

# STATE OF NEW YORK

9869

## IN ASSEMBLY

February 20, 2020

Introduced by M. of A. JEAN-PIERRE -- read once and referred 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 Assem-  
bly, 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  
23 secondary educational system that allows all children throughout the  
24 state to receive the same educational opportunities.  
25 § 3. Section 3602 of the education law is amended by adding a new  
26 subdivision 42 to read as follows:

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

LBD06906-02-0

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

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

13 (3) 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-two--two thousand twenty-three school  
16 year in an amount equal to the New York state residential property tax  
17 relief act for public education aid apportionment in the two thousand  
18 twenty-one--two thousand twenty-two school year multiplied by one and  
19 seven hundred sixty-nine ten-thousandths (1.0769).

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

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

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

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

46 d. Tax limitation ceiling aid apportionment. (1) School districts  
47 other than districts within a city with a population of one hundred  
48 twenty-five thousand or more shall be eligible for a tax limitation  
49 ceiling aid apportionment if: (i) the combined wealth ratio is less than  
50 two and five-tenths (2.5); and (ii) the tax effort ratio defined pursu-  
51 ant to subparagraph three of paragraph a of subdivision sixteen of this  
52 section is greater than the statewide average tax effort ratio. For the  
53 two thousand twenty--two thousand twenty-one school year, for the  
54 purpose of computing aid pursuant to this subdivision, the statewide tax  
55 average effort ratio shall be two and ninety-one hundredths (2.91).

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

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

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

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

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

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

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

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

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

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

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

51 g. Method of payment. Notwithstanding any other provision of law to  
52 the contrary, the New York state residential property tax relief act for  
53 public education aid shall be paid pursuant to section thirty-six  
54 hundred nine-i of this part.

55 h. Definitions. As used in this subdivision:

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

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

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

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

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

40 § 3609-i. Moneys apportioned to school districts for reimbursement of  
41 apportionments pursuant to the New York state residential property tax  
42 relief act for public education. 1. As used in this section, "school  
43 district" shall mean a public school district eligible for an apportion-  
44 ment of aid under subdivision four of section thirty-six hundred two of  
45 this article.

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

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

54 b. The remaining balance shall be paid after February first, provided  
55 that the amounts paid on or before February first shall not be subject  
56 to recalculation.

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

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

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

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

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

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

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

~~ule of reserve funds, setting forth the name of each reserve fund, a description of its purpose, the balance as of the close 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 (vi) 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.~~

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

a. Each year, commencing with the proposed budget for the two thousand--two thousand one school year, the board of education shall prepare a property tax report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include: (i) the amount of total spending and total estimated school tax levy that would result from adoption of the proposed budget and the percentage increase or decrease in total spending and total school tax levy from the school district budget for the preceding school year; and (ii) the district's tax levy limit determined pursuant to section two thousand twenty-three-a of this title, and the estimated school tax levy, excluding any levy necessary to support the expenditures pursuant to subparagraphs (i) through (iv) of paragraph i of subdivision two of section two thousand twenty-three-a of this title, that would result from adoption of the proposed budget; and (iii) the projected enrollment growth for the school year for which the budget is prepared, and the percentage change in enrollment from the previous year; and (iv) the percentage increase in the consumer price index, as defined in paragraph c of this subdivision; and (v) the projected amount of the unappropriated unreserved fund balance that will be retained if the proposed budget is adopted, the projected amount of the reserved fund balance, the projected amount of the appropriated fund balance, the percentage of the proposed budget that the unappropriated unreserved fund balance represents, the actual unappropriated unreserved fund balance retained in the school district budget for the preceding school year[, ~~a schedule of reserve funds, setting forth the name of each reserve fund, a description of its purpose, the balance as of the close 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 (vi) 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 and shall expire and be deemed repealed 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.