

## ***FY 2019/20 New York State Budget Approved***

New York State legislators approved a \$175.5 billion FY 2019/20 Budget just in time for the start of the State's April 1<sup>st</sup> fiscal year. NYS GFOA provided the following summary of key provisions of the new budget:

Real Property Tax Levy Cap Made Permanent: The cap, first enacted in 2011 and set to expire next year, is now permanent and 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 through a reallocation of \$60 million in increased sales tax revenues received by counties through enactment of a new Internet Sales Tax.

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, or 3.8%, to \$27.9 billion with 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.

Investment in Clean Drinking Water: The Enacted Budget adds an additional \$500 million to the \$2.5 billion already committed to funding clean water infrastructure throughout the State.

MTA Funding: Funding for the Metropolitan Transportation Authority's capital plan will include a provision to charge tolls on vehicles entering Manhattan below 60<sup>th</sup> Street commencing no earlier than December 30, 2020.

Missing from the State's Enacted FY 2019/20 Budget are two controversial measures: the legalization of both sports betting and recreational marijuana use. With medical marijuana use already legal in New York, New Jersey, Pennsylvania and Connecticut, and sports betting legal in New Jersey and Pennsylvania, it's likely only a matter of time before both of these revenue generators will be authorized by state legislators and the governor in New York, as well.

### **MMD GENERAL OBLIGATION INTEREST RATES**

Term	Today - April 1, 2019					1 Month Ago - March 1, 2019					1 Year Ago - April 2, 2018				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	1.51%	1.52%	1.66%	1.66%	2.01%	1.57%	1.58%	1.72%	1.80%	2.12%	1.55%	1.58%	1.66%	1.76%	2.03%
5	1.61	1.67	1.89	1.93	2.32	1.68	1.74	1.96	2.07	2.44	2.04	2.15	2.35	2.47	2.78
10	1.90	2.02	2.25	2.26	2.65	2.13	2.29	2.48	2.57	2.98	2.41	2.61	2.78	2.91	3.26
15	2.25	2.45	2.61	2.68	3.03	2.53	2.73	2.89	3.02	3.41	2.66	2.88	3.04	3.17	3.53
20	2.48	2.68	2.82	2.91	3.26	2.83	3.04	3.17	3.33	3.69	2.82	3.04	3.18	3.33	3.67

### **RECENT CMA CLIENT SALE RESULTS**

<u>Issuer</u>	<u>Issue Type</u>	<u>Par Amount</u>	<u>Sale Date</u>	<u>Term</u>	<u>Rate</u>	<u>Purchaser</u>
Suffolk County	RAN	\$ 45,000,000	27-Mar	11 mos.	1.82%	BNY Mellon; TD Securities; Citigroup
Evans-Brant CSD	Bonds	\$ 1,290,000	26-Mar	12 mos.	1.88%	Bank of Greene County
Candor CSD	Bonds	\$ 18,525,000	21-Mar	26 yrs.	2.55%	Fidelity Capital Markets
North Hempstead Town	Bonds	\$ 18,910,000	19-Mar	14 yrs.	2.36%	Hutchinson, Shockey, Erley & Co.
North Hempstead Town	BAN	\$ 6,460,187	19-Mar	12 mos.	1.79%	TD Securities (USA) LLC
Williamsville CSD	Bonds	\$ 3,600,000	14-Mar	7 yrs.	1.62%	BNY Mellon Capital Markets, LLC
Watertown City	Bonds	\$ 6,685,000	14-Mar	14 yrs.	2.11%	BNY Mellon Capital Markets, LLC