

Amend Senate 6258, Assembly 9760, A BUDGET BILL, to amend the education law, in relation to the eligibility requirements...

- Page 2, Unnumbered line 18 After " (Part F) ;" Strike out "and"
- Page 2, Unnumbered line 21 After "(Part G)"
Insert "; and to amend the real property tax law, in relation to railroad real property tax exemptions (Part H)"
- Page 2, Line 4 Strike out "G"
Insert "H"
- Page 88, line 16 Strike out "this"

After "paragraph" and before ",", insert "h of this subdivision"
- Page 88 line 22 After "subdivision" and before ".", insert ", and are determined by the commissioner to be reasonable in accordance with guidelines approved by the director of the budget"
- Page 126 Lines 27-41 After "§76." Strike out "The moneys appropriated in the 2002-03 state fiscal year for the support of public libraries shall be apportioned for 2002-03 in accordance with the provisions of chapter 917 of the laws of 1990, as otherwise amended by chapter 625 of the laws of 1991 and chapter 260 of the laws of 1993 taking into account the provisions of section 483 of chapter of chapter 170 of the laws of 1994, section 2 of chapter 82 of the laws of 1995 and the provisions of this section, provided that no member library shall receive less local services aid than it received in local library incentive aid in 1991 and provided further, that no system or program, as defined by the commissioner of education, shall receive less than the highest total system or program aid it received for any of the years highest total system or program aid it received for any of the years 1990-91, 1991-92, 1992-93, after taking into account any reduction adjustments, and provided further, that such

selections shall apply with respect to the moneys due in accordance with the provisions of paragraphs g and i of subdivision 1 of section 273 of the education law."

Insert "Notwithstanding any provisions of law to the contrary, the allocation of aid to public libraries for 2002-03 shall continue to fund all recipients at the levels they were funded in the 2001-02 state fiscal year."

Page 142, After line 10

Insert

"(Part H)"

Section 1. Subdivisions 2 and 3 of section 489-d of the real property tax law, as amended by chapter 920 of the laws of 1977, are amended and two new subdivisions 3-a and 3-b are added to read as follows:

2. Bridges, viaducts and other similar structures constructed on or after January first, nineteen hundred fifty-nine as the result of the creation, pursuant to article twelve-B of the highway law, of a new highway, street or roadway, carrying railroad facilities over such new highway, street or roadway shall be exempt from taxation. No assessment of any bridges, viaducts and other similar structures lengthened or reconstructed on or after January first, nineteen hundred fifty-nine as the result of the widening, relocation or reconstruction of an existing highway, street or roadway, pursuant to article twelve-B of the highway law shall be increased by reason of such reconstruction or relocation, notwithstanding the provisions of any general, special or local law to the contrary; provided, however, that the assessment on the original portion of such bridges, viaducts and other similar structures may be varied in accordance with the changes made generally in assessments on other local real property. Whenever any new construction of property is

exempt pursuant to the provisions of this subdivision and the provisions of subdivision three-a or three-b of this section, such property shall receive the exemption provided by subdivision three-a or three-b of this section.

3. Railroad real property shall be exempt from taxation to the extent of any increase in value thereof by reason of any of the following additions, betterments, improvements, or reconstructions made or installed thereon after the last preceding taxable status date prior to April twenty-first, nineteen hundred fifty-nine; (a) the installation of automatic grade crossing protective devices, such as flashing lights or automatic gates and their attendant facilities; (b) the reconstruction or the replacement of signals, railroad bridges, stations, freight houses, classification yards, repair shops, or any other facility used for transportation purposes, provided that the property as reconstructed or replaced is the same general type of facility and is located in the same city or town as the property reconstructed or replaced; and (c) the construction or reconstruction pursuant to the grade crossing elimination acts, the railroad law, or the highway law of any grade separation structure, such as bridges, viaducts, tunnels, retaining walls and embankments constructed for the purpose of eliminating or avoiding highway-railroad crossings at grade. Whenever any new construction of property is exempt pursuant to the provisions of this subdivision and the provisions of subdivision three-a or three-b of this section, such property shall receive the exemption provided by subdivision three-a or three-b of this section.

