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

5318

2015-2016 Regular Sessions

I N S E N A T E

May 13, 2015

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law, in relation to authorizing school districts with low combined wealth ratios to establish tax cap reserve funds

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

Section 1. Section 3651 of the education law is amended by adding two new subdivisions 1-c and 3-b to read as follows:

1-C. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION, ANY SCHOOL DISTRICT HAVING A COMBINED WEALTH RATIO, AS DEFINED IN PARAGRAPH C OF SUBDIVISION THREE OF SECTION THIRTY-SIX HUNDRED TWO OF THIS TITLE, WHICH IS THIRTY-FIVE ONE-HUNDREDTHS OR LESS, MAY ESTABLISH A RESERVE FUND FOR THE PAYMENT OF SCHOOL DISTRICT EXPENDITURES FOR ANY SCHOOL YEAR TO THE EXTENT THE EXPENDITURE OF MONIES THEREFOR WOULD CAUSE SUCH SCHOOL DISTRICT TO EXCEED ITS TAX LEVY LIMIT PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS CHAPTER, WITHOUT APPROVAL BY THE QUALIFIED VOTERS OF THE DISTRICT; PROVIDED, HOWEVER, THAT THE TOTAL OF THE MONIES HELD IN SUCH RESERVE FUND SHALL NOT EXCEED THAT AMOUNT WHICH MIGHT REASONABLY BE DEEMED NECESSARY TO MEET ANTICIPATED INCREASED EXPENDITURES BY THE SCHOOL DISTRICT IN FUTURE SCHOOL YEARS. ANY MONIES DEPOSITED TO SUCH RESERVE FUND WHICH WILL NOT REASONABLY BE REQUIRED TO BE EXPENDED FOR THE PURPOSE OF COMPLYING WITH THE DISTRICT'S TAX LEVY LIMIT SHALL BE RETURNED TO THE GENERAL FUND ON OR BEFORE THE FIRST DAY OF THE FOURTH FISCAL YEAR FOLLOWING THE DEPOSIT OF SUCH MONIES TO SAID RESERVE FUND.

3-B. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION THREE OF THIS SECTION, ANY SCHOOL DISTRICT WHICH ESTABLISHES A RESERVE FUND IN ACCORDANCE WITH SUBDIVISION ONE-C OF THIS SECTION MAY MAKE EXPENDITURES FROM SUCH FUND FOR THE PURPOSES SPECIFIED IN SUCH SUBDIVISION WITHOUT AUTHORIZATION OF THE VOTERS.

S 2. This act shall take effect immediately.

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

LBD10856-01-5