STATE OF NEW YORK

1687

2019-2020 Regular Sessions

IN SENATE

January 15, 2019

Introduced by Sen. BROOKS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to establish the residential real property tax relief for public education task force

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

Section 1. Legislative findings. The legislature finds that the current primary and secondary education funding system, which is based largely upon real property taxation, is antiquated and creates serious disparities in educational opportunity and inequities with regard to distribution of the system's financial burden. The quality of education that children receive varies widely by geographic region, as does the opportunity for children to participate in extracurricular activities. In addition, taxpayers throughout the state receive real property tax bills from their local school districts based on the value of their homes, which is subject to multiple factors beyond their control, rather than their financial ability to pay, creating serious regional distortions in the relative cost of living. The legislature finds that these distortions are greatly exacerbated by the recent enactment of the federal tax cuts and jobs act of 2017, which will limit the deductibility of state and local taxes to 10,000 dollars beginning in the next fiscal year, effectively eliminating one of the few mitigating factors against high property taxes for homeowners in certain regions of the state, and creating undue hardship for families throughout the state. The legislature further finds that our children should not be penalized based upon the geographic location of their home, nor should financial support for the educational system fall more heavily on those who are less able to bear the burden. The legislature therefore orders that a task force be created to conduct a comprehensive examination of the current funding system, and to make recommendations for a long-term, statewide solution that will shift the base resource of primary and

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

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secondary education funding from real property taxes to the state personal income tax. Such new funding methodology must be flexible enough to ensure efficient responsiveness to certain dynamic factors with regard to school aid from the state of New York, including but not limited to the changing demographic profile of the student body of individual schools; technology advancements and requirements; school safety and security; mandated educational programs; staff development; programs regarding drugs, bullying, social media, gang violence and other similar programs that emerge in response to salient issues; and changing federal policies that directly impact all New Yorkers.

§ 2. Residential real property tax relief for public education task force. There is hereby created the residential real property tax relief for public education task force that shall consist of 43 members. Members serving in ex-officio capacity shall include: the commissioner of the education department or his or her designee; the chair of the state board of regents, or his or her designee; the commissioner of the department of taxation and finance or his or her designee; the commissioner of the department of homeland security and emergency services or his or her designee; and the director of budget or his or her designee. Appointed members shall be appointed as follows: ten members appointed by the governor; six members shall be appointed by the temporary president of the senate; six members shall be appointed by the speaker of the assembly; four members shall be appointed by the minority leader of the senate; four members shall be appointed by the minority leader of the assembly; two members shall be appointed by New York state united teachers; two members shall be appointed by the New York state school boards association; two members shall be appointed by the association of school superintendents; and two members shall be appointed by the business council of New York state.

§ 3. Qualifications of appointed members. (1) Of the ten members appointed by the governor, four shall have been certified by the department of education and have at least ten years of classroom teaching experience at the primary or secondary levels, one of whom shall have such experience in a small city school system; one of whom shall have such experience in a school system located within a county having a population between 1,300,000 and 1,650,000 as determined by the latest available census estimate by the United States bureau of the census that is not wholly within a city; one of whom shall have such experience in a school district that is not a small city school district, located in a county not wholly contained within a city with a population between 300,000 and 1,000,000 as determined by the latest available census estimate by the United States bureau of the census; and one of whom shall have such experience in a school district located in a county with a population of less than two hundred thousand, as determined by the latest available census estimate by the United States bureau of the census; four shall have at least ten years experience in a school fiscal or budgetary capacity, one of whom shall have such experience in a small city school system, one of whom shall have such experience in a school system located within a county having a population between 1,300,000 and 1,650,000 as determined by the latest available census estimate by the United States bureau of the census that is not wholly within a city; one of whom shall have such experience in a school district that is not a small city school district, located in a county not wholly contained within a city with a population between 300,000 and 1,000,000, as determined by the latest available census estimate by the United States bureau of the census, and one of whom shall have such experience in a

school district located in a county with a population of less than 200,000, as determined by the latest available census estimate by the United States bureau of the census; and two shall be parents of students in the state's public education system, one of whom shall be the parent of a student at the primary school level at the time of appointment, and one of whom shall be the parent of a student at the secondary school level at the time of appointment;

