

# STATE OF NEW YORK

5149

2025-2026 Regular Sessions

## IN ASSEMBLY

February 12, 2025

Introduced by M. of A. BRABENEC -- read once and referred to the Committee on Education

AN ACT to amend the education law, the real property tax law, the general municipal law and the state finance law, in relation to school property and real property taxes

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

1 Section 1. The education law is amended by adding a new section 1527-b  
2 to read as follows:

3 § 1527-b. Funding of mandates imposed on school districts. 1. Defi-  
4 nitions. As used in this section, the following terms shall have the  
5 following meanings unless the context shall otherwise require:

6 (a) "Mandate" means:

7 (i) any state law, rule, or regulation which creates a new program or  
8 requires a higher level of service for an existing program which a  
9 school district organized either by special laws or pursuant to the  
10 provisions of a general law, is required to provide; or

11 (ii) any general law which grants a new property tax exemption or  
12 increases an existing property tax exemption which any such school  
13 district is required to provide.

14 (b) "Unfunded mandate" shall mean:

15 (i) any state law, rule, or regulation which creates a new program or  
16 requires a higher level of service for an existing program which any  
17 such school district is required to provide and which results in a net  
18 additional cost to such school district;

19 (ii) any alteration in funding provided to any such school district  
20 for the purpose of defraying the costs of a program which it is required  
21 to provide, thereby resulting in a net additional cost to such school  
22 district; or

23 (iii) any general law which grants a new property tax exemption or  
24 increases an existing property tax exemption which any such school

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

LBD05376-01-5

1 district is required to provide, there by resulting in a net additional  
2 cost to such school district.

3 (c) "Net additional cost" means the cost or costs incurred or antic-  
4 ipated to be incurred within a one year period by a school district in  
5 performing or administering a mandate after subtracting therefrom any  
6 revenues received or receivable by the school district on account of the  
7 mandated program or service, including but not limited to:

8 (i) fees charged to the recipients of the mandated program or service;

9 (ii) state or federal aid paid specifically or categorically in  
10 connection with the program or service; and

11 (iii) an offsetting savings resulting from the diminution or elimi-  
12 nation of any other program or service directly attributable to the  
13 performance or administration of the mandated program.

14 2. Funding of school district mandates. Notwithstanding any other  
15 provision of law, no unfunded mandate shall be enacted which creates an  
16 annual net additional cost to any school district in excess of ten thou-  
17 sand dollars or an aggregate annual net additional cost to all school  
18 districts in excess of one million dollars.

19 3. Exemptions to the funding of school district mandates requirement.

20 (a) The state shall not be required to fund any new or expanded programs  
21 for school districts if:

22 (i) The mandate is required by a court order or judgment;

23 (ii) The mandate is provided at the option of the school district  
24 under a law or regulation;

25 (iii) The mandate results from the passage of a home rule message  
26 whereby a school district requests authority to implement the program or  
27 service specified in the statute, and the statute imposes costs only  
28 upon that school district which requests the authority to impose the  
29 program or service;

30 (iv) The mandate is required by, or arises from, an executive order of  
31 the governor exercising their emergency powers;

32 (v) The mandate is required by statute or executive order that imple-  
33 ments a federal law or regulation and results from costs mandated by the  
34 federal government to be borne at the local level, unless the statute or  
35 executive order results in costs which exceed the costs mandated by the  
36 federal government; or

37 (vi) The mandate applies to a small business with fifty employees or  
38 less.

39 (b) Each act establishing a mandate shall provide that the effective  
40 date of any such mandate imposed on school districts shall be consistent  
41 with the needs of the state and school districts to plan implementation  
42 thereof, and also consistent with the availability of required funds.

43 § 2. Section 2022 of the education law is amended by adding a new  
44 subdivision 8 to read as follows:

45 8. a. Notwithstanding any other provision of law, rule or regulation  
46 to the contrary, in a common, union free, central, central high school  
47 district or school district, upon the filing of a petition pursuant to  
48 paragraph b of this subdivision, with the trustees, the board of educa-  
49 tion or the chancellor of a city school district located in a city with  
50 greater than one million inhabitants shall submit a proposition for the  
51 purpose of voting on the question "shall the school district enter into  
52 the optional system of state funding for school district expenses" to  
53 the qualified voters of a school district. Such vote shall be held on  
54 the third Tuesday in May, provided, however, that such vote shall be  
55 held on the second Tuesday in May if the commissioner at the request of  
56 a local school board or the chancellor in the city of New York certifies

1 no later than March first that such election would conflict with reli-  
2 gious observances. If a district votes to join the optional system that  
3 vote is binding and may not be altered by the district or its residents.

