a period of
13 one year following the date upon which the relevant financial statement
14 was received by the commission.

15 3. One-half of one percent of the fee set forth in subdivision one of
16 this section received from authorized volunteer fire companies shall be
17 paid to the New York state emergency services revolving loan account
18 established pursuant to section ninety-seven-pp of the state finance
19 law.

20 4. The commission shall submit to the director of the division of the
21 budget an annual plan that details the amount of money the commission
22 deems necessary to maintain operations, compliance and enforcement of
23 the provisions of this title and the collection of the license fee
24 authorized by this section. Contingent upon the approval of the direc-
25 tor of the division of the budget, the commission shall pay into an
26 account, to be known as the bell jar collection account, under the joint
27 custody of the comptroller and the commission, the total amount of
28 license fees collected pursuant to this section. With the approval of

1 the director of the division of the budget, monies to be used to main-
2 tain the operations necessary to enforce the provisions of this title
3 and the collection of the license fee imposed by this section shall be
4 paid out of such account on the audit and warrant of the comptroller on
5 vouchers certified or approved by the director of the division of the
6 budget or the director's duly designated official. Those monies that are
7 not used to maintain operations necessary to enforce the provisions of
8 this title and the collection of the license fee authorized by this
9 section shall be paid out of such amount on the audit and warrant of the
10 state comptroller and shall be credited to the general fund.

11 § 3. Section 129 of the racing, pari-mutuel wagering and breeding law,
12 as added by section 1 of part A of chapter 60 of the laws of 2012, is
13 amended to read as follows:

14 § 129. Construction of other laws or provisions. Unless the context
15 [shall require] requires otherwise, the terms "division of the lottery",
16 "state quarter horse racing commission", "state racing commission",
17 "state harness racing commission", "state racing and wagering board" or
18 "board" wherever occurring in any of the provisions of this chapter or
19 of any other law, or, in any official books, records, instruments, rules
20 or papers, shall hereafter mean and refer to the state gaming commission
21 created by section one hundred two of this article. The provisions of
22 article three of this chapter shall be inapplicable to article two of
23 this chapter; and the provisions of such article two shall be inapplica-
24 ble to such article three, except that section two hundred thirty-one of
25 such article two shall apply to such article three. Unless the context
26 requires otherwise, any reference to "article 19-B of the executive law"
27 wherever occurring in any law, or, in any official books, records,
28 instruments, rules or papers, shall hereafter mean and refer to titles

1 one and two of article fifteen of this chapter. Unless the context
2 requires otherwise, any reference to "article 14-H of the general munic-
3 ipal law" wherever occurring in any law, or, in any official books,
4 records, instruments, rules or papers, shall hereafter mean and refer to
5 titles one and three of article fifteen of this chapter. Unless the
6 context requires otherwise, any reference to "article 9-A of the general
7 municipal law" wherever occurring in any law, or, in any official books,
8 records, instruments, rules or papers, shall hereafter mean and refer to
9 titles one and four of article fifteen of this chapter.

10 § 4. Paragraph (b) of subdivision 2 of section 103 of the racing,
11 pari-mutuel wagering and breeding law, as added by section 1 of part A
12 of chapter 60 of the laws of 2012, is amended as follows:

13 (b) Charitable gaming. The division of charitable gaming shall be
14 responsible for the supervision and administration of the games of
15 chance licensing law, bingo licensing law and bingo control law as
16 prescribed by [articles nine-A and fourteen-H of the general municipal
17 law and nineteen-B of the executive law] article fifteen of this
18 chapter.

19 § 5. Subdivision 1 and paragraph (b) of subdivision 3 of section 151
20 of the social services law, subdivision 1 as amended and paragraph (b)
21 of subdivision 3 as added by section 2 of part F of chapter 58 of the
22 laws of 2014, are amended to read as follows:

23 1. Unauthorized transactions. Except as otherwise provided in subdivi-
24 sion two of this section, no person, firm, establishment, entity, or
25 corporation (a) licensed under the provisions of the alcoholic beverage
26 control law to sell liquor and/or wine at retail for off-premises
27 consumption; (b) licensed to sell beer at wholesale and also authorized
28 to sell beer at retail for off-premises consumption; (c) licensed or

1 authorized to conduct pari-mutuel wagering activity under the racing,
2 pari-mutuel wagering and breeding law; (d) licensed to participate in
3 charitable gaming under [article fourteen-H of the general municipal]
4 title three of article fifteen of the racing, pari-mutuel wagering and
5 breeding law; (e) licensed to participate in the operation of a video
6 lottery facility under section one thousand six hundred seventeen-a of
7 the tax law; (f) licensed to operate a gaming facility under section
8 [one thousand three] thirteen hundred eleven of the racing, pari-mutuel
9 wagering and breeding law; or (g) providing adult-oriented entertainment
10 in which performers disrobe or perform in an unclothed state for enter-
11 tainment, or making available the venue in which performers disrobe or
12 perform in an unclothed state for entertainment, shall cash or accept
13 any public assistance check or electronic benefit transfer device issued
14 by a public welfare official or department, or agent thereof, as and for
15 public assistance.

16 (b) A violation of the provisions of subdivision one of this section
17 by any person, corporation or entity licensed to operate a gaming facil-
18 ity under section one thousand three hundred eleven of the racing, pari-
19 mutuel wagering and breeding law; licensed under section one thousand
20 six hundred seventeen-a of the tax law to participate in the operation
21 of a video lottery facility; licensed or authorized to conduct pari-mu-
22 tuel wagering under the racing, pari-mutuel wagering and breeding law;
23 or licensed to participate in charitable gaming under [article four-
24 teen-H of the general municipal] title three of article fifteen of the
25 racing, pari-mutuel wagering and breeding law, shall subject such
26 person, corporation or entity to disciplinary action pursuant to section
27 one hundred four of the racing, pari-mutuel wagering and breeding law
28 and section one thousand six hundred seven of the tax law, which may

1 include revocation, cancellation or suspension of such license or
2 authorization.

