

3709--A

2015-2016 Regular Sessions

I N   S E N A T E

February 17, 2015

---

Introduced by Sens. LANZA, GOLDEN, AVELLA -- read twice and ordered printed, and when printed to be committed to the Committee on Cities -- recommitted to the Committee on Cities in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general municipal law and the municipal home rule law, in relation to establishing limitations upon real property tax levies in cities with a population of one million or more

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

1     Section 1. The general municipal law is amended by adding a new  
2     section 3-e to read as follows:  
3     S 3-E. LIMITATION UPON REAL PROPERTY TAX LEVIES BY CITIES HAVING A  
4     POPULATION OF ONE MILLION OR MORE. 1. UNLESS OTHERWISE PROVIDED BY LAW,  
5     THE AMOUNT OF REAL PROPERTY TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF  
6     ANY CITY HAVING A POPULATION OF ONE MILLION OR MORE SHALL NOT EXCEED THE  
7     TAX LEVY LIMITATION ESTABLISHED PURSUANT TO THIS SECTION.  
8     2. WHEN USED IN THIS SECTION:  
9     (A) "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND  
10    TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR;  
11    PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS  
12    THAN ONE.  
13    (B) "APPROVED CAPITAL EXPENDITURES" MEANS THE EXPENDITURES ASSOCIATED  
14    WITH CAPITAL PROJECTS THAT HAVE BEEN APPROVED BY THE QUALIFIED VOTERS OF  
15    THE LOCAL GOVERNMENT.  
16    (C) "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNT BY WHICH THE TAX  
17    LEVY FOR THE PRIOR FISCAL YEAR WAS BELOW THE TAX LEVY LIMIT FOR SUCH  
18    FISCAL YEAR, IF ANY, BUT NO MORE THAN ONE AND ONE-HALF PERCENT OF THE  
19    TAX LEVY LIMIT FOR SUCH FISCAL YEAR.  
20    (D) "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL  
21    EXPENDITURES, IF ANY.

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

LBD01701-02-6

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

4 (F) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE  
5 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-  
6 MENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE  
7 START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL  
8 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF  
9 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
10 OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL  
11 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF  
12 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START  
13 OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR  
14 PLACES.

15 (G) "LOCAL GOVERNMENT" MEANS A CITY HAVING A POPULATION OF ONE MILLION  
16 OR MORE.

17 (H) "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT  
18 IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

19 (I) "TAX LEVY LIMITATION" MEANS THE AMOUNT OF TAXES A LOCAL GOVERNMENT  
20 IS AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT  
21 THE TAX LEVY LIMIT SHALL NOT INCLUDE THE LOCAL GOVERNMENT'S APPROVED  
22 CAPITAL TAX LEVY, IF ANY.

23 3. (A) BEGINNING WITH THE FISCAL YEAR THAT BEGINS IN TWO THOUSAND  
24 SIXTEEN, NO LOCAL GOVERNMENT SHALL ADOPT A BUDGET THAT REQUIRES A TAX  
25 LEVY THAT IS GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL  
26 YEAR.

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

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

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

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

37 (III) SUBTRACT THE APPROVED CAPITAL TAX LEVY FOR THE PRIOR FISCAL  
38 YEAR, IF ANY.

39 (IV) SUBTRACT THE LEVY ATTRIBUTABLE TO A LARGE LEGAL SETTLEMENT OF A  
40 TORT ACTION EXCLUDED FROM THE LEVY LIMITATION IN THE PRIOR FISCAL YEAR,  
41 IF ANY.

42 (V) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

43 (VI) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING  
44 FISCAL YEAR.

45 (VII) ADD THE AVAILABLE CARRYOVER, IF ANY.

46 (D) IN THE EVENT THE CITY COUNCIL OF A LOCAL GOVERNMENT HAS APPROVED A  
47 LEGAL SETTLEMENT OF A TORT ACTION AGAINST THE GOVERNMENT, THE ANNUAL  
48 COSTS OF WHICH EXCEED TEN PERCENT OF THE PROPERTY TAXES LEVIED BY THE  
49 LOCAL GOVERNMENT IN THE PRIOR FISCAL YEAR, THE STATE COMPTROLLER, UPON  
50 APPLICATION BY THE LOCAL GOVERNMENT, MAY ADJUST THE TAX LEVY LIMITATION  
51 FOR THE COMING FISCAL YEAR APPLICABLE TO SUCH LOCAL GOVERNMENT, BY  
52 ADDING THE ANNUAL COSTS OF SUCH SETTLEMENT TO THE TAX LEVY LIMITATION.

53 (E) THE STATE COMPTROLLER SHALL DETERMINE THE PORTION OF THE TAX LEVY  
54 OF EACH LOCAL GOVERNMENT THAT IS ATTRIBUTABLE TO ANY INCREASE OR  
55 DECREASE OVER THE PRIOR YEAR IN THE COST OF THE LOCAL GOVERNMENT SHARE  
56 OF DIRECT CASH ASSISTANCE TO PERSONS ELIGIBLE FOR THE FEDERAL-STATE-LO-

1 CAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM OR THE STATE-LOCAL  
2 SAFETY NET ASSISTANCE PROGRAM AND SHALL ADJUST THE TAX LEVY LIMITATION  
3 FOR SUCH LOCAL GOVERNMENT TO REFLECT SUCH CHANGE.

4 4. A LOCAL GOVERNMENT MAY ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT  
5 IS GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR ONLY  
6 IF THE CITY COUNCIL OF SUCH LOCAL GOVERNMENT FIRST ENACTS, BY A  
7 TWO-THIRDS VOTE OF THE TOTAL VOTING POWER OF SUCH CITY COUNCIL, A LOCAL  
8 LAW TO OVERRIDE SUCH LIMITATION FOR SUCH COMING FISCAL YEAR ONLY.

9 5. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN  
10 FISCAL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT  
11 TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERN-  
12 MENT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE  
13 WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL  
14 USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY  
15 FOR THE ENSUING FISCAL YEAR.

16 S 2. Paragraphs j and k of subdivision 2 of section 23 of the munici-  
17 pal home rule law are relettered paragraphs k and l, and a new paragraph  
18 j is added to read as follows:

19 J. OVERRIDES THE TAX LEVY LIMITATION APPLICABLE FOR THE COMING FISCAL  
20 YEAR IN ACCORDANCE WITH SECTION THREE-E OF THE GENERAL MUNICIPAL LAW.

21 S 3. This act shall take effect immediately and shall first apply to  
22 the levy of taxes by local governments for the fiscal year that begins  
23 in 2017.