4 b. Such petition relating to the optional system for state funding of  
5 school district expenses shall be submitted no later than April first of  
6 the school year in which such question described in paragraph a of this  
7 subdivision shall be considered by the voters and must be signed by  
8 twenty-five percent of the number of qualified voters. Any valid peti-  
9 tion containing a sufficient number of valid signatures to place the  
10 question described in paragraph a of this subdivision on the ballot  
11 submitted after April first and before July first shall be voted on the  
12 third Tuesday in May, provided, however, that such vote shall be held on  
13 the second Tuesday in May if the commissioner at the request of a local  
14 school board certifies no later than March first that such election  
15 would conflict with religious observances of the following school year.

16 § 3. Section 3602 of the education law is amended by adding a new  
17 subdivision 40 to read as follows:

18 40. Optional system for state funding of school district expenses. In  
19 addition to other apportionments of aid made to districts pursuant to  
20 this section, additional apportionments shall be made to districts which  
21 elect to receive aid pursuant to this subdivision. a. Definitions. As  
22 used in this subdivision: (1) "primary residential real property tax  
23 levy" shall be defined as the aggregate property taxes levied by a  
24 school district on a school district's STAR eligible properties as  
25 defined by section four hundred twenty-five of the real property tax  
26 law.

27 (2) "base year primary residential real property tax levy" shall be  
28 defined as the primary residential real property tax levy in the school  
29 year immediately following the year in which the school district votes  
30 to enter into the optional system for state funding of school district  
31 expenses pursuant to subdivision eight of section two thousand twenty-  
32 two of this chapter.

33 b. Transition period. (1) A school district shall certify to the  
34 commissioner within thirty days of the date at which the vote was taken  
35 pursuant to subdivision eight of section two thousand twenty-two of this  
36 chapter whether or not qualified voters of the district have elected to  
37 enter into the optional system for state funding of school district  
38 expenses. Once the commissioner determines that a district has opted  
39 into the optional system for state funding of school district expenses  
40 the district shall begin receiving aid pursuant to this subdivision in  
41 the school year which begins on July first in the subsequent calendar  
42 year.

43 (2) School districts which receive aid pursuant to this subdivision  
44 shall receive aid pursuant to the schedule contained in this paragraph.  
45 School districts shall continue to receive aid pursuant to this para-  
46 graph after the phase in period equal to one hundred percent of the base  
47 year primary residential real property tax levy.

48 (3) During the first year of the transition period, school districts  
49 shall receive an additional apportionment equal to twenty per centum of  
50 the base year primary residential real property tax levy. In all subse-  
51 quent years of the transition period, school districts shall receive an  
52 additional apportionment equal to the following schedule:

<u>Percent of Base</u>	
<u>Year</u>	<u>Year Primary Residential Real Property Tax Levy</u>
<u>2</u>	<u>40%</u>
<u>3</u>	<u>60%</u>

1	<u>4</u>	<u>80%</u>
2	<u>5</u>	<u>100%</u>

In every year after year five such additional apportionment shall be increased annually by a cost of living increase. The cost of living increase shall be added to the additional apportionment provided in the prior year. The cost of living increase shall be calculated as the percentage increase in the consumer price index for the previous twelve months as determined by the commissioner. Such percentage increase shall be multiplied by the previous year's additional apportionment and the product shall be added to the previous year's additional apportionment to calculate the current year's additional apportionment.

(4) (i) A participating district shall reduce the primary residential real property tax levy pursuant to the schedule contained in this paragraph. School districts opting into the optional system for state funding of school district expenses may not levy taxes in excess of the remainder of the base year primary residential real property tax levy less the aid provided in paragraph three of this subdivision except to fund the difference between a district's current year capital expenses less the state aid apportioned for such purpose.

(ii) Notwithstanding any other provisions of law, rule or regulation to the contrary, a school district which receives aid pursuant to this subdivision shall be authorized to set separate tax warrants and tax rates for the primary residential real property tax levy and other taxable properties.

