



“No Man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hour of labor short enough so that after his day’s work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load” Governor Theodore Roosevelt.

In The News-New York State



AG James and Governor Hochul Sue to Restore \$73 Million in Federal Highway Funds



Governor Cites Political Payback for Commercial Drivers License Dispute

New York Attorney General Letitia James and Governor Kathy Hochul sued to block the federal government's cancellation of more than \$73 million in highway funding for New York.

Last week, the U.S. Department of Transportation (DOT) announced it would withhold the funding after New York refused DOT’s demands to revoke certain driver's licenses. Attorney General James argues that the funding action is illegal and puts New Yorkers at risk, and is seeking to restore the full funding to the state.

“Once again, New York is facing devastating federal cuts for nothing more than political payback. Here's the truth: New York has always followed federal rules when issuing CDLs, something even the previous Trump Administration verified year after year,” said Governor Hochul. “Ripping away money that goes towards critical safety upgrades on our roads is reckless and it is illegal. Standing with Attorney General James, we will fight - and win - in court to restore this funding and ensure that our roads are safe for millions of New Yorkers who rely on them.”

According to the Governor, since February, DOT has attempted to pressure New York to revoke the Commercial Driver’s Licenses (CDLs) held by certain non-citizen drivers.

New York Attorney General Letitia James said the state believes it properly followed all the rules for commercial licenses that were in place at the time they were issued, so it doesn’t plan to revoke the licenses. New York officials reviewed all those cases and found that all the recipients were authorized to be in the country when they received their licenses.

“By canceling this funding, the federal government is putting jobs and communities at risk. New Yorkers are counting on these investments, and we will not let the president jeopardize our communities’ safety,” she said.

On April 16, DOT announced it would block more than \$73.5 million in federal highway funding already approved for New York and threatened to annually withhold an additional \$147 million in future years.

The Attorney General asserted that New York issues CDLs in compliance with state and federal requirements; all drivers must have legal immigration status and meet strict testing and safety standards to qualify for a CDL. Revoking these licenses would disrupt key industries that rely on commercial drivers and could lead to bus driver shortages affecting schools and families.

Attorney General James argues that DOT’s action is unlawful and based on a new, unsupported interpretation of its own longstanding regulations. For years, New York has issued CDLs in full compliance with federal law, as confirmed in DOT's own reviews. Attorney General James contends that DOT’s sudden shift is arbitrary and capricious, exceeds the agency’s authority, and unlawfully attempts to coerce New York into canceling thousands of validly issued licenses by threatening critical funding.

Federal law dictates that any challenges to final agency decisions from DOT must be filed in a U.S. Circuit Court. Attorney General James filed a petition for review in the U.S. Court of Appeals for the Second Circuit, asking the court to overturn DOT's decision and restore the funding to New York. Attorney General James and Governor Hochul will also file a motion to expedite the case to secure a decision before the funding is disrupted.

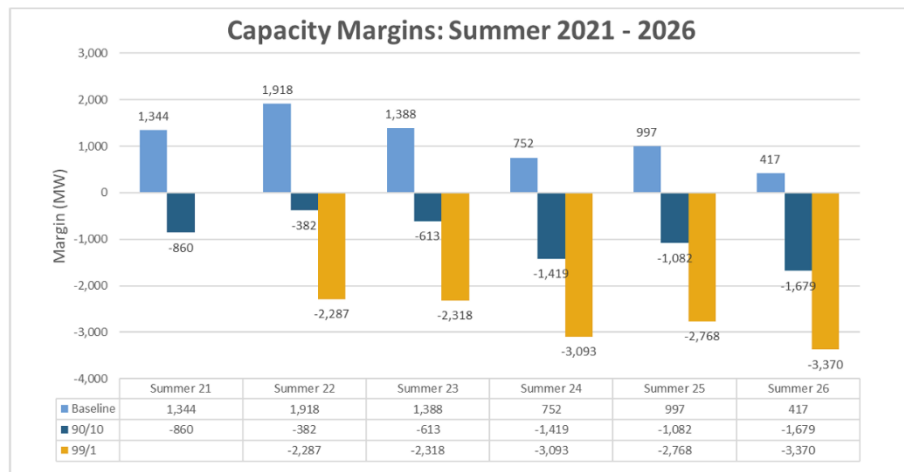


New York Electric Grid Faces Narrow Reliability Margin Heading into Summer

Extreme Weather and Aging Generation Poses Significant Risks to Reliability

The New York Independent System Operator (NYISO) released its annual Summer Reliability Assessment, finding that the reliability margin under baseline summer conditions is 417 MW – the lowest margin in recent history.

