

STATE OF NEW YORK

1388--A

2021-2022 Regular Sessions

IN SENATE

January 11, 2021

Introduced by Sens. BROOKS, GAUGHRAN, SKOUFIS, THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, in relation to providing a New York state residential property tax relief act for public education aid apportionment for certain school years; and providing for the repeal of such provisions upon the expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act shall be known and may be cited as the "New York
2 state residential real property tax relief act for public education."
3 § 2. Legislative findings. The legislature finds that the current
4 primary and secondary education funding system, which is based largely
5 upon real property taxation, is antiquated and creates serious dispari-
6 ties in educational opportunity and inequities with regard to distrib-
7 ution of the system's financial burden. The quality of education that
8 children receive varies widely by geographic region, as does the oppor-
9 tunity for children to participate in extracurricular activities. In
10 addition, taxpayers throughout the state receive real property tax bills
11 from their local school districts based on the value of their homes,
12 which is subject to multiple factors beyond their control, rather than
13 their financial ability to pay, creating serious regional distortions in
14 the relative cost of living. The legislature further finds that our
15 children should not be penalized based upon the geographic location of
16 their home, nor should financial support for the educational system fall
17 more heavily on those who are less able to bear the burden. The legisla-
18 ture therefore must take immediate action to provide relief to those
19 areas most impacted by these disparities through the residential proper-
20 ty tax relief aid determined through a residential property tax relief
21 aid formula. The legislature further orders an education funding study

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

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1 to examine long-term funding alternatives for the state primary and
2 secondary educational system that allows all children throughout the
3 state to receive the same educational opportunities.

4 § 3. Section 3602 of the education law is amended by adding a new
5 subdivision 42 to read as follows:

6 42. New York state residential property tax relief act for public
7 education. a. Eligibility. (1) Each school district shall be eligible to
8 receive a New York state residential property tax relief act for public
9 education aid apportionment in the two thousand twenty-two--two thousand
10 twenty-three school year, which shall equal the residential property tax
11 levy reduction apportionment.

12 (2) Each school district shall be eligible to receive a New York state
13 residential property tax relief act for public education aid apportion-
14 ment in the two thousand twenty-three--two thousand twenty-four school
15 year in the same amount as in the base year.

16 (3) Each school district shall be eligible to receive a New York state
17 residential property tax relief act for public education aid apportion-
18 ment in the two thousand twenty-four--two thousand twenty-five school
19 year in an amount equal to the New York state residential property tax
20 relief act for public education aid apportionment in the two thousand
21 twenty-three--two thousand twenty-four school year multiplied by one and
22 seven hundred sixty-nine ten-thousandths (1.0769).

23 b. Purpose. Funds allocated under this subdivision shall be solely
24 used for the purpose of reducing the residential tax levy defined in
25 subparagraph one of paragraph a of subdivision sixteen of this section.

26 c. "Residential real property tax levy reduction apportionment." (1)
27 School districts other than districts with a city with a population of
28 one hundred twenty-five thousand or more, shall be eligible for residen-
29 tial real property tax levy if: (i) the residential tax levy calculation
30 is equal to or greater than fifty percent; and (ii) the combined wealth
31 ratio is less than two and five-tenths (2.5).

32 (2) "Residential tax levy calculation" shall equal the quotient
33 arrived at when dividing the residential real property tax levy defined
34 pursuant to subparagraph one of paragraph a of subdivision sixteen of
35 this section divided by the total actual expenditures for the year
36 commencing in the calendar year one year prior to the calendar year in
37 which the base year began.

38 (3) For eligible school districts, the "residential real property tax
39 levy reduction apportionment" shall mean the product of: (i) the posi-
40 tive difference, if any, between the residential tax levy calculation
41 defined pursuant to this subparagraph minus fifty percent multiplied by
42 (ii) the residential real property tax levy.

43 d. Method of payment. Notwithstanding any other provision of law to
44 the contrary, the New York state residential property tax relief act for
45 public education aid shall be paid pursuant to section thirty-six
46 hundred nine-i of this part.

