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

2484

2011-2012 Regular Sessions

I N S E N A T E

January 24, 2011

Introduced by Sens. KLEIN, SAVINO, CARLUCCI, VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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:

Section 1. The real property tax law is amended by adding a new section 1307 to read as follows:

S 1307. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY. UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR MORE, SHALL NOT EXCEED THE TAX LEVY LIMITATIONS ESTABLISHED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW. IT SHALL BE THE RESPONSIBILITY OF THE COMMISSIONER OF EDUCATION TO ANNUALLY DETERMINE THE TAX LEVY LIMIT OF EACH SCHOOL DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

2. DEFINITIONS. AS USED IN THIS SECTION:

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

(B) "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNTS BY WHICH THE TAX LEVY FOR EACH SCHOOL YEAR FROM THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN 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, RECON-

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

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STRUCTION, 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 PROPERTY TAX LAW; AND THE TERM "GENERAL PURPOSE STATE AID" MEANS ALL FORMS OF STATE AID WHICH ARE PAYABLE TO A SCHOOL DISTRICT AS GENERAL SUPPORT FOR THE PUBLIC SCHOOLS, WITH THE EXCEPTION OF BUILDING AID, LIBRARY AID, COMPUTER HARDWARE AND SOFTWARE AID, UNIVERSAL PRE-KINDER-

GARTEN AID, TEXTBOOK AID, PUBLIC HIGH COST EXCESS COST AID AND PRIVATE EXCESS COST AID. THE DIRECTOR OF THE BUDGET SHALL ANNUALLY CERTIFY THE AMOUNT OF GENERAL PURPOSE STATE AID PAYABLE TO EACH SCHOOL DISTRICT.

2. A. THE QUALIFIED VOTERS OF 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, UPON FILING OF A VALID PETITION PURSUANT TO PARAGRAPH B OF THIS SUBDIVISION, MAY VOTE TO IMPOSE TAX LEVY LIMITS FOR THE ENSUING SCHOOL YEAR THAT ARE MORE RESTRICTIVE THAN THOSE OTHERWISE IMPOSED BY SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW. NO SUCH VOTE SHALL APPLY TO MORE THAN ONE SCHOOL YEAR.

B. UPON THE FILING WITH THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF ONE OR MORE PETITIONS PURSUANT TO THIS SUBDIVISION REQUESTING THAT AN UNDERRIDE PROPOSITION BE SUBMITTED FOR A VOTE AT A SPECIAL DISTRICT MEETING, SUCH OFFICERS SHALL CALL A SPECIAL DISTRICT MEETING TO BE HELD ON THE FIRST TUESDAY IN MAY, OR THE LAST TUESDAY IN APRIL WHERE THERE WOULD BE A CONFLICT WITH RELIGIOUS OBSERVANCES, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SUBDIVISION THREE OF SECTION TWO THOUSAND SEVEN OR SUBDIVISION THREE OF SECTION TWO THOUSAND SIX OF THIS ARTICLE, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS AN UNDERRIDE PROPOSITION. SUCH OFFICERS SHALL SUBMIT FOR A VOTE OF THE QUALIFIED VOTERS THE PROPOSITION THAT WAS SIGNED BY THE GREATEST NUMBER OF QUALIFIED VOTERS, OR, IF THERE IS A TIE, THE PROPOSITION SIGNED BY THE GREATEST NUMBER OF QUALIFIED VOTERS THAT WAS FILED FIRST. A PETITION FOR AN UNDERRIDE PROPOSITION SHALL BE SIGNED BY: (I) AT LEAST TEN PERCENT OF THE REGISTERED VOTERS OF THE SCHOOL DISTRICT BASED ON THE REGISTER PREPARED AT THE LAST ANNUAL MEETING AND ELECTION OF THE SCHOOL DISTRICT; OR (II) IF THE SCHOOL DISTRICT DOES NOT PROVIDE FOR THE PERSONAL REGISTRATION OF VOTERS, BY TWO HUNDRED FIFTY QUALIFIED VOTERS OR TWENTY PERCENT OF THE NUMBER OF VOTERS WHO VOTED IN THE PREVIOUS ANNUAL ELECTION OF THE MEMBERS OF THE BOARD OF EDUCATION OR TRUSTEES, WHICHEVER IS LESS. SUCH PETITION SHALL BE FILED IN THE OFFICE OF THE CLERK OF THE DISTRICT BETWEEN THE HOURS OF NINE A.M. AND FIVE P.M., NOT LATER THAN THE TWENTIETH DAY PRECEDING THE SPECIAL DISTRICT MEETING AT WHICH AN UNDERRIDE VOTE MAY OCCUR.