3-a. Whenever a railroad company makes any improvements, enhancements or upgrades to any existing railroad real property in

order to improve freight service or to provide improved or new passenger service, the cost of such project shall not be included in the calculation of any subsequent railroad ceilings determined in accordance with the earnings ratio as prescribed by this title and title 2-B of this article for a period of ten years from the date of completion of such project provided that such project's improvements, enhancements or upgrades were made pursuant to a capital project proposal approved by the commissioner of the department of transportation as provided in section four hundred eighty-nine-v of this title. The department of transportation shall certify to the state board the location and cost of any such improvements, enhancements or upgrades in a manner that provides the state board with sufficient time to carry out its responsibilities pursuant to this chapter.

3-b. The cost of bridges, viaducts, other structures or improvements and new rail lines, including any new rail lines built to replace existing rail lines, shall not be included in the calculation of any subsequent railroad ceilings determined in accordance with the earnings ratio as prescribed by this title and title 2-B of this article for a period of ten years from the date of completion of such project provided that such construction was pursuant to a capital project proposal approved by the commissioner of the department of transportation as provided in section four hundred eighty-nine-v of this title. The department of transportation shall certify to the state board the location and cost of any such construction in a manner that provides the state board with sufficient time to carry out its responsibilities pursuant to this chapter.

§2. Section 489-g of the real property tax law is amended by

adding three new subdivisions 6, 7 and 8 to read as follows:

6. In determining a system reproduction cost for purposes of railroad ceilings determined for assessment rolls filed on or after January first, two thousand two, grading shall be deemed a depreciable asset. The allowance for grading in place shall be eighteen percent per annum but shall not exceed ninety percent.

7. In determining a system reproduction cost for purposes of railroad ceilings determined for assessment rolls filed on or after January first, two thousand two, the state board shall not include a factor for any construction overhead in its calculation.

8. (a) In determining a system reproduction cost for purposes of railroad ceilings established for assessment rolls filed in two thousand two, the state board shall allow for increased depreciation of railroad track. For high speed/high tonnage track and medium speed/high tonnage track, whether main track or side track, depreciation shall be increased to seventy-five percent. For low speed/medium tonnage track, whether main track or side track, depreciation shall be increased to eighty-five percent. For low speed/low tonnage track, whether main track or side track, depreciation shall be increased to ninety percent.

(b) Such increased depreciation pursuant to paragraph (a) of this subdivision shall be granted for railroad ceilings established for assessment rolls filed in two thousand three and thereafter only upon application of a railroad company. Any increased depreciation shall be granted to all the tracks owned by the railroad in this state not otherwise exempt from inclusion in the calculation of railroad ceilings. Such grant of increased

depreciation shall continue for ten years and may be approved for subsequent periods of ten years upon application and compliance with the standards established by rule and regulation. The state board shall, in consultation with the department of transportation and the division of the budget, establish by rule and regulation the schedules for increased depreciation and standards for improved service that must be met in order for a railroad to receive such increased depreciation for railroad ceilings established for assessment rolls filed in two thousand three and thereafter. A railroad company that has failed to file an application or failed to meet the standards for improved services contained in any such rules and regulations of the state board prior to the establishment of railroad ceilings for assessment rolls filed in two thousand three shall receive one-half the benefit for increased depreciation that such company would have received had such application been made and such standards been met in a timely fashion. The standards for increased depreciation may be based upon increased tonnage, increased level of passenger service, increased number of passenger trains and/or improved on-time performance, increased average speed and any other factors indicating improved rail service as the state board and the department of transportation shall specify.

§ 3. Section 489-j of the real property tax law is amended by adding two new subdivisions (b) and (c) to read as follows:

(b) Notwithstanding the provisions of subdivision (a) of this section, for purposes of determining railroad ceilings for intrastate railroads for assessment rolls completed in two thousand two and thereafter, the percentage indicated under "exemption

factor" in the table in this subdivision opposite the earnings ratio of the railroad company shall be the exemption factor for each railroad company. If the earnings ratio of a railroad company does not coincide with a specific earnings ratio indicated in the table in this subdivision, the exemption factor for such company shall be determined by interpolation to the nearest hundredth of one percent.

