# **APPROPRIATION BUDGET BILLS**

A. 9550/S. 6450	Public Protection and General Government
A. 9551/S. 6451	Legislature and Judiciary
A. 9552/S. 6452	Debt Service
A. 9553/S. 6453	Education, Labor and Family Assistance
A. 9554/S. 6454	Health and Mental Hygiene
A. 9555/S. 6455	Transportation, Economic Development and Environmental Conservation
A. 9462	Deficiency Appropriations for State Fiscal Year 2005-06
A. 9464	Deficiency Appropriations for State Fiscal Year 2005-06

### NON-APPROPRIATION BUDGET BILLS

Section 22 of the State Finance Law requires the Executive Budget to include a list of proposed legislation submitted pursuant to Article VII of the State Constitution. In addition to the major appropriation bills, the following Article VII bills have been submitted that set forth the policy initiatives contained in the Executive Budget.

#### A. 9556/ S. 6456 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
Α	Merger and consolidation of local governments.	Effective April 1, 2006, this proposal would establish a new statutory framework for local government mergers and establish additional requirements for the creation of new villages.
В	Changes to the Aid and Incentives for Municipalities Program, fiscal performance requirements and enhanced Shared Municipal Services Incentives (SMSI) Program.	This proposal would permanently replace the revenue sharing and unrestricted aid statute with the Aid and Incentives for Municipalities (AIM) program. The program would provide increases in State aid in 2006-07, with minimum annual increases provided that municipalities meet certain conditions including the submission of financial reports, the use of AIM funding for real property tax relief, and the pursuit of shared services.
С	Mandate relief initiatives for localities and indexing of interest on court judgments to market rates.	This proposal includes several provisions that would impact local governments or alter civil practice for tort claims against the State including changes to binding arbitration, Wick's Law repeal, changes to the method for calculating interest rates on judgments, expanding the jurisdiction of the court of claims, broadening the prior partial repeal of the collateral source rule, and expanding authorization for municipalities to jointly provide service.
D	Establish a new State aid program for municipalities in which a video lottery facility is created.	This program would create a new General Fund aid program for eligible municipalities that have a Video Lottery Terminal (VLT) located within a high need school district. State aid payments to eligible cities would be 3.5 percent of the revenue generated, and must be used to support public schools. State aid payments to other eligible municipalities would total 3.5 percent of the revenue generated, and must be used to reduce property taxes and to cover costs associated with the VLT.

PART	DESCRIPTION	SUMMARY
E	Establish a State Task Force on Pension Reform.	This proposal would establish the New York State Pension Reform Task Force to review the public pension systems.
F	Authorize use of certain interest earnings to offset costs of health insurance for public employees and retirees.	This proposal would allow the Health Insurance Fund, Dental Fund and Group Life Insurance Fund to retain interest earned from monies in such fund.
G	Authorize a targeted retirement incentive.	This proposal would provide an early retirement incentive for certain eligible members of the New York State and Local Employee Retirement System, State Teachers Retirement System, New York City Teachers Retirement System, the New York City Board of Education Retirement System, and the New York City Employee Retirement System.
	Authorize cash transfers, temporary loans, and certain bond caps; and provisions relating to general fiscal and debt management issues.	This bill would provide statutory authorization for the administration of funds and accounts included in the 2006-07 Executive Budget authorizing temporary loans and the deposit of certain revenues to specific funds/accounts, continuing or extending various provisions related to capital projects and certain certifications, authorizing the issuance of certificates of participation, increasing existing bond caps for various capital programs, and providing other miscellaneous provisions including enhanced interchange flexibility related to centralized processing of civil fingerprints.
	Establish an information technology project job title, including a defined contribution retirement benefit.	This bill would permit the Civil Service to authorize temporary appointments on a full-time or regular part-time basis, not to exceed 60 months without examinations, for the design, development, or implementation of information technology projects.
	Extend and amend the 1995 Procurement Stewardship Act.	This proposal would make permanent the Procurement Stewardship Act, establishes a new Advisory Council on Vendor Responsibility, increase State agency discretionary purchasing thresholds that trigger the Office of State Comptroller contract approval, amend State agency contract reporting and advertising requirements, increase representation on the State Procurement Council, and direct the Division of Minority and Women's Business Development to submit a study and recommendations relating to Minority and Women Business Enterprise (MWBE) qualification for, and participation in, State contracts.

