

S. 5

A. 5

Second Extraordinary Session

S E N A T E - A S S E M B L Y

July 30, 2010

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IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the real property tax law, the education law and the general municipal law, in relation to establishing limitations upon school district and local government tax levies; and repealing certain provisions of the education law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. The real property tax law is amended by adding a new  
2     section 1307 to read as follows:  
3     S 1307. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY.  
4     UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED  
5     BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL  
6     DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR  
7     MORE, SHALL NOT EXCEED THE TAX LEVY LIMITATIONS ESTABLISHED PURSUANT TO  
8     SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW. IT SHALL BE  
9     THE RESPONSIBILITY OF THE COMMISSIONER OF EDUCATION TO ANNUALLY DETER-  
10    MINE THE TAX LEVY LIMIT OF EACH SCHOOL DISTRICT IN ACCORDANCE WITH THE  
11    PROVISIONS OF THIS SECTION.  
12    2. DEFINITIONS. AS USED IN THIS SECTION:  
13    (A) "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE  
14    AND FOUR ONE HUNDREDTHS; OR (II) THE SUM OF ONE PLUS ONE HUNDRED TWENTY  
15    PERCENT OF THE INFLATION FACTOR; PROVIDED, HOWEVER, THAT IN NO CASE  
16    SHALL THE LEVY GROWTH FACTOR BE LESS THAN ONE.  
17    (B) "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNTS BY WHICH THE  
18    TAX LEVY FOR EACH SCHOOL YEAR FROM THE TWO THOUSAND ELEVEN--TWO THOUSAND

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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TWELVE SCHOOL YEAR THROUGH THE PRIOR SCHOOL YEAR WAS BELOW THE APPLICABLE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR, IF ANY.

(C) "CAPITAL LOCAL EXPENDITURES" MEANS THE TAXES ASSOCIATED WITH BUDGETED EXPENDITURES RESULTING FROM THE CONSTRUCTION, ACQUISITION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF SCHOOL BUILDINGS, INCLUDING DEBT SERVICE AND LEASE EXPENDITURES, SUBJECT TO THE APPROVAL OF THE QUALIFIED VOTERS WHERE REQUIRED BY LAW.

(D) "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL LOCAL EXPENDITURES, IF ANY.

(E) "COMING SCHOOL YEAR" MEANS THE SCHOOL YEAR FOR WHICH TAX LEVY LIMITS ARE BEING DETERMINED PURSUANT TO THIS SECTION.

(F) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE MONTH PERIOD PRECEDING JANUARY FIRST OF THE CURRENT YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR PLACES.

(G) "PRIOR SCHOOL YEAR" MEANS THE SCHOOL YEAR IMMEDIATELY PRECEDING THE COMING SCHOOL YEAR.

(H) "SCHOOL DISTRICT" MEANS A COMMON SCHOOL DISTRICT, UNION FREE SCHOOL DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT OR A CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS.

(I) "TAX LEVY BASE" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT WOULD BE AUTHORIZED TO LEVY WITHOUT THE ADDITION OF ANY AVAILABLE CARRYOVER AMOUNT.

(J) "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT IS AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT THE TAX LEVY LIMIT SHALL NOT INCLUDE THE DISTRICT'S CAPITAL TAX LEVY, IF ANY.

3. TAX BASE GROWTH FACTOR. (A) NO LATER THAN FEBRUARY FIFTEENTH OF EACH YEAR, THE STATE BOARD SHALL IDENTIFY THOSE SCHOOL DISTRICTS FOR WHICH TAX BASE GROWTH FACTORS MUST BE DETERMINED FOR THE COMING SCHOOL YEAR, AND SHALL NOTIFY THE COMMISSIONER OF EDUCATION OF THE TAX BASE GROWTH FACTORS SO DETERMINED, IF ANY.

(B) THE STATE BOARD SHALL CALCULATE A QUANTITY CHANGE FACTOR FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR BASED UPON THE PHYSICAL OR QUANTITY CHANGE, AS DEFINED BY SECTION TWELVE HUNDRED TWENTY OF THIS CHAPTER, REPORTED TO THE STATE BOARD BY THE ASSESSOR OR ASSESSORS PURSUANT TO SECTION FIVE HUNDRED SEVENTY-FIVE OF THIS CHAPTER. THE QUANTITY CHANGE FACTOR SHALL SHOW THE PERCENTAGE BY WHICH THE FULL VALUE OF THE TAXABLE REAL PROPERTY IN THE SCHOOL DISTRICT HAS CHANGED DUE TO PHYSICAL OR QUANTITY CHANGE BETWEEN THE SECOND FINAL ASSESSMENT ROLL OR ROLLS PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED, AND THE FINAL ASSESSMENT ROLL OR ROLLS IMMEDIATELY PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED.

(C) AFTER DETERMINING THE QUANTITY CHANGE FACTOR FOR A SCHOOL DISTRICT, THE STATE BOARD SHALL PROCEED AS FOLLOWS:

(I) IF THE QUANTITY CHANGE FACTOR IS NEGATIVE, THE STATE BOARD SHALL NOT DETERMINE A TAX BASE GROWTH FACTOR FOR THE SCHOOL DISTRICT.

(II) IF THE QUANTITY CHANGE FACTOR IS POSITIVE, THE STATE BOARD SHALL DETERMINE A TAX BASE GROWTH FACTOR FOR THE SCHOOL DISTRICT WHICH IS

EQUAL TO ONE PLUS THE QUANTITY CHANGE FACTOR, PROVIDED THAT IN NO CASE SHALL A TAX BASE GROWTH FACTOR BE IN EXCESS OF ONE AND ONE-TENTH.

4. COMPUTATION OF TAX LEVY LIMITS. (A) THE TAX LEVY BASE FOR EACH SCHOOL YEAR SHALL BE DETERMINED AS FOLLOWS:

(I) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR SCHOOL YEAR.

(II) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE PRIOR SCHOOL YEAR.

(III) SUBTRACT THE CAPITAL TAX LEVY FOR THE PRIOR SCHOOL YEAR, IF ANY.

(IV) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

(V) MULTIPLY THE RESULT BY THE TAX BASE GROWTH FACTOR, IF ANY.

(B) THE TAX LEVY BASE SHALL BE ADJUSTED BY ADDING THE AVAILABLE CARRY-OVER, IF ANY, PROVIDED THAT IN NO EVENT SHALL THE AMOUNT OF ADDED CARRY-OVER EXCEED ONE AND ONE-HALF PERCENT OF THE TAX LEVY FOR THE PRIOR SCHOOL YEAR.

(C) THE TAX LEVY LIMIT FOR THE COMING SCHOOL YEAR SHALL BE THE ADJUSTED TAX LEVY BASE, LESS ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING SCHOOL YEAR. NO LATER THAN MARCH FIRST OF EACH YEAR, THE COMMISSIONER OF EDUCATION SHALL CALCULATE THE TAX LEVY LIMIT FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND SHALL NOTIFY EACH SCHOOL DISTRICT OF THE ALLOWABLE LEVY GROWTH FACTOR, THE DISTRICT'S TAX BASE GROWTH FACTOR, IF ANY, THE DISTRICT'S TAX LEVY BASE AND THE DISTRICT'S TAX LEVY LIMIT.

5. VOTER UNDERRIDES. THE QUALIFIED VOTERS OF A SCHOOL DISTRICT MAY VOTE TO REDUCE (OR UNDERRIDE) THE LIMITATIONS IMPOSED BY THIS SECTION FOR SUCH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR IN THE MANNER PROVIDED BY SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW.

6. REORGANIZED SCHOOL DISTRICTS. WHEN TWO OR MORE SCHOOL DISTRICTS REORGANIZE, THE COMMISSIONER OF EDUCATION SHALL DETERMINE THE TAX LEVY LIMIT FOR THE REORGANIZED SCHOOL DISTRICT BASED ON THE RESPECTIVE TAX LEVY LIMITS OF THE SCHOOL DISTRICTS THAT FORMED THE REORGANIZED DISTRICT FROM THE LAST SCHOOL YEAR IN WHICH THEY WERE SEPARATE DISTRICTS, PROVIDED THAT IN THE EVENT OF FORMATION OF A NEW CENTRAL HIGH SCHOOL DISTRICT, THE TAX LEVY LIMITS FOR THE NEW CENTRAL HIGH SCHOOL DISTRICT AND ITS COMPONENT SCHOOL DISTRICTS SHALL BE DETERMINED IN ACCORDANCE WITH A METHODOLOGY PRESCRIBED BY THE COMMISSIONER OF EDUCATION.

7. ERRONEOUS LEVIES. IN THE EVENT A SCHOOL DISTRICT'S ACTUAL TAX LEVY FOR A GIVEN SCHOOL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW DUE TO CLERICAL OR TECHNICAL ERRORS, THE SCHOOL DISTRICT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY FOR THE ENSUING SCHOOL YEAR.

S 2. The education law is amended by adding a new section 2023-a to read as follows:

S 2023-A. VOTER APPROVAL OF TAX LEVY LIMITATIONS. 1. THE TAX LEVY FOR ANY SCHOOL DISTRICT SUBJECT TO THE TAX LEVY LIMITATIONS ESTABLISHED BY SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW SHALL BE APPROVED BY THE QUALIFIED VOTERS OF THE SCHOOL DISTRICT AS PROVIDED IN THIS SECTION. AS USED IN THIS SECTION, THE TERM "TAX LEVY PROPOSITION" MEANS A PROPOSITION TO AUTHORIZE A TAX LEVY SUFFICIENT TO SUPPORT THE PROPOSED SCHOOL DISTRICT BUDGET, EXCLUDING ANY PROPOSED CAPITAL TAX LEVY; THE TERM "UNDERRIDE PROPOSITION" MEANS A PROPOSITION TO IMPOSE A MORE RESTRICTIVE TAX LEVY LIMIT UPON A SCHOOL DISTRICT THAN THE TAX LEVY LIMIT ESTABLISHED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL

1 PROPERTY TAX LAW; AND THE TERM "GENERAL PURPOSE STATE AID" MEANS ALL  
2 FORMS OF STATE AID WHICH ARE PAYABLE TO A SCHOOL DISTRICT AS GENERAL  
3 SUPPORT FOR THE PUBLIC SCHOOLS, WITH THE EXCEPTION OF BUILDING AID,  
4 LIBRARY AID, COMPUTER HARDWARE AND SOFTWARE AID, UNIVERSAL PRE-KINDER-  
5 GARTEN AID, TEXTBOOK AID, PUBLIC HIGH COST EXCESS COST AID AND PRIVATE  
6 EXCESS COST AID. THE DIRECTOR OF THE BUDGET SHALL ANNUALLY CERTIFY THE  
7 AMOUNT OF GENERAL PURPOSE STATE AID PAYABLE TO EACH SCHOOL DISTRICT.

8 2. A. THE QUALIFIED VOTERS OF A COMMON SCHOOL DISTRICT, UNION FREE  
9 SCHOOL DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT  
10 OR A CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED  
11 TWENTY-FIVE THOUSAND INHABITANTS, UPON FILING OF A VALID PETITION PURSU-  
12 ANT TO PARAGRAPH B OF THIS SUBDIVISION, MAY VOTE TO IMPOSE TAX LEVY  
13 LIMITS FOR THE ENSUING SCHOOL YEAR THAT ARE MORE RESTRICTIVE THAN THOSE  
14 OTHERWISE IMPOSED BY SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY  
15 TAX LAW. NO SUCH VOTE SHALL APPLY TO MORE THAN ONE SCHOOL YEAR.