3 § 6. Paragraph 3 of subdivision (c) of section 290 of the tax law, as
4 amended by chapter 547 of the laws of 1987, is amended to read as
5 follows:

6 (3) Any income derived from the conduct of games of chance or from
7 rental of premises for the conduct of games of chance pursuant to a
8 license granted under title four of article [nine-A of the general
9 municipal] fifteen of the racing, pari-mutuel wagering and breeding law
10 shall not be subject to tax under this article.

11 § 7. This act shall take effect on the ninetieth day after it shall
12 have become a law.

13 PART NN

14 Section 1. Section 207 of the racing, pari-mutuel wagering and breed-
15 ing law, as added by chapter 18 of the laws of 2008, paragraphs a, b and
16 c of subdivision 1 as added by section 4, paragraph c of subdivision 1
17 as added by section 5 and subdivision 5 as added by section 6 of chapter
18 457 of the laws of 2012, and paragraph d of subdivision 1 as amended by
19 section 1 of part C of chapter 73 of the laws of 2016, is amended to
20 read as follows:

21 § 207. Board of directors of a franchised corporation. 1. a. The
22 board of directors, to be called the New York racing association [reor-
23 ganization] board, shall consist of [seventeen] fifteen members[, five
24 of whom shall be elected by the present class A directors of The New
25 York Racing Association, Inc., eight to be] who shall have equal voting
26 rights: six appointed by the governor[, two to] each of whom must be a

1 resident of New York state, and one of whom shall be appointed [by] on
2 the recommendation of the temporary president of the senate and [two to]
3 one of whom shall be appointed [by] on the recommendation of the speaker
4 of the assembly; eight appointed by the executive committee of the New
5 York racing association reorganization board of directors constituted
6 pursuant to chapter four hundred fifty-seven of the laws of two thousand
7 twelve, which shall continue to exist until such time as the appoint-
8 ments required hereunder are made; and one who shall be the president
9 and chief executive officer of the franchised corporation, ex officio
10 and without term limitation. The New York racing association board shall
11 have two ex officio, non-voting members: one appointed by the New York
12 Thoroughbred Breeders, Inc., and one appointed by the New York thorough-
13 bred horsemen's association representing at least fifty-one percent of
14 the horsemen using the facilities of the franchised corporation. The New
15 York racing association board may include additional ex officio, non-
16 voting members as appointed pursuant to a majority vote of the board.

17 (i) The governor shall nominate a member to serve as chair for an
18 initial term of three years, who shall serve at the pleasure of the
19 governor, subject to confirmation by majority vote of the board [of
20 directors. All non-ex officio members shall have equal voting rights].
21 Thereafter, the board shall elect its chair, who shall serve at the
22 pleasure of the board, from among its members.

23 (ii) The term of voting membership on the New York racing association
24 board shall be three years. Individual appointees shall be limited to
25 serving as a voting member the lesser of three terms or nine years.
26 Notwithstanding the foregoing, the initial term of two members appointed
27 by the governor and three members appointed by the New York racing asso-
28 ciation reorganization board shall expire March thirty-first, two thou-

1 sand eighteen; the initial term of two members appointed by the New York
2 racing association reorganization board and three members appointed by
3 the governor shall expire on March thirty-first, two thousand nineteen;
4 and the remaining members shall serve full three-year terms.

5 (iii) In the event of a member vacancy occurring by death, resignation
6 or otherwise, the respective appointing [officer or officers] authority
7 shall appoint a successor who shall hold office for the unexpired
8 portion of the term. [A vacancy from the members appointed from the
9 present board of The New York Racing Association, Inc., shall be filled
10 by the remaining such members] In the case of vacancies among members
11 appointed by the executive committee of the New York racing association
12 reorganization board of directors constituted pursuant to chapter four
13 hundred fifty-seven of the laws of two thousand twelve, appointments
14 thereafter shall be made by the executive committee of the New York
15 racing association board as constituted by the chapter of the laws of
16 two thousand seventeen that amended this section.

17 b. The franchised corporation shall establish a compensation committee
18 to fix salary guidelines, such guidelines to be consistent with an oper-
19 ation of other first class thoroughbred racing operations in the United
20 States; a finance and audit committee, to review annual operating and
21 capital budgets for each of the three racetracks; a nominating and
22 governance committee, to nominate any new directors to be designated by
23 the franchised corporation to replace its existing directors and be
24 responsible for all issues affecting the governance of the franchised
25 corporation; an equine safety committee; a racing committee to address
26 all issues related to racing operations; and an executive committee.
27 Each of the compensation, finance, nominating and executive committees
28 shall include at least one [of] public member from among the directors

1 appointed by the governor[, and the executive committee shall include at
2 least one of the directors appointed by the temporary president of the
3 senate and at least one of the directors appointed by the speaker of the
4 assembly].

5 [b. In addition to these voting members, the board shall have two ex
6 officio members to advise on critical economic and equine health
7 concerns of the racing industry, one appointed by the New York Thorough-
8 bred Breeders Inc., and one appointed by the New York thoroughbred
9 horsemen's association (or such other entity as is certified and
10 approved pursuant to section two hundred twenty-eight of this article).

11 c. All directors shall serve at the pleasure of their appointing
12 authority.]

13 c. Upon the effective date of this paragraph, the structure of the New
14 York racing association board [of the franchised corporation] shall be
15 deemed to be incorporated within and made part of the certificate of
16 incorporation of the franchised corporation, and no amendment to such
17 certificate of incorporation shall be necessary to give effect to any
18 such provision, and any provision contained within such certificate
19 inconsistent in any manner shall be superseded by the provisions of this
20 section. Such board shall, however, make appropriate conforming changes
21 to all governing documents of the franchised corporation including but
22 not limited to corporate by-laws. Following such conforming changes,
23 amendments to the by-laws of the franchised corporation shall [only] be
24 made only by unanimous vote of the board.

25 [d. The board, which shall become effective upon appointment of a
26 majority of public members, shall terminate five years from its date of
27 creation.]