47 e. Definition. As used in this subdivision, "total real property tax
48 levy" shall mean the total real property tax levy specified in the
49 school district budget for the year commencing in the calendar year two
50 years prior to the calendar year in which the base year began. The final
51 update of such data shall be reported by the commissioner of taxation
52 and finance to the commissioner by February fifteenth of the base year.
53 The commissioner of taxation and finance shall adopt regulations as
54 appropriate to assure the appropriate collection, classification and
55 reporting of such data for the purposes of paying state aid to the
56 schools.

§ 4. The opening paragraph of subdivision 1 of section 3609-a of the education law, as amended by section 32 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

The GSPS appropriation shall be used to support payments made pursuant to this section, plus apportionments made pursuant to section seven hundred one, seven hundred eleven, seven hundred fifty-one, seven hundred fifty-three, thirty-two hundred two, thirty-six hundred nine-b, thirty-six hundred forty-one and forty-four hundred five of this chapter, any other applicable allocations made pursuant to this chapter, but not paid pursuant to the schedule prescribed by this section or sections thirty-six hundred nine-b, thirty-six hundred nine-d ~~or~~, thirty-six hundred nine-f or thirty-six hundred nine-i of this ~~[article]~~ part; plus any unconsolidated law provisions which apply to programs funded from such appropriation; plus any sums paid out upon audit of the state comptroller as final adjustments of apportionments originally claimed and payable pursuant to this subdivision in prior school years; plus sums paid out as prior year adjustments, to the extent an allowance was included in such appropriation for such purpose. Any apportionments provided by this chapter shall be paid in accordance with this section unless specifically exempted.

§ 5. The education law is amended by adding a new section 3609-i to read as follows:

§ 3609-i. Moneys apportioned to school districts for reimbursement of apportionments pursuant to the New York state residential property tax relief act for public education. 1. As used in this section, "school district" shall mean a public school district eligible for an apportionment of aid under subdivision four of section thirty-six hundred two of this article.

2. Moneys apportioned to school districts for reimbursement of apportionments pursuant to the New York state residential property tax relief act for public education pursuant to subdivision forty-two of section thirty-six hundred two of this part shall be disbursed as follows:

a. On or after the first business day of July of each school year, commencing July first, two thousand twenty-two, a school district shall be paid an amount equal to fifty percent of the payments on October first of the current school year.

b. The remaining balance shall be paid after February first, provided that the amounts paid on or before February first shall not be subject to recalculation.

c. No payment may be made pursuant to this subdivision until the amount for each school district is certified by the commissioner of taxation and finance and transmitted to the commissioner. Such certification shall be made on or before January first so as to facilitate payments to be made pursuant to this section.

3. Moneys paid pursuant to this section shall be payable to the treasurer of each city school district, and the treasurer of each union free school district and of each central school district and of each other school district, if there be a treasurer, otherwise to the collector or other disbursing officer of such district, who shall apply for and receive the same as soon as payable.

4. Any payment to a school district pursuant to this section shall be general receipts of the district and shall be used solely for the reduction of the residential tax levy.

5. Notwithstanding any other provision of law to the contrary, payments made to school districts under this section shall be considered

1 general aid payments made pursuant to section thirty-six hundred nine-a
2 of this part.

3 6. It is the intent of the governor to submit and of the legislature
4 to enact for each fiscal year after the two thousand twenty-two--two
5 thousand twenty-three fiscal year in an annual budget bill an appropri-
6 ation in the amount to be paid to school districts pursuant to subdivi-
7 sion forty-two of section thirty-six hundred two of this part.

8 § 6. Paragraph a of subdivision 7 of section 1608 of the education
9 law, as amended by chapter 514 of the laws of 2016, is amended to read
10 as follows:

