

STATE OF NEW YORK

5366

2021-2022 Regular Sessions

IN SENATE

March 3, 2021

Introduced by Sen. OBERACKER -- 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 authorizing school districts with low combined wealth ratios to establish tax cap reserve funds

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

1 Section 1. Section 3651 of the education law is amended by adding two
2 new subdivisions 1-c and 3-b to read as follows:

3 1-c. Notwithstanding the provisions of subdivision one of this
4 section, any school district having a combined wealth ratio, as defined
5 in paragraph c of subdivision three of section thirty-six hundred two of
6 this title, which is thirty-five one-hundredths or less, may establish a
7 reserve fund for the payment of school district expenditures for any
8 school year to the extent the expenditure of monies therefor would cause
9 such school district to exceed its tax levy limit pursuant to section
10 two thousand twenty-three-a of this chapter, without approval by the
11 qualified voters of the district; provided, however, that the total of
12 the monies held in such reserve fund shall not exceed that amount which
13 might reasonably be deemed necessary to meet anticipated increased
14 expenditures by the school district in future school years. Any monies
15 deposited to such reserve fund which will not reasonably be required to
16 be expended for the purpose of complying with the district's tax levy
17 limit shall be returned to the general fund on or before the first day
18 of the fourth fiscal year following the deposit of such monies to said
19 reserve fund.

20 3-b. Notwithstanding the provisions of subdivision three of this
21 section, any school district which establishes a reserve fund in accord-
22 ance with subdivision one-c of this section may make expenditures from
23 such fund for the purposes specified in such subdivision without author-
24 ization of the voters.

25 § 2. This act shall take effect immediately.

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

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