The assessment notes that 34,615 megawatts (MW) of power resources are available to meet forecasted peak demand of 31,578 MW. As established by the New York State Reliability Council, under normal system conditions, the NYISO is required to maintain 2,620 MW from the available resources in reserves.



The report forecasts reliability challenges under extreme temperature scenarios despite the addition of new capacity in the past year. Aging generation, transmission constraints, and rising demand pose major challenges as reliability margins continue to decline.

“This assessment reflects the challenges of the grid in transition – declining reliability margins, performance issues with aging generators, and an absence of new dispatchable resources,” said Aaron Markham, Vice President of Operations for the New York Independent System Operator. “Coordination with generation owners, utility companies, neighboring grid operators, and government officials will be essential as we work to maintain grid reliability this summer.”

Under extreme weather scenarios, reliability margins are forecasted to be deficient. For example, if the state experiences a heatwave with an average daily temperature of 95 degrees lasting 3 or more days, the capacity margin is forecasted to be -1,679 MW. That number declines further to -3,370 MW under an extreme heatwave with an average daily temperature of 98 degrees.

Under those conditions, NYISO operators would initiate emergency operating procedures to secure up to 3,166 MW to maintain system reliability.

In The News-New York City



NYC Comptroller Mark Levine Highlights Variables in Estimation of a Potential Pied-à-Terre Tax

The Office of New York City Comptroller Mark Levine this week released [*The Pied-à-Terre Tax and Its Potential Revenues*](#), a detailed analysis and estimation of potential revenues that could be collected from high-value second homes. The report found that as much as \$510 million could plausibly be raised annually, but a number of substantial variables in the design, implementation, and enforcement of the program could result in the estimate falling to between \$340 million and \$380 million.

Governor Kathy Hochul proposed a pied-à-terre tax to support Mayor Zohran Mamdani’s efforts to close New York City’s budget gap. The proposal targets luxury second homes in New York City valued at \$5 million or more, allowing the city to levy a yearly tax surcharge aimed at ultrawealthy, non-New York City residents.

The Comptroller’s office found that while a pied-à-terre tax could plausibly raise significant revenue estimates are limited not only by the tax rates, but by key unresolved questions about how the City’s Department of Finance will address key factors, including: primary-residence ownership and rental exemptions, co-op and condo valuation, treatment of two- and three-family homes, and potential behavioral changes.

Specifically, Comptroller Levine found:

- Based on modeled tax rates and brackets derived from prior proposals, the tax could generate approximately \$500 million annually from an estimated 11,200 high-value second-home properties.
- Revenues could be reduced, however, to between \$340 million and \$380 million depending on key variables, including:
 - Exemptions for properties that are rented out
 - Behavioral responses, such as changes in ownership or usage patterns following implementation
 - This means that a higher rate schedule than the one used in the analysis may be needed to meet the \$500 million revenue target.
 - The report recommends the Department of Finance and the Mayor’s Office of Management and Budget publish detailed data assumptions, including potential behavioral changes, supporting the revenue estimates.
 - The findings also outline several unresolved legal, policy, and implementation questions that could materially affect revenue outcomes and administrative feasibility. These include whether this is a property tax; how different ownership structures will be treated; and enforcement and compliance mechanisms.

Also this week, Mayor Mamdani and Council Speaker Julie Menin agreed to move the Mayor’s release of the FY2027 Budget to May 13 to give the City more time to flesh out the figures.

Coupled with the announcement was the proposal to reduce the NYC Pass-Through Entity Tax Credit (PTAT) to bring \$1 billion extra revenue. That proposal gained the support of the State Assembly, but Governor Hochul immediately said, “We’re not changing PTET” in published reports.

"Governor Hochul and her team have been in ongoing conversations with the Mayor and City Council since January about state funding and potential solutions to their budget gap. The state is delivering unprecedented resources for New York City, including \$1.5 billion in direct assistance, \$1.2 billion for child care, in addition to school aid and new revenue from a pied-à-terre surcharge. Delays in the city budget are a choice. The Mayor and City Council need to work together, identify savings, and close the remaining gap," the press secretary explained.



Bills Passed by the NYC Council

Introduction 260-A, sponsored by **Council Member Shekar Krishnan**, would require the Department of Health and Mental Hygiene, in collaboration with the Department of Education (DOE), to develop informational materials about vaccines.

Introduction 693-A, sponsored by **Council Member Eric Dinowitz**, would require the Department of Health and Mental Hygiene (DOHMH), in collaboration with relevant agencies, to develop and implement a plan by January 1, 2027, to educate the public regarding the benefits and importance of childhood and adolescent vaccinations for individuals 18 years old or younger.