16 B. UPON THE FILING WITH THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF  
17 ONE OR MORE PETITIONS PURSUANT TO THIS SUBDIVISION REQUESTING THAT AN  
18 UNDERRIDE PROPOSITION BE SUBMITTED FOR A VOTE AT A SPECIAL DISTRICT  
19 MEETING, SUCH OFFICERS SHALL CALL A SPECIAL DISTRICT MEETING TO BE HELD  
20 ON THE FIRST TUESDAY IN MAY, OR THE LAST TUESDAY IN APRIL WHERE THERE  
21 WOULD BE A CONFLICT WITH RELIGIOUS OBSERVANCES, IN ACCORDANCE WITH THE  
22 APPLICABLE PROVISIONS OF SUBDIVISION THREE OF SECTION TWO THOUSAND SEVEN  
23 OR SUBDIVISION THREE OF SECTION TWO THOUSAND SIX OF THIS ARTICLE, FOR  
24 THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS AN UNDERRIDE PROPOSI-  
25 TION. SUCH OFFICERS SHALL SUBMIT FOR A VOTE OF THE QUALIFIED VOTERS THE  
26 PROPOSITION THAT WAS SIGNED BY THE GREATEST NUMBER OF QUALIFIED VOTERS,  
27 OR, IF THERE IS A TIE, THE PROPOSITION SIGNED BY THE GREATEST NUMBER OF  
28 QUALIFIED VOTERS THAT WAS FILED FIRST. A PETITION FOR AN UNDERRIDE  
29 PROPOSITION SHALL BE SIGNED BY: (I) AT LEAST TEN PERCENT OF THE REGIS-  
30 TERED VOTERS OF THE SCHOOL DISTRICT BASED ON THE REGISTER PREPARED AT  
31 THE LAST ANNUAL MEETING AND ELECTION OF THE SCHOOL DISTRICT; OR (II) IF  
32 THE SCHOOL DISTRICT DOES NOT PROVIDE FOR THE PERSONAL REGISTRATION OF  
33 VOTERS, BY TWO HUNDRED FIFTY QUALIFIED VOTERS OR TWENTY PERCENT OF THE  
34 NUMBER OF VOTERS WHO VOTED IN THE PREVIOUS ANNUAL ELECTION OF THE  
35 MEMBERS OF THE BOARD OF EDUCATION OR TRUSTEES, WHICHEVER IS LESS. SUCH  
36 PETITION SHALL BE FILED IN THE OFFICE OF THE CLERK OF THE DISTRICT  
37 BETWEEN THE HOURS OF NINE A.M. AND FIVE P.M., NOT LATER THAN THE TWENTI-  
38 ETH DAY PRECEDING THE SPECIAL DISTRICT MEETING AT WHICH AN UNDERRIDE  
39 VOTE MAY OCCUR.

40 C. WHERE A PROPOSITION TO UNDERRIDE A TAX LEVY LIMITATION IS TO BE  
41 SUBMITTED FOR A VOTE AT A SPECIAL DISTRICT MEETING CALLED FOR THIS  
42 PURPOSE, THE CLERK OF THE DISTRICT SHALL GIVE NOTICE OF THE TIME AND  
43 PLACE OF THE SPECIAL DISTRICT MEETING BY PUBLISHING A NOTICE AT LEAST  
44 FOURTEEN DAYS PRIOR TO THE SPECIAL DISTRICT MEETING IN TWO NEWSPAPERS IF  
45 THERE SHALL BE TWO, OR IN ONE NEWSPAPER IF THERE SHALL BE BUT ONE,  
46 HAVING GENERAL CIRCULATION WITHIN SUCH DISTRICT, PROVIDED, HOWEVER, THAT  
47 IF THERE IS NO NEWSPAPER HAVING GENERAL CIRCULATION WITHIN THE DISTRICT,  
48 THE SAID NOTICE SHALL BE POSTED IN AT LEAST TWENTY OF THE MOST PUBLIC  
49 PLACES IN SAID DISTRICT FOURTEEN DAYS BEFORE THE TIME OF SUCH MEETING.

50 D. AN UNDERRIDE PROPOSITION SHALL BE A SEPARATE PROPOSITION IN  
51 SUBSTANTIALLY THE FOLLOWING FORM:

52 "SHALL THE SCHOOL DISTRICT BE REQUIRED TO IMPOSE A TAX LEVY  
53 FOR THE SCHOOL YEAR, EXCLUDING ANY CAPITAL TAX LEVY, THAT IS NO  
54 GREATER THAN , EVEN THOUGH THE STATUTORY TAX LEVY LIMIT FOR THAT  
55 SCHOOL YEAR IS ?"

1 E. AN UNDERRIDE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF  
2 THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF SUCH UNDERRIDE PROPO-  
3 SITION IS APPROVED BY THE QUALIFIED VOTERS, THE TAX LEVY LIMIT IMPOSED  
4 THEREBY SHALL BE DEEMED TO BE THE TAX LEVY LIMIT FOR THE SCHOOL DISTRICT  
5 FOR THE COMING SCHOOL YEAR FOR PURPOSES OF SECTION THIRTEEN HUNDRED  
6 SEVEN OF THE REAL PROPERTY TAX LAW, AND THE TRUSTEES OR BOARD OF EDUCA-  
7 TION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH TAX LEVY LIMIT. UPON  
8 APPROVAL OF AN UNDERRIDE PROPOSITION, NO OTHER TAX LEVY PROPOSITION MAY  
9 BE SUBMITTED TO THE VOTERS FOR THAT SAME SCHOOL YEAR.

10 3. A. UNLESS AN UNDERRIDE PROPOSITION HAS BEEN APPROVED PURSUANT TO  
11 SUBDIVISION TWO OF THIS SECTION, THE TRUSTEE, TRUSTEES OR BOARD OF  
12 EDUCATION OF A SCHOOL DISTRICT SHALL PRESENT AT THE ANNUAL MEETING AND  
13 ELECTION A TAX LEVY PROPOSITION IN SUBSTANTIALLY THE FOLLOWING FORM:

14 "SHALL THE SCHOOL DISTRICT BE AUTHORIZED TO IMPOSE A TAX  
15 LEVY FOR THE SCHOOL YEAR, EXCLUDING ANY CAPITAL TAX LEVY,  
16 OF , WHEN THE STATUTORY TAX LEVY LIMIT FOR THAT SCHOOL YEAR  
17 IS ?"

18 B. EXCEPT AS OTHERWISE PROVIDED IN SECTION THIRTEEN HUNDRED SEVEN OF  
19 THE REAL PROPERTY TAX LAW, IF THE PROPOSED TAX LEVY DOES NOT EXCEED THE  
20 TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF  
21 THE REAL PROPERTY TAX LAW, THEN THE PROPOSITION SHALL BE APPROVED IF  
22 OVER FIFTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF  
23 THE PROPOSED TAX LEVY WOULD EXCEED THE TAX LEVY LIMIT DETERMINED PURSU-  
24 ANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THEN  
25 THE VOTING MARGIN NECESSARY FOR SUCH A PROPOSITION TO BE APPROVED SHALL  
26 BE AS FOLLOWS:

27 (I) IF THE GENERAL PURPOSE STATE AID PAYABLE TO THE SCHOOL DISTRICT  
28 FOR THE ENSUING YEAR IS TO INCREASE BY FIVE PERCENT OR MORE OVER SUCH  
29 AID FOR THE PRIOR YEAR, THEN NO LESS THAN SIXTY PERCENT OF THE VOTES  
30 CAST ON THE PROPOSITION BY QUALIFIED VOTERS MUST BE IN THE AFFIRMATIVE  
31 IN ORDER FOR THE PROPOSITION TO BE APPROVED.

32 (II) IF THE GENERAL PURPOSE STATE AID PAYABLE TO THE SCHOOL DISTRICT  
33 FOR THE ENSUING SCHOOL YEAR IS TO INCREASE BY LESS THAN FIVE PERCENT  
34 OVER SUCH AID FOR THE PRIOR YEAR, THEN NO LESS THAN FIFTY-FIVE PERCENT  
35 OF THE VOTES CAST ON THE PROPOSITION MUST BE IN THE AFFIRMATIVE IN ORDER  
36 FOR THE PROPOSITION TO BE APPROVED.

37 (III) IF THE AMOUNT OF GENERAL PURPOSE STATE AID WHICH WILL BE PAYABLE  
38 TO A SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR HAS NOT BEEN CERTIFIED  
39 BY THE DIRECTOR OF THE BUDGET, THEN OVER FIFTY PERCENT OF THE VOTES CAST  
40 ON THE PROPOSITION BY QUALIFIED VOTERS MUST BE IN THE AFFIRMATIVE IN  
41 ORDER FOR THE PROPOSITION TO BE APPROVED.

42 C. IF THE TAX LEVY PROPOSITION IS APPROVED BY THE QUALIFIED VOTERS,  
43 THE TAX LEVY LIMIT IMPOSED THEREBY SHALL BE DEEMED TO BE THE TAX LEVY  
44 LIMIT FOR THE SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND THE TRUS-  
45 TEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH  
46 TAX LEVY LIMIT. IF, HOWEVER, THE TAX LEVY PROPOSITION IS NOT APPROVED BY  
47 THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL  
48 ADOPT A BUDGET THAT REQUIRES A TAX LEVY EXCLUDING ANY CAPITAL TAX LEVY,  
49 THAT IS NO GREATER THAN THE TAX LEVY BASE DETERMINED PURSUANT TO SECTION  
50 THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW.

51 S 3. Subdivisions 1 and 3 of section 416 of the education law, subdi-  
52 vision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3  
53 as amended by chapter 171 of the laws of 1996, are amended to read as  
54 follows:

55 1. A majority of the voters of any school district, present and voting  
56 at any annual or special district meeting, duly convened, may authorize

1 such acts and vote such taxes as they shall deem expedient for making  
2 additions, alterations, repairs or improvements, to the sites or build-  
3 ings belonging to the district, or for altering and equipping for  
4 library use any former schoolhouse belonging to the district, or for the  
5 purchase of other sites or buildings, or for a change of sites, or for  
6 the purchase of land and buildings for agricultural, athletic, play-  
7 ground or social center purposes, or for the erection of new buildings,  
8 or for building a bus garage, or for [buying apparatus, implements, or  
9 fixtures, or for paying the wages of teachers, and the necessary  
10 expenses of the school, or for the purpose of paying any judgment, or  
11 for] the payment or refunding of an outstanding bonded indebtedness[, or  
12 for such other purpose relating to the support and welfare of the school  
13 as they may, by resolution, approve].

