



NEW YORK STATE SENATOR

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## New State Laws Taking Effect in 2018

JOHN A. DEFRANCISCO December 7, 2017

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#### Tax Cuts:

Child and Dependent Care Credit- Expands the Child and Dependent Care Tax Credit for taxpayers with incomes between \$50,000 and \$150,000 and also expands the current cap on child care expenses from \$6,000 to \$9,000, depending on number of children, for families with up to five children. Effective January 1, 2018.

Middle Class Tax Cut - The middle class tax cut that passed in 2016 takes effect January 1st. In the first year, 4.4 million New Yorkers will benefit from the tax cut. When fully phased in, these take cuts will save New Yorkers \$4.2 billion annually. Effective January 1, 2018.

Year three of the Property Tax Relief Credit - In the 2015 legislative session, subpart B of Chapter 20 of the laws of 2015 (S.6012 Flanagan) created the Property Tax Relief Credit. The credit totals \$3.1 billion over four years for STAR eligible homeowners with incomes of \$275k or less who reside in property tax cap compliant school districts. In year three, eligible homeowners will receive an average statewide rebate check of \$380 during the fall of 2018 paid as an advance refund for the 2018 tax year. Rebates are determined as a percentage of STAR benefits on a sliding scale according to personal income. Eligible residents in lower income brackets receive a greater rebate compared to residents in higher income brackets.

#### Retirement Laws:

Pension Forfeiture of Public Officers – A ballot proposal approved by voters on November 7, 2017 amends the constitution to allow a court to reduce or revoke the public pension of a public officer who is convicted of a felony that has a direct and actual relationship to the performance of the public officer's existing duties. With approval by the voters, this amendment would apply to felonies committed on or after January 1, 2018. Prior to this amendment, New York's Constitution provided that the benefits of a public pension or retirement system could not be reduced or impaired.

#### Labor:

Workers' Compensation Reform - The FY 2018 Adopted Budget (Chapter 59 of the Laws of 2017, S.2009-C, Part NNN) made various reforms to the Workers' Compensation Program. This included statutory direction to issue new Permanency Impairment Guidelines by

January 1, 2018. A draft of the proposed guidelines was released September 1, 2017. Although the new guidelines have not been finalized, it is the intent of the legislation that updating the current impairment guidelines will generate significant savings to the Workers' Compensation system which would translate into rate reductions for both public and private employers.

#### Tax Issues:

Life Sciences Research and Development Credit - Creates a new tax credit for life sciences research and development, totaling \$100 million. New life science businesses would receive a 15% refundable tax credit on all new qualifying research and development expenditures. Small businesses in the life sciences industry could be eligible for a 20% credit. Effective January 1, 2018.

Repeal of the tax on Agricultural Cooperatives - Chapter 59 of 2014 Repeals the tax on agricultural cooperatives on January 1, 2018 by repealing section 185 of the tax law. This will save agricultural cooperatives approximately \$600,000 annually.

#### Human Services:

Runaway and Homeless Youth Programs - The FY 2018 Enacted Budget contains legislation to provide greater flexibility to municipalities related to the type of services, the duration that services can be provided and the age of youth who can be served in Runaway and Homeless Youth Act programs. (Ch. 56 of 2017, Part M; effective January 1, 2018)

Environmental Conservation - Commercial Licenses: Chapter 225 of the Laws of 2017 (S.5747-A, Boyle) extends the authorization of the Department of Environmental Conservation to issue commercial food fishing licenses, commercial lobster permits, commercial crab permits,

commercial whelk or conch licenses, and marine and coastal district party and charter boat licenses until December 31, 2018. Effective December 31, 2017.

#### Health:

Epinephrine Auto Injectors- A new law (Chapter 200 of Laws of 2017, S.6005A- Murphy) that takes effect December 19, 2017 that authorizes certain employees or contractors of a school district, county vocational, charter schools, and non-public elementary schools and secondary schools in New York State to administer epinephrine auto injectors in the event of an emergency.

Coverage of Services - Prohibits requiring prior authorization for coverage of services in a neonatal intensive care unit (NICU) - A new law (Chapter 389 of Laws of 2017, S.6053-Hannon) takes effect December 22, 2017 prohibits requiring a health plan to provide prior authorization for services in a NICU of a general hospital. Provided that the health plan may deny a claim for such services if it is determined the services were not medically necessary.

#### Mental Hygiene:

Human Services Cost of Living Adjustment - The FY 2018 Enacted Budget provides a 3.25 percent targeted wage increase for not for profit direct care and support workers under the auspices of the Office for People with Developmental Disabilities, Office of Mental Health, and Office of Alcoholism and Substance Abuse Services effective January 1, 2018. There will be a second 3.25 percent increase scheduled to take effect April 1, 2018 that will also include clinical workers (Chapter 57 of the Laws of 2017, Part Q).

#### Transportation/Office of Parks, Recreation and Historic Preservation:

Definition of “snowmobile” - Chapter 341 of the Laws of 2017 (S.4542-B, Little) amends the Parks, Recreation and Historic Preservation Law and the Vehicle and Traffic Law definitions of “snowmobile” to require that the vehicle is equipped with a motor and was originally manufactured and designed for travel on snow or ice. The definitions also authorize tracked cleats, in addition to skis and belts for support. These definitions are effective January 1, 2018.

Improve Safety on Snowmobile Trails Across the State. A new law (Chapter 341 of 2017, S.4542-B Little) limits the use of snowmobile trails to those designed to be used on public trails and adjusts the penalties for operating an unregistered snowmobile, failing to renew a snowmobile registration and improperly displaying a snowmobile registration number. This law also increases the amount of State aid from snowmobile registration fees allocated to municipalities for snowmobile law enforcement purposes. This law takes effect on January 1, 2018.

Seatbelt Requirements in Taxi and Livery Vehicles - A new law (Chapter 340 of 2017, S.5749 Golden) requires that the operator of a taxi or livery vehicle must be restrained by a seatbelt, and that every front seat passenger in such vehicle must be restrained by a seatbelt. This law took effect on November 1, 2017.

Government Transparency:

Economic Development Report - Chapter 59 of 2017 (part UUU) requires the Department of Economic Development (DED) to post a comprehensive report to their website on January 1 of each year. The report should include aggregate totals of all economic development programs administered through DED and the Urban Development Corporation including program progress, program participation rates, economic impact, regional distribution, industry trends and any other information the department deems necessary. The first report is scheduled to be prominently displayed on the DED’s website on January 1, 2018.

## Paid Family Leave:

The Paid Family Leave program will take effect January 1, 2018. For 2018, it provides an eight week benefit funded through employee payroll deductions. There is no cost to employers. The employee payroll deduction for 2018 is capped at .126 percent of an employee's weekly wage up to the annualized New York State Average Weekly Wage (SAWW) for maximum weekly contribution of \$1.63. Employers are authorized to begin withholding weekly employee contributions July 1, 2017. The amount of the employee payroll deduction is determined annually by the Department of Financial Services. By 2021, at full implementation, the benefit will be 12 weeks at 67 percent of the employee's weekly wage up to the SAWW.