Introduction 726-A, sponsored by **Majority Leader Shaun Abreu**, would require the Commissioner of Homeless Services, in consultation with relevant City agency heads, to develop informational materials directed to hospitals pertaining to a Code Blue or Code Red alert.

Introduction 727-A, sponsored by **Majority Leader Shaun Abreu**, would require the Commissioner of Homeless Services to make best efforts to coordinate with hospitals to make available supplies to patients experiencing homelessness upon their discharge from the hospitals.

Introduction 778-A, sponsored by **Council Member Lincoln Restler**, would require DHS to create a platform, accessible via mobile devices and available to DHS staff and contractors that do street outreach work, that allows for real-time tracking and reporting of all engagement with street homeless individuals.



Speaker Menin, Council Members, Housing Advocates, and Business Leaders Rally in Support of Insurance Accountability to Lower Costs for New Yorkers

Speaker Julie Menin, Council Members, housing advocates, and business leaders rallied in support of proposed legislation that would increase insurance accountability and transparency as rising insurance costs continue to drive up rents, consumer prices, and the cost of living across New York City.

Introduction 685, sponsored by Speaker Menin, would establish a new Office of Insurance Accountability to equip both consumers and businesses with clear, accessible information to make informed decisions about their insurance coverage.

According to the Speaker, rising insurance costs are increasingly becoming a major barrier to business and housing development across the city. For example, business liability insurance has increased by 10% annually, forcing many nightlife establishments to change how they operate or even shut down. Additionally, rapid increases in insurance costs are adding pressure to landlords to increase rents and putting the financial viability of affordable multifamily rental housing at risk.

“New Yorkers are overpaying for insurance of all kinds, and those rising costs hurt our wages, wallets, economic development, and a hidden contributor to the affordability crisis,” said Speaker Julie Menin. “This bill gives the City the tools to understand what is driving these out-of-control costs so that we can spend smarter and get better value for taxpayers. Our goal is to make the system more equitable, transparent, and affordable for all New Yorkers.”

[Introduction 685](#), sponsored by Speaker Menin, which would establish an Office of Insurance Accountability. The office would:

- Provide information and guidance to consumers on selecting insurance plans.
- Track and publicly report on legal actions involving deceptive or unfair insurance practices.
- Conduct annual studies on the cost of insurance and the factors driving those costs.
- Issue recommendations to help stabilize or lower insurance costs.
- Create a consumer assistance unit, led by an Insurance Accountability Advocate, to help resolve insurance-related issues.

Briefs

Governor Kathy Hochul Names Christian Jackstadt Acting Commissioner of the New York State Department of Motor Vehicles

Governor Kathy Hochul yesterday announced Christian Jackstadt has been named as Acting Commissioner of the New York State Department of Motor Vehicles following the April 29 retirement of Commissioner Mark J.F. Schroeder.

Named Executive Deputy Commissioner of DMV in March 2022, Mr. Jackstadt has overseen the agency's day-to-day operations and has been instrumental in advancing its strategic goals. Under his guidance, the agency renewed its focus on customer service, improved its organizational culture and successfully completed the first half of the largest technology modernization project in DMV history.

Prior to joining DMV, Mr. Jackstadt served as the Deputy Director of State Operations in the Executive Chamber, overseeing the daily operations of state agencies, authorities and public benefit corporations. In that role he was integral in the COVID-19 response effort as he led all state-run vaccination and testing operations, and he assisted with key recovery efforts to stabilize New York after the pandemic.

Prior to his time in the Executive Chamber Mr. Jackstadt served as an associate commissioner for the NYS Office of General Services, managing projects, overseeing state real estate, risk assessment, and cybersecurity.

The Acting Commissioner holds a bachelor's degree in economics from Syracuse University.

Comptroller DiNapoli: Local Sales Tax Collections Total \$6.1 Billion, Up 5.1% in First Quarter

Local government sales tax collections totaled \$6.1 billion in the first quarter (January-March) of 2026, an increase of 5.1% (\$295 million) compared to the same quarter last year. Nine of the 10 regions in the state, including New York City, had a year-over-year increase in collections, according to a report released today by State Comptroller Thomas P. DiNapoli. First quarter growth statewide was higher than the year-over-year growth for the same quarter in 2024 (1.6%) and 2025 (3.2%).

“Local sales tax collections experienced a substantial increase in the first quarter compared to last year, but growth varied significantly by region,” DiNapoli said. “An economic slowdown due to geopolitical conflicts and federal actions could affect future tax collections, and local governments must be cautious in estimating this revenue.”

New York City’s sales tax collections totaled over \$2.8 billion in the first quarter, an increase of 6.2% (\$166 million), year over year. Meanwhile, aggregate first quarter collections for counties and cities outside the city grew by 3.9% (\$107 million). Regional increases ranged from 0.5% (Mohawk Valley) to 5.8% (Central New York), with the Finger Lakes being the only region to see a year-over-year decline (-1.2%).