(5) The apportionment hereunder shall not be made until the electing school district has certified to the commissioner that the district's primary residential real property tax levy for the school year in which aid has been accepted pursuant to this paragraph, does not exceed the base year primary residential real property tax levy as defined in this subdivision less the aid apportioned pursuant to this paragraph.

c. Local funding share. In each city having a population of one hundred twenty-five thousand or more inhabitants for purposes of calculating the local share of expenditures, the amount of the reduction in the primary residential real property tax levy made pursuant to subparagraph four of paragraph b of this subdivision shall be deemed to be incorporated in the city share of expenditures for the city school district.

d. State finding of program. The legislature shall annually appropriate an amount sufficient to support all aid payments incurred pursuant to this subdivision.

e. Payment schedule. The commissioner shall develop a payment schedule for aid payments due and payable pursuant to this subdivision and such schedule shall be approved by the director of the budget before such payment schedule takes effect.

§ 4. The real property tax law is amended by adding a new section 431 to read as follows:

§ 431. Persons sixty-five years of age or over; capped real property school tax rate. 1. (a) Residential real property owned and occupied by one or more persons, each of whom is sixty-five years of age or over and meets each of the requirements for the enhanced exemption for senior citizens set forth in section four hundred twenty-five of this title, or residential real property owned and occupied by a married couple, one of whom is sixty-five years of age or over and meets each of the requirements for the enhanced exemption for senior citizens set forth in section four hundred twenty-five of this title, shall be eligible for the capped real property school tax rate set forth in this section.

1 provided the school district, after public hearing, adopts a resolution  
2 providing therefor.

3 (b) For purposes of this section, the term "capped real property  
4 school tax rate" shall mean the lower of: (i) the real property school  
5 tax rate established on the taxable status date next succeeding the date  
6 on which an eligible person attains the age of sixty-five years; or (ii)  
7 the real property school tax rate established on any taxable status date  
8 subsequent to the date on which an eligible person attains the age of  
9 sixty-five years, which is lower than the real property school tax rate  
10 established pursuant to subparagraph (i) of this paragraph.

11 (c) The capped real property school tax rate shall be determined annu-  
12 ally for each eligible person sixty-five years of age or older in  
13 accordance with the provisions of paragraphs (a) and (b) of this subdivi-  
14 vision.

15 2. Any person eligible for the capped real property school tax rate  
16 shall apply annually for such capped rate. Such application shall be  
17 made in a manner and form determined by the commissioner and shall  
18 require proof of the applicant's age. Such application shall be filed  
19 with the local assessor on or before the taxable status date for such  
20 district.

21 3. Every school district shall notify, or cause to be notified, each  
22 person owning residential real property in the school district of the  
23 provisions of this section. The provisions of this subdivision may be  
24 met by a notice sent to such persons in substantially the following  
25 form: "Residential real property owned by persons sixty-five years of  
26 age or older may be eligible for a capped real property school tax rate.  
27 To receive such capped rate, eligible owners of qualifying property must  
28 file an application with their local assessor on or before the applica-  
29 ble taxable status date. For further information, please contact your  
30 local assessor."

31 4. A school district which provides a capped real property school tax  
32 rate for persons sixty-five years of age or over pursuant to this  
33 section shall be eligible for reimbursement by the department of educa-  
34 tion, as approved by the commissioner of education, in consultation with  
35 the executive director of the office of real property services, for one  
36 hundred percent of the direct cost to such school district resulting  
37 from the implementation of this section. Such direct cost shall be  
38 calculated pursuant to regulations of the commissioner of education, in  
39 consultation with the commissioner. A claim for such reimbursement  
40 shall be made by such school district in a manner and form prescribed by  
41 the commissioner of education.

42 § 5. The real property tax law is amended by adding a new section  
43 431-a to read as follows:

44 § 431-a. Persons sixty-five years of age or older; fixed real property  
45 assessed value. 1. Residential real property owned and occupied as the  
46 primary residence, of one or more persons, each of whom is sixty-five  
47 years of age or older and all of whom have a combined annual income of  
48 one hundred thousand dollars or less for the income tax year immediately  
49 preceding the date of application or residential real property owned and  
50 occupied as the primary residence, of a married couple, one of whom is  
51 sixty-five years of age or older and both of whom have a combined annual  
52 income of one hundred thousand dollars or less for the income tax year  
53 immediately preceding the date of application, shall be eligible for the  
54 fixed real property assessed value established by this section.

