S T A T E O F N E W Y O R K

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2011-2012 Regular Sessions

I N A S S E M B L Y

April 7, 2011

Introduced by M. of A. D. MILLER, CERETTO, MONTESANO, McLAUGHLIN, TENNEY, J. MILLER, BLANKENBUSH, FRIEND, KATZ, FITZPATRICK, LOSQUADRO -- Multi-Sponsored by -- M. of A. GOODELL, HANNA, MURRAY -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, the general municipal law, the education law and the legislative law, in relation to a property tax cap and other mandated relief for local governments and localities; and to repeal section 3-c of the general municipal law and section 2023-a of the education law relating to limitations on property tax levies

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

Section 1. Article 9 of the real property tax law is amended by adding a new title 2-A to read as follows:

TITLE 2-A

REAL PROPERTY TAX LIMITATION ACT

SECTION 916. LIMITATION ON LOCAL GOVERNMENT'S AND LOCALITY'S INCREASE IN TAX LEVY.

917. TAX CAP OVERRIDE.

918. MERGER OR CONSOLIDATION OF TAX DISTRICTS.

S 916. LIMITATION ON LOCAL GOVERNMENT'S AND LOCALITY'S INCREASE IN TAX LEVY. AS USED IN THIS ARTICLE THE TERM "LOCAL GOVERNMENT" OR "LOCALITY" SHALL MEAN ANY COUNTY, CITY, TOWN, VILLAGE, SCHOOL DISTRICT OR ANY ENTITY WITH TAXING AUTHORITY. (A) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, NO LOCAL GOVERNMENT OR LOCALITY MAY INCREASE ITS TAX LEVY FOR ANY FISCAL YEAR COMMENCING ON OR AFTER THE DATE THE PROVISIONS OF THIS SECTION SHALL HAVE BECOME A LAW OVER THE TAX LEVY FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. PROVIDED, HOWEVER, THE PROVISIONS OF

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

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THIS SECTION SHALL NOT APPLY TO ANY INCREASES IN TAXES NECESSARY TO SUPPORT PILOT OR PAYMENT IN LIEU OF TAXES AGREEMENTS, OR ANY PERSONAL INJURY SETTLEMENTS THAT EXCEED FIVE PERCENT OF THE LOCALITY'S TOTAL BUDGET.

(B) ANY STATE MANDATED EXPENDITURE IMPOSED ON A LOCALITY THAT WILL EXCEED FIVE THOUSAND DOLLARS A YEAR IN SPENDING BY SUCH LOCALITY SHALL BE FUNDED BY AND THROUGH THE STATE. FURTHER, ANY MANDATED EXPENDITURES IMPOSED BY THE STATE ON ALL LOCALITIES WITHIN THE STATE THAT EXCEEDS FIVE HUNDRED THOUSAND DOLLARS IN SPENDING IN THE AGGREGATE SHALL BE FUNDED BY AND THROUGH THE STATE.

(C) 1. ALL PROGRAMS WHICH ARE CURRENTLY MANDATED BY STATE LAW AND FUNDED BY AND THROUGH LOCAL AND MUNICIPAL MONIES SHALL BE REVIEWED FOR EFFECTIVENESS. UPON REVIEW OF SUCH PROGRAMS LOCALITIES SHALL SUGGEST AND NEGOTIATE WITH THE STATE AS TO WHICH PROGRAMS MAY BE TERMINATED DUE TO INEFFECTIVENESS, RETAINED WITH FUNDING COSTS TO BE SHARED BETWEEN THE STATE AND LOCALITY, SUCH SHARING TO BE AT THE DISCRETION OF THE LOCALITY, OR RETAINED WITH ALL FUNDING COSTS TO BE COVERED BY AND THROUGH THE OVERRIDE OF THE TAX LEVY OR THE STATE. PROGRAMS THAT ARE CHOSEN TO BE TERMINATED SHALL BE SUNSET OVER A THREE YEAR PERIOD COMMENCING WITH THE EFFECTIVE DATE OF THIS SECTION. ANY PROGRAM WHICH IS NOT TERMINATED AND REMAINS OPERATIONAL IN THE LOCALITY SHALL BE FUNDED BY AND THROUGH STATE MONIES OR THROUGH A COST SHARE ARRANGEMENT BETWEEN THE STATE AND LOCALITY AT THE SOLE DISCRETION OF THE LOCALITY COMMENCING THE FIRST FISCAL YEAR SUBSEQUENT TO SUCH PROGRAM'S EFFECTIVENESS REVIEW.

2. ANY EXCESS FUNDS OR REVENUES REMAINING AT THE LOCAL GOVERNMENT LEVEL AFTER THE TERMINATION OF PROGRAMS SHALL BE DISBURSED DIRECTLY TO THE TAXPAYERS IN THE LOCALITY IN A PRO RATA FASHION ALLOCATING MONIES PROPORTIONALLY IN RELATION TO THE AMOUNT OF TAX PAID BY EACH INDIVIDUAL TAXPAYER. LOCAL REVENUES FOR STATE-MANDATED PROGRAMS FOR WHICH COSTS ARE ELIMINATED OR TRANSFERRED TO OR SHARED BY THE STATE SHALL BE REDUCED AT THE LOCAL LEVEL IN AMOUNTS PROPORTIONAL TO THE AMOUNT OF LOCAL SPENDING TRANSFERRED TO THE STATE, BY ACT OF THE LOCAL LEGISLATIVE BODY GOVERNING SUCH TAX DISTRICTS.

