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

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:

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

S 2. Definitions. As used in this act:

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

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

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

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

(e) "Semiconductor manufacturing project or projects" shall be defined 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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land upon which the project is located, buildings for use in the manufacturing of semiconductors, associated buildings, and the acquisition and installation therein of certain machinery and equipment.

S 3. Semiconductor manufacturing tax stabilization reserve fund. The board of education is hereby authorized to establish a tax stabilization reserve fund to lessen or prevent increases in the school district's real property tax levy resulting from decreases in revenue due to changes in the amount of or termination of payments in lieu of taxes receivable by the school district provided, however, that no such fund shall be established unless approved by a majority vote of the qualified voters of the district present and voting on a separate ballot proposition therefor at either a special district meeting which the board of education may call for such purposes, or at the annual district meeting and election, to be noticed and conducted in either case in accordance with the provisions of article 41 of the education law. Moneys shall be paid into and withdrawn from the fund, and the fund shall be administered, as follows:

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

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

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

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

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

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

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

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

(a) The payments in lieu of taxes receivable for the prior school year shall be decreased by any amount paid into the semiconductor manufacturing tax stabilization reserve fund for such prior school year and increased by any amount withdrawn from the fund for such prior school year.

(b) The payments in lieu of taxes receivable in the coming fiscal year shall be decreased by the amount to be paid into the semiconductor manufacturing tax stabilization reserve fund for such coming fiscal year and increased by any amount to be withdrawn from the semiconductor manufacturing tax stabilization reserve fund for such coming fiscal year.

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

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