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April 1, 2019

State Budget Approved -- AIM Aid Restored

The State begins the new fiscal year with an approved \$175.5 billion (all funds) plan in place. Among many provisions, highlights include:

Real Property Tax Levy Cap Made Permanent: The real property tax levy cap, enacted in 2011 and set to expire next year, is now permanent. The cap remains set at 2% or the rate of inflation (whichever is less). Current spending exceptions to the tax cap remain in place.

AIM Aid Restored: The projected cuts in Aid and Incentives to Municipalities Aid for towns and villages were restored to previous levels. The aid will be restored through a reallocation of \$60 million in increased sales tax revenues received by counties through enactment of a new Internet Sales Tax (see below).

Internet Sales Tax: The Enacted Budget provides a framework for the collection of required sales taxes by internet marketplace providers, which is expected to generate \$160 million annually in new revenue for local governments.

Education Aid: Aid to schools is increased by \$1 billion to \$27.9 billion (3.8% increase). Over 70% of the increase in funding is being earmarked for poorer districts. School districts will be required to report how they provide the appropriate funding for certain schools.

ACA Codification: Key provisions of the Affordable Care Act and the New York State Health Exchange are now codified into law. According to the Governor's news release, this was done to ensure that no matter what happens at the Federal level, key ACA provisions are protected in New York State.

Prohibition on Plastic Bag Use: The enacted budget includes language to ban single-use plastic bags provided to customers and allows counties and cities to opt-in to a 5-cent fee on paper bags. Of the revenues collected, 40% will support local programs to buy reusable bags for low and fixed income consumers with the remaining 60% of revenue supporting programs in the State's Environmental Protection Fund.

Investment in Clean Drinking Water: Adds an additional \$500 million to the \$2.5 billion already committed to funding clean water infrastructure.

MTA Funding: Among other provisions which will fund the Metropolitan Transportation Authority's capital plan, includes a provision to begin tolling vehicles which enter the Central Business District in Manhattan (below 60th Street). Implementation of this tolling system would not be before 12/30/20.

More details on the newly enacted State Budget from the Governor's Office can be downloaded via the link below:

[Governor's Statement on SFY 2020 Enacted Budget](#)
