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I N   S E N A T E

April 15, 2016

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Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to establish an energy system tax stabilization reserve fund in the Lowville 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 wind energy systems located within  
3 the Lowville Central School District may result in instability in the  
4 real property tax base and the budgets of the district due to the uncer-  
5 tainty with the assessments of such wind energy systems and the vari-  
6 ability of payments in lieu of taxes prior to and after the payments in  
7 lieu of taxes terminate.
- 8     S 2. Definitions. As used in this act:
- 9     (a) "Board of education" or "board" means the board of education of  
10 the Lowville Central School District.
- 11     (b) "Energy system tax stabilization reserve fund" or "fund" means the  
12 energy system tax stabilization fund established pursuant to this act.
- 13     (c) "Payments in lieu of taxes" or "payments" means payments in lieu  
14 of taxes receivable by the school district pursuant to contracts entered  
15 into in accordance with section 487 of the real property tax law or  
16 subdivision 15 of section 858 of the general municipal law on any wind  
17 farm energy system located wholly or partially within the Lowville  
18 Central School District.
- 19     (d) "School district" or "district" means the Lowville Central School  
20 District.
- 21     (e) "Wind energy systems" shall be defined as in section 487 of the  
22 real property tax law and shall include the land upon which the system  
23 is located, any equipment used in such generation, and equipment leading  
24 from the system to the interconnection with the transmission system.

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

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1 S 3. The board of education is hereby authorized to establish an ener-  
2 gy system tax stabilization reserve fund to lessen or prevent increases  
3 in the school district's real property tax levy resulting from decreases  
4 in revenue due to changes in or termination of the payments in lieu of  
5 taxes receivable by the school district provided, however, that no such  
6 fund shall be established unless approved by a majority vote of the  
7 voters present and voting on a separate ballot proposition therefor at  
8 either a special district meeting which the board of education may call  
9 for such purpose or at the annual district meeting and election, to be  
10 noticed and conducted in either case in accordance with article 41 of  
11 the education law. Such separate proposition shall set forth the maxi-  
12 mum allowable balance to be deposited and held in the energy system  
13 stabilization reserve fund. Moneys shall be paid into and withdrawn from  
14 the fund and the fund shall be administered as follows:

15 (a) The board of education is hereby authorized to make payments into  
16 the energy system tax stabilization reserve fund with funds from any  
17 unassigned fund balance which accrued prior to the establishment of the  
18 energy system tax stabilization reserve fund in an amount not to exceed  
19 the balance over any maximum allowable balance in such unassigned fund  
20 balance and from any reserve funds authorized or required by law in  
21 amounts which the board of education shall determine are not reasonably  
22 necessary for the purpose of such fund or funds and which accrued prior  
23 to the establishment of the energy system tax stabilization reserve fund  
24 provided that no such payment from any unassigned fund balance or any  
25 reserve fund shall cause the balance of the fund to exceed the amount  
26 approved in the ballot proposal described above.

27 (b) For any school district fiscal year commencing after the effective  
28 date of this act and after the establishment of the energy system  
29 stabilization reserve fund, the board of education may determine that  
30 there shall be paid into the fund all or any portion of the amount by  
31 which the payments in lieu of taxes receivable by the school district  
32 for such fiscal year is greater than the amount of payments received by  
33 the school district for the preceding fiscal year provided that no such  
34 payment into the reserve fund shall cause the balance of the fund to  
35 exceed the amount approved in the ballot proposal described above.

36 (c) Moneys may be withdrawn from the energy system tax stabilization  
37 reserve fund for any fiscal year to be expended for any lawful purpose.  
38 Withdrawals from the fund shall be disclosed in a manner consistent with  
39 the required disclosures of similar reserve funds held by the district,  
40 including disclosures required by the property tax report card prepared  
41 by the district pursuant to the provisions of subdivision 7 of section  
42 1716 of the education law; and deposits and withdrawals made in each  
43 fiscal year shall be subject to the district's annual budget approval  
44 process.

45 (d) The moneys in the energy system stabilization reserve fund shall  
46 be deposited, invested and accounted for in the manner provided for in  
47 subdivisions 2 and 6 of section 3651 and section 3652 of the education  
48 law.

49 S 4. This act shall take effect immediately.