1 2. Members of the New York racing association board [of directors]
2 shall serve without compensation for their services, but [publicly
3 appointed members of the board] shall be entitled to reimbursement from
4 the franchised corporation for actual and necessary expenses incurred in
5 the performance of their [official] duties for the board.

6 3. Members of the New York racing association board [of directors],
7 except as otherwise provided by law, may engage in public or private
8 employment, or in a profession or business, however no member shall have
9 any direct or indirect economic interest in any video lottery gaming
10 facility, excluding incidental benefits based on purses or awards won in
11 the ordinary conduct of racing operations, or any direct or indirect
12 interest in any development undertaken at the racetracks of the state
13 racing franchise.

14 4. The affirmative vote of a majority of members of the New York
15 racing association board [of directors] shall be necessary for the tran-
16 saction of any business or the exercise of any power or function of the
17 franchised corporation. The franchised corporation may delegate on an
18 annual basis to one or more of its members, or its officers, agents or
19 employees, such powers and duties as it may deem proper.

20 5. Each voting member of the New York racing association board [of
21 directors] of the franchised corporation shall annually make a written
22 disclosure to [the] such board of any interest held by the director,
23 such director's spouse or unemancipated child, in any entity undertaking
24 business in the racing or breeding industry. Such interest disclosure
25 shall be promptly updated, in writing, in the event of any material
26 change.

27 The New York racing association board shall establish parameters for
28 the reporting and disclosure of such director interests.

1 6. Each voting member of the New York racing association board
2 appointed by the executive committee of the New York racing association
3 reorganization board of directors shall seek a racetrack management
4 license issued by the gaming commission, any fees for which shall be
5 waived by the commission. No voting member of the board required by the
6 foregoing to seek a racetrack management license may vote on any board
7 matter until such license is issued.

8 7. For purposes of section two hundred twelve of this article, the
9 establishment of The New York Racing Association, Inc. board of direc-
10 tors under this section shall not constitute the assumption of the fran-
11 chise by a successor entity.

12 § 2. Subparagraphs (ii), (iii), (vii) and (xvii) of paragraph a of
13 subdivision 8 of section 212 of the racing, pari-mutuel wagering and
14 breeding law, as added by chapter 18 of the laws of 2008, are amended,
15 subparagraph (xviii) is renumbered subparagraph (xx) and two new subpar-
16 agraphs (xviii) and (xix) are added to read as follows:

17 (ii) monitor and enforce compliance with definitive documents that
18 comprise the franchise agreement between the franchised corporation and
19 the state of New York governing the franchised corporation's operation
20 of thoroughbred racing and pari-mutuel wagering at the racetracks. The
21 franchise agreement shall contain objective performance standards that
22 shall allow contract review in a manner consistent with this chapter.
23 The franchise oversight board shall notify the franchised corporation
24 authorized by this chapter in writing of any material breach of the
25 performance standards or repeated non-material breaches which the fran-
26 chise oversight board may determine collectively constitute a material
27 breach of the performance standards. Prior to taking any action against
28 such franchised corporation, the franchise oversight board shall provide

1 the franchised corporation with the reasonable opportunity to cure any
2 material breach of the performance standards or repeated non-material
3 breaches which the franchise oversight board may determine collectively
4 constitute a material breach of the performance standards. Upon a writ-
5 ten finding of a material breach of the performance standards or
6 repeated non-material breaches which the franchise oversight board may
7 determine collectively constitute a material breach of the performance
8 standards, the franchise oversight board may recommend that the fran-
9 chise agreement be terminated. The franchise oversight board shall refer
10 such recommendation to the [racing and wagering board] commission for a
11 hearing conducted pursuant to section two hundred forty-five of this
12 article for a determination of whether to terminate the franchise agree-
13 ment with the franchised corporation;

14 (iii) oversee, monitor and review all significant transactions and
15 operations of the franchised corporation authorized by this chapter;
16 provided, however, that nothing in this section shall be deemed to
17 reduce, diminish or impede the authority of the [state racing and wager-
18 ing board] commission to, pursuant to article one of this chapter,
19 determine and enforce compliance by the franchised corporation with
20 terms of racing laws and regulations. Such oversight shall include, but
21 not be limited to:

22 (A) review and make recommendations concerning the annual operating
23 budgets of such franchised corporation;

24 (B) review and make recommendations concerning operating revenues and
25 the establishment of a financial plan;

26 (C) review and make recommendations concerning accounting, internal
27 control systems and security procedures;

1 (D) review such franchised corporation's revenue and expenditure
2 [policies] policies which shall include collective bargaining agreements
3 management and employee compensation plans, vendor contracts and capital
4 improvement plans;

5 (E) review such franchise corporation's compliance with the laws,
6 rules and regulations applicable to its activities;

7 (F) make recommendations for establishing model governance principles
8 to improve accountability and transparency; and

9 (G) receive, review, approve or disapprove capital expense plans
10 submitted annually by the franchised corporation.

11 (vii) review and provide any recommendations on all simulcasting
12 contracts (buy and sell) that are also subject to prior approval of the
13 [racing and wagering board] commission;

14 (xvii) request and accept the assistance of any state agency, includ-
15 ing but not limited to, the [racing and wagering board, the division of
16 the lottery] commission, office of parks, recreation and historic pres-
17 ervation, the department of environmental conservation and the depart-
18 ment of taxation and finance, in obtaining information related to the
19 franchised corporation's compliance with the terms of the franchise
20 agreement; [and]

21 (xviii) when the franchise oversight board determines the financial
22 position of the franchised corporation has deviated materially from the
23 franchised corporation's financial plan, or other such related documents
24 provided to the franchise oversight board, or when the implementation of
25 such plan would, in the opinion of the franchise oversight board, pose a
26 significant risk to the liquidity of the franchised corporation, in any
27 order or combination:

1 (A) hire, at the expense of the franchised corporation, an independent
2 financial adviser to evaluate the financial position of the franchised
3 corporation and report on such to the franchise oversight board; and

4 (B) require the franchised corporation to submit for the franchise
5 oversight board's approval a corrective action plan addressing any
6 concerns identified as risks by the franchise oversight board.