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

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

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

E. AN UNDERRIDE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF SUCH UNDERRIDE PROPOSITION IS APPROVED BY THE QUALIFIED VOTERS, THE TAX LEVY LIMIT IMPOSED THEREBY SHALL BE DEEMED TO BE THE TAX LEVY LIMIT FOR THE SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR FOR PURPOSES OF SECTION THIRTEEN HUNDRED

SEVEN OF THE REAL PROPERTY TAX LAW, AND THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH TAX LEVY LIMIT. UPON APPROVAL OF AN UNDERRIDE PROPOSITION, NO OTHER TAX LEVY PROPOSITION MAY BE SUBMITTED TO THE VOTERS FOR THAT SAME SCHOOL YEAR.

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

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

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

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

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

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

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

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

1. A majority of the voters of any school district, present and voting at any annual or special district meeting, duly convened, may authorize such acts and vote such taxes as they shall deem expedient for making additions, alterations, repairs or improvements, to the sites or buildings belonging to the district, or for altering and equipping for library use any former schoolhouse belonging to the district, or for the purchase of other sites or buildings, or for a change of sites, or for

the purchase of land and buildings for agricultural, athletic, playground or social center purposes, or for the erection of new buildings, or for building a bus garage, or for [buying apparatus, implements, or fixtures, or for paying the wages of teachers, and the necessary expenses of the school, or for the purpose of paying any judgment, or for] the payment or refunding of an outstanding bonded indebtedness[, or for such other purpose relating to the support and welfare of the school as they may, by resolution, approve].

3. No addition to or change of site or purchase of a new site or tax for the purchase of any new site or structure, or for grading or improving a school site, or for the purchase of an addition to the site of any schoolhouse, or for the purchase of lands and buildings for agricultural, athletic, playground or social center purposes, or for building any new schoolhouse or for the erection of an addition to any schoolhouse already built, or for the payment or refunding of an outstanding bonded indebtedness, shall be voted at any such meeting in a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, unless a notice by the board of education stating that such tax will be proposed, and specifying the object thereof and the amount to be expended therefor, shall have been given in the manner provided herein for the notice of an annual meeting. In a common school district the notice of a special meeting to authorize any of the improvements enumerated in this section shall be given as provided in [section two thousand six] THIS CHAPTER. The board of education of a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, may determine that the vote upon any question to be submitted at a special meeting as provided in this section shall be by ballot, in which case it shall state in the notice of such special meeting the hours during which the polls shall be kept open. Printed ballots may be prepared by the board in advance of the meeting and the proposition or propositions called for in the notice of the meeting may be submitted in substantially the same manner as propositions to be voted upon at a general election.

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

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

15. To make any repairs and abate any nuisances, pursuant to the direction of the district superintendent as herein provided, and provide fuel, stoves or other heating apparatus, pails, brooms and other implements necessary to keep the schoolhouses and the schoolrooms clean, and make them reasonably comfortable for use[, when no provision has been made therefor by a vote of the district, or the sum voted by the district for said purposes shall have proved insufficient].

18. To [expend in the] purchase [of] a dictionary, books, reproductions of standard works of art, maps, globes or other school apparatus, including implements, apparatus and supplies for instruction in

agriculture, or for conducting athletic playgrounds and social center activities[, a sum not exceeding fifty dollars in any one year, without a vote of the district].

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

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

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

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

3. Commencing with the proposed budget for the nineteen hundred ninety-seven--ninety-eight school year, such proposed budget shall be in plain language and shall be consistent with regulations promulgated by the commissioner pursuant to subdivision twenty-six of section three hundred five of this chapter. Categorization of and format for revenue, including payments in lieu of taxes, property tax refunds from certiorari proceedings, expenditure, transfer, and fund balance information and changes in such data from the prior year and, in the case of [a resubmitted or] AN amended budget, changes in such information from the prior

year's submitted budget, shall be complete and accurate and set forth in such a manner as to best promote public comprehension and readability.

