

STATE OF NEW YORK

1707

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 Education

AN ACT to amend the education law, in relation to providing a New York state residential property tax relief act for public education aid apportionment for certain school years; and providing for the repeal of such provisions upon the expiration thereof

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

1 Section 1. This act shall be known and may be cited as the "New York
2 state residential real property tax relief act for public education."
3 § 2. Legislative findings. The legislature finds that the current
4 primary and secondary education funding system, which is based largely
5 upon real property taxation, is antiquated and creates serious dispari-
6 ties in educational opportunity and inequities with regard to distrib-
7 ution of the system's financial burden. The quality of education that
8 children receive varies widely by geographic region, as does the oppor-
9 tunity for children to participate in extracurricular activities. In
10 addition, taxpayers throughout the state receive real property tax bills
11 from their local school districts based on the value of their homes,
12 which is subject to multiple factors beyond their control, rather than
13 their financial ability to pay, creating serious regional distortions in
14 the relative cost of living. The legislature further finds that our
15 children should not be penalized based upon the geographic location of
16 their home, nor should financial support for the educational system fall
17 more heavily on those who are less able to bear the burden. The legisla-
18 ture therefore must take immediate action to provide relief to those
19 areas most impacted by these disparities through the residential proper-
20 ty tax relief aid determined through a residential property tax relief
21 aid formula. The legislature further orders an education funding study
22 to examine long-term funding alternatives for the state primary and

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

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1 secondary educational system that allows all children throughout the
2 state to receive the same educational opportunities.

3 § 3. Section 3602 of the education law is amended by adding a new
4 subdivision 42 to read as follows:

5 42. New York state residential property tax relief act for public
6 education. a. Eligibility. (1) Each school district shall be eligible to
7 receive a New York state residential property tax relief act for public
8 education aid apportionment in the two thousand twenty-two thousand
9 twenty-one school year, which shall equal the greater of: (i) the sum of
10 the tax equalization aid apportionment, the tax limitation ceiling aid
11 apportionment, and the wealth adjusted tax rate aid apportionment; or
12 (ii) the residential property tax levy reduction apportionment.

13 (2) Each school district shall be eligible to receive a New York state
14 residential property tax relief act for public education aid apportion-
15 ment in the two thousand twenty-one--two thousand twenty-two school year
16 in the same amount as in the base year.

17 (3) Each school district shall be eligible to receive a New York state
18 residential property tax relief act for public education aid apportion-
19 ment in the two thousand twenty-two--two thousand twenty-three school
20 year in an amount equal to the New York state residential property tax
21 relief act for public education aid apportionment in the two thousand
22 twenty-one--two thousand twenty-two school year multiplied by one and
23 seven hundred sixty-nine ten-thousandths (1.0769).

24 b. Purpose. Funds allocated under this subdivision shall be solely
25 used for the purpose of reducing the residential tax levy defined in
26 subparagraph one of paragraph a of subdivision sixteen of this section.

27 c. Tax equalization aid apportionment. (1) School districts other than
28 districts within a city with a population of one hundred twenty-five
29 thousand or more shall be eligible for a tax equalization aid apportion-
30 ment if: (i) the combined wealth ratio computed pursuant to paragraph c
31 of subdivision three of this section is less than one; and (ii) the
32 expense per pupil defined pursuant to paragraph f of subdivision one of
33 this section is greater than the statewide average expense per pupil.
34 For the two thousand twenty-two thousand twenty-one school year, for
35 the purpose of computing aid pursuant to this subdivision, the statewide
36 average expense per pupil shall be fourteen thousand seven hundred fifty
37 dollars.

38 (2) The tax equalization formula factor shall be equal to the positive
39 difference of the approved operating expense defined pursuant to para-
40 graph t of subdivision one of this section minus the quotient arrived at
41 when dividing the total real property tax levy by total aidable pupil
42 units defined pursuant to paragraph e of subdivision one of this
43 section.

44 (3) For eligible school districts, the tax equalization formula aid
45 apportionment shall be equal to the product of: (i) the tax equalization
46 formula factor multiplied by (ii) the approved operating expense multi-
47 plied by (iii) the regional cost index defined pursuant to paragraph a
48 of subdivision four of this section multiplied by (iv) twenty five
49 hundredths (.25).