11 a. Each year, commencing with the proposed budget for the two thou-
12 sand--two thousand one school year, the trustee or board of trustees
13 shall prepare a property tax report card, pursuant to regulations of the
14 commissioner, and shall make it publicly available by transmitting it to
15 local newspapers of general circulation, appending it to copies of the
16 proposed budget made publicly available as required by law, making it
17 available for distribution at the annual meeting, and otherwise dissem-
18 inating it as required by the commissioner. Such report card shall
19 include: (i) the amount of total spending and total estimated school tax
20 levy that would result from adoption of the proposed budget and the
21 percentage increase or decrease in total spending and total school tax
22 levy from the school district budget for the preceding school year; and
23 (ii) the district's tax levy limit determined pursuant to section two
24 thousand twenty-three-a of this title, and the estimated school tax
25 levy, excluding any levy necessary to support the expenditures pursuant
26 to subparagraphs (i) through (iv) of paragraph i of subdivision two of
27 section two thousand twenty-three-a of this title, that would result
28 from adoption of the proposed budget; and (iii) the projected enrollment
29 growth for the school year for which the budget is prepared, and the
30 percentage change in enrollment from the previous year; and (iv) the
31 percentage increase in the consumer price index, as defined in paragraph
32 c of this subdivision; and (v) the projected amount of the unappropri-
33 ated unreserved fund balance that will be retained if the proposed budg-
34 et is adopted, the projected amount of the reserved fund balance, the
35 projected amount of the appropriated fund balance, the percentage of the
36 proposed budget that the unappropriated unreserved fund balance repres-
37 ents, the actual unappropriated unreserved fund balance retained in the
38 school district budget for the preceding school year, and the percentage
39 of the school district budget for the preceding school year that the
40 actual unappropriated unreserved fund balance represents[, and a sched-
41 ~~ule of reserve funds, setting forth the name of each reserve fund, a~~
42 ~~description of its purpose, the balance as of the close of the third~~
43 ~~quarter of the current school district fiscal year and a brief statement~~
44 ~~explaining any plans for the use of each such reserve fund for the ensu-~~
45 ~~ing fiscal year]; and (vi) the amount of the New York state residential~~
46 property tax relief act for public education amount used to reduce the
47 residential tax levy for the ensuing fiscal year.

48 § 7. Paragraph a of subdivision 7 of section 1716 of the education
49 law, as amended by chapter 514 of the laws of 2016, is amended to read
50 as follows:

51 a. Each year, commencing with the proposed budget for the two thou-
52 sand--two thousand one school year, the board of education shall prepare
53 a property tax report card, pursuant to regulations of the commissioner,
54 and shall make it publicly available by transmitting it to local newspa-
55 pers of general circulation, appending it to copies of the proposed
56 budget made publicly available as required by law, making it available

1 for distribution at the annual meeting, and otherwise disseminating it
2 as required by the commissioner. Such report card shall include: (i) the
3 amount of total spending and total estimated school tax levy that would
4 result from adoption of the proposed budget and the percentage increase
5 or decrease in total spending and total school tax levy from the school
6 district budget for the preceding school year; and (ii) the district's
7 tax levy limit determined pursuant to section two thousand
8 twenty-three-a of this title, and the estimated school tax levy, exclud-
9 ing any levy necessary to support the expenditures pursuant to subpara-
10 graphs (i) through (iv) of paragraph i of subdivision two of section two
11 thousand twenty-three-a of this title, that would result from adoption
12 of the proposed budget; and (iii) the projected enrollment growth for
13 the school year for which the budget is prepared, and the percentage
14 change in enrollment from the previous year; and (iv) the percentage
15 increase in the consumer price index, as defined in paragraph c of this
16 subdivision; and (v) the projected amount of the unappropriated unre-
17 served fund balance that will be retained if the proposed budget is
18 adopted, the projected amount of the reserved fund balance, the project-
19 ed amount of the appropriated fund balance, the percentage of the
20 proposed budget that the unappropriated unreserved fund balance repres-
21 ents, the actual unappropriated unreserved fund balance retained in the
22 school district budget for the preceding school year[~~, a schedule of~~
23 ~~reserve funds, setting forth the name of each reserve fund, a~~
24 ~~description of its purpose, the balance as of the close of the third~~
25 ~~quarter of the current school district fiscal year and a brief statement~~
26 ~~explaining any plans for the use of each such reserve fund for the ensu-~~
27 ~~ing fiscal year and the percentage of the school district budget for the~~
28 ~~preceding school year that the actual unappropriated unreserved fund~~
29 ~~balance represents]; and (vi) the amount of the New York state residen-
30 tial property tax relief act for public education amount used to reduce
31 the residential tax levy for the ensuing fiscal year.~~

32 § 8. This act shall take effect immediately and shall apply to school
33 years commencing on and after July 1, 2022; provided that the provisions
34 of this act shall expire and be deemed repealed on July 1, 2025. Effec-
35 tive immediately, the addition, amendment and/or repeal of any rule or
36 regulation necessary for the implementation of this act on its effective
37 date are authorized to be made and completed on or before such effective
38 date.