4. Commencing with the proposed budget for the nineteen hundred ninety-eight--ninety-nine school year, such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated in accordance with regulations of the commissioner after consultation with local school district officials. The administrative component shall include, but need not be limited to, office and central administrative expenses, traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, including business administrators, superintendents of schools and deputy, assistant, associate or other superintendents under all existing employment contracts or collective bargaining agreements, any and all expenditures associated with the operation of the office of trustee or board of trustees, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. [For the purposes of the development of a budget for the nineteen hundred ninety-eight--ninety-nine school year, the trustee or board of trustees shall separate the district's program, capital and administrative costs for the nineteen hundred ninety-seven--ninety-eight school year in the manner as if the budget for such year had been presented in three components.]

5. The trustee or board of trustees shall append to the statement of estimated expenditures a detailed statement of the total compensation to be paid to the superintendent of schools, and any assistant or associate superintendents of schools in the ensuing school year, including a delineation of the salary, annualized cost of benefits and any in-kind or other form of remuneration. The trustees shall also append a list of all other school administrators and supervisors, if any, whose annual salary will be eighty-five thousand dollars or more in the ensuing school year, with the title of their positions and annual salary identified; provided however, that the commissioner may adjust such salary level to reflect increases in administrative salaries after June thirtieth, nineteen hundred ninety-eight. The trustees shall submit a copy of such list and statement, in a form prescribed by the commissioner, of

compensation to the commissioner within five days after their preparation. The commissioner shall compile such data, together with the data submitted pursuant to subdivision three of section seventeen hundred sixteen of this chapter, into a single statewide compilation, which shall be made available to the governor, the legislature, and other interested parties upon request.

6. Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information on the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students with disabilities in special education programs or services sixty percent or more of the school day in a general education building, or (iii) which have eight percent or more of their students with disabilities in special education programs in public or private separate educational settings shall indicate on their school district report card their respective percentages as defined in this [subparagraph] PARAGRAPH and [subparagraphs] PARAGRAPHS (i) and (ii) of this [paragraph] SUBDIVISION as compared to the statewide average.

7. a. Each year, commencing with the proposed budget for the two thousand--two thousand one school year, the trustee or board of trustees shall prepare a property tax report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual [meeting] BUDGET HEARING, and otherwise disseminating it as required by the commissioner. Such report card shall include: (i) the amount of total spending and total estimated school tax levy that would result from adoption of the proposed budget and the percentage increase or decrease in total spending and total school tax levy from the school district budget for the preceding school year; and (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THE TAX LEVY PROPOSED BY THE DISTRICT, THE PROPOSED CAPITAL TAX LEVY, IF ANY; AND (III) the projected enrollment growth for the school year for which the budget is prepared, and the percentage change in enrollment from the previous year; and [(iii)] (IV) the percentage increase in the consumer price index, as defined in paragraph c of this subdivision; and [(iv)] (V) the projected amount of the unappropriated unreserved fund balance that will be retained if the proposed budget is adopted, the projected amount of the reserved fund balance, the project-

ed amount of the appropriated fund balance, the percentage of the proposed budget that the unappropriated unreserved fund balance represents, the actual unappropriated unreserved fund balance retained in the school district budget for the preceding school year, and the percentage of the school district budget for the preceding school year that the actual unappropriated unreserved fund balance represents.

b. A copy of the property tax report card prepared for the annual [district meeting] BUDGET HEARING shall be submitted to the department in the manner prescribed by the department by the end of the business day next following approval of the report card by the trustee or board of trustees, 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.

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.

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

22. To provide, purchase, lease, furnish and maintain buildings or other suitable accommodations for the use of teachers or other employees of the district [when duly authorized by a meeting of the district], SUBJECT TO APPROVAL OF THE VOTERS WHERE OTHERWISE REQUIRED BY LAW, and to raise by tax upon the taxable property of the district and moneys necessary for such purposes; and also to provide, maintain and operate a cafeteria or restaurant service for the use of pupils and teachers while at school. Such cafeteria 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 CAFETERIA OR RESTAURANT SERVICE AND SUCH utilization shall be subject to the approval of the board of education. Charges shall be sufficient to meet the direct cost of preparing and serving such meals, reducible by available reimbursements.