(2) Of the six members appointed by the temporary president of the senate, three shall have been certified by the department of education and have at least ten years of classroom teaching experience in the state's public school system, at least one of whom shall have such experience at the primary level, one of whom shall have such experience at the secondary level, and one of whom shall have gained such experience, or be currently teaching in a small city public school system, one shall have at least ten years experience in a school fiscal or budgetary capacity, one shall have at least ten years experience in a school administrative capacity, and one shall be the parent of a student in the public primary or secondary school system;

(3) Of the six members appointed by the speaker of the assembly, three shall have been certified by the department of education and have at least ten years of classroom teaching experience in the state's public school system, at least one of whom shall have such experience at the primary level, one of whom shall have such experience at the secondary level, and one of whom shall have gained such experience, or be currently teaching in a small city public school system, one shall have experience in a school fiscal or budgetary capacity, one shall have at least ten years experience in a school administrative capacity, and one shall be the parent of a student in the primary or secondary public school system at the time of appointment;

(4) Of the four members appointed by the minority leader of the senate, two shall have been certified by the department of education and have at least ten years of classroom teaching experience at the primary or secondary level, one shall be the parent of a student in the public school system, and one shall have at least ten years experience in a school fiscal or budgetary capacity; and

(5) Of the four members appointed by the minority leader of the senate, two shall have been certified by the department of education and have at least ten years of classroom teaching experience at the primary or secondary level, one shall be the parent of a student in the public school system, and one shall have at least ten years experience in a school fiscal or budgetary capacity.

§ 4. Powers and duties. (1) The residential real property tax relief for public education task force shall, over the course of the three years subsequent to this section having become law, conduct an in-depth analysis of the funding system for primary and secondary education that will make recommendations on the implementation of a new methodology that will change the current system paradigm from one highly dependent on local property taxes to one that is largely state-funded through personal income taxes. Such analysis shall include, but not be limited to (i) a historical examination of the current system, demonstrating the etymology of the current funding system; (ii) an examination of regional cost factors and their relation to regional student opportunity disparities; (iii) the establishment of educational economic development zones, as defined in section five of this act; (iv) the development of a revised school funding program for all special needs and special education students based on the regional cost factors within respective

educational economic development zones; (v) the establishment of best practices programs purchasing, budget and fiscal plan development, benefits management and the management of reserves for each educational economic zone; (vi) the development of a new methodology that will shift the fundamental funding source for primary and secondary education from real property taxation to the state personal income tax, such methodology shall take the conditional variables of each educational economic zone into account in its determination of the distribution of state funds; (vii) the development of best practice objectives in aid distribution to ensure that funding in all districts is put to the best and most efficient use; and (viii) the provision of an implementation strategy for the new methodology that will limit as much as feasibly possible any disruption during the transition.

(2) The commissioner of education shall serve as the chair of the task force. The task force is authorized to consult with education and taxation and academic professionals in addition to its members, and to compensate such expert participation for actual incurred expenses. The task force may utilize agency staff, space and equipment as necessary. Task force members shall receive no compensation for their participation, other than for actual incurred expenses.

(3) The task force shall meet in its entirety in July and December each year at a single physical location, and the chair shall have the power to call additional meetings as he or she deems necessary and appropriate. Electronic participation shall be permitted for those members who are unable to attend in person. An agenda for each meeting shall be made public at least two days prior to the meeting date; meetings shall be visually recorded; and meeting minutes shall be kept.

(4) The task force shall publish a report containing all research findings and recommendations, three years after the date on which this act shall have become law. Such report shall outline and provide critical detail of each task force recommendation, and a comprehensive transition and implementation strategy. The task force shall transmit the report to the governor, the temporary president of the senate, the speaker of the assembly, the minority leader of the senate and the minority leader of the assembly no later than three years after the date that this act shall have become a law.

(5) The task force shall establish a website on the internet, on which it shall save and make available all documentation, provide a venue for public comment, provide visual access to its meetings, meeting agendas, minutes, and provide a copy of its report.

§ 5. Educational economic zones. Educational economic zones shall mean geographical regions determined by unique variables including, but not limited to (i) individual and cumulative personal income; (ii) the level of employment as determined by the United States department of commerce, bureau of labor statistics for the twelve-month period prior to January first of the calendar year in which the school budget begins; (iii) local industry, as identified by the United States bureau of the census through the North American industry classification system; (iv) infrastructure construction and maintenance costs; (v) educational support services; and (vi) student demographics, including special education students and those with special needs.

§ 6. This act shall take effect immediately.