7 (xix) when the franchise oversight board finds the franchised corpo-
8 ration has experienced two consecutive years of material losses due to
9 circumstances within the control of the franchised corporation, as
10 determined by the franchise oversight board, the board may by majority
11 vote request the director of the budget to impound and escrow racing
12 supporting payments accruing to the benefit of the franchised corpo-
13 ration until the franchised corporation achieves the goals of a board-
14 approved corrective action plan addressing concerns identified by the
15 board. The director of the budget may, upon warrant of the franchise
16 oversight board, approve the use of withheld racing support payments
17 necessary to satisfy financial instruments used to fund board-approval
18 capital investments.

19 § 3. Section 203 of the racing, pari-mutuel wagering and breeding law,
20 as amended by chapter 18 of the laws of 2008, is amended to read as
21 follows:

22 § 203. Right to hold race meetings and races. 1. Any corporation
23 formed under the provisions of this article, if so claimed in its
24 certificate of organization, and if it shall comply with all the
25 provisions of this article, and any other corporation entitled to the
26 benefits and privileges of this article as hereinafter provided, shall
27 have the power and the right to hold one or more running race meetings
28 in each year, and to hold, maintain and conduct running races at such

1 meetings. At such running race meetings the corporation, or the owners
2 of horses engaged in such races, or others who are not participants in
3 the race, may contribute purses, prizes, premiums or stakes to be
4 contested for, but no person or persons other than the owner or owners
5 of a horse or horses contesting in a race shall have any pecuniary
6 interest in a purse, prize, premium or stake contested for in such race,
7 or be entitled to or receive any portion thereof after such race is
8 finished, and the whole of such purse, prize, premium or stake shall be
9 allotted in accordance with the terms and conditions of such race. Races
10 conducted by a franchised corporation shall be permitted only between
11 sunrise and sunset.

12 2. Notwithstanding any other provision of law to the contrary, a fran-
13 chised corporation shall be permitted to conduct races after sunset at
14 the Belmont Park racetrack, but only if such races conclude before elev-
15 en o'clock post meridian. The franchised corporation shall coordinate
16 with a harness racing association or corporation authorized to operate
17 in Westchester county to ensure that the starting times of all such
18 races are staggered.

19 3. A track first licensed after January first, nineteen hundred nine-
20 ty, shall not conduct the simulcasting of thoroughbred races within
21 district one, in accordance with article ten of this chapter on days
22 that a franchised corporation is not conducting a race meeting. In no
23 event shall thoroughbred races conducted by a track first licensed after
24 January first, nineteen hundred ninety be conducted after eight o'clock
25 post meridian.

26 § 4. Subparagraph (i) of paragraph (d) of subdivision 1 of section 238
27 of the racing, pari-mutuel wagering and breeding law, as amended by

1 section 2 of part BB of chapter 60 of the laws of 2016, is amended to
2 read as follows:

3 (i) The pari-mutuel tax rate authorized by paragraph (a) of this
4 subdivision shall be effective so long as a franchised corporation noti-
5 fies the gaming commission by August fifteenth of each year that such
6 pari-mutuel tax rate is effective of its intent to conduct a race meet-
7 ing at Aqueduct racetrack during the months of December, January, Febru-
8 ary, March and April. For purposes of this paragraph such race meeting
9 shall consist of not less than ninety-five days of racing unless other-
10 wise agreed to in writing by the New York Thoroughbred Breeders Inc.,
11 the New York thoroughbred horsemen's association (or such other entity
12 as is certified and approved pursuant to section two hundred twenty-
13 eight of this article) and approved by the commission. Not later than
14 May first of each year that such pari-mutuel tax rate is effective, the
15 gaming commission shall determine whether a race meeting at Aqueduct
16 racetrack consisted of the number of days as required by this paragraph.
17 In determining the number of race days, cancellation of a race day
18 because of an act of God that the gaming commission approves or because
19 of weather conditions that are unsafe or hazardous which the gaming
20 commission approves shall not be construed as a failure to conduct a
21 race day. Additionally, cancellation of a race day because of circum-
22 stances beyond the control of such franchised corporation for which the
23 gaming commission gives approval shall not be construed as a failure to
24 conduct a race day. If the gaming commission determines that the number
25 of days of racing as required by this paragraph have not occurred then
26 the pari-mutuel tax rate in paragraph (a) of this subdivision shall
27 revert to the pari-mutuel tax rates in effect prior to January first,
28 nineteen hundred ninety-five.

1 § 5. This act shall take effect April 1, 2017; provided, however, that
2 section one of this act shall take effect upon the appointment of a
3 majority of board members; provided, further, that the state franchise
4 oversight board shall notify the legislative bill drafting commission
5 upon the occurrence of such appointments in order that the commission
6 may maintain an accurate and timely effective data base of the official
7 text of the laws of the state of New York in furtherance of effectuating
8 the provisions of section 44 of the legislative law and section 70-b of
9 the public officers law; provided further that the amendments to section
10 212 of the racing, pari-mutuel wagering and breeding law made by section
11 two of this act shall not affect the repeal of such section and shall be
12 deemed repealed therewith.