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

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

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

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

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

4. Commencing with the proposed budget for the nineteen hundred ninety-eight--ninety-nine school year, such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated in accordance with regulations of the commissioner after consultation with local school district officials. The administrative component shall include, but need not be limited to, office and central administrative expenses, traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, including business administrators, superintendents of schools and deputy, assistant, associate or other superintendents under all existing employment contracts or

collective bargaining agreements, any and all expenditures associated with the operation of the board of education, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. [For the purposes of the development of a budget for the nineteen hundred ninety-eight--ninety-nine school year, the board of education shall separate the district's program, capital and administrative costs for the nineteen hundred ninety-seven--ninety-eight school year in the manner as if the budget for such year had been presented in three components.]

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

6. Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and

measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information of the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students with disabilities in special education programs or services sixty percent or more of the school day in a general education building, or (iii) which have eight percent or more of their students with disabilities in special education programs in public or private separate educational settings shall indicate on their school district report card their respective percentages as defined in this paragraph and paragraphs (i) and (ii) of this subdivision as compared to the statewide average.

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

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

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.

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

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.

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.

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:

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 meeting and until their successors are elected and shall have qualified. Notice of such annual meeting shall comply with the requirements of section two thousand three or section two thousand four of this part by publishing such notices once in each week within the two weeks next preceding such special meeting, the first publication to be at least fourteen days before such meeting and any required posting to be four-

teen days before the time of such meeting. [If the qualified voters at such special district meeting defeat the school district budget, the trustees or board of education shall adopt a contingency budget pursuant to section two thousand twenty-three of this part. Notwithstanding any other provision in law, the trustees or board of education following the adoption of a contingency budget may call a special district meeting for a second vote on the proposed budget pursuant to the requirements of subdivision three of section two thousand seven or subdivision three of section two thousand six of this chapter.]

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

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

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

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

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

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

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

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

8. To vote a tax upon the taxable property of the district, to purchase, lease and improve such sites or an addition to such sites and grounds for the purposes specified in [the preceding] subdivision SEVEN

OF THIS SECTION, to hire or purchase rooms or buildings for school rooms or schoolhouses, or to build schoolhouses[; to keep in repair and furnish the same with necessary fuel, furniture and appurtenances, and to purchase such implements, apparatus and supplies as may be necessary to provide instruction in agriculture and other subjects, and for the organization and conduct of athletic, playground and other social center work].

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

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

S 2022. [Vote on] ADOPTION OF school district budgets [and on the]; ANNUAL DISTRICT MEETING AND election of school district trustees and board of education members. 1. Notwithstanding any law, rule or regulation to the contrary, the ANNUAL DISTRICT MEETING AND election of trustees or members of the board of education, and the TAX LEVY PROPOSITION vote [upon the appropriation of the necessary funds to meet the estimated expenditures,] in any common school district, union free school district, central school district or central high school district shall be held [at the annual meeting and election] on the third Tuesday in May, provided, however, that such election shall be held on the second Tuesday in May if the commissioner at the request of a local school board certifies no later than March first that such election would conflict with religious observances. [When such election or vote is taken by recording the ayes and noes of the qualified voters attending, a majority of the qualified voters present and voting, by a hand or voice vote, may determine to take up the question of voting the necessary funds to meet the estimated expenditures for a specific item separately, and the qualified voters present and voting may increase the amount of any estimated expenditures or reduce the same, except for teachers' salaries, and the ordinary contingent expenses of the schools.] The sole trustee, board of trustees or board of education of

every common, union free, central or central high school district and every city school district to which this article applies shall hold a budget hearing not less than seven nor more than fourteen days prior to the annual meeting and election [or special district meeting at which a school budget vote will occur], and shall prepare and present to the voters at such budget hearing a proposed school district budget for the ensuing school year. IF THE QUALIFIED VOTERS HAVE APPROVED A TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION IN ACCORDANCE WITH SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART, SUCH TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH PROPOSITION. IF NO TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION HAS BEEN APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY, EXCLUDING ANY CAPITAL TAX LEVY, THAT IS NO GREATER THAN THE TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW.