<u>Earnings Ratio</u> <u>Percent)</u>	<u>Exemption Factor</u> <u>(Percent)</u>
<u>12</u>	<u>0</u>
<u>11</u>	<u>5</u>
<u>10</u>	<u>10</u>
<u>9</u>	<u>15</u>
<u>8</u>	<u>20</u>
<u>7</u>	<u>25</u>
<u>6</u>	<u>30</u>
<u>5</u>	<u>35</u>
<u>4</u>	<u>40</u>
<u>3</u>	<u>50</u>
<u>2</u>	<u>60</u>
<u>1</u>	<u>80</u>
<u>0</u>	<u>85</u>

(c) Notwithstanding the provisions of subdivision (b) of this section, whenever it shall appear that an exemption factor is decreasing more than one-tenth from the exemption factor established in the prior year, such decrease may not exceed one-tenth.

§4. The real property tax law is amended by adding a new section 489-v to read as follows:

§489-v. Capital improvements to railroad property. 1. As used in this section:

(a) "Completed capital project" shall mean a capital project which has been certified by the commissioner to be completed in accordance with a capital project proposal approved by the commissioner.

(b) "Capital project proposal" shall mean a proposal, prepared by a railroad company and submitted to the commissioner, which sets forth a proposed capital project. Such proposal shall include a description of the proposed capital project and conditions relating to

railroad tracks, roadbeds, bridge and structural improvements, improvements to railroad yards, switches, sidings, or other facilities, signal system improvements, or other railroad projects that improve the efficiency, capacity or safety of railroad facilities. The proposal shall be reviewed by the commissioner and shall be approved if the commissioner determines that the proposed project is consistent with the provisions of paragraph (e) of this subdivision and rules and regulations prescribed by the department pursuant to this section. Capital project proposals that have been approved by the commissioner may be amended with the approval of the commissioner.

(c) "Commissioner" shall mean the commissioner of the New York state department of transportation.

(d) "Department" shall mean the New York state department of transportation.

(e) "Capital project" shall mean a construction project which shall modify railroad facilities to substantially improve the efficiency, capacity or safety of railroad freight or passenger transportation, as determined by the commissioner, in one or more of the following manners:

(i) a substantial enhancement in rail freight or passenger transportation performance, such as upgrading the class of the railroad track as track classes are defined in the track safety standards of the United States Department of Transportation;

(ii) the construction of significant new facilities for rail freight or passenger transportation, such as the construction of new railroad lines, additional tracks along existing lines, sidings, structures, yards, stations, signal systems or switching facilities, and intermodal facilities, including, but not limited to, automotive, bulk transfer, trailer

on flatcar, container on flatcar and reload facilities; and

(iii) major renovations to or expansions of components of railroad infrastructure, such as the reconstruction of bridges or the increase in bridge capacity, the expansion of railroad yards, or the substantial improvement of the technology or safety of signal systems.

2. (a) A railroad company shall propose a capital project to the commissioner for approval under this section on forms prescribed by the department. The commissioner shall approve capital project proposals that are consistent with the terms of this section and rules and regulations prescribed by the department. The commissioner shall notify the submitting railroad within thirty days of receipt of a proposal whether or not the commissioner considers the proposal to be consistent with the definition of a capital project as set forth in paragraph (e) of subdivision one of this section.

(b) Upon a railroad company's completion of the construction of a capital project, such railroad company may make application to the commissioner for certification under this section on forms prescribed by the department. If the commissioner finds that such capital project was completed in accordance with, and is in compliance with, an approved capital project proposal, the commissioner is authorized to forward a certificate of approval to the property owner thereof, with the approved capital project proposal for the completed capital project.

(c) The department is hereby authorized to adopt and promulgate rules and regulations necessary for the implementation of this section. Such regulations may relate to the nature and content of eligible capital projects, approved capital project proposals, certifications and notices issued

by the commissioner and completed capital projects. Rules and regulations relating to capital projects and approved capital project proposals or amendments thereto may provide for alternative or contingent terms based on the scope and nature of the capital project.

(d) This section shall apply to any certified completed capital project. The obligations and benefits of this section shall devolve upon the property owner, its heirs, successors and assigns.

3. (a) Whenever any alteration of a completed capital project is proposed during the period of exemption pursuant to section four hundred eighty-nine-d or four hundred eighty-nine-dd of this article in a manner that would reduce the utility of the completed capital project, the property owner shall give not less than sixty days notice to the commissioner in a manner and upon such form as shall be prescribed by the department. Such notice shall include information as to the location and nature of such proposed alteration.