14 3. No addition to or change of site or purchase of a new site or tax  
15 for the purchase of any new site or structure, or for grading or improv-  
16 ing a school site, or for the purchase of an addition to the site of any  
17 schoolhouse, or for the purchase of lands and buildings for agricul-  
18 tural, athletic, playground or social center purposes, or for building  
19 any new schoolhouse or for the erection of an addition to any school-  
20 house already built, or for the payment or refunding of an outstanding  
21 bonded indebtedness, shall be voted at any such meeting in a union free  
22 school district or a city school district [which conducts annual budget  
23 votes in accordance with article forty-one of this chapter pursuant to  
24 section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS  
25 THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, unless a notice by  
26 the board of education stating that such tax will be proposed, and spec-  
27 ifying the object thereof and the amount to be expended therefor, shall  
28 have been given in the manner provided herein for the notice of an annu-  
29 al meeting. In a common school district the notice of a special meeting  
30 to authorize any of the improvements enumerated in this section shall be  
31 given as provided in [section two thousand six] THIS CHAPTER. The board  
32 of education of a union free school district or a city school district  
33 [which conducts annual budget votes in accordance with article forty-one  
34 of this chapter pursuant to section twenty-six hundred one-a of this  
35 chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND  
36 INHABITANTS, may determine that the vote upon any question to be submit-  
37 ted at a special meeting as provided in this section shall be by ballot,  
38 in which case it shall state in the notice of such special meeting the  
39 hours during which the polls shall be kept open. Printed ballots may be  
40 prepared by the board in advance of the meeting and the proposition or  
41 propositions called for in the notice of the meeting may be submitted in  
42 substantially the same manner as propositions to be voted upon at a  
43 general election.

44 S 4. Subdivisions 14, 15, 18 and 24 of section 1604 of the education  
45 law, subdivisions 14 and 18 as amended by chapter 654 of the laws of  
46 1953, are amended to read as follows:

47 14. To keep each of the schoolhouses under their charge, and its  
48 furniture, school apparatus and appurtenances, in necessary and proper  
49 repair, and make the same reasonably comfortable for use[, but shall not  
50 expend therefor without vote of the district an amount to exceed one  
51 hundred dollars in any one year].

52 15. To make any repairs and abate any nuisances, pursuant to the  
53 direction of the district superintendent as herein provided, and provide  
54 fuel, stoves or other heating apparatus, pails, brooms and other imple-  
55 ments necessary to keep the schoolhouses and the schoolrooms clean, and  
56 make them reasonably comfortable for use[, when no provision has been

1 made therefor by a vote of the district, or the sum voted by the  
2 district for said purposes shall have proved insufficient].

3 18. To [expend in the] purchase [of] a dictionary, books, reprod-  
4 uctions of standard works of art, maps, globes or other school appara-  
5 tus, including implements, apparatus and supplies for instruction in  
6 agriculture, or for conducting athletic playgrounds and social center  
7 activities[, a sum not exceeding fifty dollars in any one year, without  
8 a vote of the district].

9 24. To furnish lighting facilities, janitorial care and supervision  
10 for highway underpasses [when authorized to do so by vote of a district  
11 meeting under the provisions of subdivision twenty of section two thou-  
12 sand fifteen of this chapter].

13 S 5. Section 1608 of the education law, as amended by section 5 of  
14 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as  
15 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by  
16 section 4 of part H of chapter 83 of the laws of 2002 and paragraph a of  
17 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended  
18 to read as follows:

19 S 1608. Estimated expenses for ensuing year. 1. It shall be the duty  
20 of the trustees of each common school district to present at the annual  
21 budget hearing a detailed statement in writing of the amount of money  
22 which will be required for the ensuing year for school purposes, speci-  
23 fying the several purposes and the amount for each. WHERE A PROPOSITION  
24 TO UNDERRIDE A TAX LEVY LIMITATION HAS BEEN APPROVED PURSUANT TO SECTION  
25 TWO THOUSAND TWENTY-THREE-A OF THIS CHAPTER, THE TRUSTEES SHALL PRESENT  
26 AT THE ANNUAL BUDGET HEARING A BUDGET THAT COMPLIES WITH THE APPROVED  
27 UNDERRIDE PROPOSITION. The amount for each purpose estimated necessary  
28 for payments to boards of cooperative educational services shall be  
29 shown in full, with no deduction of estimated state aid. The amount of  
30 state aid provided and its percentage relationship to the total expendi-  
31 tures shall also be shown. This section shall not be construed to  
32 prevent the trustees from presenting such statement at a budget hearing  
33 held not less than seven nor more than fourteen days prior to a special  
34 meeting called for the purpose, nor from presenting a supplementary and  
35 amended statement or estimate at any time.

36 2. Such statement shall be completed at least seven days before the  
37 budget hearing at which it is to be presented and copies thereof shall  
38 be prepared and made available, upon request and at the school district  
39 offices, at any public library or free association library within the  
40 district and on the school district's internet website, if one exists,  
41 to residents within the district during the period of fourteen days  
42 immediately preceding the annual meeting [and election or special  
43 district meeting at which the budget vote will occur] and at such meet-  
44 ing or hearing. The board shall also as a part of the notice required by  
45 section two thousand three of this chapter give notice of the date, time  
46 and place of the budget hearing and that a copy of such statement may be  
47 obtained by any resident in the district at each schoolhouse in the  
48 district in which school is maintained during certain designated hours  
49 on each day other than a Saturday, Sunday or holiday during the fourteen  
50 days immediately preceding such meeting. The board shall include notice  
51 of the availability of such statement at least once during the school  
52 year in any district-wide mailing distributed.

53 3. Commencing with the proposed budget for the nineteen hundred nine-  
54 ty-seven--ninety-eight school year, such proposed budget shall be in  
55 plain language and shall be consistent with regulations promulgated by  
56 the commissioner pursuant to subdivision twenty-six of section three

1 hundred five of this chapter. Categorization of and format for revenue,  
2 including payments in lieu of taxes, property tax refunds from certior-  
3 ari proceedings, expenditure, transfer, and fund balance information and  
4 changes in such data from the prior year and, in the case of [a resub-  
5 mitted or] AN amended budget, changes in such information from the prior  
6 year's submitted budget, shall be complete and accurate and set forth in  
7 such a manner as to best promote public comprehension and readability.

8 4. Commencing with the proposed budget for the nineteen hundred nine-  
9 ty-eight--ninety-nine school year, such proposed budget shall be  
10 presented in three components: a program component, a capital component  
11 and an administrative component which shall be separately delineated in  
12 accordance with regulations of the commissioner after consultation with  
13 local school district officials. The administrative component shall  
14 include, but need not be limited to, office and central administrative  
15 expenses, traveling expenses and all compensation, salaries and benefits  
16 of all school administrators and supervisors, including business admin-  
17 istrators, superintendents of schools and deputy, assistant, associate  
18 or other superintendents under all existing employment contracts or  
19 collective bargaining agreements, any and all expenditures associated  
20 with the operation of the office of trustee or board of trustees, the  
21 office of the superintendent of schools, general administration, the  
22 school business office, consulting costs not directly related to direct  
23 student services and programs, planning and all other administrative  
24 activities. The program component shall include, but need not be limited  
25 to, all program expenditures of the school district, including the sala-  
26 ries and benefits of teachers and any school administrators or supervi-  
27 sors who spend a majority of their time performing teaching duties, and  
28 all transportation operating expenses. The capital component shall  
29 include, but need not be limited to, all transportation capital, debt  
30 service, and lease expenditures; costs resulting from judgments in tax  
31 certiorari proceedings or the payment of awards from court judgments,  
32 administrative orders or settled or compromised claims; and all facili-  
33 ties costs of the school district, including facilities lease expendi-  
34 tures, the annual debt service and total debt for all facilities  
35 financed by bonds and notes of the school district, and the costs of  
36 construction, acquisition, reconstruction, rehabilitation or improvement  
37 of school buildings, provided that such budget shall include a rental,  
38 operations and maintenance section that includes base rent costs, total  
39 rent costs, operation and maintenance charges, cost per square foot for  
40 each facility leased by the school district, and any and all expendi-  
41 tures associated with custodial salaries and benefits, service  
42 contracts, supplies, utilities, and maintenance and repairs of school  
43 facilities. [For the purposes of the development of a budget for the  
44 nineteen hundred ninety-eight--ninety-nine school year, the trustee or  
45 board of trustees shall separate the district's program, capital and  
46 administrative costs for the nineteen hundred ninety-seven--ninety-eight  
47 school year in the manner as if the budget for such year had been  
48 presented in three components.]

49 5. The trustee or board of trustees shall append to the statement of  
50 estimated expenditures a detailed statement of the total compensation to  
51 be paid to the superintendent of schools, and any assistant or associate  
52 superintendents of schools in the ensuing school year, including a  
53 delineation of the salary, annualized cost of benefits and any in-kind  
54 or other form of remuneration. The trustees shall also append a list of  
55 all other school administrators and supervisors, if any, whose annual  
56 salary will be eighty-five thousand dollars or more in the ensuing



1 school year, with the title of their positions and annual salary identi-  
2 fied; provided however, that the commissioner may adjust such salary  
3 level to reflect increases in administrative salaries after June thirti-  
4 eth, nineteen hundred ninety-eight. The trustees shall submit a copy of  
5 such list and statement, in a form prescribed by the commissioner, of  
6 compensation to the commissioner within five days after their prepara-  
7 tion. The commissioner shall compile such data, together with the data  
8 submitted pursuant to subdivision three of section seventeen hundred  
9 sixteen of this chapter, into a single statewide compilation, which  
10 shall be made available to the governor, the legislature, and other  
11 interested parties upon request.

12 6. Each year, the board of education shall prepare a school district  
13 report card, pursuant to regulations of the commissioner, and shall make  
14 it publicly available by transmitting it to local newspapers of general  
15 circulation, appending it to copies of the proposed budget made publicly  
16 available as required by law, making it available for distribution at  
17 the annual meeting, and otherwise disseminating it as required by the  
18 commissioner. Such report card shall include measures of the academic  
19 performance of the school district, on a school by school basis, and  
20 measures of the fiscal performance of the district, as prescribed by the  
21 commissioner. Pursuant to regulations of the commissioner, the report  
22 card shall also compare these measures to statewide averages for all  
23 public schools, and statewide averages for public schools of comparable  
24 wealth and need, developed by the commissioner. Such report card shall  
25 include, at a minimum, any information on the school district regarding  
26 pupil performance and expenditure per pupil required to be included in  
27 the annual report by the regents to the governor and the legislature  
28 pursuant to section two hundred fifteen-a of this chapter; and any other  
29 information required by the commissioner. School districts (i) identi-  
30 fied as having fifteen percent or more of their students in special  
31 education, or (ii) which have fifty percent or more of their students  
32 with disabilities in special education programs or services sixty  
33 percent or more of the school day in a general education building, or  
34 (iii) which have eight percent or more of their students with disabili-  
35 ties in special education programs in public or private separate educa-  
36 tional settings shall indicate on their school district report card  
37 their respective percentages as defined in this [subparagraph] PARAGRAPH  
38 and [subparagraphs] PARAGRAPHS (i) and (ii) of this [paragraph] SUBDIVI-  
39 SION as compared to the statewide average.

40 7. a. Each year, commencing with the proposed budget for the two thou-  
41 sand--two thousand one school year, the trustee or board of trustees  
42 shall prepare a property tax report card, pursuant to regulations of the  
43 commissioner, and shall make it publicly available by transmitting it to  
44 local newspapers of general circulation, appending it to copies of the  
45 proposed budget made publicly available as required by law, making it  
46 available for distribution at the annual [meeting] BUDGET HEARING, and  
47 otherwise disseminating it as required by the commissioner. Such report  
48 card shall include: (i) the amount of total spending and total estimated  
49 school tax levy that would result from adoption of the proposed budget  
50 and the percentage increase or decrease in total spending and total  
51 school tax levy from the school district budget for the preceding school  
52 year; and (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETER-  
53 MINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY  
54 TAX LAW, THE TAX LEVY PROPOSED BY THE DISTRICT, THE PROPOSED CAPITAL TAX  
55 LEVY, IF ANY; AND (III) the projected enrollment growth for the school  
56 year for which the budget is prepared, and the percentage change in

1 enrollment from the previous year; and [(iii)] (IV) the percentage  
2 increase in the consumer price index, as defined in paragraph c of this  
3 subdivision; and [(iv)] (V) the projected amount of the unappropriated  
4 unreserved fund balance that will be retained if the proposed budget is  
5 adopted, the projected amount of the reserved fund balance, the project-  
6 ed amount of the appropriated fund balance, the percentage of the  
7 proposed budget that the unappropriated unreserved fund balance repres-  
8 ents, the actual unappropriated unreserved fund balance retained in the  
9 school district budget for the preceding school year, and the percentage  
10 of the school district budget for the preceding school year that the  
11 actual unappropriated unreserved fund balance represents.