PART	DESCRIPTION	SUMMARY
K	Amend State Liquor Authority (SLA) fine amounts.	This part would amend the Alcoholic Beverage Control (ABC) Law by requiring that the mandatory price schedule filed by manufacturers and wholesaler be done electronically.
L	Make permanent the Motor Fuel Marketing Practices Act (MFMPA) and provide for certain investigative costs.	This bill would make permanent the Motor Fuel Marketing Practices Act (MFMPA). It also would add a new provision to the MFMPA to direct the Attorney General to recapture administrative expenses for the Consumer Protection Board.
M	Expand the use of funds deposited into the Criminal Justice Improvement Account (CJIA).	The part would allow funds deposited into the CJIA to be used for various local law enforcement programs including new purposes such as assistance for prosecution and law enforcement, the expansion of Operation IMPACT, aid to crime labs, and recruitment and retention of county assistant district attorneys.
N	Authorize use of law enforcement cameras at work zones and dangerous stretches of highway.	This part would authorize the Division of Criminal Justice Services (DCJS), and any agency, division or authority designated by DCJS, to establish a program for the operation of photo-monitoring devices.
O	Exempt correctional facilities from the closure notification process if they are recommended to be closed and re-used for another purpose.	This part would add a new section 79-c to the Correction Law to permit the closure of facilities without adhering to the 2005 closure notification law, when the closure and an identified reuse are approved through the enactment of the State budget.
Р	Increase the Criminal History Search fee to support local government agencies and not- for-profit providers of legal services.	This part would increase the fee charged by the Office of Court Administration (OCA) for a court-based criminal history record search from \$52 to \$60; increase the portion of this fee deposited into the Legal Services Assistance Fund from \$9 to \$12; and require that \$5 of the fee shall be deposited into the Criminal Justice Improvement Account.
Q	Extend for 5 years authorization to fund part of the State's public safety efforts with Motor Vehicle Law enforcement fees.	This part would extend, to July 1, 2011, the "New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program," as well as related provisions including the \$5 fee imposed on motor vehicle insurance policies, the allocation of revenues generated by such fee, and reporting requirements.

PART	DESCRIPTION	SUMMARY
R	Authorize counties to impose various fees on probationers.	This part would authorize counties to collect from probationers a new supervision fee and new fees for electronic monitoring and drug testing. This part would also allow counties to collect an administrative fee, up to \$50 per individual, for offenders required to submit a DNA sample and for those required to register as a sex offender. Additionally, this part would increase from 1 percent to 2 percent the amount of posted bail monies that would not be returned at the conclusion of the case, but would be withheld and used to fund alternative to incarceration service plans.
S	Eliminate the authorization for local conditional release.	This part would eliminate the ability of the Parole Board to conditionally release inmates serving a definite sentence of more than 90 days in a local jail.
T	Clarify the administration of the State and local wireless surcharges and dedicate all State surcharge revenues to public safety and security activities.	This proposal would: consolidate deposits of all revenue derived from the existing \$1.20 wireless surcharge into a single account; subject prepaid wireless phones to the surcharge; broaden the acceptable uses of the 30 cents local wireless surcharge for counties that have achieved Phase II compliance; and, add provisions intended to increase surcharge collection enforcement.
U	Extend the applicability of a certain Patriot Plan provision.	This proposal would extend for two years the provisions of Chapter 106 of the Laws of 2003 (Patriot Plan I), as amended by chapter 127 of the Laws of 2004 and Chapter 150 of the Laws of 2005.
V	Establish registration fee for the Public Employment Relations Board (PERB) to be paid by public employers and employee organizations.	This bill would require employee organizations and public employers to provide contact and collective bargaining information to the Public Employees Relationship Board (PERB) on an annual basis and impose a new \$75 administrative fee on the annual submissions of both the employee organizations and public employers.
W	Authorize the use of sworn affidavits instead of live testimony for the admission of business records into evidence in grand jury proceedings.	This part would amend Criminal Procedure Law (CPL) §190.30 to permit the admission into evidence of business records accompanied by a sworn statement made by the record's custodian, or other qualified witness, concerning the nature of such records in lieu of live testimony by the record's custodian.

PART	DESCRIPTION	SUMMARY
X	Authorize OGS to centrally purchase electricity and other commodities and services for use by State agencies, authorities and localities.	This proposal would authorize the Office of General Services (OGS) to expand the centralized services it offers to State agencies to include purchasing electricity in bulk. It also would make the following centralized services available for purchase by public authorities, public benefit corporations, and localities: communication services; computing services; fuel and automotive services; building design and construction services; and electric energy, electric generating capacity, renewable energy and/or renewable energy credits. It also would give localities and authorities the opportunity to bid on State surplus personal property after State agencies but before the general public.
Y	Permit a new standard using "aggregate weight" for lab analysis of illegal drug evidence.	This part would amend the Penal Law to adopt aggregate weight rather than pure weight standards for defining quantities of controlled substances for various levels of drug offenses.
Z	Contain taxes paid on State lands and prevent inequitable assessments on State-owned lands.	This bill would create uniform assessment standards for State owned lands, provide for determination of the value of a large parcel in an approved assessing unit; provide for due process procedures for determinations of such values, and would establish that payments received in lieu of taxes from the Haverstraw and Stony Point electric generating facilities must be applied to the non-homestead class in an effort to reduce the commercial proportion for the participating taxing districts.
AA	Amend the schedule of PILOT payments to the City of Albany for the Empire State Plaza.	This program would modify the schedule of payments-in-lieu of taxes to the City of Albany for the Empire State Plaza. Payments to the City of Albany would be increased to \$22.8 million for years 2006-07 through 2010-11 and \$15 million annually until 2038-2039.