13

PART OO

14 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
15 racing, pari-mutuel wagering and breeding law, as amended by section 1
16 of part FF of chapter 60 of the laws of 2016, is amended to read as
17 follows:

18 (a) Any racing association or corporation or regional off-track
19 betting corporation, authorized to conduct pari-mutuel wagering under
20 this chapter, desiring to display the simulcast of horse races on which
21 pari-mutuel betting shall be permitted in the manner and subject to the
22 conditions provided for in this article may apply to the commission for
23 a license so to do. Applications for licenses shall be in such form as
24 may be prescribed by the commission and shall contain such information
25 or other material or evidence as the commission may require. No license
26 shall be issued by the commission authorizing the simulcast transmission

1 of thoroughbred races from a track located in Suffolk county. The fee
2 for such licenses shall be five hundred dollars per simulcast facility
3 and for account wagering licensees that do not operate either a simul-
4 cast facility that is open to the public within the state of New York or
5 a licensed racetrack within the state, twenty thousand dollars per year
6 payable by the licensee to the commission for deposit into the general
7 fund. Except as provided in this section, the commission shall not
8 approve any application to conduct simulcasting into individual or group
9 residences, homes or other areas for the purposes of or in connection
10 with pari-mutuel wagering. The commission may approve simulcasting into
11 residences, homes or other areas to be conducted jointly by one or more
12 regional off-track betting corporations and one or more of the follow-
13 ing: a franchised corporation, thoroughbred racing corporation or a
14 harness racing corporation or association; provided (i) the simulcasting
15 consists only of those races on which pari-mutuel betting is authorized
16 by this chapter at one or more simulcast facilities for each of the
17 contracting off-track betting corporations which shall include wagers
18 made in accordance with section one thousand fifteen, one thousand
19 sixteen and one thousand seventeen of this article; provided further
20 that the contract provisions or other simulcast arrangements for such
21 simulcast facility shall be no less favorable than those in effect on
22 January first, two thousand five; (ii) that each off-track betting
23 corporation having within its geographic boundaries such residences,
24 homes or other areas technically capable of receiving the simulcast
25 signal shall be a contracting party; (iii) the distribution of revenues
26 shall be subject to contractual agreement of the parties except that
27 statutory payments to non-contracting parties, if any, may not be
28 reduced; provided, however, that nothing herein to the contrary shall

1 prevent a track from televising its races on an irregular basis primari-
2 ly for promotional or marketing purposes as found by the commission. For
3 purposes of this paragraph, the provisions of section one thousand thir-
4 teen of this article shall not apply. Any agreement authorizing an
5 in-home simulcasting experiment commencing prior to May fifteenth, nine-
6 teen hundred ninety-five, may, and all its terms, be extended until June
7 thirtieth, two thousand [seventeen] eighteen; provided, however, that
8 any party to such agreement may elect to terminate such agreement upon
9 conveying written notice to all other parties of such agreement at least
10 forty-five days prior to the effective date of the termination, via
11 registered mail. Any party to an agreement receiving such notice of an
12 intent to terminate, may request the commission to mediate between the
13 parties new terms and conditions in a replacement agreement between the
14 parties as will permit continuation of an in-home experiment until June
15 thirtieth, two thousand [seventeen] eighteen; and (iv) no in-home simul-
16 casting in the thoroughbred special betting district shall occur without
17 the approval of the regional thoroughbred track.

18 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
19 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
20 section 2 of part FF of chapter 60 of the laws of 2016, is amended to
21 read as follows:

22 (iii) Of the sums retained by a receiving track located in Westchester
23 county on races received from a franchised corporation, for the period
24 commencing January first, two thousand eight and continuing through June
25 thirtieth, two thousand [seventeen] eighteen, the amount used exclusive-
26 ly for purses to be awarded at races conducted by such receiving track
27 shall be computed as follows: of the sums so retained, two and one-half
28 percent of the total pools. Such amount shall be increased or decreased

1 in the amount of fifty percent of the difference in total commissions
2 determined by comparing the total commissions available after July twen-
3 ty-first, nineteen hundred ninety-five to the total commissions that
4 would have been available to such track prior to July twenty-first,
5 nineteen hundred ninety-five.

6 § 3. The opening paragraph of subdivision 1 of section 1014 of the
7 racing, pari-mutuel wagering and breeding law, as amended by section 3
8 of part FF of chapter 60 of the laws of 2016, is amended to read as
9 follows:

10 The provisions of this section shall govern the simulcasting of races
11 conducted at thoroughbred tracks located in another state or country on
12 any day during which a franchised corporation is conducting a race meet-
13 ing in Saratoga county at Saratoga thoroughbred racetrack until June
14 thirtieth, two thousand [seventeen] eighteen and on any day regardless
15 of whether or not a franchised corporation is conducting a race meeting
16 in Saratoga county at Saratoga thoroughbred racetrack after June thirti-
17 eth, two thousand [seventeen] eighteen. On any day on which a fran-
18 chised corporation has not scheduled a racing program but a thoroughbred
19 racing corporation located within the state is conducting racing, every
20 off-track betting corporation branch office and every simulcasting
21 facility licensed in accordance with section one thousand seven (that
22 have entered into a written agreement with such facility's represen-
23 tative horsemen's organization, as approved by the commission), one
24 thousand eight, or one thousand nine of this article shall be authorized
25 to accept wagers and display the live simulcast signal from thoroughbred
26 tracks located in another state or foreign country subject to the
27 following provisions:

1 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
2 and breeding law, as amended by section 4 of part FF of chapter 60 of
3 the laws of 2016, is amended to read as follows:

4 1. The provisions of this section shall govern the simulcasting of
5 races conducted at harness tracks located in another state or country
6 during the period July first, nineteen hundred ninety-four through June
7 thirtieth, two thousand [seventeen] eighteen. This section shall super-
8 sede all inconsistent provisions of this chapter.

