

5501

2015-2016 Regular Sessions

I N S E N A T E

May 14, 2015

Introduced by Sen. FARLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to establish a semiconductor manufacturing tax stabilization reserve fund in the Ballston Spa Central School District to lessen or prevent increases in the school district's real property tax levy

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

1 Section 1. Legislative findings. The legislature hereby finds that the  
2 private development and ownership of a semiconductor manufacturing  
3 project or projects located within the Ballston Spa Central School  
4 District may result in instability in the real property tax base and the  
5 budgets of the district due to the uncertainty with the assessments of  
6 such semiconductor manufacturing project or projects and the variability  
7 of the payments in lieu of taxes prior to and at termination of such  
8 payments.

9 S 2. Definitions. As used in this act:

10 (a) "Board of education" or "board" means the board of education of  
11 the Ballston Spa Central School District.

12 (b) "Semiconductor manufacturing tax stabilization reserve fund" or  
13 "fund" means the semiconductor manufacturing tax stabilization reserve  
14 fund established pursuant to this act.

15 (c) "Payments in lieu of taxes" or "payments" means payments in lieu  
16 of taxes receivable by the school district pursuant to contracts entered  
17 into in accordance with section 412-a of the real property tax law or  
18 section 858 of the general municipal law on any semiconductor manufac-  
19 turing project or projects located wholly or partially within the Ball-  
20 ston Spa Central School District.

21 (d) "School district" or "district" means the Ballston Spa Central  
22 School District.

23 (e) "Semiconductor manufacturing project or projects" shall be defined  
24 as in section 412-a of the real property tax law and shall include the

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

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1 land upon which the project is located, buildings for use in the manu-  
2 facturing of semiconductors, associated buildings, and the acquisition  
3 and installation therein of certain machinery and equipment.

4 S 3. Semiconductor manufacturing tax stabilization reserve fund. The  
5 board of education is hereby authorized to establish a tax stabilization  
6 reserve fund to lessen or prevent increases in the school district's  
7 real property tax levy resulting from decreases in revenue due to chang-  
8 es in the amount of or termination of payments in lieu of taxes receiv-  
9 able by the school district provided, however, that no such fund shall  
10 be established unless approved by a majority vote of the qualified  
11 voters of the district present and voting on a separate ballot proposi-  
12 tion therefor at either a special district meeting which the board of  
13 education may call for such purposes, or at the annual district meeting  
14 and election, to be noticed and conducted in either case in accordance  
15 with the provisions of article 41 of the education law. Moneys shall be  
16 paid into and withdrawn from the fund, and the fund shall be adminis-  
17 tered, as follows:

18 (a) For any school district fiscal year commencing after the effective  
19 date of this act and after the establishment of the semiconductor manu-  
20 facturing tax stabilization reserve fund, the board of education may  
21 determine that there shall be paid into the fund all or any portion of  
22 the amount by which the payments in lieu of taxes receivable by the  
23 school district for such fiscal year is greater than the amount of such  
24 payments received by the school district for the preceding fiscal year,  
25 provided that no payment into the reserve fund shall cause the balance  
26 of the fund to exceed the amount approved in a ballot proposition  
27 described above.

28 (b) Moneys may be withdrawn from the semiconductor manufacturing tax  
29 stabilization reserve fund subject to the following limitations:

30 (1) For any fiscal year for which payments in lieu of taxes receivable  
31 by the school district are less than the amount of such payments  
32 received for the immediately preceding fiscal year, or the school  
33 district does not anticipate receiving any payment, the board of educa-  
34 tion may authorize a withdrawal from the fund in an amount not to exceed  
35 the amount of the payments received for the immediately preceding year  
36 less the amount of the payments receivable for the fiscal year for which  
37 the budget and tax levy is being determined.

38 (2) Notwithstanding paragraph one of this subdivision, and in addition  
39 to any withdrawal from the fund authorized pursuant to this subdivision,  
40 moneys may be withdrawn from the fund for any fiscal year to be expended  
41 for any other lawful purpose, provided, however, that no such withdrawal  
42 and expenditure shall be made unless approved by a majority vote of the  
43 qualified voters of the district present and voting on a separate ballot  
44 proposition therefor at either a special district meeting which the  
45 board of education may call for such purpose, or at the annual district  
46 meeting and election, to be noticed and conducted in either case in  
47 accordance with the provisions of article 41 of the education law.

48 (c) The moneys in the semiconductor manufacturing tax stabilization  
49 reserve fund shall be deposited, invested and accounted for in the  
50 manner provided for in subdivisions 2 and 6 of section 3651, and section  
51 3652 of the education law.

52 (d) Deposits to and withdrawals from the fund shall be disclosed in a  
53 manner consistent with the required disclosures of similar reserve funds  
54 held by the district, including disclosures required by the property tax  
55 report card prepared by the district pursuant to the provisions of  
56 subdivision 7 of section 1716 of the education law; and deposits and

1 withdrawals made in each fiscal year shall be subject to the district's  
2 annual budget approval process.

3 S 4. Subject to section five of this act, when computing the school  
4 district's tax levy limit for a school year pursuant to subdivision 3 of  
5 section 2023-a of the education law:

6 (a) The payments in lieu of taxes receivable for the prior school year  
7 shall be decreased by any amount paid into the semiconductor manufactur-  
8 ing tax stabilization reserve fund for such prior school year and  
9 increased by any amount withdrawn from the fund for such prior school  
10 year.

11 (b) The payments in lieu of taxes receivable in the coming fiscal year  
12 shall be decreased by the amount to be paid into the semiconductor manu-  
13 facturing tax stabilization reserve fund for such coming fiscal year and  
14 increased by any amount to be withdrawn from the semiconductor manufac-  
15 turing tax stabilization reserve fund for such coming fiscal year.

16 S 5. The provisions of section four of this act shall apply only in  
17 the case of an agreement for payments in lieu of taxes that results in a  
18 pilot payment to the school district that is equal to or greater than  
19 twenty percent of the district's tax levy in two or more taxable years  
20 of the agreement; provided however, once such threshold is met, it shall  
21 apply to every taxable year under such agreement.

22 S 6. This act shall take effect immediately, and shall be deemed to  
23 have been in full force and effect on and after May 19, 2015.