### A. 9558/S. 6458 – EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	Authorize SUNY trustees to transfer SUNY hospital operations.	This part would authorize the SUNY Trustees to transfer the operations of the SUNY hospitals to one or more not-for-profit corporations by October 1, 2006.
В	Modify the composition of the SUNY and CUNY Boards.	This part would authorize the Governor to appoint a distinguished faculty member as a voting member of the Boards of Trustees at SUNY and CUNY for a single five-year term.
C	Establish a tuition policy at SUNY and CUNY, including indexing and differential tuition.	This part would provide SUNY and CUNY trustees with increased flexibility in establishing tuition rates including permitting differential tuition rates, indexing of tuition, and guaranteeing tuition rates for incoming resident freshman.
D	Authorize SUNY/ CUNY and OGS to develop a plan for the use of surplus properties to raise additional revenues.	This part would direct the SUNY and CUNY Boards of Trustees and the Commissioner of OGS to perform an inventory of all SUNY and CUNY facilities, land, and real estate holdings and create a list of surplus properties that could be sold to raise additional revenue.
E	Establish a new Partnership to Accelerate Completion Time (PACT) Program.	This part would establish a voluntary Partnership to Accelerate Completion Time (PACT) Program at SUNY and CUNY colleges.
F	Streamline implementation of the Higher Education Capital Matching Grant Program.	This part would delete the requirement that the Attorney General must approve the manner of execution of contracts entered into by a college pursuant to receipt of a capital grant award as well as the requirement that colleges whose contracts are not state contracts under Article 9 of the State Finance Law voluntarily comply with Article 9.
G	Establish a Tuition Reimbursement Program for math and science teachers.	This part would establish the New York State Math and Science Incentive Program to provide tuition reimbursement for five hundred college students each year who commit to teaching math or science in middle or high schools for five years.
H	Reform the State's education finance system.	This part would make various changes affecting the State's education finance system, including amending the Education Law to alter funding formulas for school aid.
	Realign fiscal responsibility for tenured teachers' disciplinary hearings.	This part would authorize the Commissioner of Education to establish a chargeback so that individual school districts would be responsible for funding the costs of disciplinary hearings involving tenured teachers.

PART	DESCRIPTION	SUMMARY
J	Create the STAR Plus Program.	The STAR Plus Rebate proposal would authorize the distribution of a \$400 rebate check to eligible STAR recipients (excluding those in New York City) provided the recipients' school district adheres to a spending cap restricting its annual spending growth to 4 percent or 120 percent of the Consumer Price Index (CPI), whichever is lower.
K	Establish a new Cultural Education Trust.	This proposal would create the New York State Cultural Education Trust (NYSCET) and would set the procedure for the appointment of members and their terms of office.
L	Modify the Tuition Assistance Program (TAP) to reform eligibility criteria.	This part would alter TAP eligibility criteria by requiring institutions to pre-finance awards for first-time TAP applicants in 2006-2007 who are admitted without having a high school diploma, and make various other changes related to TAP eligibility.
M	Provide cost of living adjustments to the enhanced STAR exemption for seniors.	The enhanced STAR annual cost-of-living (COLA) would increase the senior citizen STAR exemption annually hereafter and for the 2006/07 school year, increasing the base exemption by 13.6 percent.
N	Transfer radiological health services from Labor to Health.	This bill would transfer responsibility for the licensing and regulation of radioactive material and radiation equipment used for commercial or industrial purposes, with the exception of lasers, from the Department of Labor to the Department of Health.
O	Conform the initial and renewal fees for asbestos handling licenses.	This bill would increase the asbestos handling license renewal fee from \$300 to \$500.
P	Increase the fines for child care violations and eliminate a redundant approval process.	This bill would increase fines for child care providers from the current \$500 a day to \$1,000 a day when a provider violates certain child day care regulations.
Q	Authorize withholding of a welfare grant for failure to fulfill an employment obligation.	This part would require local social services districts to impose full family sanctions on public assistance households in which a member is not in compliance with work requirements.
R	Realign earnings limits to reflect the length of time an individual has been on welfare.	This part would change the percentage of earned income that would be disregarded each month for the purposes of determining an individual's eligibility for public assistance.

PART	DESCRIPTION	SUMMARY
S	Reduce the personal needs allowance (PNA) for certain Safety Net (SN) recipients.	This part would reduce the PNA provided to SN recipients living in Congregate Care Level 2 facilities, defined as "Residential Care." This bill would reduce the PNA for this population from \$135 to \$45 per month.
	Recognize the presence of SSI recipients when determining the grant level of a public assistance household.	This part would codify a regulation change implemented by the Office of Temporary and Disability Assistance in 2004 to change the way that public assistance levels are calculated in order to reduce the amount of public assistance provided to households that contain a recipient of Supplemental Security Income.
U	Create a "Strengthening Families through Stronger Fathers" initiative.	This part would establish an initiative for non-custodial parents, including an enhanced earned income tax credit for non-custodial parents, suspension of the enforcement child support arrears if the custodial and non-custodial parents are married and living together, enhanced power of the court to require child support obligors who are unemployed or underemployed to participate in employment program, and, pilot demonstration programs to provide employment services and parenting education.
V	Establish penalties for local districts' non-compliance with minimum work requirements.	This part would provide additional State reimbursement for administrative costs to local districts that meet a 50 percent work participation rate for their entire public assistance population. This bill would also increase the age at which individuals would be considered exempt from work requirements from 60 to 65 years of age.
	Authorize an initiative to seek and implement a Medicaid waiver for foster children.	This bill would amend social service law, directing the Department of Health, in consultation with the Office of Children and Family Services, to apply for and implement a federal Medicaid waiver to expand health and mental health services for foster children with mental illness, developmental disability, mental retardation, physical disability, drug abuse condition and/or learning disability.

