



July 20, 2021 - Keep 'In the Loop'

County Investment Options Expanded

The Governor has signed into law a bill ([Chapter 255, Laws of 2021 - A. 7209 \(Thiele\)](#)) which expands the investment options for counties to be similar to those available to New York City. This authorization, which expires on July 1, 2023, expands the authorized investment list for counties to include:

- General obligation bonds and notes of any state other than New York, provided that such bonds receive the highest rating of at least one independent rating agency;
- Obligations of any corporation organized under the laws of any state, provided that such obligations received the highest rating of two independent rating services and that no more than \$250 million is invested in any one corporation;
- Bankers' acceptances maturing within 270 days which are eligible for purchase in the open market by federal reserve banks;
- Obligations of, or instruments issued by, any agency or instrument of the USA, including federal home loans banks, the Tennessee Valley Authority, the Federal National Mortgage Association, Federal Home Loan Mortgage Association, and the United States Postal Service, provided that no more than \$250 million is invested in any one agency; and
- No load money market mutual funds, provided that such funds are limited to investments in obligations of agencies or instrumentalities of the USA, where payment is guaranteed by the USA.

This expansion was effective as of July 19, 2021.

Public Budget Hearing Timing for Fire Districts Changed

The Governor has signed into law a bill ([Chapter 278, Laws of 2021 - S. 1209 \(Kaminsky\)](#)) which changes the timing for public budget hearings for fire, fire alarm and fire protection districts. The law provides more flexibility for setting the budget hearing date by changing it from the Third Tuesday in October to the Third Week in October. The change was effective as of July 19, 2021.

2% Inflation Factor Set for Calendar FY 2022

One of the primary components local governments and school districts utilize in determining the real property tax levy cap for their ensuing fiscal year is the inflation and allowable levy growth factor. The [inflation and allowable levy growth factor for municipalities with calendar 2022 fiscal years](#) has been set at 2%.

The Office of the State Comptroller does not establish the allowable levy growth factor. The factor is based on a specific calculation that is prescribed by law and further clarified by the NYS Division of Taxation and Finance and NYS Department of State in the [Tax Cap Guidance Document](#). As a service to local governments and school districts, the Office of the State Comptroller performs the computation to ensure consistency and to mitigate errors.

Also, information on tax base growth factors, another component in the tax levy cap formula, for counties, cities, towns, and villages with fiscal years beginning in 2022 are also available and provided by the NYS Department of Taxation and Finance at <https://www.tax.ny.gov/research/property/cap.htm>

GASB Asking for Feedback on Implementing Statement No. 87 (*Leases*)

The Governmental Accounting Standards Board (GASB) is seeding feedback from practitioners regarding implementation of Statement No. 87 (*Leases*).

If interested, you will be asked to do four things at various points during your implementation of Statement 87:

1. [Register to participate.](#)

2. Keep track of the staff hours and non-staff costs associated with preparing your audited financial report for the years *before* you implement Statement 87. After that fiscal year, the GASB will send you a link to a website where you can report those staff hours and non-staff costs and upload copy of your financial report.
3. Keep track of the staff hours and non-staff costs specifically associated with implementing Statement 87 as part of preparing your audited financial statements for your first fiscal year of applying Statement 87. After that fiscal year, the GASB will send you a link to a website where you can report those staff hours and non-staff costs, upload a copy of your audited financial report, and tell the GASB about any parts of Statement 87 that you found particularly difficult to apply.
4. Keep track of the staff hours and non-staff costs in the *second year* of applying Statement 87. After that fiscal year, the GASB again will send you a link to a website where you can report staff hours and non-staff costs and upload a copy of your audited financial report.

The GASB understands that most governments do not have a system that allows them to track hours and costs related to a particular Statement. Therefore, **the GASB accepts estimates of the staff hours and non-staff costs in response to the survey questions.** However, the GASB hopes that by engaging governments before they implement the standards, governments will be able to keep informal records that will enable them to make an informed and accurate estimate of the staff hours and non-staff costs required to implement.

Governments that complete the process will receive an official letter from the GASB chairman, thanking them for their participation in this important initiative.

In the Loop bulletins are provided to members of NYGFOA.

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