50 (d) Tax limitation ceiling aid apportionment. (1) School districts
51 other than districts within a city with a population of one hundred
52 twenty-five thousand or more shall be eligible for a tax limitation
53 ceiling aid apportionment if: (i) the combined wealth ratio is less than
54 two and five-tenths (2.5); and (ii) the tax effort ratio defined pursu-
55 ant to subparagraph three of paragraph a of subdivision sixteen of this
56 section is greater than the statewide average tax effort ratio. For the

1 two thousand twenty--two thousand twenty-one school year, for the
2 purpose of computing aid pursuant to this subdivision, the statewide tax
3 average effort ratio shall be two and ninety-one hundredths (2.91).

4 (2) For purposes of this subdivision, the tax ceiling shall be equal
5 to the product of (i) twenty-five dollars (\$25) multiplied by (ii) the
6 quotient arrived at when dividing the tax effort ratio by the state
7 average tax effort ratio.

8 (3) The ceiling formula factor shall be equal to:

9 (i) thirty-three dollars and eleven cents (\$33.11) for any school
10 district with a tax ceiling greater than or equal to twenty-five dollars
11 but less than forty dollars;

12 (ii) forty-five dollars and sixty cents (\$45.60) for any school
13 district with a tax ceiling greater than or equal to forty dollars but
14 less than sixty dollars; and

15 (iii) forty-seven dollars and fifty-two cents (\$47.52) for any school
16 district with a tax ceiling greater than or equal to sixty dollars.

17 (4) For eligible school districts, tax limitation ceiling aid appor-
18 tionment shall be equal to the product of: (i) the ceiling formula
19 factor, multiplied by (ii) the regional cost index, multiplied by (iii)
20 total aidable pupil units.

21 e. Wealth adjusted aid apportionment. (1) School districts other than
22 districts within a city with a population of one hundred twenty-five
23 thousand or more shall be eligible for a wealth adjusted aid appor-
24 tionment if: (i) the combined wealth ratio is less than two and five tenths
25 (2.5); and (ii) the quotient arrived at when dividing total general fund
26 expenditure by the total aidable pupil units expressed per one thousand
27 dollars is greater than the statewide average of such calculation. For
28 the two thousand twenty--two thousand twenty-one school year, for the
29 purpose of computing aid pursuant to this subdivision, the statewide
30 total general fund expenditure divided by total aidable pupil units
31 expressed per one thousand dollars shall be twenty dollars and fifty-
32 nine cents.

33 (2) For eligible school districts, the wealth adjusted tax rate aid
34 apportionment shall be equal to the product of: (i) seven hundred
35 dollars (\$700) multiplied by (ii) total aidable pupils units multiplied
36 by (iii) the state sharing ratio computed pursuant to paragraph g of
37 subdivision three of this section.

38 f. "Residential real property tax levy reduction apportionment." (1)
39 School districts other than districts with a city with a population of
40 one hundred twenty-five thousand or more, shall be eligible for residen-
41 tial real property tax levy if the residential tax levy calculation is
42 equal to or greater than fifty percent.

43 (2) "Residential tax levy calculation" shall equal the quotient
44 arrived at when dividing the residential real property tax levy defined
45 pursuant to subparagraph one of paragraph a of subdivision sixteen of
46 this section divided by the total proposed spending for the year
47 commencing in the calendar year two years prior to the calendar year in
48 which the base year began.

49 (3) For eligible school districts, the "residential real property tax
50 levy reduction apportionment" shall mean the product of: (i) the posi-
51 tive difference, if any, between the residential tax levy calculation
52 defined pursuant to this subparagraph minus fifty percent multiplied by
53 (ii) the residential real property tax levy.

54 g. Method of payment. Notwithstanding any other provision of law to
55 the contrary, the New York state residential property tax relief act for

1 public education aid shall be paid pursuant to section thirty-six
2 hundred nine-i of this part.

3 h. Definitions. As used in this subdivision:

4 (1) "Total real property tax levy" shall mean the total real property
5 tax levy specified in the school district budget for the year commencing
6 in the calendar year two years prior to the calendar year in which the
7 base year began. The final update of such data shall be reported by the
8 commissioner of taxation and finance to the commissioner by February
9 fifteenth of the base year. The commissioner of taxation and finance
10 shall adopt regulations as appropriate to assure the appropriate
11 collection, classification and reporting of such data for the purposes
12 of paying state aid to the schools.