9 § 5. The opening paragraph of subdivision 1 of section 1016 of the
10 racing, pari-mutuel wagering and breeding law, as amended by section 5
11 of part FF of chapter 60 of the laws of 2016, is amended to read as
12 follows:

13 The provisions of this section shall govern the simulcasting of races
14 conducted at thoroughbred tracks located in another state or country on
15 any day during which a franchised corporation is not conducting a race
16 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
17 thirtieth, two thousand [seventeen] eighteen. Every off-track betting
18 corporation branch office and every simulcasting facility licensed in
19 accordance with section one thousand seven that have entered into a
20 written agreement with such facility's representative horsemen's organ-
21 ization as approved by the commission, one thousand eight or one thou-
22 sand nine of this article shall be authorized to accept wagers and
23 display the live full-card simulcast signal of thoroughbred tracks
24 (which may include quarter horse or mixed meetings provided that all
25 such wagering on such races shall be construed to be thoroughbred races)
26 located in another state or foreign country, subject to the following
27 provisions; provided, however, no such written agreement shall be

1 required of a franchised corporation licensed in accordance with section
2 one thousand seven of this article:

3 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
4 wagering and breeding law, as amended by section 6 of part FF of chapter
5 60 of the laws of 2016, is amended to read as follows:

6 Notwithstanding any other provision of this chapter, for the period
7 July twenty-fifth, two thousand one through September eighth, two thou-
8 sand [sixteen] seventeen, when a franchised corporation is conducting a
9 race meeting within the state at Saratoga Race Course, every off-track
10 betting corporation branch office and every simulcasting facility
11 licensed in accordance with section one thousand seven (that has entered
12 into a written agreement with such facility's representative horsemen's
13 organization as approved by the commission), one thousand eight or one
14 thousand nine of this article shall be authorized to accept wagers and
15 display the live simulcast signal from thoroughbred tracks located in
16 another state, provided that such facility shall accept wagers on races
17 run at all in-state thoroughbred tracks which are conducting racing
18 programs subject to the following provisions; provided, however, no such
19 written agreement shall be required of a franchised corporation licensed
20 in accordance with section one thousand seven of this article.

21 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
22 racing, pari-mutuel wagering and breeding law and other laws relating
23 to simulcasting, as amended by section 7 of part FF of chapter 60 of the
24 laws of 2016, is amended to read as follows:

25 § 32. This act shall take effect immediately and the pari-mutuel tax
26 reductions in section six of this act shall expire and be deemed
27 repealed on July 1, [2017] 2018; provided, however, that nothing
28 contained herein shall be deemed to affect the application, qualifica-

1 tion, expiration, or repeal of any provision of law amended by any
2 section of this act, and such provisions shall be applied or qualified
3 or shall expire or be deemed repealed in the same manner, to the same
4 extent and on the same date as the case may be as otherwise provided by
5 law; provided further, however, that sections twenty-three and twenty-
6 five of this act shall remain in full force and effect only until May 1,
7 1997 and at such time shall be deemed to be repealed.

8 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
9 racing, pari-mutuel wagering and breeding law and other laws relating to
10 simulcasting and the imposition of certain taxes, as amended by section
11 8 of part FF of chapter 60 of the laws of 2016, is amended to read as
12 follows:

13 § 54. This act shall take effect immediately; provided, however,
14 sections three through twelve of this act shall take effect on January
15 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
16 ing law, as added by section thirty-eight of this act, shall expire and
17 be deemed repealed on July 1, [2017] 2018; and section eighteen of this
18 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
19 two of this act shall take effect as of the same date as chapter 772 of
20 the laws of 1989 took effect.

21 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
22 pari-mutuel wagering and breeding law, as amended by section 9 of part
23 FF of chapter 60 of the laws of 2016, is amended to read as follows:

24 (a) The franchised corporation authorized under this chapter to
25 conduct pari-mutuel betting at a race meeting or races run thereat shall
26 distribute all sums deposited in any pari-mutuel pool to the holders of
27 winning tickets therein, provided such tickets be presented for payment
28 before April first of the year following the year of their purchase,

1 less an amount which shall be established and retained by such fran-
2 chised corporation of between twelve to seventeen per centum of the
3 total deposits in pools resulting from on-track regular bets, and four-
4 teen to twenty-one per centum of the total deposits in pools resulting
5 from on-track multiple bets and fifteen to twenty-five per centum of the
6 total deposits in pools resulting from on-track exotic bets and fifteen
7 to thirty-six per centum of the total deposits in pools resulting from
8 on-track super exotic bets, plus the breaks. The retention rate to be
9 established is subject to the prior approval of the gaming commission.
10 Such rate may not be changed more than once per calendar quarter to be
11 effective on the first day of the calendar quarter. "Exotic bets" and
12 "multiple bets" shall have the meanings set forth in section five
13 hundred nineteen of this chapter. "Super exotic bets" shall have the
14 meaning set forth in section three hundred one of this chapter. For
15 purposes of this section, a "pick six bet" shall mean a single bet or
16 wager on the outcomes of six races. The breaks are hereby defined as the
17 odd cents over any multiple of five for payoffs greater than one dollar
18 five cents but less than five dollars, over any multiple of ten for
19 payoffs greater than five dollars but less than twenty-five dollars,
20 over any multiple of twenty-five for payoffs greater than twenty-five
21 dollars but less than two hundred fifty dollars, or over any multiple of
22 fifty for payoffs over two hundred fifty dollars. Out of the amount so
23 retained there shall be paid by such franchised corporation to the
24 commissioner of taxation and finance, as a reasonable tax by the state
25 for the privilege of conducting pari-mutuel betting on the races run at
26 the race meetings held by such franchised corporation, the following
27 percentages of the total pool for regular and multiple bets five per
28 centum of regular bets and four per centum of multiple bets plus twenty

1 per centum of the breaks; for exotic wagers seven and one-half per
2 centum plus twenty per centum of the breaks, and for super exotic bets
3 seven and one-half per centum plus fifty per centum of the breaks. For
4 the period June first, nineteen hundred ninety-five through September
5 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be
6 three per centum and such tax on multiple wagers shall be two and one-
7 half per centum, plus twenty per centum of the breaks. For the period
8 September tenth, nineteen hundred ninety-nine through March thirty-
9 first, two thousand one, such tax on all wagers shall be two and six-
10 tenths per centum and for the period April first, two thousand one
11 through December thirty-first, two thousand [seventeen] eighteen, such
12 tax on all wagers shall be one and six-tenths per centum, plus, in each
13 such period, twenty per centum of the breaks. Payment to the New York
14 state thoroughbred breeding and development fund by such franchised
15 corporation shall be one-half of one per centum of total daily on-track
16 pari-mutuel pools resulting from regular, multiple and exotic bets and
17 three per centum of super exotic bets provided, however, that for the
18 period September tenth, nineteen hundred ninety-nine through March thir-
19 ty-first, two thousand one, such payment shall be six-tenths of one per
20 centum of regular, multiple and exotic pools and for the period April
21 first, two thousand one through December thirty-first, two thousand
22 [seventeen] eighteen, such payment shall be seven-tenths of one per
23 centum of such pools.