55 2. For the purposes of this section, the following terms shall have  
56 the following meanings:

1 (a) "Fixed real property assessed value" shall mean the lower of:

2 (i) the assessed value of real property established on the taxable  
3 status date next succeeding the date on which an eligible real property  
4 owner attains the age of sixty-five years; or

5 (ii) the assessed value of real property established on any taxable  
6 status date subsequent to the date upon which an eligible real property  
7 owner attains the age of sixty-five years, which is lower than the  
8 assessed value established pursuant to subparagraph (i) of this para-  
9 graph.

10 (b) "Residential real property" shall mean any one or two family  
11 dwelling, including condominium units and cooperative units.

12 (c) "Income" shall mean the "adjusted gross income" for federal income  
13 tax purposes as reported on the applicant's federal or state income tax  
14 return for the applicable income tax year, subject to any subsequent  
15 amendments or revisions, reduced by distributions, to the extent  
16 included in federal adjusted gross income, received from an individual  
17 retirement account and an individual retirement annuity; provided that  
18 if no such return was filed for the applicable income tax year, "income"  
19 shall mean the adjusted gross income that would have been so reported if  
20 such a return had been filed.

21 3. Each taxing authority shall annually determine the fixed real prop-  
22 erty assessed value for each eligible real property owner.

23 4. Any person eligible for the fixed real property assessed value  
24 shall annually apply to the appropriate assessing unit for such fixed  
25 assessed value. Such application shall be made in such manner and form  
26 as shall be determined by the commissioner, and shall require proof of  
27 the applicants' ages and incomes. Such applications shall be filed on or  
28 before the taxable status date of the real property.

29 5. Every assessing unit shall notify or cause to be notified, each  
30 person owning residential real property within its jurisdiction, of the  
31 provisions of this section. Such notice shall be and include words which  
32 are substantially the following: "Residential real property owned by  
33 persons sixty-five years of age or older and having a combined annual  
34 income of one hundred thousand dollars or less, may be eligible for a  
35 fixed real property assessed value. To receive such fixed assessed  
36 value, eligible owners of qualifying real property must file an applica-  
37 tion with their local assessor on or before the taxable status date. For  
38 further information, please contact your local assessor."

39 § 6. The real property tax law is amended by adding a new section  
40 906-a to read as follows:

41 § 906-a. Effect of fixed real property assessed value upon taxing  
42 authorities; state aid. 1. Levy of taxes; determination of taxes due.  
43 The amount of taxes to be levied for any taxable year shall be deter-  
44 mined without regard to the fact that state aid will be payable pursuant  
45 to this section. In addition, the tax rate for any taxable year shall be  
46 determined as if no parcels are subject to a fixed real property  
47 assessed value pursuant to section four hundred thirty-one-a of this  
48 chapter. However, the tax rate so determined shall be applied to the  
49 taxable assessed value of each parcel after accounting for all applica-  
50 ble exemptions.

51 2. Tax savings. The tax savings for each parcel subject to a fixed  
52 real property assessed value pursuant to section four hundred thirty-  
53 one-a of this chapter shall be computed by subtracting the amount actu-  
54 ally levied against the parcel from the amount that would have been  
55 levied if not for the fixed real property assessed value. A statement  
56 shall then be placed on the tax bill for the parcel in substantially the

1 following form: "Your tax savings this year resulting from the fixed  
2 real property assessed value is \$ \_\_\_\_\_."

3 3. State aid. (a) The total tax savings duly provided by each taxing  
4 authority pursuant to this section shall be a state charge, which shall  
5 be payable as provided in this subdivision.

6 (b) A taxing authority seeking state aid pursuant to this section  
7 shall submit an application therefor to the commissioner. The applica-  
8 tion shall include such information as the commissioner shall require.  
9 In addition, each taxing authority shall file a copy of such application  
10 with the county clerk of the county in which an eligible parcel is situ-  
11 ate.

12 (c) Upon approving an application for state aid pursuant to this  
13 section, the commissioner shall compute and certify the amounts payable  
14 to the taxing authority. Such state aid shall be payable upon the audit  
15 and warrant of the state comptroller from vouchers certified and  
16 approved by the commissioner.

