



## LEGISLATIVE UPDATE

APRIL 2013

On March 29, the Legislature passed the remaining bills necessary for enactment of the 2013 – 14 NYS Budget. For three years running, the Governor and Legislature have adopted a budget before the April 1 deadline. All funds spending climbed to \$135.1 billion, an increase of 1.3% over the previous period.

With respect to the enacted budget, highlighted below are several items of interest to the electrical industry:

### **Design/ Build**

Lobbying efforts were successful in removing the design/ build provisions from the final budget. With Billions of dollars in Super Storm Sandy funds expected, the Governor had proposed extending design/ build to permit all state agencies and authorities (except SUNY and CUNY) to use design-build contracts and design-build-finance contracts as alternative project delivery methods. Design/ Build allows for the circumvention of the WICK's Law, which offers critical protections for our members.

### **Retail Gas Station Generators ([S2608D/ A3008D Part S](#))**

To address the disruption of gasoline supply in emergency situations, retail gas stations located in strategic downstate areas will be required to install back-up power supply. Stations located within 1/2 mile of an exit of a controlled access highway or evacuation route in the counties of Rockland, Westchester, Nassau, Suffolk and NYC will be required to install the

appropriate wiring and transfer switches, which shall be performed by a licensed electrical contractor.

### **Micro Grids ([S2608D/ A3008D Part T](#))**

Continuing with disaster preparedness, within one year, NYSERDA and the Division of Homeland Security shall develop recommendations regarding the establishment of “microgrids”.

It is suggested that hospitals, first responder headquarters, such as police and fire stations, emergency shelters, schools, water filtration plants, sewage treatment plants, municipalities, commercial entities, and other locations in the state of New York may desire to collaborate on successful microgrids.

### **Economic Development**

The new budget fully funds the existing Regional Economic Development Councils, while rejecting a proposed \$165 million appropriation for general economic development assistance. Proposed restrictions on IDA’s ability to offer state sales tax abatements were rejected, but the pre-2002 restriction on IDA financing of retail projects was re-imposed.

### **Workers’ Compensation ([View full list of enacted items](#))**

Seeking to contain the liabilities created by defaulted group self-insurance trusts, WCB is authorized to bond up to \$900 million. The monies may be used to purchase “assumption of liabilities” policies, which transfer future claims liabilities and administration to a third party. Members of the defaulted trusts remain liable, and the first recourse for the debt service will be against the members of defaulted groups.

Closure of the re-opened case fund to new claims as of January 1, 2014 is aimed at reducing the NYS assessment charge to all employers. All carriers, self-insurers and the State Insurance Fund will charge and collect the NYS

assessment based upon the same calculation beginning on November 1, 2013.

### **Minimum Wage**

Minimum wage will increase to \$8.00 on 1/1/14, \$8.75 on 1/1/15 and \$9.00/hour on 1/1/16. The final agreement also includes tax credits to offset the cost of increased minimum wage payments to young students.

### **Unemployment Insurance ([View full list of enacted items](#))**

The maximum weekly benefit for unemployment benefits will increase from \$405 per week to 50% of the state's average weekly wage, by October 1, 2026. The second "trigger" which conditions the scheduled benefit increase on a determination by the commissioner that the balance of the Fund is sufficient to support the increase, was modified to require that the commissioner make the required assessment of the Fund's condition on the 31<sup>st</sup> day of May, of the same year, when the Fund's balance is at its mid-peak for the year;

The taxable wage base for employer contributions into the Unemployment Insurance Fund will also increase from \$8,500 to 16% of the state's average annual wage by 2026.

### **Announcement on NY-Sun ([view press release](#))**

Under the NY-Sun initiative, the combined efforts of NYSERDA, New York Power Authority (NYPA) and Long Island Power Authority (LIPA) led to the successful installation of over 58 megawatts (MW) of PV in the Statewide during 2012-- nearly double the amount of customer-sited PV installed in 2011. Including recent awards, a total of 242 MW of PV has been installed or is under development as part of NY-Sun.

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