

STATE OF NEW YORK

5317

2021-2022 Regular Sessions

IN ASSEMBLY

February 12, 2021

Introduced by M. of A. BRABENEC -- read once and referred to the Committee on Education

AN ACT to amend the education law, the real property tax law, the general municipal law and the state finance law, in relation to school property and real property taxes

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

1 Section 1. The education law is amended by adding a new section 1527-a
2 to read as follows:

3 § 1527-a. Funding of mandates imposed on school districts. 1. Definitions. As used in this section, the following terms shall have the
4 following meanings unless the context shall otherwise require:

5 (a) "Mandate" means:

6 (i) any state law, rule, or regulation which creates a new program or
7 requires a higher level of service for an existing program which a
8 school district organized either by special laws or pursuant to the
9 provisions of a general law, is required to provide; or

10 (ii) any general law which grants a new property tax exemption or
11 increases an existing property tax exemption which any such school
12 district is required to provide.

13 (b) "Unfunded mandate" shall mean:

14 (i) any state law, rule, or regulation which creates a new program or
15 requires a higher level of service for an existing program which any
16 such school district is required to provide and which results in a net
17 additional cost to such school district;

18 (ii) any alteration in funding provided to any such school district
19 for the purpose of defraying the costs of a program which it is required
20 to provide, thereby resulting in a net additional cost to such school
21 district; or

22 (iii) any general law which grants a new property tax exemption or
23 increases an existing property tax exemption which any such school
24

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

LBD07799-01-1

1 district is required to provide, there by resulting in a net additional
2 cost to such school district.

3 (c) "Net additional cost" means the cost or costs incurred or antic-
4 ipated to be incurred within a one year period by a school district in
5 performing or administering a mandate after subtracting therefrom any
6 revenues received or receivable by the school district on account of the
7 mandated program or service, including but not limited to:

8 (i) fees charged to the recipients of the mandated program or service;

9 (ii) state or federal aid paid specifically or categorically in
10 connection with the program or service; and

11 (iii) an offsetting savings resulting from the diminution or elimi-
12 nation of any other program or service directly attributable to the
13 performance or administration of the mandated program.

14 2. Funding of school district mandates. Notwithstanding any other
15 provision of law, no unfunded mandate shall be enacted which creates an
16 annual net additional cost to any school district in excess of ten thou-
17 sand dollars or an aggregate annual net additional cost to all school
18 districts in excess of one million dollars.

19 3. Exemptions to the funding of school district mandates requirement.

20 (a) The state shall not be required to fund any new or expanded programs
21 for school districts if:

22 (i) The mandate is required by a court order or judgement;

23 (ii) The mandate is provided at the option of the school district
24 under a law or regulation;

25 (iii) The mandate results from the passage of a home rule message
26 whereby a school district requests authority to implement the program or
27 service specified in the statute, and the statute imposes costs only
28 upon that school district which requests the authority to impose the
29 program or service;

30 (iv) The mandate is required by, or arises from, an executive order of
31 the governor exercising his or her emergency powers;

32 (v) The mandate is required by statute or executive order that imple-
33 ments a federal law or regulation and results from costs mandated by the
34 federal government to be borne at the local level, unless the statute or
35 executive order results in costs which exceed the costs mandated by the
36 federal government; or

37 (vi) The mandate applies to a small business with fifty employees or
38 less.

39 (b) Each act establishing a mandate shall provide that the effective
40 date of any such mandate imposed on school districts shall be consistent
41 with the needs of the state and school districts to plan implementation
42 thereof, and also consistent with the availability of required funds.

43 § 2. Section 2022 of the education law is amended by adding a new
44 subdivision 8 to read as follows:

45 8. a. Notwithstanding any other provision of law, rule or regulation
46 to the contrary, in a common, union free, central, central high school
47 district or school district, upon the filing of a petition pursuant to
48 paragraph b of this subdivision, with the trustees, the board of educa-
49 tion or the chancellor of a city school district located in a city with
50 greater than one million inhabitants shall submit a proposition for the
51 purpose of voting on the question "shall the school district enter into
52 the optional system of state funding for school district expenses" to
53 the qualified voters of a school district. Such vote shall be held on
54 the third Tuesday in May, provided, however, that such vote shall be
55 held on the second Tuesday in May if the commissioner at the request of
56 a local school board or the chancellor in the city of New York certifies

1 no later than March first that such election would conflict with reli-
2 gious observances. If a district votes to join the optional system that
3 vote is binding and may not be altered by the district or its residents.

4 b. Such petition relating to the optional system for state funding of
5 school district expenses shall be submitted no later than April first of
6 the school year in which such question described in paragraph a of this
7 subdivision shall be considered by the voters and must be signed by
8 twenty-five percent of the number of qualified voters. Any valid peti-
9 tion containing a sufficient number of valid signatures to place the
10 question described in paragraph a of this subdivision on the ballot
11 submitted after April first and before July first shall be voted on the
12 third Tuesday in May, provided, however, that such vote shall be held on
13 the second Tuesday in May if the commissioner at the request of a local
14 school board certifies no later than March first that such election
15 would conflict with religious observances of the following school year.