#### A. 9557/S. 6457 – HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Various provisions related to Medicaid.	This part addresses the transition to Medicare Part D, establishment of the Office of Medicaid Inspector General, restructuring the nursing home reimbursement methodology, the elimination of Medicaid reimbursement for drugs to treat erectile dysfunction, reductions to hospital and nursing home reimbursement, amendments to Family Health Plus and Medicaid Managed Care programs, restricting Medicaid long term care eligibility, and, technical amendments to the local cap on Medicaid costs.
В	Changes to public health services programs.	This part addresses the Early Intervention Program, the General Public Health Work Program, the Elderly Pharmaceutical Insurance Program (EPIC), the Professional Medical Conduct Account and other public health programs.
С	Provide a three year Cost of Living Adjustment (COLA) for designated human services programs.	This proposal would establish a three year annual COLA for designated human services programs under the auspices of the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Department of Health, the State Office for the Aging, and the Office of Children and Family Services indexed to the federal CPI.
D	Modify the Health Care Reform Act (HCRA) and authorize insurance company conversions.	This section would amend the Health Care Reform Act (HCRA) and the Insurance Law to authorize additional non-profit insurance company conversions to for-profit entities.
E	Authorize regulatory enforcement action fines to be deposited in the Chemical Dependence Service Fund.	This part would enable the Office of Alcoholism and Substance Abuse Services to reinvest revenues derived from penalties and fines levied against under-performing and/or fraudulent addiction treatment providers to support staff added to enhance the agency's ability to combat Medicaid fraud and abuse.
F	Authorize OASAS to make certain State aid payments	This part would permit the Office of Alcoholism and Substance Abuse Services to make State aid payments to receiver/management entities which assume either temporary or permanent responsibility for certain chemical dependency programs.

PART	DESCRIPTION	SUMMARY
G	Eliminate mental health outpatient services as services that can be considered specialized under section 2807 of the Public Health Law (PHL).	This proposal would prohibit services for which the rate of payment is established by the Office of Mental Health from being determined specialized services under Section 2807 of the PHL.
Н	Authorize OMH/OASAS voluntary hospitals to receive Federal DSH payments.	This proposal would extend until March 31, 2009 the authorization of annual federal Disproportionate Share (DSH) payments to support the provision of mental health and substance abuse services by Article 28 hospitals.

# A. 9559/S. 6459 – TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
Α	Make permanent surf clam and quahog fees.	This proposal would permanently extend the Department of Environmental Conservation's (DEC) authority to collect fees on surf clams and ocean quahogs.
В	Authorize additional purposes for the Environmental Protection Fund.	This legislation would permanently authorize the use of the Environmental Protection Fund (EPF) for numerous new categories and purposes, add a new Water Account to the Fund, and provide the director of the Division of Budget with the discretion to direct the Comptroller to deposit up to thirty million dollars from Real Estate Transfer Tax revenues into the EPF for SFY 2006-07 and each fiscal year thereafter.
C	Authorize assessments on utilities to be used for New York State Energy Research and Development Authority research and development costs.	This legislation would authorize the New York State Energy Research and Development Authority (NYSERDA) to finance certain programs from assessments on gas corporations and electric corporations, pursuant to section 18-a of the Public Service Law.
D	Increase penalties for food and other health violations.	This proposal would increase penalties for critical health deficiencies cited during inspections of food and other businesses under the jurisdiction of the Department of Agriculture and Markets.

PART	DESCRIPTION	SUMMARY
E	Authorize the Energy Research and Development Authority (NYSERDA) to make payments to certain State funds.	This proposal would authorize the New York State Energy Research and Development Authority (NYSERDA) to make payments to the General Fund and the Environmental Conservation Special Revenue Fund-Level Radioactive Waste Account.
F	Increase various DEC regulatory fees.	These provisions would amend the Environmental Conservation Law (ECL) to increase the registration fee for well drillers and clarify certain provisions related to the registration of well drillers, increase certain State Pollutant Discharge Elimination System (SPDES) program fees, and, establish a fee for dam permits and an annual fee for dams.
G	Establish an All-Terrain Vehicle (ATV) Program.	This legislation would establish requirements and limitations regarding the use of ATVs on certain public lands, establish a State assistance program for ATV trail development, maintenance and enforcement, and set penalties for violations relating to ATV use.
Н	Make a change to Agriculture and Markets' fees.	This proposal would clarify the authority of the Commissioner of the Department of Agriculture and Markets to enter into agreements for laboratory work done for other states and public entities.
	Increase Title V Operating Permit Program fees on stationary sources.	This Part would increase the Title V facility per ton operating permit fee on regulated air contaminants from \$45 to a maximum of \$67, and establish a minimum fee of \$1,250 per operating permit facility.
J	Provide the annual authorizations for the CHIPS and Marchiselli programs.	This part would authorize \$289.5 million in capital for CHIPs and \$39.7 million for the Marchiselli Program for State Fiscal Year 2006-07.
K	Authorize a pilot program for the Department of Transportation and the Thruway Authority to bid construction projects inclusive of professional engineering costs.	This part would authorize the Department of Transportation (DOT) and the Thruway Authority each to undertake a pilot program involving design-build contracts, combining design work and construction activities into a single contract.