Over 80% (47 of 57) of counties outside of New York City experienced a year-over-year increase in first quarter collections, with 39% seeing over 5% growth. Ulster County had the highest quarterly growth at 10.7%, followed by Genesee County at 9.7%, Seneca County at 9.6%, and Saratoga and Cattaraugus counties at 8.4% each. Among the 10 counties that had decreases in first quarter collections, Sullivan saw the steepest decline at -13.7%, followed by Montgomery (-8.1%), Lewis (-6.6%) and Monroe (-5.1%).

NYC Opens Applications for “The Little Apple,” New York City's First Free Child Care Pilot Program for Municipal Workers

Department of Citywide Administrative Services (DCAS) Commissioner Yume Kitasei announced that applications are now open for “The Little Apple,” the City’s first free, full-day, full-year, on-site child care pilot program for City workers.

The Little Apple’s pilot location which will operate out of the David N. Dinkins Municipal Building and is open to all DCAS employees regardless of work location and City workers based at the Municipal Building. It will initially serve will serve approximately 40 children ages 6 weeks to 3 years.

Imagine Early Learning Centers will operate the program on the ground floor of the building’s North Tower and provide year-round care Mondays through Fridays from 8 a.m. to 6 p.m. The \$10 million renovation is underway to construct a 4,000-square-foot child care facility, with completion expected this fall.

Coming Up

New York State

Monday, May 4th

Senate Codes Committee Meeting, 124 Capitol, 1 p.m.

Senate Insurance Committee Meeting, 123 Capitol, 2:30 p.m.

Senate Housing, Construction and Community Development Committee Meeting, 511 Legislative Office Building, 3 p.m.

New York State Senate Session, Senate Chamber, Albany, 11 a.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD.

Tuesday, May 5th

Senate Judiciary Committee Meeting, 124 Capitol, 10 a.m.

Senate Local Government Committee Meeting, 904 Legislative Office Building, 10 a.m.

Senate Education Committee Meeting, 510 Legislative Office Building, 10 a.m.

Senate Higher Education Committee Meeting, 124 Capitol, 10:30 a.m.

Senate Crime Victims, Crime and Correction Committee Meeting, 123 Capitol, 10:30 a.m.

Senate Environmental Conservation Committee Meeting, 124 Capitol, 11:30 a.m.

Senate Civil Service and Pensions Committee Meeting, 123 Capitol, 11:30 a.m.

Senate Transportation Committee Meeting, 801 Legislative Office Building, 11:30 a.m.

Senate Health Committee Meeting, 124 Capitol, 12 p.m.

Senate Procurement and Contracts Committee Meeting, 123 Capitol, 12 p.m.

Senate Labor Committee Meeting, 308 Legislative Office Building, 12:30 p.m.

Senate Energy and Telecommunications Committee Meeting, 124 Capitol, 1 p.m.

New York State Senate Session, Senate Chamber, Albany, 3 p.m.

New York State Assembly Session, Assembly Chamber, Albany, 9 a.m.

Wednesday, May 6th

Joint Public Hearing: Examining barriers to employment for individuals with disabilities in New York
Van Buren Hearing Room A – Capitol Building – Albany, 10 a.m.

New York State Senate Session, Senate Chamber, Albany, 3 p.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD

Thursday, May 7th

Senate Agriculture Committee Meeting, 124 Capitol, 9:30 a.m.

Senate Cities 1 Committee Meeting, 123 Capitol, 9:30 a.m.

Cannabis Control Board Meeting, Nassau Community College – Garden City, 11 a.m.

New York State Senate Session, Senate Chamber, Albany, 11 a.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD.

New York City

Tuesday, May 5th

Committee on Disabilities, 250 Broadway – 8th Floor – Hearing Room 1, 10 a.m.

Wednesday, April 6th

Committee on Immigration, 250 Broadway – 8th Floor – Hearing Room 2, 10 a.m.

Committee on Small Business, 250 Broadway – 8th Floor – Hearing Room 2, 10 a.m.

Committee on Transportation and Infrastructure, 250 Broadway – 8th Floor – Hearing Room 1, 10 a.m.

Committee on General Welfare, 250 Broadway – 8th Floor - Hearing Room 1, 10 a.m.

Committee on Rules, Privileges, Elections, Standards and Ethics, 250 Broadway – 8th Floor – Hearing Room 3, 10:30 a.m.

Committee on Parks and Recreation, 250 Broadway – 8th Floor – Hearing Room 1, 1 p.m.

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