STATE OF NEW YORK

7627

IN SENATE

February 1, 2018

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

AN ACT to amend the general municipal law, in relation to special funds for counties, cities, villages, and towns; to amend the education law, in relation to the creation of special funds; and to amend the real property tax law, in relation to tax credits for contributions to special funds

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

Section 1. The general municipal law is amended by adding a new section 6-t to read as follows:

§ 6-t. Special funds for counties, cities, villages, and towns. 1. As used in this section the term "governing board", insofar as it is used in reference to a village, shall mean the board of trustees thereof; insofar as it is used in reference to a town, shall mean the town board thereof; insofar as it is used in reference to a county, shall mean the legislative body thereof; insofar as it is used in reference to a city, shall mean the "local legislative body" thereof, as that term is defined in subdivision seven of section two of the municipal home rule law, as amended from time to time.

2. The governing board of any county, city, village, or town may establish a special fund to accept monetary contributions for exclusively public purposes. The governing board shall specify the specific purposes for which the fund is established.

3. The moneys in each such fund shall be deposited and secured in the manner provided by section ten of this article. The governing board or the chief fiscal officer of such municipality, if the governing board shall delegate such duty to him, may invest the moneys in each such fund in the manner provided in section eleven of this article. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of each such fund. The separate identity of each such fund shall be maintained, whether its assets consist of cash or investments or both.

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

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4. The governing board may authorize the transfer of all or any part of any special fund to any other special fund established pursuant to this section.

5. (a) The chief fiscal officer shall keep a separate account for each fund established. Such account shall show:

(i) The date and amount of each sum paid into the fund.

(ii) The interest earned by such fund.

(iii) The capital gains or losses resulting from the sale of investments of the fund.

(iv) The amount and date of each withdrawal from the fund.

(v) The assets of the fund, indicating the cash balance therein and a schedule of the amounts invested in federal or state obligations.

(b) The chief fiscal officer, at the termination of each fiscal year, shall render a detailed report of the operation and condition of each of such funds to the governing board.

6. Notwithstanding the foregoing provisions of this section, in any town which is located wholly or partly within the Adirondack park and has within its boundaries state lands subject to taxation assessed at more than thirty per centum of the total taxable assessed valuation of the town as determined from the assessment rolls of the town, as completed from time to time, a special fund shall not be established unless the state comptroller, on behalf of the state, shall consent thereto.

7. The governing board shall establish a procedure for the public to make a monetary contribution to a special fund created under this section and for any contributor to the fund to obtain from the county, city, village, or town a written acknowledgement of the contribution.

§ 2. The education law is amended by adding a new article 78 to read as follows:

ARTICLE 78
SPECIAL FUNDS

Section 3901. Special fund.
3902. Procedures.

§ 3901. Special fund. 1. a. A special fund may be established by the school authorities of any school district to accept monetary contributions for the purpose of promoting and enhancing high-quality public education.

b. The school authorities shall specify the purpose for which the fund is established, provided that such purpose must promote or enhance high-quality public education.

2. The moneys in each such fund shall be deposited in one or more of the banks or trust companies designated as depositories of the funds of such school district and shall be known as the " special fund" of such district. The school authorities may direct the treasurer of such school district to invest the moneys in each such fund in the manner provided in section eleven of the general municipal law. Any interest earned or capital gains realized on the money so deposited or so invested shall accrue to and become a part of each such fund. The separate identity of each such fund shall be maintained whether its assets consist of cash or investments or both.

3. An expenditure shall be made from a special fund only for the specific purpose specified by the school authorities.

4. The voters may authorize the transfer of all or any part of any special fund to any other special fund established pursuant to this section.

5. The school authorities shall cause a separate account to be kept of each fund established. Such account shall show:

a. The date and amount of each sum paid into the fund.

b. The interest earned by such fund.

c. The capital gains or losses resulting from the sale of investments of the fund.

d. The amount and date of each withdrawal from the fund.

e. The assets of the fund indicating the cash balance therein and a schedule of the amounts invested in federal or state obligations.

6. The school authorities shall render annually a detailed report of the operation and conditions of each of such funds. A copy of such report shall be filed with the commissioner.

7. a. Notwithstanding the foregoing provisions of this section, if in any city any taxes raised on real estate for the purposes of the school district must be included in computing the amount which the city may raise by tax on real estate for city purposes pursuant to the provisions of section ten of article eight of the constitution, the establishment of a special fund by the school authorities of the school district shall be subject to the consent of the legislative body of the city.

b. Notwithstanding the foregoing provisions of this section, in any school district which is wholly or partly in the Adirondack park and has within its boundaries state lands subject to taxation assessed at more than thirty per centum of the aggregate taxable assessed valuation of the real property within the bounds of such school district, the school district shall not establish a special fund unless, on the recommendation of the commissioner, the state comptroller on behalf of the state, shall consent thereto. Upon the expiration of fifteen days from the date of the filing in his or her office of the application for such consent, together with the recommendation of the commissioner, and upon reaching a determination, the state comptroller shall make an order, in triplicate, granting or denying such consent. One copy of such order shall be filed in the office of the state department of audit and control at Albany, New York, another in the state department of education at Albany, New York, and the third in the office of the clerk of such school district.

§ 3902. Procedures. School authorities shall establish a procedure for the public to make a monetary contribution to a special fund created under this article and for any contributor to the fund to obtain from the school district a written acknowledgement of the contribution.

§ 3. The real property tax law is amended by adding a new section 488-b to read as follows:

§ 488-b. Tax credit for contributions to special funds. 1. (a) For taxable years beginning January first, two thousand eighteen, there shall be allowed as a credit against taxes imposed by a county, city, village, or town, an amount equal to ninety percent of the amount contributed by a taxpayer for the taxable year to a special fund created by such county, city, village or town pursuant to section six-t of the general municipal law.

(b) For taxable years beginning January first, two thousand eighteen, there shall be allowed as a credit against taxes imposed by a school district, an amount equal to ninety percent of the amount contributed by a taxpayer for the taxable year to a special fund created by such school district pursuant to section three thousand nine hundred one of the education law.

2. If the allowable tax credit exceeds the taxes otherwise owed by the taxpayer, the taxpayer may claim the excess credit in the following year, and succeeding year.

§ 4. This act shall take effect on the ninetieth day after it shall have become a law.