



LEGISLATIVE UPDATE MAY 2023

The Fiscal Year 2023-2024 New York State Budget was enacted on May 3, 2023. The \$229 billion spending plan fully funds public schools, lowers middle-class tax rates, spurs economic growth, increases wages further invests in housing for renters and homeowners while enhancing public safety, justice, and equity across New York State. The legislature and Governor engaged in intense negotiations, dragging final passage four weeks past the April 1 deadline.

Highlights of the enacted budget include:

- **All-Electric Buildings Act:** The budget requires the Building and Energy codes to prohibit the installation of fossil-fuel equipment and building systems (any equipment or infrastructure excluding cooking equipment used for combustion or supply of fossil fuels) in new buildings starting December 31, 2025 for new buildings of seven stories or less, and December 31, 2028 for all new buildings regardless of size or building type. The definition of “fossil-fuel equipment and building systems” includes an exemption for systems that deliver fuel for motor vehicles. There are also exemptions for backup power generation systems, manufactured homes, manufacturing facilities, commercial food establishments, laboratories, car washes, laundromats, medical facilities, critical infrastructure, agricultural buildings, fuel cell systems, and crematoriums.
- **Strengthening the Build Public Renewables Act:** The Budget empowers New York Power Authority (NYPA) to direct, plan, build, and operate renewable energy projects to support the state in meeting generation targets in the Climate Leadership and Community Protection Act (CLCPA) and the Climate Action Council scoping plan.
- **Raising the Minimum Wage:** Effective January 1, 2024, the minimum wage will increase to \$16 per hour in New York City and Nassau, Suffolk, and Westchester counties, and to \$15 per hour in the remainder of the state. The minimum wage will then increase by another \$.50 each year in 2025 and 2026—reaching \$17 per hour in downstate New York by 2026. Subsequent annual increases to the minimum wage will be tied to the inflation rate. The State Department of Labor (DOL) is required to publish future adjusted minimum wage rates by no later than October 1st of each year.
- **Metropolitan Transit Authority (MTA):** The budget adjusts the Payroll Mobility Tax on the largest businesses within New York City to 0.6%, generating approximately \$1.1 billion annually for the

MTA. This budget also appropriates \$300 million in one-time State Aid and requires New York City to contribute \$165 million for paratransit services funding. Lastly, it reduces the proposed MTA fare increase.

- The Clean Green Schools initiative provided in the “Clean Water, Clean Air and Green Jobs Environmental Bond Act” will serve more than 1,000 public schools and benefit nearly 1 million students. The program will drive significant infrastructure upgrades, such as geothermal heating and cooling, solar, green roofs, and indoor air quality/ventilation.
- Zero Emission School Buses: the State Budget requires that all new school bus purchases be zero-emissions by 2027 and all school buses on the road be zero-emissions by 2035. The State Budget will provide \$500 million through the Environmental Bond Act to support school districts in purchases of zero-emission buses and related charging infrastructure including charging stations.
- Climate Friendly Homes: Development of at least 1 million electrified homes and up to 1 million electrification-ready homes by 2030, the Enacted Budget provides funding for a \$25 billion, five-year Capital Housing Plan that will create and preserve 100,000 affordable homes and electrify an additional 50,000 homes.
- There was no replacement program for 421a, and the extension Hochul sought to extend the deadline for projects that started before 421-a expired was rejected. Currently, projects must be completed by 2026 to qualify for the tax break. The legislature rejected Hochul’s request to extend that to 2030.

Bills of interest to the Electrical Industry currently being monitored:

Due to the lengthy budget negotiations, there are considerably fewer Legislative session days left before the Legislature adjourns on June 8, 2023.

S1736B/ A3780A Requires electric vehicle charging stations and electric vehicle ready parking spaces in certain new construction

S5475A/ A373 Ensures that construction and fabrication done off of a public work site for specific use only in a public work project be compensated at the prevailing wage rate.

S5422 Ramos: Requires that modular construction projects (whether units installed in buildings or new construction) comply with applicable local plumbing, gas piping, electrical, and fire suppression licensing requirements, whenever such final construction project is to be located in a city having a population of one million or more.

S4235 Cleare: Requires state contractors to submit a statement on preventing human trafficking

S3372 Skoufis: Ensures proper administration and enforcement of the uniform fire prevention and building code and the state energy conservation construction code; and makes conforming technical changes

A6505 MacDonald: Requires contractors and sub-contractors to electronically file annual employment reports to the agency authorizing a state contract, the department of civil service and the department of audit and control; makes the agency authorizing the contract responsible for ensuring such contractors or sub-contractors file such reports.

S6979 Cooney (Similar to A6505): Requires all state agencies to require all contractors that provide services for state purposes pursuant to a contract, submit an annual employment report with the names of the employees and the number of employees necessary to perform such contract; further provides that such information be submitted electronically in order for such information to be searchable and transferable to a spreadsheet or database.