PART	DESCRIPTION	SUMMARY
L	Authorize the Department of Transportation (DOT), the Thruway Authority and the Metropolitan Transportation Authority (MTA) to enter into transportation development partnerships with public and/or private entities.	This part would allow DOT, the Thruway Authority, and the MTA to enter into agreements with public and/or private entities to perform transportation projects. The bill would also allow the NYS Bridge Authority and the "big four" upstate transit authorities to be partners with the State in developing transportation projects.
M	Increase the fees for the photo image portion of DMV's non-driver identification card.	This proposal would amend the Vehicle and Traffic Law to increase the photo image fee for non-driver identification cards from the cost of the photo rounded to the next twenty-five cents (currently \$5) to \$10, and allocate the fee revenue between the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Fund.
N	Amend the Motor Carrier Safety Improvement Act (MCSIA) regarding disqualifications of commercial driver license holders.	This part would modify numerous provisions of the Vehicle and Traffic Law relating to the operation of commercial motor vehicles (CMVs).
O	Reinstate the bulk mailing rate provisions for the Department of Motor Vehicles (DMV).	This bill would amend the Vehicle and Traffic Law to reauthorize the Department of Motor Vehicles (DMV) to notify individuals by mail of revocation, suspension, or other orders issued by the DMV in order to provide DMV with access to reduced cost bulk mailing rates.
Р	Increase the MTA Bond Cap to reflect the bonding needs of the enacted State Transportation Plan and MTA capital programs.	The part would raise the Metropolitan Transportation Authority's current bond cap from \$16.5 billion to \$28.9 billion. The additional \$12.4 billion is broken down as follows: \$1.1 for the 2000-2004 Capital Plan, \$8.2 billion for the 2005-2009 Capital Plan, and \$3.1 billion for the post-2009 support of the Mega Projects.

PART	DESCRIPTION	SUMMARY
Q	Add Oneida County to the Central New York Regional Transportation Authority Service District.	This bill would adjust the statutory schedule for the required match to State transit aid for the county participants in the Central New York Regional Transportation Authority (CNYRTA) reflecting the addition of Oneida County to the CNYRTA service district and agreements reached among CNYRTA and all the participating counties regarding allocation of matching shares.
R	Make permanent the authority of the Secretary of State to charge increased fees for expedited handling of documents.	This proposal would make permanent the Department of State's authority to offer expedited service on a same-day and two-hour basis to the public for higher fees.
S	Authorize the Department of Environmental Conservation to regulate all freshwater wetlands, and establish fees for freshwater and tidal wetland permits.	This part would expand the Department of Environmental Conservation's regulatory authority over freshwater wetlands, increase penalties for freshwater wetlands violations, establish permit application fees for freshwater and tidal wetlands, authorize the Department to post wetland maps in an electronic format, and make changes and updates to certain other provisions of law relating to wetlands.
T	Authorize certain State agencies to finance their activities with revenues from assessments.	This proposal would provide authorization to certain State agencies to finance their activities with revenues generated from assessments on public utilities and cable television companies.
U	Increase the maximum penalties for Banking Law violations and eliminate annual license renewal fees.	This bill would increase penalty amounts for violations of the Banking Law to conform to federal violation amounts, allow the Banking Department to retain investigation fees that currently go to the General Fund, and eliminate annual licensing fees charged to regulated entities.
V	Extend the State Single Audit Act for the Department of Transportation.	This part would make permanent the Department of Transportation (DOT) single audit pilot program.
W	Increase the Excelsior Linked Deposit Program.	This bill would increase the amount that the Comptroller is authorized to deposit into the Excelsior Linked Deposit Program from \$350 million to \$410 million.

PART	DESCRIPTION	SUMMARY
X	Increase the maximum penalties for Insurance Law violations.	This bill would increase the maximum fines and penalties for various existing violations of the Insurance Law, by insurance companies and their representatives.
Y	Require the Department of Agriculture and Markets to conduct food safety inspections on a risk-based frequency.	This proposal would eliminate currently mandated annual inspections of retail food stores, providing that such establishments be inspected on a "risk-based" frequency determined by establishment size, type of food offered for sale and other factors as prescribed by the Commissioner. The proposal would also add a new "Food Security" article requiring all food establishments to take preventive measures to minimize the risk of criminal or terrorist actions.
Z	Authorize the Dormitory Authority to provide financing for Hadassah.	This bill would authorize the Dormitory Authority to issue bonds to finance facilities of Hadassah, The Women's Zionist Organization of America, Inc. and/or Hadassah Medical Relief Association, Inc.
AA	Technical change regarding hazardous wastewater fees.	This provision would correct a technical error relating to the hazardous wastewater surcharge.
ВВ	Authorize the Dormitory Authority to provide funding to Cornell University for the Cornell Theory Center.	This bill would allow the State to enter into an agreement with Cornell University to support the operation of the parallel computing supercomputer at the Theory Center for Supercomputers.
CC	Provide for a three year phase- out of the bond issuance charge on public authorities.	This bill would, over a three year period, reduce and ultimately eliminate the bond issuance charge (BIC) on public authorities.
DD	Make permanent the general loan powers of the New York State Urban Development Corporation (UDC).	This bill would remove the expiration date of July 1, 2006 for the Urban Development Corporation's (UDC's) general loan powers, thereby extending this authority indefinitely.