(b) The commissioner shall in response to a notice from a property owner or on the commissioner's own initiative, after notice and hearing, issue a notice of revocation of the certificate of approval issued pursuant to this section for any completed capital project whenever the commissioner finds that:

(i) any completed capital project or portion thereof is not maintained or is converted to a use which precludes the use of the improvement for common carrier railroad use; or

(ii) the property owner fails to give notice of a proposed alteration of such completed capital project pursuant to paragraph (a) of this subdivision; or

(iii) the property owner fails to comply with the terms of

the approved capital project proposal for such improved property.

4. Any determination made pursuant to this section shall be binding upon the state board in any calculation pursuant to this title or title two-B of this article.

§5. The real property tax law is amended by adding a new section 489-w to read as follows:

§489-w. Railroad ceiling; transitional adjustment. 1. Any reduction in a railroad ceiling established pursuant to this title or title two-B of this article resulting from amendments to this title or title two-B of this article effective in the year two thousand two for assessment rolls filed in two thousand two through two thousand seven shall be adjusted as follows:

(a) Ceilings for assessment rolls filed in two thousand two and two thousand three shall only be reduced by one-fourth of the difference between the ceilings or assessments against which taxes were levied on assessment rolls filed in two thousand and the ceilings that would be established for the two thousand two and two thousand three assessment rolls but for the provisions of this section.

(b) Ceilings for assessment rolls filed in two thousand four and two thousand five shall only be reduced by one-half of the difference between the ceilings or assessments against which taxes were levied on assessment rolls filed in two thousand, and the ceilings that would be established for the two thousand four and two thousand five assessment rolls but for the provisions of this section.

(c) Ceilings for assessment rolls filed in two thousand six and two thousand seven shall only be reduced by three-quarters of the difference between the ceilings or assessments against which taxes were levied on assessment rolls filed in two thousand and the

ceilings that would be established for the two thousand six and two thousand seven assessment rolls but for the provisions of this section.

(d) In calculating the limitations created by this section, the state board shall reflect any material change in level of assessment calculated pursuant to article twelve of this chapter and any new construction or demolition in the net amount of five hundred thousand dollars or more in any one year.

2. State assistance shall be paid to municipal corporations and special districts that are affected by amendments to this title or title two-B of this article enacted in the year two thousand two pursuant to this section, provided that the determination of such assistance shall be subject to the approval of the director of the budget.

(a) Upon issuance of a warrant by a tax-levying body for an assessment roll filed in the year two thousand two, the chief fiscal officer of such tax-levying body shall report to the state board the amount of taxes due on any assessment of railroad transportation property appearing in such roll, or the taxes that would have been due on the railroad ceiling for that property if such ceiling was higher than the assessment, and the taxes paid on the same assessment of such railroad real property appearing on the assessment roll filed in the year two thousand. A county shall prepare a single report for the cities, towns and special districts for which it levies taxes. The state board shall thereupon certify to the comptroller payment of state assistance in the amount by which the amount of taxes paid on those assessments or ceilings on the assessment roll filed in the year two thousand exceed the

taxes due on the lower of the assessment or ceiling of railroad transportation property appearing on the assessment roll filed in the year two thousand two.

(b) Upon annexation of a warrant to an assessment roll filed in two thousand three through two thousand five, the state board shall certify payments in the same amount as those certified for assessment rolls completed in two thousand two. Upon annexation of a warrant to an assessment roll filed in two thousand six and two thousand seven, the state board shall certify payments in the amount of one hundred fifty percent of the amount certified for assessment rolls completed in two thousand two. For assessment rolls completed in two thousand eight through two thousand eleven, the state board shall certify payments in the amount of two hundred percent of the amount certified for assessment rolls completed in two thousand two. Any state aid pursuant to this section may be reduced proportionately to reflect an increase in railroad ceilings due to the failure of the owner to receive increased depreciation as provided in section four hundred eighty-nine-g or section four hundred eighty-nine-ii of this article. Such state assistance shall not be available for assessment rolls completed in two thousand twelve and thereafter.

(c) The amount of any assistance certified pursuant to this section may be modified to reflect proportionally new construction or demolition in the net amount of five hundred thousand dollars or more in any one year.

