

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

8649--A

I N A S S E M B L Y

January 7, 2016

Introduced by M. of A. KOLB -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general municipal law and the education law, in relation to the real property tax cap; and to repeal certain provisions of such laws relating thereto

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

1 Section 1. Legislative intent. The legislature finds that when the
2 property tax cap was first enacted in 2011 that tangible mandate relief
3 is needed to be coupled with the cap in order to significantly reduce
4 property taxes. Since enactment, no substantial mandate relief has been
5 introduced and property taxes throughout the state continue to be high.
6 The property tax cap has kept the growth in property taxes down but has
7 done little in helping with providing the necessary relief to property
8 owners. On the other hand, without mandate relief, local governments and
9 school districts have been squeezed financially. They are now limited to
10 a tax cap that is tied to the Consumer Price Index (CPI) that has in
11 recent years been low. This has forced local governments and school
12 districts to struggle with budget concerns and a potential tax cap over-
13 ride. However, the current lack of taxpayer appetite for a tax cap
14 override at the school district level has forced school districts to
15 potentially cut services in order to pay for under and unfunded
16 mandates. This bill would create a true two percent property tax cap by
17 removing the property tax cap being tied to CPI and would allow for a
18 simple majority vote to override the cap. The legislature recognizes
19 that had real mandate relief been enacted when the cap was first enacted
20 these changes would not have been needed. Further, these two changes
21 would also make New York's property tax cap consistent with neighboring
22 state's property tax caps. A true two percent cap would create predict-
23 ability and fairness to local governments and school districts. Finally,
24 this bill would provide state aid to local governments and school
25 districts equal to the year-to-year increase in levy growth under the

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

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1 property tax cap; therefore keeping property taxes flat for homeowners
2 and small businesses.

3 S 2. Paragraph (a) of subdivision 2 of section 3-c of the general
4 municipal law, as added by section 1 of part A of chapter 97 of the laws
5 of 2011, is amended to read as follows:

6 (a) "Allowable levy growth factor" shall be [the lesser of: (i)]
7 EQUAL TO one and two one-hundredths[; or (ii) the sum of one plus the
8 inflation factor; provided, however, that in no case shall the levy
9 growth factor be less than one].

10 S 3. Paragraph (d) of subdivision 2 of section 3-c of the general
11 municipal law is REPEALED.

12 S 4. Paragraph a of subdivision 2 of section 2023-a of the education
13 law, as added by section 2 of part A of chapter 97 of the laws of 2011,
14 is amended to read as follows:

15 a. "Allowable levy growth factor" shall be [the lesser of: (i)] EQUAL
16 TO one and two one-hundredths[; or (ii) the sum of one plus the
17 inflation factor; provided, however, that in no case shall the levy
18 growth factor be less than one].

19 S 5. Paragraph f of subdivision 2 of section 2023-a of the education
20 law is REPEALED.

21 S 6. Subdivision 5 of section 3-c of the general municipal law, as
22 added by section 1 of part A of chapter 97 of the laws of 2011, is
23 amended to read as follows:

24 5. A local government may adopt a budget that requires a tax levy that
25 is greater than the tax levy limit for the coming fiscal year, not
26 including any levy necessary to support the expenditures pursuant to
27 subparagraphs (i) through (iv) of paragraph [g] (G) of subdivision two
28 of this section, only if the governing body of such local government
29 first enacts, by a vote of [sixty] MORE THAN FIFTY percent of the total
30 voting power of such body, a local law to override such limit for such
31 coming fiscal year only, or in the case of a district or fire district,
32 a resolution, approved by a vote of sixty percent of the total voting
33 power of such body, to override such limit for such coming fiscal year
34 only.