17 (d) The commissioner may audit an application for state aid pursuant  
18 to this section within one year after authorizing payment thereon. If  
19 the commissioner should discover that a taxing authority has received a  
20 greater or lesser amount of such aid than it should have received, the  
21 commissioner shall so notify the taxing authority, and shall cause the  
22 next payment of such aid to the taxing authority to be adjusted accord-  
23 ingly.

24 4. Installment payments. When real property taxes are payable in  
25 installments pursuant to law, the tax savings provided by this section  
26 shall be apply proportionally against the respective installments.

27 5. Untimely payment of taxes. When taxes on a property subject to a  
28 fixed real property assessed value pursuant to section four hundred  
29 thirty-one-a of this chapter are not paid in a timely manner, interest,  
30 penalties and any other applicable charges shall be imposed only against  
31 the balance due after the tax savings provided by this section have been  
32 deducted from the taxes owed.

33 § 7. Paragraph (a) of subdivision 2 of section 1573 of the real prop-  
34 erty tax law, as amended by section 1 of part Y of chapter 56 of the  
35 laws of 2010, and as further amended by subdivision (b) of section 1 of  
36 part W of chapter 56 of the laws of 2010, is amended and a new subdivi-  
37 sion 3-b is added to read as follows:

38 (a) State assistance pursuant to subdivision one of this section shall  
39 be payable in an amount not to exceed [~~five~~] fifteen dollars per parcel  
40 for an assessment roll upon which a revaluation is implemented in  
41 accordance with an approved plan, and not to exceed two dollars per  
42 parcel for any assessment roll upon which a revaluation is not imple-  
43 mented in accordance with an approved plan. The amount payable on a per  
44 parcel basis shall exclude parcels which are wholly exempt or assessed  
45 by the commissioner.

46 3-b. (a) State assistance shall be payable in a one-time payment of up  
47 to two dollars per parcel, excluding parcels which are wholly exempt or  
48 assessed by the commissioner, to every assessing unit when all such  
49 assessing units which comprise a school district composed of more than  
50 one assessing unit revalue their assessments at one hundred percent  
51 value during the same year, and the assessment rolls derived therefrom  
52 are filed in two thousand twenty-five or thereafter. The provisions of  
53 this paragraph shall apply only to those parcels within such school  
54 district composed of multiple assessing units, when all such assessing  
55 units revalue assessments at one hundred percent value during the same  
56 year.

1 (b) No provision of this subdivision shall be deemed to limit the  
2 eligibility of any assessing unit to receive state assistance pursuant  
3 to subdivisions one and two of this section in addition to the state  
4 assistance granted pursuant to this subdivision.

5 (c) If an assessing unit, after having received state assistance  
6 pursuant to paragraph (a) of this subdivision, reverts to assessment at  
7 less than one hundred percent of the value within four years after the  
8 receipt of such aid, such assessing unit shall remit to the state a  
9 prorated portion of the aid received, except that in the case of a coun-  
10 ty assessing unit, if a city or town therein reverts to assessment at  
11 less than one hundred percent of value within five years after the coun-  
12 ty's receipt of such aid, the county shall remit to the state a prorated  
13 portion of the aid received.

14 § 8. The general municipal law is amended by adding a new section 26  
15 to read as follows:

16 § 26. Funding of mandates. 1. Definitions. As used in this section,  
17 the following terms shall have the following meanings unless the context  
18 shall otherwise require:

19 (a) "Mandate" means:

20 (i) any state law, rule, or regulation which creates a new program or  
21 requires a higher level of service for an existing program which a  
22 municipal corporation is required to provide; or

23 (ii) any general law which grants a new property tax exemption or  
24 increases an existing property tax exemption which the municipal corpo-  
25 ration is required to provide.

26 (b) "Unfunded mandate" shall mean:

27 (i) any state law, rule, or regulation which creates a new program or  
28 requires a higher level of service for an existing program which a  
29 municipal corporation is required to provide and which results in a net  
30 additional cost to the municipal corporation;

31 (ii) any alteration in funding provided to a municipal corporation for  
32 the purpose of defraying the costs of a program which it is required to  
33 provide, thereby resulting in a net additional cost to the municipal  
34 corporation; or

35 (iii) any general law which grants a new property tax exemption or  
36 increases an existing property tax exemption which the municipal corpo-  
37 ration is required to provide, thereby resulting in a net additional  
38 cost to the municipal corporation.