PART	DESCRIPTION	SUMMARY
EE	Create a new \$475 million bonded capital program to support economic development projects.	This part would allow the issuance of 30 year bonds for up to \$475 million for the following purposes: issuing grants, loans or a combination thereof for economic development projects that promote academic research and development; arts and cultura facilities; renewable fuels, flexible fuel vehicles, hybrid electric vehicles, plug-in hybrid vehicles, and other fuel diversified research and development; pilot cellulosic ethanol refinery; or, to reimburse the State Capital Projects fund for disbursements made for such purposes.
FF	Authorize one-time funding for the development of the World Trade Center Visitor Orientation/Educational Center.	This part would provide one-time funding for the development of the World Trade Center Visitor Orientation and Education Center.
GG	Extend the Power for Jobs and Economic Development Power programs and authorize the Power Authority to make a voluntary contribution to the General Fund.	This bill would extend the Power for Jobs and Energy Cost Savings Benefit programs until March 31, 2007, and would provide that the Power Authority of the State of New York (PASNY) reimburse the State for the costs of the Gross Receipts Tax credit and make a contribution to the General Fund of \$100 million in State Fiscal Year 2006-07. This bill also would exempt PASNY from further voluntary contributions to the State, and would establish a commission to develop recommendations on future uses for the State's hydroelectric and other economic development power resources.

#### A. 9560/S. 6460 – REVENUE

PART	DESCRIPTION	SUMMARY
A	Eliminate the Marriage Penalty.	This part eliminates the marriage penalty by increasing the standard deduction and increasing the rate recapture threshold. The standard deduction for married couples filing jointly will be increased to \$15,000. This part would also change the income threshold at which married couples pay tax table benefit recapture to between \$240,000 and \$340,000 beginning in 2007. Fiscal: \$400 million annually.
В	Reduction in Top Personal Income Rate.	This part reduces the top personal income tax (PIT) rate from 6.85 to 6.75. Also increases the income range to which the top rate applies. The top rate will apply to singles, head of household and married couples filing jointly at \$30,000, \$45,000, and \$60,000, respectively. Fiscal: \$950 million annually.
C	Expand Income Exemption for National Guardsmen.	This part exempts income earned by national guardsmen called to service by the federal government. Currently guardsmen who are called to service by the State can exempt the money earned. This corrects an oversight that prevents exemption of income earned when called into service by the federal government. Fiscal: \$1 million.
D	Tax Credit For Tuition and Instructional Costs.	This part provides a new refundable credit for primary and secondary education expenses, including tuition and tutoring costs for children in school districts that receive Title I funding or where 1 or more schools are failing "No Child Left Behind" standards. The credit is capped at \$500 per child for taxpayers earning less than \$75,000 and is then phased out for individuals earning up to \$90,000. Fiscal: \$400 million.
E	Eliminate the Estate Tax.	The Executive proposes to eliminate the Estate Tax by 2010 by adopting the Federal exemption schedule as of 2007. Under current law, New York estates valued at \$1 million or less are exempt from the Estate Tax. The proposal would adopt the Federal exemption amounts, which are set to increase to \$2 million in 2006 and would be fully exempt in 2010. Fiscal: Over \$800 million.
F	Expand Empire Zone Program:	This part creates five (5) new Empire Zones in association with Centers of Excellence. It also creates a Statewide Clean Energy Research and Development Zone, and accelerates the designation of the twelve (12) Zones authorized in the 2005-06 Budget. Fiscal: \$20 million.

PART	DESCRIPTION	SUMMARY
G	Elimination of the Additional Tax on Subsidiary Capital in the Corporate Franchise Tax:	This part phases out the tax over three (3) years. Under current law a tax of 9/10 mill of a dollar is imposed on a parent corporation on the value of their allocated subsidiary capital. Fiscal: \$15 million.
Н	Elimination of the Alternative Minimum Taxable Income Base:	This part phases out the alternative minimum tax base over three (3) years for corporate franchise and bank tax payers. Fiscal: In combination with the elimination of the capital base, \$172 million.
l	Immediate Expensing for New York Business Assets:	Beginning in 2008, corporations, banks, and individual taxpayers may elect to expense the full cost of capital assets placed in service in New York rather than use accelerated depreciation. Fiscal: \$561 million.
J	Reduce Entire Net Income Tax Rate from 7.5% to 6.75%.	This part reduces the tax rate under Article 9A and 32 from 7.5 to 6.75 percent on Entire Net Income. The small business rate recapture thresholds will also conform to these provisions. Fiscal: \$73 million.
K	Elimination of the Capital and Asset Tax Base:	This part will phase out the tax on capital (Corporate Franchise) and assets (Banks) over three years. Fiscal Impact: In combination with the elimination of the alternative minimum taxable income base. Fiscal: \$172 million.
L	Elimination of the S-Corporation Differential Tax:	This part eliminates the requirement that a New York S-Corporation must pay the greater of the difference between the Article 9A and PIT rates on the fixed dollar minimum rates as its Article 9A tax liability. Taxpayers will only pay the fixed dollar minimum at the entity level. Fiscal: \$40 million.
M	Reform on Taxation of Life Insurance Companies who have more than 95% of their Total Premiums Consist of Annuity Premiums.	Annuity premiums are excluded when calculating the premiums tax limitation. However if a company has more than 95% of all premiums from annuities, then all premiums count against the tax limitation. This part would change the rule so that only that portion over 95% is included. Fiscal: \$3 million.
Ν	Tax on Life Insurance Companies.	Under current law, life insurance companies are subject to both a floor and a cap on the amount of tax liability. Currently, taxes on life insurance companies are limited to no less than 1.5 percent of taxable premiums and no greater than 2 percent of taxable premiums. This part would reduce those thresholds to 1.25 percent and 1.75 percent respectively. Fiscal: \$15 million.

