

# STATE OF NEW YORK

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4145

2019-2020 Regular Sessions

## IN ASSEMBLY

February 1, 2019

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Introduced by M. of A. KOLB, HAWLEY, MONTESANO, RAIA, BLANKENBUSH,  
DiPIETRO -- Multi-Sponsored by -- M. of A. CROUCH -- 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 Assem-  
bly, do enact as follows:

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

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

LBD04180-01-9

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

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

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

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

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

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

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

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

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

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

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

49 (b) Where the trustee, trustees or board of education proposes a budg-  
50 et subject to the requirements of paragraph (a) of this subdivision, the  
51 ballot for such budget shall include the following statement in substan-  
52 tially the same form: "Adoption of this budget requires a tax levy  
53 increase of which exceeds the statutory tax levy increase limit  
54 of for this school fiscal year and therefore exceeds the state tax  
55 cap and must be approved by [~~sixty~~] more than fifty percent of the qual-  
56 ified 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.