39 (c) "Net additional cost" means the cost or costs incurred or antic-  
40 ipated to be incurred within a one year period by a local government in  
41 performing or administering a mandate after subtracting therefrom any  
42 revenues received or receivable by the local government on account of  
43 the mandated program or service, including but not limited to:

44 (i) fees charged to the recipients of the mandated program or service;

45 (ii) state or federal aid paid specifically or categorically in  
46 connection with the program or service; and

47 (iii) an offsetting savings resulting from the diminution or elimi-  
48 nation of any other program or service directly attributable to the  
49 performance or administration of the mandated program.

50 2. Funding of municipal corporation mandates. Notwithstanding any  
51 other provision of law, no unfunded mandate shall be enacted which  
52 creates an annual net additional cost to any municipal corporation in  
53 excess of ten thousand dollars or an aggregate annual net additional  
54 cost to all municipal corporations in excess of one million dollars.

1 3. Exceptions to the funding of the municipal corporation mandates  
2 requirement. (a) The state shall not be required to fund any new or  
3 expanded programs if:

4 (i) The mandate is required by a court order or judgment;

5 (ii) The mandate is provided at the option of the local government  
6 under a law, regulation, rule, or order that is permissive rather than  
7 mandatory;

8 (iii) The mandate results from the passage of a home rule message  
9 whereby a local government requests authority to implement the program  
10 or service specified in the statute, and the statute imposes costs only  
11 upon that local government which requests the authority to impose the  
12 program or service;

13 (iv) The mandate is required by, or arises from, an executive order of  
14 the governor exercising their emergency powers; or

15 (v) The mandate is required by statute or executive order that imple-  
16 ments a federal law or regulation and results from costs mandated by the  
17 federal government to be borne at the local level, unless the statute or  
18 executive order results in costs with exceed the costs mandated by the  
19 federal government.

20 (b) Each act establishing a mandate shall provide that the effective  
21 date of any such mandate imposed on municipal corporations shall be  
22 consistent with the needs of the state and municipal corporations to  
23 plan implementation thereof and consistent with the availability of  
24 required funds.

25 § 9. The state finance law is amended by adding a new section 99-ss to  
26 read as follows:

27 § 99-ss. The state education fund. 1. There is hereby established in  
28 the joint custody of the comptroller and the commissioner of education,  
29 a special fund to be known as the "state education fund".

30 2. Such fund shall consist of all revenues received from the sale of  
31 any lottery ticket within the state less any expenditures required for  
32 the operation of the lottery.

33 3. The moneys in such fund shall be appropriated or transferred only  
34 for (i) elementary and secondary education for schools which chose to  
35 use the optional system for state funding of school district expenses  
36 under subdivision forty of section thirty-six hundred two of the educa-  
37 tion law and (ii) municipalities and school districts which have imposed  
38 on them unfunded mandates, as such term is defined in section twenty-six  
39 of the general municipal law.

40 4. Moneys shall be payable from the fund on the audit and warrant of  
41 the comptroller on vouchers approved and certified by the commissioner  
42 of education.

43 § 10. 1. The New York state comptroller in coordination with the  
44 commissioners of state departments shall see that an extensive and inde-  
45 pendent audit is conducted on all state departments and agencies to  
46 identify potential cost saving measures and wasteful spending.

47 2. After the conclusion of the audit, the comptroller in coordination  
48 with the commissioners of state departments shall ensure all identified  
49 cost saving measures are implemented and wasteful spending is ended. All  
50 monies saved from the implementation of such cost saving measures and  
51 monies retained from the reduction of wasteful spending shall be depos-  
52 ited into the education fund established by section 99-ss of the state  
53 finance law.

54 § 11. 1. The legislature hereby declares that the real property tax  
55 system in the state of New York needs to be examined and restructured in  
56 order to provide significant property tax relief for the citizens of the

1 state. As such, it is determined that a blue ribbon commission on prop-  
2 erty tax reform shall be established to examine the current ad valorem  
3 property tax system and local education financing system of the state.  
4 Such commission shall submit a report and recommendations to the gover-  
5 nor and the legislature upon completion of such examination.

