STATE OF NEW YORK

7243--A

2019-2020 Regular Sessions

IN ASSEMBLY

April 18, 2019

Introduced by M. of A. STERN, LAVINE, M. L. MILLER -- read once and referred to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT authorizing funds in the case of certain tax certiorari challenges or agreed upon settlements; and to amend the education law, in relation to authorizing a board of education to establish a tax certiorari stabilization reserve fund

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

Section 1. 1. Contingent upon available funding, and not to exceed $69,000,000, moneys shall be available for a local government entity, which for the purposes of this section shall mean a county, city, town, village, school district, special district, school district public library or municipal public library where, on or after April 1, 2019, a successful tax certiorari challenge or an agreed upon settlement that has resulted in either a reduction in the real property tax collections or payments in lieu of taxes of at least twenty percent, or in regard to a settlement agreement a reduction in real property taxes or payments in lieu of taxes of at least twenty percent in the aggregate over the term of the settlement agreement, or that has resulted in a real property tax levy increase of over twenty percent of a local government entity. Such moneys attributable to a successful tax certiorari challenge, or an agreed upon settlement, shall be paid annually on a first come, first serve basis by the New York state urban development corporation to such local government entity within reasonable time upon confirmation from the state office of real property tax services or the local industrial development authority established pursuant to the local industrial development agency pursuant to article eighteen-A of the general municipal law that such tax certiorari judgment, or an agreed upon settlement, has resulted in a reduction in the real property tax collections or

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

LBD10714-06-0

payment in lieu of taxes, provided, however, that the urban development corporation shall not provide assistance to such local government entity for more than fifteen years in the case of a tax certiorari judgment or agreed upon settlement, and shall award payments reflecting the loss of revenues due to the tax certiorari judgment or an agreed upon settlement as follows:

(a) for award year one, a maximum potential award of no more than eighty percent of loss of revenues;

(b) for award year two, a maximum potential award of no more than seventy percent of loss of revenues;

(c) for award year three, a maximum potential award of no more than sixty percent of loss of revenues;

(d) for award year four, a maximum potential award of no more than fifty percent of loss of revenues;

(e) for award year five, a maximum potential award of no more than forty percent of loss of revenues;

(f) for award year six, a maximum potential award of no more than thirty percent of loss of revenues; and

(g) for award years seven through fifteen, a maximum potential award of no more than twenty percent of loss of revenues.

2. A local government entity shall be eligible for only one payment of funds hereunder per year. A local government entity may seek assistance under the tax certiorari mitigation fund once a final judgment or settlement agreement in a tax certiorari proceeding has been filed or executed. The date of submission of a local government entity's application for assistance shall establish the order in which assistance is paid to program applicants, except that in no event shall assistance be paid to a local government entity until such time that a final judgment or settlement agreement in a tax certiorari proceeding has been filed or executed. For purposes of this section, any local government entity seeking assistance under the tax certiorari mitigation fund must submit an attestation to the department of public service that a final judgment or settlement agreement in a tax certiorari proceeding has been filed or executed.

3. For a facility with a tax certiorari judgment or settlement, the appropriate agency shall submit such attestation to the urban development corporation upon receipt of the determination of the amount of such annual payment which shall be determined by the president of the urban development corporation based on the amount of the differential between the annual real property taxes and payments in lieu of taxes imposed upon the facility, exclusive of interest and penalties, and the annual reduction on real property taxes or payments in lieu of taxes during the term of a settlement agreement from a tax certiorari proceeding. The total amount awarded from this program shall not exceed $69,000,000.

§ 2. The education law is amended by adding a new section 3654 to read as follows:

§ 3654. Tax certiorari stabilization reserve fund. (a) Definitions. As used in this section:

(i) "Board of education" or "board" shall mean the board of education of any school district impacted by a tax certiorari action;

(ii) "Tax certiorari stabilization reserve fund" or "fund" shall mean the tax certiorari stabilization reserve fund established pursuant to this section; and

(iii) "School district" or "district" shall mean any other school district that is impacted by a tax certiorari action.

(b) The board of education is hereby authorized to establish a tax certiorari stabilization reserve fund to lessen or prevent increases in the school district's real property tax levy resulting from decreases in revenue due to a tax certiorari settlement or judgment provided, however, that no such fund shall be established unless approved by a majority vote of the voters present and voting on a separate ballot proposition therefor at either a special district meeting which the board of education may call for such purpose or at the annual district meeting and election, to be noticed and conducted in either case in accordance with article forty-one of this chapter. Such separate proposition shall set forth the maximum allowable balance to be deposited and held in the tax certiorari stabilization reserve fund. Moneys shall be paid into and withdrawn from the fund and the fund shall be administered as follows:

(i) The board of education is hereby authorized to receive payments into its tax certiorari stabilization reserve fund from any available funds.

(ii) Moneys may be withdrawn from the tax certiorari stabilization reserve fund for any fiscal year to be expended for any lawful purpose to lessen or prevent increases in the district's tax levy. Withdrawals from the fund shall be disclosed in a manner consistent with the required disclosures of similar reserve funds held by the district, including disclosures of similar reserve funds held by the district, including disclosures required by the property tax report card prepared by the district pursuant to the provisions of subdivision seven of section seventeen hundred sixteen of this chapter; and deposits and withdrawals made in each fiscal year shall be subject to the district's annual budget approval process.

§ 3. This act shall take effect immediately.