12 b. A copy of the property tax report card prepared for the annual  
13 [district meeting] BUDGET HEARING shall be submitted to the department  
14 in the manner prescribed by the department by the end of the business  
15 day next following approval of the report card by the trustee or board  
16 of trustees, but no later than twenty-four days prior to the statewide  
17 uniform voting day. The department shall compile such data for all  
18 school districts [whose budgets are subject to a vote of the qualified  
19 voters] SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION THIRTEEN  
20 HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW and shall make such compila-  
21 tion available electronically at least ten days prior to the statewide  
22 uniform voting day.

23 c. For purposes of this subdivision, "percentage increase in the  
24 consumer price index" shall mean the percentage that represents the  
25 product of one hundred and the quotient of: (i) the average of the  
26 national consumer price indexes determined by the United States depart-  
27 ment of labor for the twelve-month period preceding January first of the  
28 current year minus the average of the national consumer price indexes  
29 determined by the United States department of labor for the twelve-month  
30 period preceding January first of the prior year, divided by (ii) the  
31 average of the national consumer price indexes determined by the United  
32 States department of labor for the twelve-month period preceding January  
33 first of the prior year, with the result expressed as a decimal to two  
34 places.

35 S 6. Subdivisions 22 and 28 of section 1709 of the education law,  
36 subdivision 22 as amended by chapter 682 of the laws of 2002, are  
37 amended to read as follows:

38 22. To provide, purchase, lease, furnish and maintain buildings or  
39 other suitable accommodations for the use of teachers or other employees  
40 of the district [when duly authorized by a meeting of the district],  
41 SUBJECT TO APPROVAL OF THE VOTERS WHERE OTHERWISE REQUIRED BY LAW, and  
42 to raise by tax upon the taxable property of the district and moneys  
43 necessary for such purposes; and also to provide, maintain and operate a  
44 cafeteria or restaurant service for the use of pupils and teachers while  
45 at school. Such cafeteria may be used by the community for school  
46 related functions and activities and to furnish meals to the elderly  
47 residents, sixty years of age or older, of the district. Such CAFETERIA  
48 OR RESTAURANT SERVICE AND SUCH utilization shall be subject to the  
49 approval of the board of education. Charges shall be sufficient to meet  
50 the direct cost of preparing and serving such meals, reducible by avail-  
51 able reimbursements.

52 28. To furnish lighting facilities, janitorial care and supervision  
53 for highway underpasses [when authorized to do so by vote of a district  
54 meeting under the provisions of subdivision twenty of section two thou-  
55 sand fifteen of this chapter].

1 S 7. Section 1716 of the education law, as amended by section 7 of  
2 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as  
3 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by  
4 section 5 of part H of chapter 83 of the laws of 2002 and paragraph a of  
5 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended  
6 to read as follows:

7 S 1716. Estimated expenses for ensuing year. 1. It shall be the duty  
8 of the board of education of each district to present at the annual  
9 budget hearing a detailed statement in writing of the amount of money  
10 which will be required for the ensuing year for school purposes, speci-  
11 fying the several purposes and the amount for each. WHERE A PROPOSITION  
12 TO UNDERRIDE A TAX LEVY LIMITATION HAS BEEN APPROVED PURSUANT TO SECTION  
13 TWO THOUSAND TWENTY-THREE-A OF THIS CHAPTER, THE BOARD OF EDUCATION  
14 SHALL PRESENT AT THE ANNUAL BUDGET HEARING A BUDGET THAT COMPLIES WITH  
15 THE APPROVED UNDERRIDE PROPOSITION. The amount for each purpose esti-  
16 mated necessary for payments to boards of cooperative educational  
17 services shall be shown in full, with no deduction of estimated state  
18 aid. The amount of state aid provided and its percentage relationship to  
19 the total expenditures shall also be shown. This section shall not be  
20 construed to prevent the board from presenting such statement at a budg-  
21 et hearing held not less than seven nor more than fourteen days prior to  
22 a special meeting called for the purpose, nor from presenting a supple-  
23 mentary and amended statement or estimate at any time.

24 2. Such statement shall be completed at least seven days before the  
25 budget hearing at which it is to be presented and copies thereof shall  
26 be prepared and made available, upon request and at the school district  
27 offices, at any public library or free association library within the  
28 district and on the school district's internet website, if one exists,  
29 to residents within the district during the period of fourteen days  
30 immediately preceding the annual meeting [and election or special  
31 district meeting at which the budget vote will occur] and at such meet-  
32 ing or hearing. The board shall also as a part of the notice required by  
33 section two thousand four of this chapter give notice of the date, time  
34 and place of the budget hearing and that a copy of such statement may be  
35 obtained by any resident in the district at each schoolhouse in the  
36 district in which school is maintained during certain designated hours  
37 on each day other than a Saturday, Sunday or holiday during the fourteen  
38 days immediately preceding such meeting. The board shall include notice  
39 of the availability of such statement at least once during the school  
40 year in any district-wide mailing distributed.

41 3. Commencing with the proposed budget for the nineteen hundred nine-  
42 ty-seven--ninety-eight school year, such proposed budget shall be in  
43 plain language and shall be consistent with regulations promulgated by  
44 the commissioner pursuant to subdivision twenty-six of section three  
45 hundred five of this chapter. Categorization of and format for revenue,  
46 including payments in lieu of taxes, property tax refunds from certior-  
47 ari proceedings, expenditure, transfer, and fund balance information and  
48 changes in such data from the prior year and, in the case of [a resub-  
49 mitted or] AN amended budget, changes in such information from the prior  
50 year submitted budget, shall be complete and accurate and set forth in  
51 such a manner as to best promote public comprehension and readability.

52 4. Commencing with the proposed budget for the nineteen hundred nine-  
53 ty-eight--ninety-nine school year, such proposed budget shall be  
54 presented in three components: a program component, a capital component  
55 and an administrative component which shall be separately delineated in  
56 accordance with regulations of the commissioner after consultation with

1 local school district officials. The administrative component shall  
2 include, but need not be limited to, office and central administrative  
3 expenses, traveling expenses and all compensation, salaries and benefits  
4 of all school administrators and supervisors, including business admin-  
5 istrators, superintendents of schools and deputy, assistant, associate  
6 or other superintendents under all existing employment contracts or  
7 collective bargaining agreements, any and all expenditures associated  
8 with the operation of the board of education, the office of the super-  
9 intendent of schools, general administration, the school business  
10 office, consulting costs not directly related to direct student services  
11 and programs, planning and all other administrative activities. The  
12 program component shall include, but need not be limited to, all program  
13 expenditures of the school district, including the salaries and benefits  
14 of teachers and any school administrators or supervisors who spend a  
15 majority of their time performing teaching duties, and all transporta-  
16 tion operating expenses. The capital component shall include, but need  
17 not be limited to, all transportation capital, debt service, and lease  
18 expenditures; costs resulting from judgments in tax certiorari  
19 proceedings or the payment of awards from court judgments, administra-  
20 tive orders or settled or compromised claims; and all facilities costs  
21 of the school district, including facilities lease expenditures, the  
22 annual debt service and total debt for all facilities financed by bonds  
23 and notes of the school district, and the costs of construction, acqui-  
24 sition, reconstruction, rehabilitation or improvement of school build-  
25 ings, provided that such budget shall include a rental, operations and  
26 maintenance section that includes base rent costs, total rent costs,  
27 operation and maintenance charges, cost per square foot for each facili-  
28 ty leased by the school district, and any and all expenditures associ-  
29 ated with custodial salaries and benefits, service contracts, supplies,  
30 utilities, and maintenance and repairs of school facilities. [For the  
31 purposes of the development of a budget for the nineteen hundred nine-  
32 ty-eight--ninety-nine school year, the board of education shall separate  
33 the district's program, capital and administrative costs for the nine-  
34 teen hundred ninety-seven--ninety-eight school year in the manner as if  
35 the budget for such year had been presented in three components.]

36 5. The board of education shall append to the statement of estimated  
37 expenditures a detailed statement of the total compensation to be paid  
38 to the superintendent of schools, and any assistant or associate super-  
39 intendents of schools in the ensuing school year, including a deline-  
40 ation of the salary, annualized cost of benefits and any in-kind or  
41 other form of remuneration. The board shall also append a list of all  
42 other school administrators and supervisors, if any, whose annual salary  
43 will be eighty-five thousand dollars or more in the ensuing school year,  
44 with the title of their positions and annual salary identified; provided  
45 however, that the commissioner may adjust such salary level to reflect  
46 increases in administrative salaries after June thirtieth, nineteen  
47 hundred ninety-eight. The board of education shall submit a copy of such  
48 list and statement, in a form prescribed by the commissioner, of compen-  
49 sation to the commissioner within five days after their preparation. The  
50 commissioner shall compile such data, together with the data submitted  
51 pursuant to subdivision four of section sixteen hundred eight of this  
52 [chapter] TITLE, into a single statewide compilation, which shall be  
53 made available to the governor, the legislature, and other interested  
54 parties upon request.

55 6. Each year, the board of education shall prepare a school district  
56 report card, pursuant to regulations of the commissioner, and shall make

1 it publicly available by transmitting it to local newspapers of general  
2 circulation, appending it to copies of the proposed budget made publicly  
3 available as required by law, making it available for distribution at  
4 the annual meeting, and otherwise disseminating it as required by the  
5 commissioner. Such report card shall include measures of the academic  
6 performance of the school district, on a school by school basis, and  
7 measures of the fiscal performance of the district, as prescribed by the  
8 commissioner. Pursuant to regulations of the commissioner, the report  
9 card shall also compare these measures to statewide averages for all  
10 public schools, and statewide averages for public schools of comparable  
11 wealth and need, developed by the commissioner. Such report card shall  
12 include, at a minimum, any information of the school district regarding  
13 pupil performance and expenditure per pupil required to be included in  
14 the annual report by the regents to the governor and the legislature  
15 pursuant to section two hundred fifteen-a of this chapter; and any other  
16 information required by the commissioner. School districts (i) identi-  
17 fied as having fifteen percent or more of their students in special  
18 education, or (ii) which have fifty percent or more of their students  
19 with disabilities in special education programs or services sixty  
20 percent or more of the school day in a general education building, or  
21 (iii) which have eight percent or more of their students with disabili-  
22 ties in special education programs in public or private separate educa-  
23 tional settings shall indicate on their school district report card  
24 their respective percentages as defined in this paragraph and paragraphs  
25 (i) and (ii) of this subdivision as compared to the statewide average.