S 917. TAX CAP OVERRIDE. LOCAL GOVERNMENTS SHALL BE ABLE TO OVERRIDE THE TAX LEVY LIMITATION IMPOSED BY SECTION NINE HUNDRED SIXTEEN OF THIS TITLE UPON A TWO-THIRDS MAJORITY VOTE OF THE LOCAL LEGISLATIVE BODY GOVERNING SUCH TAX DISTRICTS.

S 918. MERGER OR CONSOLIDATION OF TAX DISTRICTS. FOR PURPOSES OF THIS TITLE, WHEN TWO OR MORE TAX DISTRICTS MERGE OR CONSOLIDATE, THE AMOUNT OF THE LAST PRECEDING TAX LEVY FOR EACH TAX DISTRICT SHALL BE AVERAGED TO ESTABLISH THE LEVY FOR THE RESULTING MERGED OR CONSOLIDATED TAXING DISTRICT. WHEN FINANCIAL RESPONSIBILITY FOR THE COST OF A SERVICE PERFORMED BY ONE TAX DISTRICT IS TRANSFERRED TO ANOTHER TAX DISTRICT, THAT PART OF THE TAX LEVY FOR SUCH PURPOSE SHALL BE TRANSFERRED AND ADDED TO THE TAX LEVY OF THE TRANSFEREE TAX DISTRICT FOR PURPOSES OF THIS TITLE AND SHALL BE DEDUCTED FROM THE TAX LEVY OF THE TRANSFEROR TAX DISTRICT. THE STATE COMPTROLLER SHALL AUDIT AND CERTIFY THE TAX LEVIES PERMITTED FOR MERGING AND CONSOLIDATING TAXING DISTRICTS UNDER THIS SECTION.

S 2. Section 3-c of the general municipal law is REPEALED and a new section 3-c is added to read as follows:

S 3-C. LIMITATION UPON REAL PROPERTY TAX LEVIES BY LOCAL GOVERNMENTS. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, COMMENCING THE NEXT FISCAL YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION THE AMOUNT OF REAL PROPERTY TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF ANY LOCAL GOVERNMENT SHALL NOT EXCEED THE PRIOR FISCAL YEAR'S TAX LEVY. "PRIOR

FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT AT THE TIME THIS SECTION BECOMES EFFECTIVE. PROVIDED, HOWEVER LOCAL GOVERNMENTS SHALL BE ABLE TO OVERRIDE THE TAX LEVY LIMITATION IMPOSED BY THIS SECTION UPON A TWO-THIRDS MAJORITY VOTE OF THE LOCAL LEGISLATIVE BODY GOVERNING SUCH TAX DISTRICTS.

S 3. Section 2023-a of the education law is REPEALED and a new section 2023-a is added to read as follows:

S 2023-A. LIMITATION UPON SCHOOL DISTRICT TAX LEVIES BY LOCAL GOVERNMENTS. 1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, COMMENCING THE NEXT FISCAL YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION THE AMOUNT OF TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF ANY SCHOOL DISTRICT, SHALL NOT EXCEED THE PRIOR FISCAL YEAR'S TAX LEVY. "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE SCHOOL DISTRICT AT THE TIME THIS SECTION BECOMES EFFECTIVE.

2. IN ORDER TO INCREASE THE SCHOOL DISTRICT TAX LEVY, LOCAL GOVERNMENTS SHALL BE REQUIRED TO VOTE ON THE INCREASE.

A. IN CITIES WHERE THE SCHOOL BUDGET IS PART OF THE CITY BUDGET AUTHORIZATION TO INCREASE THE TAX LEVY SHALL BE MADE UPON A TWO-THIRDS MAJORITY VOTE OF THE CITY COUNCIL.

B. IN AREAS WHERE THE SCHOOL BUDGET IS APPROVED BY POPULAR VOTE AUTHORIZATION TO INCREASE THE TAX LEVY SHALL BE MADE UPON A SIXTY PERCENT VOTE OF THE MAJORITY OF THE QUALIFIED VOTERS PRESENT AND VOTING.

S 4. Section 50 of the legislative law, as added by chapter 503 of the laws of 1971, is amended to read as follows:

S 50. Fiscal [note] NOTES in retirement AND ALL OTHER bills. 1. A bill which enacts or amends any provision of law relating to a retirement system or plan of the state of New York or of any of its political subdivisions shall contain a fiscal note stating the estimated annual cost to the employer affected and the source of such estimate.

2. ANY BILL OR LEGISLATION WITH A FISCAL IMPACT ON ANY PUBLIC OR PRIVATE ENTITY SHALL BE REQUIRED TO CONTAIN A FISCAL NOTE STATING THE ESTIMATED ANNUAL COSTS OF SUCH BILL BEFORE IT MAY BE VOTED ON BY THE LEGISLATURE.

S 5. This act shall take effect immediately.