2. [Except as provided in subdivision four of this section, nothing] NOTHING in this section shall preclude the trustees or board of education, in their discretion, from submitting additional items of expenditure to the voters for approval as separate propositions or the voters from submitting propositions pursuant to [section] SECTIONS two thousand eight and two thousand thirty-five of this [article] PART.

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

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

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

b. for distances less than two or three miles, as applicable, or for greater than fifteen miles to and from schools outside the district shall be [an ordinary contingent expense] A CHARGE UPON THE SCHOOL

DISTRICT if: (i) such transportation was provided during the preceding school year and the qualified voters have not passed a special proposition constricting the mileage limitations for the current school year from those in effect in the prior year, or (ii) the qualified voters have passed a special proposition expanding the mileage limitations in effect in the prior year.

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

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

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

[3.] 2. The board of education shall prepare a proposed school district budget for the ensuing year in accordance with the provisions of section seventeen hundred sixteen of this chapter, including all provisions relating to required notices and appendices to the statement of expenditures. No board of education shall incur a school district liability except as authorized by the provisions of section seventeen hundred eighteen of this chapter. Such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated in accordance with regulations of the commissioner after consultation with local school district officials. The administrative component shall include, but need not be limited to, office and central administrative expenses, traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, including business administrators, superintendents of schools and deputy, assistant, associate

or other superintendents under all existing employment contracts or collective bargaining agreements, any and all expenditures associated with the operation of the board of education, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. [For the purposes of the development of a budget for the nineteen hundred ninety-seven--ninety-eight school year, the board of education shall separate its program, capital and administrative costs for the nineteen hundred ninety-six--ninety-seven school year in the manner as if the budget for such year had been presented in three components.] Except as provided in subdivision [four] THREE of this section, nothing in this section shall preclude the board, in its discretion, from submitting additional items of expenditure to the voters for approval as separate propositions or the voters from submitting propositions [pursuant] to THE EXTENT AUTHORIZED BY sections two thousand eight and two thousand thirty-five of this chapter.

[4. In the event the qualified voters of the district reject the budget proposed pursuant to subdivision three of this section, the board may propose to the voters a revised budget pursuant to subdivision three of section two thousand seven of this title or may adopt a contingency budget pursuant to subdivision five of this section and subdivision five of section two thousand twenty-two of this title.] 3. The [school district budget for any school year, or any part of such budget or] BOARD OF EDUCATION SHALL NOT SUBMIT 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. [In the event the qualified voters reject the resubmitted budget, the board shall adopt a contingency budget in accordance with subdivision five of this section and subdivision five of such section two thousand twenty-two of this title.

5. If the qualified voters fail or refuse to vote the sum estimated to be necessary for teachers' salaries and other ordinary contingent expenses, the board shall adopt a contingency budget in accordance with this subdivision and shall levy a tax for that portion of such sum remaining after applying thereto the moneys received or to be received from state, federal or other sources, in the same manner as if the budg-

et had been approved by the qualified voters; subject to the limitations imposed in subdivision four of section two thousand twenty-three of this chapter and this subdivision. The administrative component shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of (1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or (2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component. Such contingency budget shall include the sum determined by the board to be necessary for:

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

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

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

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

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

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

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

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

7.] Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all

public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information on the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students with disabilities in special education programs or services sixty percent or more of the school day in a general education building, or (iii) which have eight percent or more of their students with disabilities in special education programs in public or private separate educational settings shall indicate on their school district report card their respective percentages as defined in this paragraph and paragraphs (i) and (ii) of this subdivision as compared to the statewide average.