26 7. a. Each year, commencing with the proposed budget for the two thou-  
27 sand--two thousand one school year, the board of education shall prepare  
28 a property tax report card, pursuant to regulations of the commissioner,  
29 and shall make it publicly available by transmitting it to local newspa-  
30 pers of general circulation, appending it to copies of the proposed  
31 budget made publicly available as required by law, making it available  
32 for distribution at the annual [meeting] BUDGET HEARING, and otherwise  
33 disseminating it as required by the commissioner. Such report card shall  
34 include: (i) the amount of total spending and total estimated school tax  
35 levy that would result from adoption of the proposed budget and the  
36 percentage increase or decrease in total spending and total school tax  
37 levy from the school district budget for the preceding school year; and  
38 (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT  
39 TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THE TAX  
40 LEVY PROPOSED BY THE DISTRICT, AND THE PROPOSED CAPITAL TAX LEVY, IF  
41 ANY; AND (III) the projected enrollment growth for the school year for  
42 which the budget is prepared, and the percentage change in enrollment  
43 from the previous year; and [(iii)] (IV) the percentage increase in the  
44 consumer price index, as defined in paragraph c of this subdivision; and  
45 [(iv)] (V) the projected amount of the unappropriated unreserved fund  
46 balance that will be retained if the proposed budget is adopted, the  
47 projected amount of the reserved fund balance, the projected amount of  
48 the appropriated fund balance, the percentage of the proposed budget  
49 that the unappropriated unreserved fund balance represents, the actual  
50 unappropriated unreserved fund balance retained in the school district  
51 budget for the preceding school year, and the percentage of the school  
52 district budget for the preceding school year that the actual unappro-  
53 priated unreserved fund balance represents.

54 b. A copy of the property tax report card prepared for the annual  
55 [district meeting] BUDGET HEARING shall be submitted to the department  
56 in the manner prescribed by the department by the end of the business

1 day next following approval of the report card by the board of education, but no later than twenty-four days prior to the statewide uniform voting day. The department shall compile such data for all school districts [whose budgets are subject to a vote of the qualified voters] SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW and shall make such compilation available electronically at least ten days prior to the statewide uniform voting day.

9 c. For purposes of this subdivision, "percentage increase in the consumer price index" shall mean the percentage that represents the product of one hundred and the quotient of: (i) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the current year minus the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the prior year, divided by (ii) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the prior year, with the result expressed as a decimal to two places.

21 S 8. Section 1718 of the education law, as amended by chapter 774 of the laws of 1965, subdivision 2 as amended by chapter 82 of the laws of 1995, is amended to read as follows:

24 S 1718. Limitation upon expenditures. 1. No board of education shall incur a district liability in excess of the amount appropriated [by a district meeting] IN THE BUDGET APPROVED BY THE BOARD OF EDUCATION unless such board is specially authorized by law to incur such liability.

29 2. Notwithstanding the provisions of subdivision one of this section, grants in aid received from the state and federal governments for specific purposes, other state AID OR grants in aid [identified by the commissioner] for general use [as specified by the board of education], other gifts which are required to be spent for particular objects or purposes and insurance proceeds received for the loss, theft, damage or destruction of real or personal property, when proposed to be used or applied to repair or replace such property, may be appropriated by resolution of the board of education at any time for such objects or purposes.

39 S 9. Section 2005 of the education law, as amended by section 3 of part M of chapter 57 of the laws of 2005, is amended to read as follows:

41 S 2005. Special meeting to transact business of annual meeting. Whenever the time for holding the annual meeting in a school district shall pass without such meeting being held, a special meeting[, to be held on the date specified for a school budget revote pursuant to subdivision three of section two thousand seven of this part,] shall thereafter be called by the trustees or by the clerk of such district for the purpose of transacting the business of the annual meeting; and if no such meeting be called by the trustees or the clerk within ten days after such time shall have passed, the district superintendent of the supervisory district in which said school district is situated or the commissioner [of education] may order any inhabitant of such district to give notice of such meeting in the manner provided in section two thousand one of this part, and the officers of the district shall make to such meeting the reports required to be made at the annual meeting, subject to the same penalty in case of neglect; and the officers elected at such meeting shall hold their respective offices only until the next annual meet-

1 ing and until their successors are elected and shall have qualified.  
2 Notice of such annual meeting shall comply with the requirements of  
3 section two thousand three or section two thousand four of this part by  
4 publishing such notices once in each week within the two weeks next  
5 preceding such special meeting, the first publication to be at least  
6 fourteen days before such meeting and any required posting to be four-  
7 teen days before the time of such meeting. [If the qualified voters at  
8 such special district meeting defeat the school district budget, the  
9 trustees or board of education shall adopt a contingency budget pursuant  
10 to section two thousand twenty-three of this part. Notwithstanding any  
11 other provision in law, the trustees or board of education following the  
12 adoption of a contingency budget may call a special district meeting for  
13 a second vote on the proposed budget pursuant to the requirements of  
14 subdivision three of section two thousand seven or subdivision three of  
15 section two thousand six of this chapter.]

16 S 10. Subdivision 3 of section 2006 of the education law is REPEALED.

17 S 11. Subdivision 3 of section 2007 of the education law, as amended  
18 by section 5 of part M of chapter 57 of the laws of 2005, is amended to  
19 read as follows:

20 3. a. Notwithstanding the provisions of subdivisions one and two of  
21 this section, and of section two thousand four of this part, whenever  
22 the [voters of the district shall have defeated the budget of the  
23 district, in whole or in part, or whenever the] board of education shall  
24 have rejected all bids for a contract or contracts for public work,  
25 transportation or purchase[,] and [whenever in either such case the  
26 board of education shall deem] DEEMS it necessary and proper to call a  
27 special meeting to take appropriate action, the board of education shall  
28 be authorized to give the notices required by subdivision one of section  
29 two thousand four of this part by publishing such notices once in each  
30 week within the two weeks next preceding such special meeting, the first  
31 publication to be at least fourteen days before such meeting and any  
32 required posting to be fourteen days before the time of such meeting.

33 b. [A school budget revote called pursuant to paragraph a of this  
34 subdivision shall be held on the third Tuesday of June, provided, howev-  
35 er that such budget revote shall be held on the second Tuesday in June  
36 if the commissioner at the request of a local school board certifies no  
37 later than March first that such vote would conflict with religious  
38 observances.

39 c.] Notwithstanding the provisions of section two thousand fourteen of  
40 this part, where a school district shall have adopted personal registra-  
41 tion, the board of registration shall meet on such day or days as shall  
42 be fixed by the board of education, the last day of which, however,  
43 shall not be more than seven nor less than two days preceding any school  
44 district meeting notices for which shall have been given as provided in  
45 this subdivision.

46 S 12. Section 2008 of the education law is amended by adding a new  
47 subdivision 3 to read as follows:

48 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IT  
49 SHALL NOT BE WITHIN THE POWERS OF THE VOTERS OF A SCHOOL DISTRICT TO  
50 SUBMIT A PROPOSITION THAT REQUIRES THE EXPENDITURE OF MONEY, PROVIDED  
51 THAT THE VOTERS MAY SUBMIT A TAX LEVY LIMIT UNDERRIDE PROPOSITION AS  
52 AUTHORIZED PURSUANT TO SUBDIVISION TWO OF SECTION TWO THOUSAND  
53 TWENTY-THREE-A OF THIS PART OR A PROPOSITION TO CHANGE THE MILEAGE LIM-  
54 TATIONS ON TRANSPORTATION PURSUANT TO SUBDIVISION NINETEEN OF SECTION  
55 TWO THOUSAND TWENTY-ONE OF THIS PART.

1 S 13. Subdivisions 10, 11, 12, 15, 16, 17, 18, 20 and 21 of section  
2 2021 of the education law, such section as renumbered by chapter 801 of  
3 the laws of 1953, are REPEALED and subdivisions 8 and 19 are amended to  
4 read as follows:

5 8. To vote a tax upon the taxable property of the district, to  
6 purchase, lease and improve such sites or an addition to such sites and  
7 grounds for the purposes specified in [the preceding] subdivision SEVEN  
8 OF THIS SECTION, to hire or purchase rooms or buildings for school rooms  
9 or schoolhouses, or to build schoolhouses[; to keep in repair and  
10 furnish the same with necessary fuel, furniture and appurtenances, and  
11 to purchase such implements, apparatus and supplies as may be necessary  
12 to provide instruction in agriculture and other subjects, and for the  
13 organization and conduct of athletic, playground and other social center  
14 work].

15 19. To [provide, by tax or otherwise, for the conveyance of] DETERMINE  
16 WHETHER TRANSPORTATION SHOULD BE PROVIDED PURSUANT TO PARAGRAPH A OF  
17 SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED THIRTY-FIVE OF THIS CHAP-  
18 TER TO pupils residing in [a] THE school district WHO ARE IN GRADES  
19 KINDERGARTEN THROUGH EIGHT AND LIVE LESS THAN TWO MILES FROM THE SCHOOL  
20 THEY LEGALLY ATTEND OR ARE IN GRADES NINE THROUGH TWELVE AND LIVE LESS  
21 THAN THREE MILES FROM SUCH SCHOOL OR TO PUPILS IN ANY GRADE WHO LIVE  
22 MORE THAN FIFTEEN MILES FROM THE SCHOOL THEY LEGALLY ATTEND, (a) to the  
23 elementary or high schools, or both, maintained in such district and/or  
24 (b) to the elementary or high schools, or both, in any city or district  
25 with which an education contract shall have been made, and/or (c) to the  
26 elementary or high schools, or both, other than public, situated within  
27 the district or an adjacent district or city, whenever such district  
28 shall have contracted with the school authorities of any city, or with  
29 another school district, for the education therein of the pupils resid-  
30 ing in such school district, or whenever in any school district pupils  
31 of school age shall reside so remote from the schoolhouse therein or the  
32 elementary or high school they legally attend, within or without the  
33 district, that they are practically deprived of school advantages during  
34 any portion of the school year.

35 S 14. Section 2022 of the education law, as amended by section 23 of  
36 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as  
37 amended by section 8 of part C of chapter 58 of the laws of 1998, subdi-  
38 vision 2-a as amended by section 3 of part A of chapter 60 of the laws  
39 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part  
40 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section  
41 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added  
42 by chapter 61 of the laws of 2003, is amended to read as follows:

43 S 2022. [Vote on] ADOPTION OF school district budgets [and on the];  
44 ANNUAL DISTRICT MEETING AND election of school district trustees and  
45 board of education members. 1. Notwithstanding any law, rule or regu-  
46 lation to the contrary, the ANNUAL DISTRICT MEETING AND election of  
47 trustees or members of the board of education, and the TAX LEVY PROPOSI-  
48 TION vote [upon the appropriation of the necessary funds to meet the  
49 estimated expenditures,] in any common school district, union free  
50 school district, central school district or central high school district  
51 shall be held [at the annual meeting and election] on the third Tuesday  
52 in May, provided, however, that such election shall be held on the  
53 second Tuesday in May if the commissioner at the request of a local  
54 school board certifies no later than March first that such election  
55 would conflict with religious observances. [When such election or vote  
56 is taken by recording the ayes and noes of the qualified voters attend-



1 ing, a majority of the qualified voters present and voting, by a hand or  
2 voice vote, may determine to take up the question of voting the neces-  
3 sary funds to meet the estimated expenditures for a specific item sepa-  
4 rately, and the qualified voters present and voting may increase the  
5 amount of any estimated expenditures or reduce the same, except for  
6 teachers' salaries, and the ordinary contingent expenses of the  
7 schools.] The sole trustee, board of trustees or board of education of  
8 every common, union free, central or central high school district and  
9 every city school district to which this article applies shall hold a  
10 budget hearing not less than seven nor more than fourteen days prior to  
11 the annual meeting and election [or special district meeting at which a  
12 school budget vote will occur], and shall prepare and present to the  
13 voters at such budget hearing a proposed school district budget for the  
14 ensuing school year. IF THE QUALIFIED VOTERS HAVE APPROVED A TAX LEVY  
15 PROPOSITION OR UNDERRIDE PROPOSITION IN ACCORDANCE WITH SECTION TWO  
16 THOUSAND TWENTY-THREE-A OF THIS PART, SUCH TRUSTEES OR BOARD OF EDUCA-  
17 TION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH PROPOSITION. IF NO  
18 TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION HAS BEEN APPROVED BY THE  
19 QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A  
20 BUDGET THAT REQUIRES A TAX LEVY, EXCLUDING ANY CAPITAL TAX LEVY, THAT IS  
21 NO GREATER THAN THE TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIR-  
22 TEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW.