PART	DESCRIPTION	SUMMARY
O	Increase the Sales Tax Vendor Credit.	The rate is being increased from 3.5% to 5.0% and the cap is being increased from \$150 to \$250. The credit calculation is being expanded to include State and local sales taxes paid. This proposal is being phased in over three years. Fiscal: \$69 million.
Р	Bank Tax Extenders.	This part makes permanent provisions relating to 1985 Bank Tax Reform, which expired on December 31, 2005, and also extends the transitional provisions with respect to the federal Gramm-Leach Bliley Act for two years. Fiscal: None.
Q	Sales Tax Holidays for Energy Related Products.	Two tax free weeks will be added to the fiscal year for Energy Star appliances and home weather stripping, caulking and insulation products. Fiscal: \$6 million.
R	Home Heating Tax Credit For Seniors.	This part provides a refundable credit for residents over the age of 65 to offset rising home heating costs. Seniors whose income is less than \$75,000 and who have heating costs that exceed 7.5% of their income are eligible for the credit. The credit is 25% of home heating costs, capped at \$500. Fiscal: \$100 million.
S	Tax Credit for Home Heating Systems.	This part provides a refundable credit for expenses associated with upgrading a home heating system to make if more energy efficient. The credit is equal to 50% of the cost of the upgrade but shall not exceed \$500. To qualify the upgrade must meet energy star efficiency standards. Fiscal: \$25 million.
T	Energy Tax Credit For Small Businesses and Farmers.	This part provides a refundable credit for small business owners and farmers to offset rising energy costs. For a small business to qualify their energy costs must exceed 10% of their overall operating costs. For a farmer to qualify their energy costs must exceed 5% of overall operating costs. The credit is equal to 25% of energy costs, but shall not exceed \$3,000. Fiscal: \$60 million.
U	Alternative Fuel Vehicle Tax Credits.	This part provides a tax credit for the purchase of an alternative fuel vehicle and for the production of alternative fuels. The credit is available for hybrid vehicles, clean-fuel refueling property, and for the production of biofuel. Fiscal: \$10 million.
V	Exempt the Sale of Alternative Fuels From Motor Fuel and Sales Taxes.	The alternative fuels E85, CNG and Hydrogen will receive either a full exemption or a partial exemption from motor fuel and sales taxes depending on the fuel. Fiscal impact is minimal.
W	Restrict Eligibility for Brownfield Tax Credits.	Would eliminate eligibility for Brownfield Tax Credits for parcels located south of 96th Street and north of Canal Street in Manhattan. Fiscal: None.

PART X	<b>DESCRIPTION</b> Historic Homes Tax Credit.	<b>SUMMARY</b> This part provides a credit for the costs associated with the restoration of a historic home.
	Thistoric Florings Pux Credit.	The credit is equal to 15% of costs associated with restoring the exterior of a historic home, and 25% of the cost of restoring both the exterior and interior. The credit shall not exceed \$50,000 and is refundable only if the taxpayer earns less than \$100,000, otherwise the credit must be carried forward. Fiscal: \$10 million.
Y	Tax Credit for Taxes Associated With Conservation Easements.	This part creates a new credit for property taxes owed on land currently under a conservation easement. The credit is equal to 25 percent of property tax owed on the land under easement, not to exceed \$5,000. Fiscal: \$1 million.
Z	Make the Two Week Clothing and Footwear Exemption Permanent and Increase the Threshold to \$250 per Item.	Would repeal the current annual \$110 exemption scheduled to take effect on April 1, 2006 and replace it with two one-week sales tax holidays. It would also raise the exemption amounts to \$250. The 2005-06 clothing and footwear exemption is \$110 per item. Fiscal: \$605 million.
AA	Extend LLC Fees.	Increased LLC Fees enacted in 2003 are set to expire for taxable years beginning in 2007. This part would extend the fee schedule for three years through December 31, 2009. Fiscal: \$30 million.
BB	Extends Fixed Dollar Minimum Brackets.	This part extends for three years the additional gross payroll brackets used to calculate the fixed dollar minimum tax. These brackets are scheduled to sunset on December 31, 2006. This part would extend these provisions through 2009. Fiscal: \$46 million.
CC	Low Income Housing Tax Credit.	This part would increase the aggregate amount of low income housing tax credits the Commissioner of Housing and Community Renewal may allocate from \$8 million to \$10 million annually. This part would also provide for annual increases in credit allocations of \$2 million thereafter. Fiscal: \$2 million.
DD	Make Permanent the Partial Sales Tax Exemption For Admission Charges to Amusement Parks.	This part would exempt 75% of the admission charge to qualified amusement parks from State and local sales tax. The current law sunsets October 1, 2006. This part eliminates the sunset. Fully implemented cost is \$1 million.