(d) No payment of state aid shall be made pursuant to this section if a railroad ceiling, adjusted pursuant to paragraph (c) of this subdivision, is higher than the ceiling established for the assessment roll filed in the year two thousand.

(e) No payment of state aid shall be made pursuant to this section if the amount of such payment would be less than one hundred dollars.

§6. Subdivisions 2 and 3 of section 489-dd of the real property tax law, as added by chapter 920 of the laws of 1977, are amended and two new subdivisions 6 and 7 are added to read as follows:

2. Bridges, viaducts and other similar structures constructed on or after January first, nineteen hundred fifty-nine as the result of the creation, pursuant to article twelve-B of the highway law, of a new highway, street or roadway, carrying railroad facilities over such new highway, street or roadway shall be exempt from taxation. No assessment of any bridges, viaducts and other similar structures lengthened or reconstructed on or after January first, nineteen hundred fifty-nine as the result of the widening, relocation or reconstruction of an existing highway, street or roadway, pursuant to article twelve-B of the highway law shall be increased by reason of such reconstruction or relocation, notwithstanding the provisions of any general, special or local law to the contrary; provided, however, that the assessment on the original portion of such bridges, viaducts and other similar structures may be varied in accordance with the changes made generally in assessments on other local real property. Whenever any new construction of property is exempt pursuant to the provisions of this subdivision and the provisions of subdivision six or seven of this section, such property shall receive the exemption provided by subdivision six or seven of this section.

3. Railroad real property shall be exempt from taxation to the extent of any increase in value thereof by reason of any of the following additions, betterments,

improvements, or reconstructions made or installed thereon after the last preceding taxable status date prior to April twenty-first, nineteen hundred fifty-nine; (a) the installation of automatic grade crossing protective devices, such as flashing lights or automatic gates and their attendant facilities; (b) the reconstruction or the replacement of signals, railroad bridges, stations, freight houses, classification yards, repair shops, or any other facility used for transportation purposes, provided that the property as reconstructed or replaced is the same general type of facility and is located in the same city or town as the property reconstructed or replaced; and (c) the construction or reconstruction pursuant to the grade crossing elimination acts, the railroad law, or the highway law of any grade separation structure, such as bridges, viaducts, tunnels, retaining walls and embankments constructed for the purpose of eliminating or avoiding highway-railroad crossings at grade. Whenever any new construction is exempt pursuant to the provisions of this subdivision and the provisions of subdivision six or seven of this section, such property shall receive the exemption provided by subdivision six or seven of this section.

6. Whenever a railroad company makes any improvements, enhancements or upgrades to any existing railroad real property in order to improve freight service or to provide improved or new passenger service, the cost of such project shall not be included in the calculation of any subsequent railroad ceilings determined in accordance with the earnings ratio as prescribed by this title and title 2-a of this article for a period of ten years from the date of completion of that project provided that such project's improvements, enhancements or

upgrades were made pursuant to a capital project proposal approved by the commissioner of the department of transportation as provided in section four hundred eighty-nine-v of this article. The department of transportation shall certify to the state board the location and cost of any such improvements, enhancements or upgrades in a manner that provides the state board with sufficient time to carry out its responsibilities pursuant to this chapter.

7. The cost of bridges, viaducts, other structures or improvements and new rail lines, including any new rail lines built to replace existing rail lines, shall not be included in the calculation of any subsequent railroad ceilings determined in accordance with the earnings ratio as prescribed by this title and title 2-a of this article for a period of ten years from the date of completion of such project provided that such construction was pursuant to a capital project proposal approved by the commissioner of the department of transportation as provided in section four hundred eighty-nine-v of this article. The department of transportation shall certify to the state board the location and cost of any such construction in a manner that provides the state board with sufficient time to carry out its responsibilities pursuant to this chapter.

§7. Section 489-hh of the real property tax law is amended by adding two new subdivisions (b) and (c) to read as follows:

(b) Notwithstanding the provisions of subdivision (a) of this section, for purposes of determining railroad ceilings for interstate railroads for assessment rolls completed in two thousand two and thereafter, the percentage indicated opposite the ratio in the table in this subdivision shall be the economic factor. If the ratio does not

coincide with a specific rate indicated in the table in this subdivision, the economic factor for such company shall be determined by interpolation to the nearest tenth of one percent.