24 § 10. This act shall take effect immediately.

1 Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivi-
2 sion b of section 1612 of the tax law, as amended by section 1 of part
3 EE of chapter 60 of the laws of 2016, is amended to read as follows:

4 (F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subpar-
5 agraph, when a vendor track, is located in Sullivan county and within
6 sixty miles from any gaming facility in a contiguous state such vendor
7 fee shall, for a period of [nine] ten years commencing April first, two
8 thousand eight, be at a rate of forty-one percent of the total revenue
9 wagered at the vendor track after payout for prizes pursuant to this
10 chapter, after which time such rate shall be as for all tracks in clause
11 (C) of this subparagraph.

12 § 2. This act shall take effect immediately and shall be deemed to
13 have been in full force and effect on and after April 1, 2017.

14 PART QQ

15 Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivi-
16 sion b of section 1612 of the tax law, as separately amended by section
17 1 of part GG and section 2 of part SS of chapter 60 of the laws of 2016,
18 is amended to read as follows:

19 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
20 this subparagraph, the track operator of a vendor track and in the case
21 of Aqueduct, the video lottery terminal facility operator, shall be
22 eligible for a vendor's capital award of up to four percent of the total
23 revenue wagered at the vendor track after payout for prizes pursuant to
24 this chapter, which shall be used exclusively for capital project
25 investments to improve the facilities of the vendor track which promote
26 or encourage increased attendance at the video lottery gaming facility

1 including, but not limited to hotels, other lodging facilities, enter-
2 tainment facilities, retail facilities, dining facilities, events
3 arenas, parking garages and other improvements that enhance facility
4 amenities; provided that such capital investments shall be approved by
5 the division, in consultation with the state racing and wagering board,
6 and that such vendor track demonstrates that such capital expenditures
7 will increase patronage at such vendor track's facilities and increase
8 the amount of revenue generated to support state education programs. The
9 annual amount of such vendor's capital awards that a vendor track shall
10 be eligible to receive shall be limited to two million five hundred
11 thousand dollars, except for Aqueduct racetrack, for which there shall
12 be no annual limit, provided, however, that any such capital award for
13 the Aqueduct video lottery terminal facility operator shall be one
14 percent of the total revenue wagered at the video lottery terminal
15 facility after payout for prizes pursuant to this chapter until the
16 earlier of the designation of one thousand video lottery devices as
17 hosted pursuant to paragraph four of subdivision a of section sixteen
18 hundred seventeen-a of this chapter or April first, two thousand nine-
19 teen and shall then be four percent of the total revenue wagered at the
20 video lottery terminal facility after payout for prizes pursuant to this
21 chapter, provided, further, that such capital award shall only be
22 provided pursuant to an agreement with the operator to construct an
23 expansion of the facility, hotel, and convention and exhibition space
24 requiring a minimum capital investment of three hundred million dollars.
25 Except for tracks having less than one thousand one hundred video gaming
26 machines, and except for a vendor track located west of State Route 14
27 from Sodus Point to the Pennsylvania border within New York, and except
28 for Aqueduct racetrack each track operator shall be required to co-in-

1 vest an amount of capital expenditure equal to its cumulative vendor's
2 capital award. For all tracks, except for Aqueduct racetrack, the amount
3 of any vendor's capital award that is not used during any one year peri-
4 od may be carried over into subsequent years ending before April first,
5 two thousand [seventeen] eighteen. Any amount attributable to a capital
6 expenditure approved prior to April first, two thousand [seventeen]
7 eighteen and completed before April first, two thousand [nineteen] twen-
8 ty; or approved prior to April first, two thousand [twenty-one] twenty-
9 two and completed before April first, two thousand [twenty-three] twen-
10 ty-four for a vendor track located west of State Route 14 from Sodus
11 Point to the Pennsylvania border within New York, shall be eligible to
12 receive the vendor's capital award. In the event that a vendor track's
13 capital expenditures, approved by the division prior to April first, two
14 thousand [seventeen] eighteen and completed prior to April first, two
15 thousand [nineteen] twenty, exceed the vendor track's cumulative capital
16 award during the five year period ending April first, two thousand
17 [seventeen] eighteen, the vendor shall continue to receive the capital
18 award after April first, two thousand [seventeen] eighteen until such
19 approved capital expenditures are paid to the vendor track subject to
20 any required co-investment. In no event shall any vendor track that
21 receives a vendor fee pursuant to clause (F) or (G) of this subparagraph
22 be eligible for a vendor's capital award under this section. Any opera-
23 tor of a vendor track which has received a vendor's capital award,
24 choosing to divest the capital improvement toward which the award was
25 applied, prior to the full depreciation of the capital improvement in
26 accordance with generally accepted accounting principles, shall reim-
27 burse the state in amounts equal to the total of any such awards. Any
28 capital award not approved for a capital expenditure at a video lottery

1 gaming facility by April first, two thousand [seventeen] eighteen shall
2 be deposited into the state lottery fund for education aid; and
3 § 2. This act shall take effect immediately.

4 PART RR

5 Section 1. Paragraph c of subdivision 3 of section 97-nnnn of the
6 state finance law, as added by chapter 174 of the laws of 2013, is
7 amended to read as follows:

8 c. ten percent of the moneys in such fund, as attributable to a
9 specific licensed gaming facility, shall be appropriated or transferred
10 from the commercial gaming revenue fund among counties within the
11 region, as defined by section one thousand three hundred ten of the
12 racing, pari-mutuel wagering and breeding law, hosting said facility for
13 the purpose of real property tax relief and for education assistance.
14 Such distribution shall be made among the counties on a per capita
15 basis, subtracting the population of host municipality and county.
16 Provided, however, such amount shall be reduced by one million four
17 hundred thousand dollars in state fiscal year two thousand seventeen --
18 two thousand eighteen and by one million five hundred fifty thousand
19 dollars every year thereafter. Such funds attributable to this reduction
20 shall be transferred to the general fund and the reduction shall be
21 distributed among such eligible counties proportional to total distrib-
22 utions during the fiscal year.