13 (2) "Total proposed spending" shall mean for all school districts
14 other than districts within a city with a population of one hundred
15 twenty-five thousand or more, the amount reported by the common school
16 district, a union free school district, a central school district or a
17 city school district as required by the property tax report card
18 prepared by the district pursuant to the provisions of subdivision seven
19 of section sixteen hundred eight and subdivision seven of section seven-
20 teen hundred sixteen of this chapter.

21 § 4. The opening paragraph of subdivision 1 of section 3609-a of the
22 education law, as amended by section 32 of part B of chapter 57 of the
23 laws of 2007, is amended to read as follows:

24 The GSPS appropriation shall be used to support payments made pursuant
25 to this section, plus apportionments made pursuant to section seven
26 hundred one, seven hundred eleven, seven hundred fifty-one, seven
27 hundred fifty-three, thirty-two hundred two, thirty-six hundred nine-b,
28 thirty-six hundred forty-one and forty-four hundred five of this chap-
29 ter, any other applicable allocations made pursuant to this chapter, but
30 not paid pursuant to the schedule prescribed by this section or sections
31 thirty-six hundred nine-b, thirty-six hundred nine-d ~~or~~, thirty-six
32 hundred nine-f or thirty-six hundred nine-i of this article; plus any
33 unconsolidated law provisions which apply to programs funded from such
34 appropriation; plus any sums paid out upon audit of the state comp-
35 troller as final adjustments of apportionments originally claimed and
36 payable pursuant to this subdivision in prior school years; plus sums
37 paid out as prior year adjustments, to the extent an allowance was
38 included in such appropriation for such purpose. Any apportionments
39 provided by this chapter shall be paid in accordance with this section
40 unless specifically exempted.

41 § 5. The education law is amended by adding a new section 3609-i to
42 read as follows:

43 § 3609-i. Moneys apportioned to school districts for reimbursement of
44 apportionments pursuant to the New York state residential property tax
45 relief act for public education. 1. As used in this section, "school
46 district" shall mean a public school district eligible for an apporportion-
47 ment of aid under subdivision four of section thirty-six hundred two of
48 this article.

49 2. Moneys apportioned to school districts for reimbursement of appor-
50 tionments pursuant to the New York state residential property tax relief
51 act for public education pursuant to subdivision forty-two of section
52 thirty-six hundred two of this part shall be disbursed as follows:

53 a. On or after the first business day of July of each school year,
54 commencing July first, two thousand twenty, a school district shall be
55 paid an amount equal to fifty percent of the payments on October first
56 of the current school year.

1 b. The remaining balance shall be paid after February first, provided
2 that the amounts paid on or before February first shall not be subject
3 to recalculation.

4 c. No payment may be made pursuant to this subdivision until the
5 amount for each school district is certified by the commissioner of
6 taxation and finance and transmitted to the commissioner. Such certif-
7 ication shall be made on or before January first so as to facilitate
8 payments to be made pursuant to this section.

9 3. Moneys paid pursuant to this section shall be payable to the treas-
10 urer of each city school district, and the treasurer of each union free
11 school district and of each central school district and of each other
12 school district, if there be a treasurer, otherwise to the collector or
13 other disbursing officer of such district, who shall apply for and
14 receive the same as soon as payable.

15 4. Any payment to a school district pursuant to this section shall be
16 general receipts of the district and shall be used solely for the
17 reduction of the residential tax levy.

18 5. Notwithstanding any other provision of law to the contrary,
19 payments made to school districts under this section shall be considered
20 general aid payments made pursuant to section thirty-six hundred nine-a
21 of this part.

22 6. It is the intent of the governor to submit and of the legislature
23 to enact for each fiscal year after the two thousand twenty-two thou-
24 sand twenty-one fiscal year in an annual budget bill an appropriation in
25 the amount to be paid to school districts pursuant to subdivision
26 forty-two of section thirty-six hundred two of this part.

27 § 6. Paragraph a of subdivision 7 of section 1608 of the education
28 law, as amended by section 1 of chapter 514 of the laws of 2016, is
29 amended to read as follows:

30 a. Each year, commencing with the proposed budget for the two thou-
31 sand--two thousand one school year, the trustee or board of trustees
32 shall prepare a property tax report card, pursuant to regulations of the
33 commissioner, and shall make it publicly available by transmitting it to
34 local newspapers of general circulation, appending it to copies of the
35 proposed budget made publicly available as required by law, making it
36 available for distribution at the annual meeting, and otherwise dissem-
37 inating it as required by the commissioner. Such report card shall
38 include: (i) the amount of total spending and total estimated school tax
39 levy that would result from adoption of the proposed budget and the
40 percentage increase or decrease in total spending and total school tax
41 levy from the school district budget for the preceding school year; and
42 (ii) the district's tax levy limit determined pursuant to section two
43 thousand twenty-three-a of this title, and the estimated school tax
44 levy, excluding any levy necessary to support the expenditures pursuant
45 to subparagraphs (i) through (iv) of paragraph i of subdivision two of
46 section two thousand twenty-three-a of this title, that would result
47 from adoption of the proposed budget; and (iii) the projected enrollment
48 growth for the school year for which the budget is prepared, and the
49 percentage change in enrollment from the previous year; and (iv) the
50 percentage increase in the consumer price index, as defined in paragraph
51 c of this subdivision; and (v) the projected amount of the unappropri-
52 ated unreserved fund balance that will be retained if the proposed budg-
53 et is adopted, the projected amount of the reserved fund balance, the
54 projected amount of the appropriated fund balance, the percentage of the
55 proposed budget that the unappropriated unreserved fund balance repres-
56 ents, the actual unappropriated unreserved fund balance retained in the

1 school district budget for the preceding school year, and the percentage
2 of the school district budget for the preceding school year that the
3 actual unappropriated unreserved fund balance represents[, ~~and a sched-
4 ule of reserve funds, setting forth the name of each reserve fund, a
5 description of its purpose, the balance as of the close of the third
6 quarter of the current school district fiscal year and a brief statement
7 explaining any plans for the use of each such reserve fund for the ensu-
8 ing fiscal year~~]; and (vi) the amount of the New York state residential
9 property tax relief act for public education amount used to reduce the
10 residential tax levy for the ensuing fiscal year.

11 § 6-a. Paragraph a of subdivision 7 of section 1608 of the education
12 law, as amended by section 1-a of chapter 514 of the laws of 2016, is
13 amended to read as follows:

14 a. Each year, commencing with the proposed budget for the two thou-
15 sand--two thousand one school year, the trustee or board of trustees
16 shall prepare a property tax report card, pursuant to regulations of the
17 commissioner, and shall make it publicly available by transmitting it to
18 local newspapers of general circulation, appending it to copies of the
19 proposed budget made publicly available as required by law, making it
20 available for distribution at the annual meeting, and otherwise dissem-
21 inating it as required by the commissioner. Such report card shall
22 include: (i) the amount of total spending and total estimated school tax
23 levy that would result from adoption of the proposed budget and the
24 percentage increase or decrease in total spending and total school tax
25 levy from the school district budget for the preceding school year; and
26 (ii) the projected enrollment growth for the school year for which the
27 budget is prepared, and the percentage change in enrollment from the
28 previous year; and (iii) the percentage increase in the consumer price
29 index, as defined in paragraph c of this subdivision; and (iv) the
30 projected amount of the unappropriated unreserved fund balance that will
31 be retained if the proposed budget is adopted, the projected amount of
32 the reserved fund balance, the projected amount of the appropriated fund
33 balance, the percentage of the proposed budget that the unappropriated
34 unreserved fund balance represents, the actual unappropriated unreserved
35 fund balance retained in the school district budget for the preceding
36 school year, and the percentage of the school district budget for the
37 preceding school year that the actual unappropriated unreserved fund
38 balance represents; and (v) ~~[a schedule of reserve funds, setting forth
39 the name of each reserve fund, a description of its purpose, the balance
40 as of the close of the third quarter of the current school district
41 fiscal year and a brief statement explaining any plans for the use of
42 each such reserve fund]~~ the amount of the New York state residential
43 property tax relief act for public education amount used to reduce the
44 residential tax levy for the ensuing fiscal year.

45 § 7. Paragraph a of subdivision 7 of section 1716 of the education
46 law, as amended by section 2 of chapter 514 of the laws of 2016, is
47 amended to read as follows:

48 a. Each year, commencing with the proposed budget for the two thou-
49 sand--two thousand one school year, the board of education shall prepare
50 a property tax report card, pursuant to regulations of the commissioner,
51 and shall make it publicly available by transmitting it to local newspa-
52 pers of general circulation, appending it to copies of the proposed
53 budget made publicly available as required by law, making it available
54 for distribution at the annual meeting, and otherwise disseminating it
55 as required by the commissioner. Such report card shall include: (i) the
56 amount of total spending and total estimated school tax levy that would

