STATE OF NEW YORK

5639

2017-2018 Regular Sessions

IN ASSEMBLY

February 14, 2017

Introduced by M. of A. KOLB, HAWLEY, BUTLER, MONTESANO, RAIA, GRAF, BLANKENBUSH, OAKS, DiPIETRO -- Multi-Sponsored by -- M. of A. CROUCH, McLAUGHLIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the general municipal law and the education law, in relation to the real property tax cap; and to repeal certain provisions of such laws relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Legislative intent. The legislature finds that when the property tax cap was first enacted in 2011 that tangible mandate relief is needed to be coupled with the cap in order to significantly reduce property taxes. Since enactment, no substantial mandate relief has been introduced and property taxes throughout the state continue to be high. The property tax cap has kept the growth in property taxes down but has done little in helping with providing the necessary relief to property owners. On the other hand, without mandate relief, local governments and school districts have been squeezed financially. They are now limited to a tax cap that is tied to the Consumer Price Index (CPI) that has in recent years been low. This has forced local governments and school districts to struggle with budget concerns and a potential tax cap override. However, the current lack of taxpayer appetite for a tax cap override at the school district level has forced school districts to potentially cut services in order to pay for under and unfunded mandates. This bill would create a true two percent property tax cap by removing the property tax cap being tied to CPI and would allow for a simple majority vote to override the cap. The legislature recognizes that had real mandate relief been enacted when the cap was first enacted these changes would not have been needed. Further, these two changes would also make New York's property tax cap consistent with neighboring state's property tax caps. A true two percent cap would create predict-

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

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ability and fairness to local governments and school districts. Finally, this bill would provide state aid to local governments and school districts equal to the year-to-year increase in levy growth under the property tax cap; therefore keeping property taxes flat for homeowners and small businesses.

§ 2. Paragraph (a) of subdivision 2 of section 3-c of the general municipal law, as added by section 1 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

(a) "Allowable levy growth factor" shall be [~~the lesser of: (i)~~] **equal to** one and two one-hundredths[~~; or (ii) the sum of one plus the inflation factor; provided, however, that in no case shall the levy growth factor be less than one~~].

§ 3. Paragraph (d) of subdivision 2 of section 3-c of the general municipal law is REPEALED.

§ 4. Paragraph a of subdivision 2 of section 2023-a of the education law, as added by section 2 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

a. "Allowable levy growth factor" shall be [~~the lesser of: (i)~~] **equal to** one and two one-hundredths[~~; or (ii) the sum of one plus the inflation factor; provided, however, that in no case shall the levy growth factor be less than one~~].

§ 5. Paragraph f of subdivision 2 of section 2023-a of the education law is REPEALED.

§ 6. Subdivision 5 of section 3-c of the general municipal law, as added by section 1 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

5. A local government may adopt a budget that requires a tax levy that is greater than the tax levy limit for the coming fiscal year, not including any levy necessary to support the expenditures pursuant to subparagraphs (i) through (iv) of paragraph [~~g~~] **(g)** of subdivision two of this section, only if the governing body of such local government first enacts, by a vote of [~~sixty~~] **more than fifty** percent of the total voting power of such body, a local law to override such limit for such coming fiscal year only, or in the case of a district or fire district, a resolution, approved by a vote of sixty percent of the total voting power of such body, to override such limit for such coming fiscal year only.

§ 7. Subdivision 6 of section 2023-a of the education law, as added by section 2 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

6. (a) Notwithstanding any other provision of law to the contrary, in the event the trustee, trustees or board of education of a school district that is subject to the provisions of this section proposes a budget that will require a tax levy that exceeds the tax levy limit for the corresponding school year, not including any levy necessary to support the expenditures pursuant to subparagraphs (i) through (iv) of paragraph i of subdivision two of this section, then such budget shall be approved if [~~sixty~~] **more than fifty** percent of the votes cast thereon are in the affirmative.

(b) Where the trustee, trustees or board of education proposes a budget subject to the requirements of paragraph (a) of this subdivision, the ballot for such budget shall include the following statement in substantially the same form: "Adoption of this budget requires a tax levy increase of which exceeds the statutory tax levy increase limit of for this school fiscal year and therefore exceeds the state tax

cap and must be approved by [~~sixty~~] more than fifty percent of the qualified voters present and voting."

§ 8. Subdivision 9 of section 2023-a of the education law, as added by section 2 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

9. Nothing in this section shall preclude the trustee, trustees, or board of education of a school district, in their discretion, from submitting additional items of expenditures to the voters for approval as separate propositions or the voters from submitting propositions pursuant to sections two thousand eight and two thousand thirty-five of this part; provided however, except in the case of a proposition submitted for any expenditure contained within subparagraphs (i) through (iv) of paragraph i of subdivision two of this section, if any proposition, or propositions collectively that are subject to a vote on the same date, would require an expenditure of money that would require a tax levy and would result in the tax levy limit being exceeded for the corresponding school year then such proposition shall be approved if [~~sixty~~] more than fifty percent of the votes cast thereon are in the affirmative.

§ 9. Section 3-c of the general municipal law is amended by adding a new subdivision 8 to read as follows:

8. A local government shall receive state aid if such local government adopts a budget that is equal to or lower than the tax levy limit. Such state aid would be equal to a local government's year-to-year adopted levy increase within the tax levy limit. In no event shall the state aid for a local government exceed the allowable levy growth factor as defined in paragraph (a) of subdivision two of this section.

§ 10. Section 2023-a of the education law is amended by adding a new subdivision 10 to read as follows:

10. A school district shall receive state aid if such school district adopts a budget that is equal to or lower than the tax levy limit. Such state aid would be equal to a school district's year-to-year adopted levy increase within the tax levy limit. In no event shall the state aid for a school district exceed the allowable levy growth factor as defined in paragraph a of subdivision two of this section.

§ 11. This act shall take effect immediately; provided, however, that the amendments to section 3-c of the general municipal law and section 2023-a of the education law made by sections two, four, six, seven, eight, nine and ten of this act shall not affect the repeal of such sections and shall expire and be deemed repealed therewith.