STATE OF NEW YORK

5037--B

2017-2018 Regular Sessions

IN SENATE

March 6, 2017

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Education 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 education law, in relation to authorizing the city school district of the city of Salamanca to establish a reserve fund for federal impact aid

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 a new subdivision 1-c to read as follows:

1-c. a. Notwithstanding the provisions of subdivision one of this section, the board of education of the city school district of the city of Salamanca, subject to the provisions of paragraph e of this subdivision, may establish a reserve for federal impact aid for the purpose of tax stabilization in the event federal impact aid is reduced, provided that the amount of such reserve shall not exceed the product of 1.5 and the total principal amount of the district's total required tax levy for school district fiscal year two thousand seventeen--two thousand eighteen.

b. In the event of reduction or loss of federal impact aid, any increase in the tax levy up to total principal amount of the district's tax levy for school district fiscal year two thousand seventeen--two thousand eighteen shall not be included in the tax levy limit computation under section twenty-six hundred one-a of this chapter.

c. Notwithstanding the provisions of subdivisions three and four of this section, such school district may, subject to the provisions of paragraph e of this subdivision, make expenditures from such fund for

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

LBD10358-07-8

the purpose of tax stabilization or may authorize the transfer of all or any part of any reserve fund to any other reserve fund established pursuant to this section without such authorization.

d. Notwithstanding the provisions of subdivision five of this section, whenever the board of education shall determine that the original purpose for which a reserve fund has been established is no longer desirable, the school authorities may liquidate such fund by applying the balance thereof to the annual tax levy, regardless of the tax rate for school purposes, without authorization of the voters.

e. Such board shall establish no fund pursuant to paragraph a or make any expenditure therefrom pursuant to paragraph c of this subdivision, unless such fund and expenditure is approved by a majority vote of the voters 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 article forty-one of this chapter. Such separate proposition shall set forth the maximum allowable balance to be deposited and held in the stabilization reserve fund.

§ 2. This act shall take effect immediately.