23 2. [Except as provided in subdivision four of this section, nothing]  
24 NOTHING in this section shall preclude the trustees or board of educa-  
25 tion, in their discretion, from submitting additional items of expendi-  
26 ture to the voters for approval as separate propositions or the voters  
27 from submitting propositions pursuant to [section] SECTIONS two thousand  
28 eight and two thousand thirty-five of this [article] PART.

29 2-a. Every common, union free, central, central high school district  
30 and city school district to which this article applies shall mail a  
31 school budget notice to all qualified voters of the school district  
32 after the date of the budget hearing, but no later than six days prior  
33 to the annual meeting and election [or special district meeting at which  
34 a school budget vote will occur]. The school budget notice shall compare  
35 the percentage increase or decrease in total spending under the proposed  
36 budget over total spending under the school district budget adopted for  
37 the current school year, with the percentage increase or decrease in the  
38 consumer price index, from January first of the prior school year to  
39 January first of the current school year, and shall also include [the  
40 information required by paragraphs a and b of this subdivision. The  
41 notice shall also set forth the date, time and place of the school budg-  
42 et vote, in the same manner as in the notice of annual meeting] THE  
43 DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT TO  
44 SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THE TAX  
45 LEVY PROPOSED BY THE DISTRICT AND THE PROPOSED CAPITAL TAX LEVY, IF ANY.  
46 Such notice shall be in a form prescribed by the commissioner.

47 [a. Commencing with the proposed budget for the two thousand one--two  
48 thousand two school year, such notice shall also include a description  
49 of how total spending and the tax levy resulting from the proposed budg-  
50 et would compare with a projected contingency budget adopted pursuant to  
51 section two thousand twenty-three of this article, assuming that such  
52 contingency budget is adopted on the same day as the vote on the  
53 proposed budget. Such comparison shall be in total and by component  
54 (program, capital and administrative), and shall include a statement of  
55 the assumptions made in estimating the projected contingency budget.

b.] Commencing with the proposed budget for the two thousand eight--two thousand nine school year, such notice shall also include, in a format prescribed by the commissioner, an estimate of the tax savings that would be available to an eligible homeowner under the basic school tax relief (STAR) exemption authorized by section four hundred twenty-five of the real property tax law if the proposed budget were adopted. Such estimate shall be made in the manner prescribed by the commissioner, in consultation with the office of real property services.

3. In all elections for trustees or members of boards of education or votes ON PROPOSITIONS involving the expenditure of money, or authorizing the levy of taxes, OR VOTES ON PROPOSITIONS TO UNDERRIDE A TAX LEVY LIMITATION PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART, the vote thereon shall be by ballot, or, in school districts that prior to nineteen hundred ninety-eight conducted their vote at the annual meeting, may be ascertained by taking and recording the ayes and noes of such qualified voters attending and voting at such district meetings.

4. [In the event that the original proposed budget is not approved by the voters, the sole trustee, trustees or board of education may adopt a final budget pursuant to subdivision five of this section or resubmit to the voters the original or a revised budget pursuant to subdivision three of section two thousand seven of this part. Upon one defeat of such resubmitted budget, the sole trustee, trustees or board of education shall adopt a final budget pursuant to subdivision five of this section.] Notwithstanding any other provision of law to the contrary, [the school district budget for any school year, or any part of such budget or] any propositions involving the expenditure of money for such school year shall not be submitted for a vote of the qualified voters more than twice.

[5. If the qualified voters fail to approve the proposed school district budget upon resubmission or upon a determination not to resubmit for a second vote pursuant to subdivision four of this section, the sole trustee, trustees or board of education, after applying thereto the public school moneys and other moneys received or to be received for that purpose, shall levy a tax for the sum necessary for teachers' salaries and other ordinary contingent expenses in accordance with the provisions of this subdivision and section two thousand twenty-three of this article.

6. Notwithstanding the provisions of subdivision four of section eighteen hundred four and subdivision five of section nineteen hundred six of this title, subdivision one of section two thousand two of this article, subdivision one of this section, subdivision two of section twenty-six hundred one-a of this title and any other provision of law to the contrary, the annual district meeting and election of every common, union free, central and central high school district and the annual meeting of every city school district in a city having a population of less than one hundred twenty-five thousand inhabitants that is scheduled to be held on the third Tuesday of May, two thousand three is hereby adjourned until the first Tuesday in June, two thousand three. The trustees or board of education of each such school district shall provide notice of such adjourned meeting to the qualified voters in the manner prescribed for notice of the annual meeting, and such notice shall provide for an adjourned budget hearing. The adjourned district meeting or district meeting and election shall be deemed the annual meeting or annual meeting and election of the district for all purposes under this title and the date of the adjourned meeting shall be deemed the statewide uniform voting day for all purposes under this title. Notwith-

standing the provisions of subdivision seven of section sixteen hundred eight or subdivision seven of section seventeen hundred sixteen of this title or any other provision of law, rule or regulation to the contrary, in two thousand three the property tax report card shall be submitted to the department no later than twenty days prior to the date of the adjourned meeting and the department shall make its compilation available electronically at least seven days prior to such date.]

S 15. Section 2023 of the education law is REPEALED.

S 16. Subdivision 2 of section 2035 of the education law, as amended by chapter 111 of the laws of 1979, is amended to read as follows:

2. In common school districts the manner of making nominations or submitting propositions by anyone other than the trustees and in union free school districts the manner of submitting propositions by anyone other than the board of education for the purpose of preparing ballots for the machine shall be prescribed by a rule previously adopted by the trustees or board of education; provided, however, that the petition, certificate, declaration, notice or other paper required by such rule, for the making of any such nomination or submission, except as to a question or proposition required by law to be stated in the published or posted notice of the meeting shall be filed with the trustees or board of education not later than thirty days before the meeting or election. Any nomination may be rejected by the trustees if the candidate is ineligible for the office or has declared his unwillingness to serve; any proposition may be rejected by the trustees or board of education if the purpose of the proposition is not within the power of the voters, or where A PROPOSITION TO CHANGE THE MILEAGE LIMITATIONS ON TRANSPORTATION PURSUANT TO SUBDIVISION NINETEEN OF SECTION TWO THOUSAND TWENTY-ONE OF THIS PART WOULD REQUIRE the expenditure of ADDITIONAL moneys [is required by the proposition], if the proposition fails to include the necessary specific appropriation. Any such rule may be amended from time to time and may state that a reasonable minimum number of signatures shall be required for submission. The trustees or board of education shall cause such rule, and amendments from time to time, to be printed for general distribution in the district. Provided, however, that the provisions of any special law relating to nominations and elections in any union free school district shall continue to remain in force, and the manner of making nominations and the conduct of meetings and elections, shall conform to such special law.

S 17. Paragraph a of subdivision 9 and paragraphs a and b of subdivision 12 of section 2503 of the education law, as amended by chapter 171 of the laws of 1996, are amended to read as follows:

a. Shall promote the best interests of the schools and other activities committed to its care, and shall authorize, or in its discretion conduct, and maintain such extra classroom activities, including the operation of cafeterias or restaurant service for use by pupils and teachers, as the board, from time to time, shall deem proper. Such cafeterias or restaurant service may be used by the community for school related functions and activities and to furnish meals to the elderly residents, sixty years of age or older, of the district. Such utilization AND THE OPERATION OF CAFETERIAS OR RESTAURANT SERVICE shall be subject to the approval of the board of education[, and shall be subject to voter approval unless the cafeteria or restaurant service was operated during the preceding school year and requires no tax levy]. Charges shall be sufficient to meet the direct cost of preparing and serving such meals, reducible by available reimbursements.

1 a. to and from schools within the school district for distances  
2 greater than two or three miles, as applicable, and to and from schools  
3 outside the district within the mileage limitations prescribed in para-  
4 graph a of subdivision one of section thirty-six hundred thirty-five of  
5 this chapter shall always be [an ordinary contingent expense] A CHARGE  
6 UPON THE SCHOOL DISTRICT, and

7 b. for distances less than two or three miles, as applicable, or for  
8 greater than fifteen miles to and from schools outside the district  
9 shall be [an ordinary contingent expense] A CHARGE UPON THE SCHOOL  
10 DISTRICT if: (i) such transportation was provided during the preceding  
11 school year and the qualified voters have not passed a special proposi-  
12 tion constricting the mileage limitations for the current school year  
13 from those in effect in the prior year, or (ii) the qualified voters  
14 have passed a special proposition expanding the mileage limitations in  
15 effect in the prior year.

16 S 18. Section 2601-a of the education law, as added by chapter 171 of  
17 the laws of 1996, subdivision 2 as amended by section 6 of part M of  
18 chapter 57 of the laws of 2005, subdivision 3 as amended by chapter 640  
19 of the laws of 2008, subdivision 4 as amended by section 8 of part M of  
20 chapter 57 of the laws of 2005, subdivision 5 as amended by section 29  
21 of part A of chapter 436 of the laws of 1997, subdivision 6 as amended  
22 and subdivision 7 as added by chapter 474 of the laws of 1996, is  
23 amended to read as follows:

24 S 2601-a. Procedures for [adoption of school budgets] ANNUAL AND  
25 SPECIAL DISTRICT MEETINGS in small city school districts. 1. The board  
26 of education of each city school district subject to this article [shall  
27 provide for the submission of a budget for approval of the voters pursu-  
28 ant to the provisions of this section.

29 2. The board of education] shall ADOPT A SCHOOL DISTRICT BUDGET AND  
30 conduct all annual and special school district meetings for the purpose  
31 of [adopting a school district budget] VOTING ON PROPOSITIONS FOR THE  
32 EXPENDITURE OF MONEY, INCLUDING BUT NOT LIMITED TO VOTES PURSUANT TO  
33 SECTION FOUR HUNDRED SIXTEEN OF THIS CHAPTER, AND VOTING ON TAX LEVY  
34 PROPOSITIONS AND UNDERRIDE PROPOSITIONS PURSUANT TO SECTION TWO THOUSAND  
35 TWENTY-THREE-A OF THIS TITLE, in the same manner as a union free school  
36 district in accordance with the provisions of article forty-one of this  
37 title, except as otherwise provided by this section. The annual meeting  
38 and election of each such city school district shall be held on the  
39 third Tuesday of May in each year, provided, however that such annual  
40 meeting and election shall be held on the second Tuesday in May if the  
41 commissioner at the request of a local school board certifies no later  
42 than March first that such election would conflict with religious obser-  
43 vances[, and any school budget revote shall be held on the date and in  
44 the same manner specified in subdivision three of section two thousand  
45 seven of this title]. The provisions of this article, and where applica-  
46 ble subdivisions nine and nine-a of section twenty-five hundred two of  
47 this title, governing the qualification and registration of voters, and  
48 procedures for the nomination and election of members of the board of  
49 education shall continue to apply, and shall govern the qualification  
50 and registration of voters and voting procedures with respect to the  
51 adoption of a school district budget.