35 S 7. Subdivision 6 of section 2023-a of the education law, as added by
36 section 2 of part A of chapter 97 of the laws of 2011, is amended to
37 read as follows:

38 6. (a) Notwithstanding any other provision of law to the contrary, in
39 the event the trustee, trustees or board of education of a school
40 district that is subject to the provisions of this section proposes a
41 budget that will require a tax levy that exceeds the tax levy limit for
42 the corresponding school year, not including any levy necessary to
43 support the expenditures pursuant to subparagraphs (i) through (iv) of
44 paragraph i of subdivision two of this section, then such budget shall
45 be approved if [sixty] MORE THAN FIFTY percent of the votes cast thereon
46 are in the affirmative.

47 (b) Where the trustee, trustees or board of education proposes a budg-
48 et subject to the requirements of paragraph (a) of this subdivision, the
49 ballot for such budget shall include the following statement in substan-
50 tially the same form: "Adoption of this budget requires a tax levy
51 increase of which exceeds the statutory tax levy increase limit
52 of for this school fiscal year and therefore exceeds the state tax
53 cap and must be approved by [sixty] MORE THAN FIFTY percent of the qual-
54 ified voters present and voting."

1 S 8. Subdivision 9 of section 2023-a of the education law, as added by
2 section 2 of part A of chapter 97 of the laws of 2011, is amended to
3 read as follows:

4 9. Nothing in this section shall preclude the trustee, trustees, or
5 board of education of a school district, in their discretion, from
6 submitting additional items of expenditures to the voters for approval
7 as separate propositions or the voters from submitting propositions
8 pursuant to sections two thousand eight and two thousand thirty-five of
9 this part; provided however, except in the case of a proposition submit-
10 ted for any expenditure contained within subparagraphs (i) through (iv)
11 of paragraph i of subdivision two of this section, if any proposition,
12 or propositions collectively that are subject to a vote on the same
13 date, would require an expenditure of money that would require a tax
14 levy and would result in the tax levy limit being exceeded for the
15 corresponding school year then such proposition shall be approved if
16 [sixty] MORE THAN FIFTY percent of the votes cast thereon are in the
17 affirmative.

18 S 9. Section 3-c of the general municipal law is amended by adding a
19 new subdivision 8 to read as follows:

20 8. A LOCAL GOVERNMENT SHALL RECEIVE STATE AID IF SUCH LOCAL GOVERNMENT
21 ADOPTS A BUDGET THAT IS EQUAL TO OR LOWER THAN THE TAX LEVY LIMIT. SUCH
22 STATE AID WOULD BE EQUAL TO A LOCAL GOVERNMENT'S YEAR-TO-YEAR ADOPTED
23 LEVY INCREASE WITHIN THE TAX LEVY LIMIT. IN NO EVENT SHALL THE STATE AID
24 FOR A LOCAL GOVERNMENT EXCEED THE ALLOWABLE LEVY GROWTH FACTOR AS
25 DEFINED IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION.

26 S 10. Section 2023-a of the education law is amended by adding a new
27 subdivision 10 to read as follows:

28 10. A SCHOOL DISTRICT SHALL RECEIVE STATE AID IF SUCH SCHOOL DISTRICT
29 ADOPTS A BUDGET THAT IS EQUAL TO OR LOWER THAN THE TAX LEVY LIMIT. SUCH
30 STATE AID WOULD BE EQUAL TO A SCHOOL DISTRICT'S YEAR-TO-YEAR ADOPTED
31 LEVY INCREASE WITHIN THE TAX LEVY LIMIT. IN NO EVENT SHALL THE STATE AID
32 FOR A SCHOOL DISTRICT EXCEED THE ALLOWABLE LEVY GROWTH FACTOR AS DEFINED
33 IN PARAGRAPH A OF SUBDIVISION TWO OF THIS SECTION.

34 S 11. This act shall take effect immediately; provided, however, that
35 the amendments to section 3-c of the general municipal law and section
36 2023-a of the education law made by sections two, four, five, six,
37 seven, eight, nine and ten of this act shall not affect the repeal of
38 such sections and shall expire and be deemed repealed therewith.