23 § 2. Subdivision 3 of section 99-h of the state finance law, as
24 amended by chapter 174 of the laws of 2013, is amended to read as
25 follows:

1 3. Moneys of the account, following the segregation of appropriations
2 enacted by the legislature, shall be available for purposes including
3 but not limited to: (a) reimbursements or payments to municipal govern-
4 ments that host tribal casinos pursuant to a tribal-state compact for
5 costs incurred in connection with services provided to such casinos or
6 arising as a result thereof, for economic development opportunities and
7 job expansion programs authorized by the executive law; provided, howev-
8 er, that for any gaming facility located in the city of Buffalo, the
9 city of Buffalo shall receive a minimum of twenty-five percent of the
10 negotiated percentage of the net drop from electronic gaming devices the
11 state receives pursuant to the compact, and provided further that for
12 any gaming facility located in the city of Niagara Falls, county of
13 Niagara a minimum of twenty-five percent of the negotiated percentage of
14 the net drop from electronic gaming devices the state receives pursuant
15 to the compact shall be distributed in accordance with subdivision four
16 of this section, and provided further that for any gaming facility
17 located in the county or counties of Cattaraugus, Chautauqua or Allega-
18 ny, the municipal governments of the state hosting the facility shall
19 collectively receive a minimum of twenty-five percent of the negotiated
20 percentage of the net drop from electronic gaming devices the state
21 receives pursuant to the compact; and provided further that pursuant to
22 chapter five hundred ninety of the laws of two thousand four, a minimum
23 of twenty-five percent of the revenues received by the state pursuant to
24 the state's compact with the St. Regis Mohawk tribe shall be made avail-
25 able to the counties of Franklin and St. Lawrence, and affected towns in
26 such counties. Each such county and its affected towns shall receive
27 fifty percent of the moneys made available by the state; and provided
28 further that the state shall annually make twenty-five percent of the

1 negotiated percentage of the net drop from all gaming devices the state
2 actually receives pursuant to the Oneida Settlement Agreement confirmed
3 by section eleven of the executive law as available to the county of
4 Oneida, and a sum of three and one-half million dollars to the county of
5 Madison. Additionally, the state shall distribute for a period of nine-
6 teen and one-quarter years, an additional annual sum of two and one-half
7 million dollars to the county of Oneida. Additionally, the state shall
8 distribute the one-time eleven million dollar payment received by the
9 state pursuant to such agreement with the Oneida Nation of New York to
10 the county of Madison by wire transfer upon receipt of such payment by
11 the state; and (b) support and services of treatment programs for
12 persons suffering from gambling addictions. Moneys not segregated for
13 such purposes shall be transferred to the general fund for the support
14 of government during the fiscal year in which they are received. Addi-
15 tionally, the state shall distribute an additional annual sum of two and
16 one-quarter million dollars to a county in which a gaming facility is
17 located but does not receive a percent of the negotiated percentage of
18 the net drop from gaming devices the state receives pursuant to a
19 compact.

20 § 3. Subdivision 3-a of section 99-h of the state finance law, as
21 amended by section 4 of part EE of chapter 59 of the laws of 2014, is
22 amended to read as follows:

23 3-a. Ten percent of any of the funds actually received by the state
24 pursuant to the tribal-state compacts and agreements described in subdi-
25 vision two of this section prior to the transfer of unsegregated moneys
26 to the general fund required by such subdivision, shall be distributed
27 to counties in each respective exclusivity zone provided they do not
28 otherwise receive a share of said revenues pursuant to this section.

1 Such distribution shall be made among such counties on a per capita
2 basis, excluding the population of any municipality that receives a
3 distribution pursuant to subdivision three of this section. Provided,
4 however, such amount shall be reduced by six hundred thousand dollars in
5 state fiscal year two thousand seventeen -- two thousand eighteen and by
6 five hundred thousand dollars every year thereafter. The reduction shall
7 be distributed among such eligible counties proportional to total
8 distributions during the fiscal year.

9 § 4. Paragraph b of subdivision 2 of section 54-1 of the state finance
10 law, as amended by section 1 of part X of chapter 55 of the laws of
11 2014, is amended to read as follows:

12 b. Within the amounts appropriated therefor, eligible municipalities
13 shall receive an amount equal to seventy percent of the state aid
14 payment received in the state fiscal year commencing April first, two
15 thousand eight from an appropriation for aid to municipalities with
16 video lottery gaming facilities. Provided, however, such amount shall
17 be reduced by two hundred fifty thousand dollars in the state fiscal
18 year commencing April first, two thousand seventeen and by two hundred
19 thousand dollars every year thereafter. Such reduction shall be distrib-
20 uted among such eligible municipalities proportional to payments
21 received by such eligible municipalities in the state fiscal year
22 commencing April first, two thousand sixteen.

23 § 5. This act shall take effect April 1, 2017 and shall expire and be
24 deemed repealed March 31, 2020 notwithstanding section 2 of chapter 747
25 of the laws of 2006, as amended.

26 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
27 sion, section or part of this act shall be adjudged by any court of
28 competent jurisdiction to be invalid, such judgment shall not affect,

1 impair, or invalidate the remainder thereof, but shall be confined in
2 its operation to the clause, sentence, paragraph, subdivision, section
3 or part thereof directly involved in the controversy in which such judg-
4 ment shall have been rendered. It is hereby declared to be the intent of
5 the legislature that this act would have been enacted even if such
6 invalid provisions had not been included herein.

7 § 3. This act shall take effect immediately provided, however, that
8 the applicable effective date of Parts A through RR of this act shall be
9 as specifically set forth in the last section of such Parts.