52 [3.] 2. The board of education shall prepare a proposed school  
53 district budget for the ensuing year in accordance with the provisions  
54 of section seventeen hundred sixteen of this chapter, including all  
55 provisions relating to required notices and appendices to the statement  
56 of expenditures. No board of education shall incur a school district

1 liability except as authorized by the provisions of section seventeen  
2 hundred eighteen of this chapter. Such proposed budget shall be  
3 presented in three components: a program component, a capital component  
4 and an administrative component which shall be separately delineated in  
5 accordance with regulations of the commissioner after consultation with  
6 local school district officials. The administrative component shall  
7 include, but need not be limited to, office and central administrative  
8 expenses, traveling expenses and all compensation, salaries and benefits  
9 of all school administrators and supervisors, including business admin-  
10 istrators, superintendents of schools and deputy, assistant, associate  
11 or other superintendents under all existing employment contracts or  
12 collective bargaining agreements, any and all expenditures associated  
13 with the operation of the board of education, the office of the super-  
14 intendent of schools, general administration, the school business  
15 office, consulting costs not directly related to direct student services  
16 and programs, planning and all other administrative activities. The  
17 program component shall include, but need not be limited to, all program  
18 expenditures of the school district, including the salaries and benefits  
19 of teachers and any school administrators or supervisors who spend a  
20 majority of their time performing teaching duties, and all transporta-  
21 tion operating expenses. The capital component shall include, but need  
22 not be limited to, all transportation capital, debt service, and lease  
23 expenditures; costs resulting from judgments in tax certiorari  
24 proceedings or the payment of awards from court judgments, administra-  
25 tive orders or settled or compromised claims; and all facilities costs  
26 of the school district, including facilities lease expenditures, the  
27 annual debt service and total debt for all facilities financed by bonds  
28 and notes of the school district, and the costs of construction, acqui-  
29 sition, reconstruction, rehabilitation or improvement of school build-  
30 ings, provided that such budget shall include a rental, operations and  
31 maintenance section that includes base rent costs, total rent costs,  
32 operation and maintenance charges, cost per square foot for each facili-  
33 ty leased by the school district, and any and all expenditures associ-  
34 ated with custodial salaries and benefits, service contracts, supplies,  
35 utilities, and maintenance and repairs of school facilities. [For the  
36 purposes of the development of a budget for the nineteen hundred nine-  
37 ty-seven--ninety-eight school year, the board of education shall sepa-  
38 rate its program, capital and administrative costs for the nineteen  
39 hundred ninety-six--ninety-seven school year in the manner as if the  
40 budget for such year had been presented in three components.] Except as  
41 provided in subdivision [four] THREE of this section, nothing in this  
42 section shall preclude the board, in its discretion, from submitting  
43 additional items of expenditure to the voters for approval as separate  
44 propositions or the voters from submitting propositions [pursuant] to  
45 THE EXTENT AUTHORIZED BY sections two thousand eight and two thousand  
46 thirty-five of this chapter.

47 [4. In the event the qualified voters of the district reject the budg-  
48 et proposed pursuant to subdivision three of this section, the board may  
49 propose to the voters a revised budget pursuant to subdivision three of  
50 section two thousand seven of this title or may adopt a contingency  
51 budget pursuant to subdivision five of this section and subdivision five  
52 of section two thousand twenty-two of this title.] 3. The [school  
53 district budget for any school year, or any part of such budget or]  
54 BOARD OF EDUCATION SHALL NOT SUBMIT any propositions involving the  
55 expenditure of money for such school year [shall not be submitted] for a  
56 vote of the qualified voters more than twice. [In the event the quali-

1 fied voters reject the resubmitted budget, the board shall adopt a  
2 contingency budget in accordance with subdivision five of this section  
3 and subdivision five of such section two thousand twenty-two of this  
4 title.

5 5. If the qualified voters fail or refuse to vote the sum estimated to  
6 be necessary for teachers' salaries and other ordinary contingent  
7 expenses, the board shall adopt a contingency budget in accordance with  
8 this subdivision and shall levy a tax for that portion of such sum  
9 remaining after applying thereto the moneys received or to be received  
10 from state, federal or other sources, in the same manner as if the budg-  
11 et had been approved by the qualified voters; subject to the limitations  
12 imposed in subdivision four of section two thousand twenty-three of this  
13 chapter and this subdivision. The administrative component shall not  
14 comprise a greater percentage of the contingency budget exclusive of the  
15 capital component than the lesser of (1) the percentage the administra-  
16 tive component had comprised in the prior year budget exclusive of the  
17 capital component; or (2) the percentage the administrative component  
18 had comprised in the last proposed defeated budget exclusive of the  
19 capital component. Such contingency budget shall include the sum deter-  
20 mined by the board to be necessary for:

21 (a) teachers' salaries, including the salaries of all members of the  
22 teaching and supervising staff;

23 (b) items of expense specifically authorized by statute to be incurred  
24 by the board of education, including, but not limited to, expenditures  
25 for transportation to and from regular school programs included as ordi-  
26 nary contingent expenses in subdivision twelve of section twenty-five  
27 hundred three of this chapter, expenditures for textbooks, required  
28 services for non-public school students, school health services, special  
29 education services, kindergarten and nursery school programs, and the  
30 district's share of the administrative costs and costs of services  
31 provided by a board of cooperative educational services;

32 (c) items of expense for legal obligations of the district, including,  
33 but not limited to, contractual obligations, debt service, court orders  
34 or judgments, orders of administrative bodies or officers, and standards  
35 and requirements of the board of regents and the commissioner that have  
36 the force and effect of law;

37 (d) the purchase of library books and other instructional materials  
38 associated with a library;

39 (e) items of expense necessary to maintain the educational programs of  
40 the district, preserve the property of the district or protect the  
41 health and safety of students and staff, including, but not limited to,  
42 support services, pupil personnel services, the necessary salaries for  
43 the necessary number of non-teaching employees, necessary legal  
44 expenses, water and utility charges, instructional supplies for teach-  
45 ers' use, emergency repairs, temporary rental of essential classroom  
46 facilities, and expenditures necessary to advise school district voters  
47 concerning school matters; and

48 (f) expenses incurred for interschool athletics, field trips and other  
49 extracurricular activities; and

50 (g) any other item of expense determined by the commissioner to be an  
51 ordinary contingent expense in any school district.

52 6. The commissioner shall determine appeals raising questions as to  
53 what items of expenditure are ordinary contingent expenses pursuant to  
54 subdivision five of this section in accordance with section two thousand  
55 twenty-four and three hundred ten of this chapter.

1 7.] Each year, the board of education shall prepare a school district  
2 report card, pursuant to regulations of the commissioner, and shall make  
3 it publicly available by transmitting it to local newspapers of general  
4 circulation, appending it to copies of the proposed budget made publicly  
5 available as required by law, making it available for distribution at  
6 the annual meeting, and otherwise disseminating it as required by the  
7 commissioner. Such report card shall include measures of the academic  
8 performance of the school district, on a school by school basis, and  
9 measures of the fiscal performance of the district, as prescribed by the  
10 commissioner. Pursuant to regulations of the commissioner, the report  
11 card shall also compare these measures to statewide averages for all  
12 public schools, and statewide averages for public schools of comparable  
13 wealth and need, developed by the commissioner. Such report card shall  
14 include, at a minimum, any information on the school district regarding  
15 pupil performance and expenditure per pupil required to be included in  
16 the annual report by the regents to the governor and the legislature  
17 pursuant to section two hundred fifteen-a of this chapter; and any other  
18 information required by the commissioner. School districts (i) identi-  
19 fied as having fifteen percent or more of their students in special  
20 education, or (ii) which have fifty percent or more of their students  
21 with disabilities in special education programs or services sixty  
22 percent or more of the school day in a general education building, or  
23 (iii) which have eight percent or more of their students with disabili-  
24 ties in special education programs in public or private separate educa-  
25 tional settings shall indicate on their school district report card  
26 their respective percentages as defined in this paragraph and paragraphs  
27 (i) and (ii) of this subdivision as compared to the statewide average.

28 S 19. Paragraph b-1 of subdivision 4 of section 3602 of the education  
29 law, as amended by section 13 of part A of chapter 57 of the laws of  
30 2009, is amended to read as follows:

31 b-1. Notwithstanding any other provision of law to the contrary, for  
32 the two thousand seven--two thousand eight through two thousand thir-  
33 teen--two thousand fourteen school years, the additional amount payable  
34 to each school district pursuant to this subdivision in the current year  
35 as total foundation aid, after deducting the total foundation aid base,  
36 shall be deemed a state grant in aid identified by the commissioner for  
37 general use for purposes of [sections] SECTION seventeen hundred eigh-  
38 teen [and two thousand twenty-three] of this chapter.

39 S 20. Subdivision 11 of section 3602-e of the education law, as  
40 amended by section 19 of part B of chapter 57 of the laws of 2007, is  
41 amended to read as follows:

42 11. Notwithstanding the provisions of subdivision ten of this section,  
43 where the district serves fewer children during the current year than in  
44 the base year, the school district shall have its apportionment reduced  
45 in an amount proportional to such deficiency in the current year or in  
46 the succeeding school year, as determined by the commissioner, except  
47 such reduction shall not apply to school districts which have fully  
48 implemented a universal pre-kindergarten program by making such program  
49 available to all eligible children. [Expenses incurred by the school  
50 district in implementing a pre-kindergarten program plan pursuant to  
51 this subdivision shall be deemed ordinary contingent expenses.]

52 S 21. Paragraphs a and b of subdivision 1 of section 3635 of the  
53 education law, paragraph a as amended by chapter 69 of the laws of 1992,  
54 paragraph b as amended by chapter 718 of the laws of 1990 and subpara-  
55 graph (i) of paragraph b as amended by chapter 571 of the laws of 1994,  
56 are amended to read as follows:

1 a. Sufficient transportation facilities (including the operation and  
2 maintenance of motor vehicles) shall be provided by the school district  
3 for all the children residing within the school district to and from the  
4 school they legally attend, who are in need of such transportation  
5 because of the remoteness of the school to the child or for the  
6 promotion of the best interest of such children. Such transportation  
7 shall be provided for all children attending grades kindergarten through  
8 eight who live more than two miles from the school which they legally  
9 attend and for all children attending grades nine through twelve who  
10 live more than three miles from the school which they legally attend and  
11 shall be provided for each such child up to a distance of fifteen miles,  
12 the distances in each case being measured by the nearest available route  
13 from home to school. The cost of providing such transportation between  
14 two or three miles, as the case may be, and fifteen miles shall be  
15 considered for the purposes of this chapter to be a charge upon the  
16 district [and an ordinary contingent expense of the district]. Transpor-  
17 tation for a lesser distance than two miles in the case of children  
18 attending grades kindergarten through eight or three miles in the case  
19 of children attending grades nine through twelve and for a greater  
20 distance than fifteen miles may be provided by the district WITH THE  
21 APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered  
22 equally to all children in like circumstances residing in the district;  
23 provided, however, that this requirement shall not apply to transporta-  
24 tion offered pursuant to section thirty-six hundred thirty-five-b of  
25 this [article] PART.