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

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

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

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

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

a. Sufficient transportation facilities (including the operation and maintenance of motor vehicles) shall be provided by the school district for all the children residing within the school district to and from the school they legally attend, who are in need of such transportation because of the remoteness of the school to the child or for the promotion of the best interest of such children. Such transportation shall be provided for all children attending grades kindergarten through eight who live more than two miles from the school which they legally attend and for all children attending grades nine through twelve who live more than three miles from the school which they legally attend and shall be provided for each such child up to a distance of fifteen miles,

the distances in each case being measured by the nearest available route from home to school. The cost of providing such transportation between two or three miles, as the case may be, and fifteen miles shall be considered for the purposes of this chapter to be a charge upon the district [and an ordinary contingent expense of the district]. Transportation for a lesser distance than two miles in the case of children attending grades kindergarten through eight or three miles in the case of children attending grades nine through twelve and for a greater distance than fifteen miles may be provided by the district WITH THE APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered equally to all children in like circumstances residing in the district; provided, however, that this requirement shall not apply to transportation offered pursuant to section thirty-six hundred thirty-five-b of this [article] PART.

b. (i) School districts providing transportation to a nonpublic school for pupils living within a specified distance from such school shall designate one or more public schools as centralized pick-up points and shall provide transportation between such points and such nonpublic schools for students residing in the district who live too far from such nonpublic schools to qualify for transportation between home and school. The district shall not be responsible for the provision of transportation for pupils between their home and such pick-up points. The district may provide school bus transportation to a pupil if the residence of the pupil is located on an established route for the transportation of pupils to the centralized pick-up point provided such transportation does not result in additional costs to the district. [The cost of providing transportation between such pick-up points and such nonpublic schools shall be an ordinary contingent expense.]

(ii) A board of education may, at its discretion, provide transportation for pupils residing within the district to a nonpublic school located more than fifteen miles from the home of any such pupil provided that such transportation has been provided to such nonpublic school pursuant to this subdivision in at least one of the immediately preceding three school years and such transportation is provided from one or more centralized pick-up points designated pursuant to this paragraph and that the distance from such pick-up points to the nonpublic school is not more than fifteen miles. The district shall not be responsible for the provision of transportation for pupils between [pupils] PUPILS' homes and such pick-up points. [The cost of providing transportation between such pick-up points and such nonpublic schools shall be an ordinary contingent expense.]

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

lished (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 school purposes[, subject to the approval of a majority of the qualified electors 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].

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

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

2. WHEN USED IN THIS SECTION:

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

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

(C) "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 ENDING SIX MONTHS PRIOR TO THE START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL 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 ENDING SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR PLACES.

(D) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, VILLAGE, FIRE DISTRICT, OR SPECIAL DISTRICT INCLUDING BUT NOT LIMITED TO A DISTRICT CREATED PURSUANT TO ARTICLE TWELVE, TWELVE-A, TWELVE-C OR THIRTEEN OF THE TOWN LAW, ARTICLE FIVE-A, FIVE-B OR FIVE-D OF THE COUNTY LAW OR CHAPTER TWO HUNDRED SEVENTY-THREE OF THE LAWS OF NINETEEN HUNDRED THIRTY-NINE, BUT SHALL NOT INCLUDE THE CITY OF NEW YORK OR THE COUNTIES CONTAINED THEREIN.

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

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

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

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

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

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

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

(C) THE STATE COMPTROLLER SHALL CALCULATE THE TAX LEVY LIMITATION FOR EACH LOCAL GOVERNMENT BY THE ONE HUNDRED TWENTIETH DAY PRECEDING THE COMMENCEMENT OF EACH LOCAL GOVERNMENT'S FISCAL YEAR, AND SHALL NOTIFY EACH LOCAL GOVERNMENT OF THE TAX LEVY LIMITATION SO DETERMINED.

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

5. (A) WHEN TWO OR MORE LOCAL GOVERNMENTS CONSOLIDATE, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMITATION FOR THE CONSOLIDATED LOCAL GOVERNMENT BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF THE COMPONENT LOCAL GOVERNMENTS THAT FORMED SUCH CONSOLIDATED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE CONSOLIDATION.

(B) WHEN A LOCAL GOVERNMENT DISSOLVES, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMITATION FOR THE LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT AND SUCH LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE DISSOLUTION.

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

6. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN FISCAL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERNMENT 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 FISCAL YEAR.

S 25. This act shall take effect immediately and shall first apply to the levy of taxes by school districts for the 2012-2013 school year and to school district meetings and elections held on and after such effective date; provided, however, that sections eight, fifteen, twenty, twenty-one and twenty-two of this act shall take effect July 1, 2012; and provided further, that section twenty-four of this act shall first apply to the levy of taxes by local governments for the fiscal year that begins in 2012.