PART	DESCRIPTION	SUMMARY
EE	Make Utility Tax Dedications to Dedicated Highway and Bridge Trust Fund (DHBTF) Permanent:	The Executive proposes to make permanent the current dedication of Corporation and Utility Tax revenues to the DHBTF. Currently approximately \$20 million from this tax is dedicated to the trust fund; however, the dedication is set to expire on March 31, 2010. The bill also changes the current distribution among the funds, providing additional dedicated revenues for mass transportation purposes outside of the MTA region. Fiscal: None.
FF	Simplify the Administration of the Sales Tax Registration Program for State Contractors:	Under current law, state contractors are generally required to register as sales tax vendors in order to receive state contracts. This part would simplify compliance with the newly enacted registration requirements. Fiscal: None.
GG	Allow up to Three Additional Video Lottery Terminal (VLT) Facilities.	Allow three additional VLT facilities, with no requirement that such facilities be located at horse tracks. No facilities may be located within 15 miles of another facility or in Westchester, Rockland or Putnam counties, nor may any facility be located in Queens, the Bronx or north of 59 <sup>th</sup> Street in Manhattan. Fiscal: \$239 million in SFY 2008-09.
НН	Reduce Dormancy Periods on Traveler's Checks and Money Orders.	Reduces the dormancy period for traveler's checks from fifteen years to five years and reduces the dormancy period for money orders from seven years to five years. \$100 million spin-up in SFY2006-07.
II	Postpone Effective Date of Provisions Relating to the Collection of Excise Taxes on Indian Reservations:	Would extend by one year the effective date of provisions scheduled to take effect on March 1, 2006, that would require the enforcement of tax laws relating to the sales of cigarettes and motor fuels to non-Indians on Indian reservations. This part would also create an Indian export decal program to allow Indian nations or tribes to obtain cigarettes affixed with an export decal for sales to be made out-of-State. Fiscal: None.
JJ	Save Harmless for New York City from Reduction in their Cigarette Tax Rate by \$0.50.	This part creates a mechanism to hold New York City harmless for any revenue loss associated with the increase in the State Cigarette Tax to \$2.50 per pack and the simultaneous decrease in the City tax from \$3.00 to \$2.50 per pack. Fiscal: \$54 million.
KK	Permanently Authorize Quick Draw.	This part would remove the current sunset on the Quick Draw Lottery game, which is scheduled to expire on May 31, 2006. In addition, this part would allow the game in smaller facilities and remove restrictions related to food sales and hours of operation. Fiscal: \$167 million.

PART	DESCRIPTION	SUMMARY
LL	Empire State Film Tax Credit.	This part would make the Empire State Film Tax Credit, which sunsets in 2008, permanent, and would raise the cap on available tax credits from \$25 million to \$30 million annually beginning in 2009. Fiscal: \$30 million.
MM	Establish Maximum Bond Limit for Civil Judgments Against Tobacco Companies.	This part would establish a maximum aggregate undertaking of \$100 million to stay the execution of a judgment against tobacco companies. Fiscal: None.
NN	Change the Tax Treatment of REITS and RICS under the Bank Tax Law.	This part would disallow the exclusion of dividends from a real estate investment trust (REIT) or a regulated investment company (RIC) subsidiary. These provisions would apply to corporations that own or control over 50 percent of a REIT or RIC and that pay taxes under the Corporate Franchise and Bank Tax. Fiscal: \$114 million fully implemented.
OO	Joint Custody of the Abandoned Property Fund:	This part would change the Abandoned Property Fund to a joint custody account, adding the Commissioner of Taxation and Finance as a custodian to the account. Currently, the Abandoned Property Fund is a sole custody account with the Comptroller as sole custodian. The Abandoned Property Fund would also be brought on budget, with more transparency and more frequent reporting requirements regarding assets held in the Fund.
PP	Makes Changes to the Administration of the Tobacco Products Tax.	This part would make administrative changes to improve enforcement and compliance efforts. Among other provisions, the part would amend the definition of wholesale price to provide a more consistent application of the tax; allow the Department to review the suitability of an applicant for a license to sell tobacco products and revises civil penalties for possession of contraband tobacco products. Fiscal: None.
QQ	Clarification of Income For Non-Residents.	This part would require the commissioner of Tax and Finance to issue regulations which would clarify the treatment of stock options, restricted stock, and stock appreciation rights received by a non-resident or part year resident taxpayer.
RR	Hold Harmless for Dedicated Transportation Funds.	This part would hold the Mass Transportation Operating Assistance Fund (MTOAF) harmless from negative revenue impacts associated with business tax reduction proposals contained in the Executive Budget.
SS	Increase the mark-ups under the Cigarette Marketing Standards Act.	This part would increase the mark-ups that agents and wholesalers may charge in setting the state minimum price for cigarettes. Fiscal: Minimal increase in sales tax revenue

PART	DESCRIPTION	SUMMARY
TT	EITC Offset.	This part would make permanent the limitation that no more than 10 percent of a taxpayer's earned income tax credit can be used to offset a debt owed to the Office of Temporary and Disability Assistance.

#### A. 9561/S. 6461 – WORKERS' COMPENSATION REFORM

This bill would provide for amendments to the Worker's Compensation Law, the Executive Law, and the Insurance Law to implement reforms to the Worker's Compensation System.