26 b. (i) School districts providing transportation to a nonpublic school  
27 for pupils living within a specified distance from such school shall  
28 designate one or more public schools as centralized pick-up points and  
29 shall provide transportation between such points and such nonpublic  
30 schools for students residing in the district who live too far from such  
31 nonpublic schools to qualify for transportation between home and school.  
32 The district shall not be responsible for the provision of transporta-  
33 tion for pupils between their home and such pick-up points. The  
34 district may provide school bus transportation to a pupil if the resi-  
35 dence of the pupil is located on an established route for the transpor-  
36 tation of pupils to the centralized pick-up point provided such trans-  
37 portation does not result in additional costs to the district. [The cost  
38 of providing transportation between such pick-up points and such nonpub-  
39 lic schools shall be an ordinary contingent expense.]

40 (ii) A board of education may, at its discretion, provide transporta-  
41 tion for pupils residing within the district to a nonpublic school  
42 located more than fifteen miles from the home of any such pupil provided  
43 that such transportation has been provided to such nonpublic school  
44 pursuant to this subdivision in at least one of the immediately preced-  
45 ing three school years and such transportation is provided from one or  
46 more centralized pick-up points designated pursuant to this paragraph  
47 and that the distance from such pick-up points to the nonpublic school  
48 is not more than fifteen miles. The district shall not be responsible  
49 for the provision of transportation for pupils between [pupils] PUPILS'  
50 homes and such pick-up points. [The cost of providing transportation  
51 between such pick-up points and such nonpublic schools shall be an ordi-  
52 nary contingent expense.]

53 S 22. Subdivision 10 of section 3635-b of the education law, as  
54 amended by chapter 422 of the laws of 2004, is amended to read as  
55 follows:



10. The cost of providing transportation, pursuant to the provisions of this section, shall [be an ordinary contingent expense and shall] be included as an item of expense for purposes of determining the transportation quota of such district.

S 23. Subdivisions 1, 3, 3-a, 4 and 5 of section 3651 of the education law, subdivision 1 as amended by chapter 504 of the laws of 1949, subdivisions 3 and 4 as added by chapter 782 of the laws of 1948, subdivision 3-a as added by chapter 588 of the laws of 1988, and subdivision 5 as amended by chapter 976 of the laws of 1963, are amended to read as follows:

1. A reserve fund may be established by the school authorities of any school district, [provided, however, that no such fund shall be established (a) until approved by a majority vote of the qualified voters of the district voting on a proposition therefor submitted at a regular or special school district meeting, or in school districts which do not have such meetings, at an election called for such purpose, and (b) unless the notice of such meeting or election shall have stated that a proposition to establish a reserve fund would be so submitted, the purpose of the fund, the ultimate amount thereof, its probable term and the source from which the funds would be obtained] AS DEFINED IN SUBDIVISION TWELVE OF SECTION TWO OF THIS CHAPTER. Such reserve fund may be established for financing, in whole or in part, the cost of any object or purpose for which bonds may be issued by, or for the objects or purposes of, the school district pursuant to the local finance law. The [proposition] RESOLUTION OF THE SCHOOL AUTHORITIES ESTABLISHING THE RESERVE FUND shall specify the purpose for which the fund is established, the ultimate amount, the probable term and the source from which the funds are to be obtained. There shall be paid into any such fund an annual amount sufficient to meet the requirements of the proposition OR RESOLUTION. In addition, the [voters] SCHOOL AUTHORITIES may from time to time direct the [school authorities to pay] PAYMENT into such fund OF moneys derived from any other source.

3. An expenditure shall be made from a reserve fund only by authorization of the [voters] SCHOOL AUTHORITIES and for the specific purpose specified in the proposition OR RESOLUTION WHICH ESTABLISHED THE RESERVE FUND.

[3-a. Notwithstanding the provisions of subdivision three of this section, any school district which establishes a reserve fund in accordance with subdivision one-a of this section may make expenditures from such fund for the purposes specified in such subdivision without authorization of the voters.]

4. The [voters] SCHOOL AUTHORITIES may authorize the transfer of all or any part of any reserve fund to any other reserve fund established pursuant to this section.

5. Whenever the [voters] SCHOOL AUTHORITIES shall determine that the original purpose for which a reserve fund has been established is no longer desirable, [the school authorities] THEY may liquidate the fund by first applying its proceeds to any outstanding bonded indebtedness and applying the balance, if any, to the annual tax levy, provided, however, that the amount so applied in any one year shall not be greater than the amount which will reduce the tax rate for school purposes below five mills on actual valuation; provided, however, that the school authorities in any school district having no outstanding bonded indebtedness may, in any year in which no state aid is payable thereto under the provisions of this chapter, liquidate such fund by applying the balance thereof to the annual tax levy, regardless of the tax rate for

1 school purposes[, subject to the approval of a majority of the qualified  
2 electors of the district voting on a proposition therefor submitted at a  
3 regular or special school district meeting, or in school districts which  
4 do not have such meetings, at an election called for such purpose].

5 S 24. The general municipal law is amended by adding a new section 3-c  
6 to read as follows:

7 S 3-C. LIMITATION UPON REAL PROPERTY TAXES OF LOCAL GOVERNMENTS. 1.  
8 UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF REAL PROPERTY TAXES THAT  
9 MAY BE LEVIED BY OR ON BEHALF OF ANY LOCAL GOVERNMENT, OTHER THAN THE  
10 CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN, SHALL NOT EXCEED  
11 THE TAX LEVY LIMITATION ESTABLISHED PURSUANT TO THIS SECTION.

12 2. WHEN USED IN THIS SECTION:

13 (A) "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND  
14 FOUR ONE HUNDREDTHS; OR (II) THE SUM OF ONE PLUS ONE HUNDRED TWENTY  
15 PERCENT OF THE INFLATION FACTOR; PROVIDED, HOWEVER, THAT IN NO CASE  
16 SHALL THE LEVY GROWTH FACTOR BE LESS THAN ONE.

17 (B) "COMING FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT  
18 FOR WHICH A TAX LEVY LIMITATION SHALL BE DETERMINED PURSUANT TO THIS  
19 SECTION.

20 (C) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE  
21 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-  
22 MENT OF LABOR FOR THE TWELVE MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE  
23 START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL  
24 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATE DEPARTMENT OF  
25 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
26 OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL  
27 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF  
28 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
29 OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR  
30 PLACES.

31 (D) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, VILLAGE, FIRE  
32 DISTRICT, OR SPECIAL DISTRICT INCLUDING BUT NOT LIMITED TO A DISTRICT  
33 CREATED PURSUANT TO ARTICLES TWELVE, TWELVE-A, TWELVE-C OR THIRTEEN OF  
34 THE TOWN LAW, ARTICLES FIVE-A, FIVE-B OR FIVE-D OF THE COUNTY LAW, CHAP-  
35 TER FIVE HUNDRED SIXTEEN OF THE LAWS OF NINETEEN HUNDRED TWENTY-EIGHT,  
36 OR CHAPTER TWO HUNDRED SEVENTY-THREE OF THE LAWS OF NINETEEN HUNDRED  
37 THIRTY-NINE, BUT SHALL NOT INCLUDE THE CITY OF NEW YORK OR THE COUNTIES  
38 CONTAINED THEREIN.

39 (E) "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT  
40 IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

41 3. (A) SUBJECT TO THE PROVISIONS OF SUBDIVISION FOUR OF THIS SECTION,  
42 BEGINNING WITH THE FISCAL YEAR THAT BEGINS IN TWO THOUSAND ELEVEN, NO  
43 LOCAL GOVERNMENT SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT IS  
44 GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR.

45 (B) THE TAX LEVY LIMITATION APPLICABLE TO THE COMING FISCAL YEAR SHALL  
46 BE DETERMINED AS FOLLOWS:

47 (I) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR FISCAL  
48 YEAR.

49 (II) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE  
50 PRIOR FISCAL YEAR.

51 (III) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

52 (IV) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING  
53 FISCAL YEAR.

54 (C) THE STATE COMPTROLLER SHALL CALCULATE THE TAX LEVY LIMITATION FOR  
55 EACH LOCAL GOVERNMENT BY THE ONE HUNDRED TWENTIETH DAY PRECEDING THE

1 COMMENCEMENT OF EACH LOCAL GOVERNMENT'S FISCAL YEAR, AND SHALL NOTIFY  
2 EACH LOCAL GOVERNMENT OF THE TAX LEVY LIMITATION SO DETERMINED.

3 4. A LOCAL GOVERNMENT MAY ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT  
4 IS GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR, ONLY  
5 IF THE GOVERNING BODY OF SUCH LOCAL GOVERNMENT FIRST ENACTS, BY A  
6 TWO-THIRDS VOTE OF THE TOTAL VOTING POWER OF SUCH BODY, A LOCAL LAW TO  
7 OVERRIDE SUCH LIMITATION FOR SUCH COMING FISCAL YEAR ONLY, OR IN THE  
8 CASE OF A DISTRICT OR FIRE DISTRICT, A RESOLUTION TO OVERRIDE SUCH LIM-  
9 TATION FOR SUCH COMING FISCAL YEAR ONLY.

10 5. (A) WHEN TWO OR MORE LOCAL GOVERNMENTS CONSOLIDATE, THE STATE COMP-  
11 TROLLER SHALL DETERMINE THE TAX LEVY LIMITATION FOR THE CONSOLIDATED  
12 LOCAL GOVERNMENT BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF THE  
13 COMPONENT LOCAL GOVERNMENTS THAT FORMED SUCH CONSOLIDATED LOCAL GOVERN-  
14 MENT FROM THE LAST FISCAL YEAR PRIOR TO THE CONSOLIDATION.

15 (B) WHEN A LOCAL GOVERNMENT DISSOLVES, THE STATE COMPTROLLER SHALL  
16 DETERMINE THE TAX LEVY LIMITATION FOR THE LOCAL GOVERNMENT THAT ASSUMES  
17 THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERN-  
18 MENT BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF SUCH DISSOLVED  
19 LOCAL GOVERNMENT AND SUCH LOCAL GOVERNMENT THAT ASSUMES THE DEBTS,  
20 LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FROM THE  
21 LAST FISCAL YEAR PRIOR TO THE DISSOLUTION.

22 (C) THE TAX LIMITATION ESTABLISHED BY THIS SECTION SHALL NOT APPLY TO  
23 THE FIRST FISCAL YEAR AFTER A LOCAL GOVERNMENT IS NEWLY ESTABLISHED OR  
24 CONSTITUTED. THE PRECEDING SENTENCE SHALL NOT APPLY TO LOCAL GOVERNMENTS  
25 RESULTING FROM A CONSOLIDATION OR DISSOLUTION.

26 6. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN  
27 FISCAL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT  
28 TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERN-  
29 MENT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE  
30 WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL  
31 USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY  
32 FOR THE ENSUING FISCAL YEAR.

33 S 25. This act shall take effect immediately and shall first apply to  
34 the levy of taxes by school districts for the 2011-2012 school year and  
35 to school district meetings and elections held on and after such effec-  
36 tive date; provided, however, that sections eight, fifteen, twenty,  
37 twenty-one and twenty-two of this act shall take effect July 1, 2011;  
38 and provided further, that section twenty-four of this act shall first  
39 apply to the levy of taxes by local governments for the fiscal year  
40 that begins in 2011.