6 2. A blue ribbon commission on property tax reform is hereby created  
7 to examine, evaluate and make recommendations on alternatives or modifi-  
8 cations to the existing ad valorem real property tax system in this  
9 state and alternative sources of funding for local education. The  
10 commission shall be charged with examining and making recommendations on  
11 specific areas of reform for local governments and school districts with  
12 the goal of mitigating and reducing the property tax burden in the state  
13 of New York. The subject areas to be examined shall include, but not be  
14 limited to, the following:

15 (a) Accountability:

- 16 (i) inspector general for schools and local governments;
- 17 (ii) enhanced public disclosure of budget data; and
- 18 (iii) program to eliminate waste and fraud.

19 (b) Governance and structure of local governments and school  
20 districts:

- 21 (i) shared services and/or consolidation of personnel and services;
- 22 (ii) shared services and/or consolidation of governmental units  
23 including special districts;
- 24 (iii) size of municipal and school district governing boards; and
- 25 (iv) the school district election process and oversight.

26 (c) Property assessments:

- 27 (i) property valuation process by local assessors;
- 28 (ii) equalization rate process used by the office of real property  
29 services;
- 30 (iii) countywide versus local assessment system;
- 31 (iv) review of state payments to local governments for state owned  
32 land; and

33 (v) the definition, limits, qualifications of tax exempt properties.

34 (d) Spending and tax controls:

- 35 (i) limits on local levy growth;
- 36 (ii) limits on local tax rate growth;
- 37 (iii) limits on local spending growth;
- 38 (iv) prohibition on unfunded state mandates on local governments and  
39 school districts;
- 40 (v) other state's limits on local spending and/or taxing authority;
- 41 and

42 (vi) a circuit breaker to limit percentage of income spent on property  
43 taxes.

44 (e) Potential alternative sources of funding to property taxes:

- 45 (i) local/regional/state income tax;
- 46 (ii) sales tax;
- 47 (iii) blended revenue system; and
- 48 (iv) other potential revenue sources.

49 3. The blue ribbon commission on property tax reform shall be composed  
50 of eleven members. The members, each to serve a term of one year shall  
51 be appointed as follows: three members shall be appointed by the gover-  
52 nor; three members shall be appointed by the temporary president of the  
53 senate; three members shall be appointed by the speaker of the assembly;  
54 one member shall be appointed by the minority leader of the assembly;  
55 and one member shall be appointed by the minority leader of the senate.  
56 Of the members appointed by the governor, one shall be an expert in the

1 field of municipal finance, one shall be an expert in the field of  
2 education finance, and one shall be an expert on assessment adminis-  
3 tration. The commission shall elect a chair, a vice-chair and a secre-  
4 tary from amongst its members. Notwithstanding the provisions of section  
5 74 of the public officers law, section 806 of the general municipal law  
6 or any other provision of law, membership on the commission of any state  
7 or municipal officer or employee shall not constitute the violation of  
8 any code of ethics or a conflict of interest. The commission shall meet  
9 at least monthly. Commissioner members shall chair subcommittees to  
10 fully examine the five areas of reform. These subcommittees may be  
11 appointed by the commission members. The subcommittees shall meet regu-  
12 larly and report back to the full commission. Vacancies in the member-  
13 ship of the commission and among its officers shall be filled in the  
14 manner provided for original appointments.

15 4. The commission may employ and at pleasure remove such personnel as  
16 it may deem necessary for the performance of its functions and fix their  
17 compensation within the amount made available therefor.

18 5. The commission may meet within and without the state, shall hold  
19 public hearings, and shall have all the powers of a legislative commit-  
20 tee pursuant to the legislative law.

21 6. The members of the commission shall receive no compensation for  
22 their services, but shall be allowed their actual and necessary expenses  
23 incurred in the performance of their duties pursuant to this act.

24 7. To the maximum extent feasible, the commission shall be entitled to  
25 request and receive, and shall utilize and be provided with such facili-  
26 ties, resources and data of any department, division, board, bureau,  
27 commission or agency of the state or any political subdivision thereof  
28 as it may reasonably request to properly carry out its powers and duties  
29 pursuant to this act.

30 8. The blue ribbon commission on property tax reform shall make a  
31 final report to the governor and the legislature of its findings,  
32 conclusions and recommendations on or before December 1, 2027, and shall  
33 submit with such report such legislative proposals as it deems necessary  
34 to implement its recommendations.

35 § 12. This act shall take effect April 1, 2025 and shall apply to any  
36 general or special law imposing mandates on municipal corporations or  
37 school districts enacted on or after such effective date.