



NEW YORK STATE SENATOR

Velmanette Montgomery

## Governor Cuomo Announces Details of Final Agreement on Major Priorities for End of 2015-16 Legislative Session

VELMANETTE MONTGOMERY June 25, 2015

Governor Andrew M. Cuomo today announced details of a final agreement on a number of major priorities for the end of the 2015-16 legislative session.

**The legislation introduced and passed today includes the following reforms and actions:**

**The New York metropolitan region's rent laws will be extended for four years, and will be made retroactive to June 15, 2015. Further, additional reforms will be made to strengthen these laws, including:**

- Increasing and indexing the high rent threshold to the applicable rent guidelines board (rent guidelines boards apply different rents to different geographic areas). This will make it more difficult for units to be removed from rent regulation because it will allow for the high rent watermark to float based on the rent guidelines board increases.
- Vacancy decontrol limits will be increased to \$2,700, and annual increases thereafter will be indexed to the Rent Guidelines Board.
- Increasing civil harassment penalties. These provisions increase monetary penalties imposed on landlords who harass tenants by approximately \$1,000, to \$3,000 for each offense and up to \$11,000 for each offense where the owner harassed a tenant to obtain a vacancy.
- Extends the Major Capital Improvement amortization period from 84 months to 108 for buildings over 35 units and 84 months to 96 for buildings under 35 units. The legislation

limits the amount of rent that landlords can charge tenants in order to receive reimbursement for necessary improvements or installations.

- Limits the vacancy bonus provided to landlords on tenants who receive preferential rent as a way to stop the “churn” on these units.

### **Extending the Property Tax Cap and Cutting Taxes for Homeowners**

The legislation extends the property tax cap for an additional four years. Since its enactment in 2011, the real property tax cap has dramatically reduced the growth in local property taxes. Through the first three years of the Cap, the typical property taxpayer has saved more than \$800, compared to if taxes had continued to grow at the previous growth rate. If the trend continues, by 2017, the typical taxpayer will have saved more than \$2,100 in local property taxes as a result of the Cap.

Building on the success of the property tax cap, the legislation includes a new Property Tax Credit that will provide more than \$3.1 billion over four years in direct relief to struggling New York taxpayers. The program is progressively structured so that taxpayers with lower incomes receive a higher benefit.

In the first year, 2016, the program will be coupled with the existing Property Tax Freeze credit to provide a total average credit of \$350. Beginning in 2017, the program will provide property tax relief based on a percentage of a homeowner’s STAR benefit, with lower incomes receiving a larger percentage. All homeowners with incomes below \$275,000 who live in school districts that comply with the property tax cap will be eligible to receive the credit. This year, 98 percent of school districts complied with the cap. When the program is fully phased-in for benefits provided in 2019, it will provide \$1.3 billion of property tax relief and an average credit of \$530.

Additionally, this agreement creates a program that will help communities that face decreased property tax revenue as a result of the loss or reduction in tax payments from power plants and other facilities that close in their community.

**For New York City residents, the legislation extends by four years the \$85 million, progressively structured “Circuit Breaker” tax relief program.** Qualifying homeowners and renters with incomes below \$200,000 are eligible to receive a refundable tax credit against the personal income tax when their property taxes or rent exceeds a certain percentage of their income.

### **Extending and Reforming 421-a**

The legislation extends the 421-a program for six months, with a provision that allows representatives of labor and industry groups to reach a memorandum of understanding regarding wage protections for construction workers. If such an agreement is reached, the program will automatically be extended for four years.

### **Investing in Education**

- Increased funding of \$250 million to reimburse private schools for the costs of performing State-mandated services.
- The Parental Empowerment Act which requires additional disclosure of state exam questions and answers, the creation of a test content review committee by the State Education Department, and clarification of required components of the student growth model for teacher evaluations.
- A one-year extension of mayoral control of the New York City school system.
- An increase in the number of charter schools available to be issued in New York City to 50 and enhanced flexibility in teacher certification rules.
- \$25 million to help resolve the acute financial challenges currently being faced by the Yonkers School District and \$6 million to support programs to combat child poverty in the City of Rochester.

Finally, the legislation also amends current law to allow the sitting governor, or former governors, to officiate marriages in the State of New York. Previously, Governors could only solemnize marriages ceremonially, unless they were also ordained ministers.

### **Keeping College Students Safe**

The Governor and legislative leaders also recently reached agreements on two other significant packages of legislation – the first ensuring that private colleges in the state establish a uniform and comprehensive set of policies to protect students from sexual violence, and the second giving the state the authority to crack down on bad actors in the nail salon industry, while also establishing a new licensing program to help workers acquire new skills. Last week, the Governor and legislative leaders also reached an agreement on a

bill to codify comprehensive reforms to overhaul the port authority of New York and New Jersey.

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