1 result from adoption of the proposed budget and the percentage increase
2 or decrease in total spending and total school tax levy from the school
3 district budget for the preceding school year; and (ii) the district's
4 tax levy limit determined pursuant to section two thousand
5 twenty-three-a of this title, and the estimated school tax levy, exclud-
6 ing any levy necessary to support the expenditures pursuant to subpara-
7 graphs (i) through (iv) of paragraph i of subdivision two of section two
8 thousand twenty-three-a of this title, that would result from adoption
9 of the proposed budget; and (iii) the projected enrollment growth for
10 the school year for which the budget is prepared, and the percentage
11 change in enrollment from the previous year; and (iv) the percentage
12 increase in the consumer price index, as defined in paragraph c of this
13 subdivision; and (v) the projected amount of the unappropriated unre-
14 served fund balance that will be retained if the proposed budget is
15 adopted, the projected amount of the reserved fund balance, the project-
16 ed amount of the appropriated fund balance, the percentage of the
17 proposed budget that the unappropriated unreserved fund balance repres-
18 ents, the actual unappropriated unreserved fund balance retained in the
19 school district budget for the preceding school year[, ~~a schedule of~~
20 ~~reserve funds, setting forth the name of each reserve fund, a~~
21 ~~description of its purpose, the balance as of the close of the third~~
22 ~~quarter of the current school district fiscal year and a brief statement~~
23 ~~explaining any plans for the use of each such reserve fund for the ensu-~~
24 ~~ing fiscal year and the percentage of the school district budget for the~~
25 ~~preceding school year that the actual unappropriated unreserved fund~~
26 ~~balance represents]; and (vi) the amount of the New York state residen-
27 tial property tax relief act for public education amount used to reduce
28 the residential tax levy for the ensuing fiscal year.~~

29 § 7-a. Paragraph a of subdivision 7 of section 1716 of the education
30 law, as amended by section 2-a of chapter 514 of the laws of 2016, is
31 amended to read as follows:

32 a. Each year, commencing with the proposed budget for the two thou-
33 sand--two thousand one school year, the board of education shall prepare
34 a property tax report card, pursuant to regulations of the commissioner,
35 and shall make it publicly available by transmitting it to local newspa-
36 pers of general circulation, appending it to copies of the proposed
37 budget made publicly available as required by law, making it available
38 for distribution at the annual meeting, and otherwise disseminating it
39 as required by the commissioner. Such report card shall include: (i) the
40 amount of total spending and total estimated school tax levy that would
41 result from adoption of the proposed budget and the percentage increase
42 or decrease in total spending and total school tax levy from the school
43 district budget for the preceding school year; and (ii) the projected
44 enrollment growth for the school year for which the budget is prepared,
45 and the percentage change in enrollment from the previous year; and
46 (iii) the percentage increase in the consumer price index, as defined in
47 paragraph c of this subdivision; and (iv) the projected amount of the
48 unappropriated unreserved fund balance that will be retained if the
49 proposed budget is adopted, the projected amount of the reserved fund
50 balance, the projected amount of the appropriated fund balance, the
51 percentage of the proposed budget that the unappropriated unreserved
52 fund balance represents, the actual unappropriated unreserved fund
53 balance retained in the school district budget for the preceding school
54 year[, ~~a schedule of reserve funds, setting forth the name of each~~
55 ~~reserve fund, a description of its purpose, the balance as of the close~~
56 ~~of the third quarter of the current school district fiscal year and a~~

~~brief statement explaining any plans for the use of each such reserve fund for the ensuing fiscal year and the percentage of the school district budget for the preceding school year that the actual unappropriated unreserved fund balance represents]; and (v) the amount of the New York state residential property tax relief act for public education amount used to reduce the residential tax levy for the ensuing fiscal year.~~

§ 8. This act shall take effect immediately and shall apply to school years commencing on and after July 1, 2020; provided that:

a. the amendments to paragraph a of subdivision 7 of section 1608 of the education law made by section six of this act shall be subject to the expiration and reversion of such paragraph pursuant to section 13 of part A of chapter 97 of the laws of 2011, as amended, when upon such date the provisions of section six-a of this act shall take effect;

b. the amendments to paragraph a of subdivision 7 of section 1716 of the education law made by section seven of this act shall be subject to the expiration and reversion of such paragraph pursuant to section 13 of part A of chapter 97 of the laws of 2011, as amended, when upon such date the provisions of section seven-a of this act shall take effect; and

c. the provisions of this act shall expire and be deemed repealed on July 1, 2023.

Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.