<u>Ratio</u>	<u>Economic Factor (Percent)</u>
<u>.60</u>	<u>100</u>
<u>.65</u>	<u>85</u>
<u>.70</u>	<u>70</u>
<u>.75</u>	<u>60</u>
<u>.80</u>	<u>50</u>
<u>.85</u>	<u>40</u>
<u>.90</u>	<u>30</u>
<u>.95</u>	<u>20</u>
<u>1.00</u>	<u>15</u>

(c) Notwithstanding the provisions of subdivision (b) of this section, whenever it shall appear that an economic factor is increasing more than one-tenth from the exemption factor established in the prior year, such increase may not exceed one-tenth.

§8. Section 489-ii of the real property tax law is amended by adding three new subdivisions 7, 8 and 9 to read as follows:

7. In determining local reproduction cost for purposes of railroad ceilings determined for assessment rolls filed on or after January first, two thousand two, grading shall be deemed a depreciable asset. The allowance for depreciation of grading shall be eighteen percent for each year in service up to a total of ninety percent.

8. In determining local reproduction cost for purposes of railroad ceilings determined for assessment rolls filed on or after January first, two thousand two, the state board shall not include a factor for any construction overhead in its calculation.

9. In determining a local reproduction cost for purposes of railroad ceilings established for assessment rolls filed in two thousand two, the state board shall allow for increased depreciation of railroad track. For high speed/high tonnage track and medium

speed/high tonnage track, whether main track or side track, depreciation shall be increased to seventy-five percent. For low speed/medium tonnage track, whether main track or side track, depreciation shall be increased to eighty-five percent. For low speed/low tonnage track, whether main track or side track, depreciation shall be increased to ninety percent. Such increased depreciation shall only be granted for railroad ceilings established for assessment rolls filed in two thousand three upon application of a railroad company. Any increased depreciation shall be granted to all the tracks owned by the railroad in this state not otherwise exempt from inclusion in the calculation of railroad ceilings determined in accordance with the earnings ratio as prescribed by this title and title 2-a of this article. The state board shall, in consultation with the department of transportation and the division of the budget, establish by rule and regulation the schedules for increased depreciation and standards for improved service that shall be met in order for a railroad to receive such increased depreciation for railroad ceilings established for assessment rolls filed in two thousand three and thereafter. A railroad company that has failed to file an application or failed to meet the standards for improved services contained in the rules and regulations of the state board prior to the establishment of railroad ceilings for assessment rolls filed in two thousand three shall receive one-half of the benefit for increased depreciation that it would have received had such application been made or such standards been met in a timely fashion. The standards for increased depreciation shall be based upon increased tonnage, increased level of passenger service, increased number of

passenger trains and/or improved on-time performance, increased average speed and any other factors indicating improved rail service as the state board and the department of transportation shall specify.

§9. This act shall take effect immediately and shall first apply to railroad ceilings established for final assessment rolls with completion dates on or after January 1, 2002, provided, however, that, if, pursuant to any provision of law, taxes for the 2002-2003 fiscal year of any school district shall be levied against an assessment roll completed in 2001, the state board of real property services shall establish special railroad ceilings, which shall not be subject to any hearing or other administrative review, for such roll and levy that are calculated as if the provisions of this act were in effect for the calculation of such railroad ceilings for the assessment roll completed in 2001. If any taxes have been levied against a railroad ceiling established for an assessment roll completed in 2002 prior to the date this act shall have become a law, the state board of real property services shall establish a special railroad ceiling, which shall not be subject to any hearing or other administrative review, for such roll and levy that are calculated as if the provisions of this act were in effect for the calculation of such railroad ceiling, and any local official having custody of an assessment or tax roll upon which such other ceiling appears is hereby authorized to enter such special ceiling upon such roll and, if necessary, to refund any taxes paid in excess of those that would have been extended against such special ceiling. For purposes of the transition provisions added by section six of this act, any special railroad ceiling shall be compared to the railroad ceiling appearing on the assessment roll

completed in the year 2000. The state board of real property services, the department of transportation and the division of budget is authorized to promulgate any and all rules and regulations and take any other measures necessary to implement this act on its effective date on or before such date.

Page 142, Line 19

Strike out "G"
Insert "H"