16 § 3. Section 3602 of the education law is amended by adding a new
17 subdivision 40 to read as follows:

18 40. Optional system for state funding of school district expenses. In
19 addition to other apportionments of aid made to districts pursuant to
20 this section, additional apportionments shall be made to districts which
21 elect to receive aid pursuant to this subdivision. a. Definitions. As
22 used in this subdivision: (1) "primary residential real property tax
23 levy" shall be defined as the aggregate property taxes levied by a
24 school district on a school district's STAR eligible properties as
25 defined by section four hundred twenty-five of the real property tax
26 law.

27 (2) "base year primary residential real property tax levy" shall be
28 defined as the primary residential real property tax levy in the school
29 year immediately following the year in which the school district votes
30 to enter into the optional system for state funding of school district
31 expenses pursuant to subdivision eight of section two thousand twenty-
32 two of this chapter.

33 b. Transition period.(1) A school district shall certify to the
34 commissioner within thirty days of the date at which the vote was taken
35 pursuant to subdivision eight of section two thousand twenty-two of this
36 chapter whether or not qualified voters of the district have elected to
37 enter into the optional system for state funding of school district
38 expenses. Once the commissioner determines that a district has opted
39 into the optional system for state funding of school district expenses
40 the district shall begin receiving aid pursuant to this subdivision in
41 the school year which begins on July first in the subsequent calendar
42 year.

43 (2) School districts which receive aid pursuant to this subdivision
44 shall receive aid pursuant to the schedule contained in this paragraph.
45 School districts shall continue to receive aid pursuant to this para-
46 graph after the phase in period equal to one hundred percent of the base
47 year primary residential real property tax levy.

48 (3) During the first year of the transition period, school districts
49 shall receive an additional apportionment equal to twenty per centum of
50 the base year primary residential real property tax levy. In all subse-
51 quent years of the transition period, school districts shall receive an
52 additional apportionment equal to the following schedule:

53 Percent of Base

<u>Year</u>	<u>Year Primary Residential Real Property Tax Levy</u>
<u>2</u>	<u>40%</u>
<u>3</u>	<u>60%</u>

1 4 80%
2 5 100%

3 In every year after year five such additional apportionment shall be
4 increased annually by a cost of living increase. The cost of living
5 increase shall be added to the additional apportionment provided in the
6 prior year. The cost of living increase shall be calculated as the
7 percentage increase in the consumer price index for the previous twelve
8 months as determined by the commissioner. Such percentage increase shall
9 be multiplied by the previous year's additional apportionment and the
10 product shall be added to the previous year's additional apportionment
11 to calculate the current year's additional apportionment.

12 (4) (i) A participating district shall reduce the primary residential
13 real property tax levy pursuant to the schedule contained in this para-
14 graph. School districts opting into the optional system for state fund-
15 ing of school district expenses may not levy taxes in excess of the
16 remainder of the base year primary residential real property tax levy
17 less the aid provided in paragraph three of this subdivision except to
18 fund the difference between a district's current year capital expenses
19 less the state aid apportioned for such purpose.

20 (ii) Notwithstanding any other provisions of law, rule or regulation
21 to the contrary, a school district which receives aid pursuant to this
22 subdivision shall be authorized to set separate tax warrants and tax
23 rates for the primary residential real property tax levy and other taxa-
24 ble properties.

25 (5) The apportionment hereunder shall not be made until the electing
26 school district has certified to the commissioner that the district's
27 primary residential real property tax levy for the school year in which
28 aid has been accepted pursuant to this paragraph, does not exceed the
29 base year primary residential real property tax levy as defined in this
30 subdivision less the aid apportioned pursuant to this paragraph.

31 c. Local funding share. In each city having a population of one
32 hundred twenty-five thousand or more inhabitants for purposes of calcu-
33 lating the local share of expenditures, the amount of the reduction in
34 the primary residential real property tax levy made pursuant to subpara-
35 graph four of paragraph b of this subdivision shall be deemed to be
36 incorporated in the city share of expenditures for the city school
37 district.

38 d. State finding of program. The legislature shall annually appropri-
39 ate an amount sufficient to support all aid payments incurred pursuant
40 to this subdivision.

41 e. Payment schedule. The commissioner shall develop a payment schedule
42 for aid payments due and payable pursuant to this subdivision and such
43 schedule shall be approved by the director of the budget before such
44 payment schedule takes effect.

45 § 4. The real property tax law is amended by adding a new section 431
46 to read as follows:

47 § 431. Persons sixty-five years of age or over; capped real property
48 school tax rate. 1. (a) Residential real property owned and occupied by
49 one or more persons, each of whom is sixty-five years of age or over and
50 meets each of the requirements for the enhanced exemption for senior
51 citizens set forth in section four hundred twenty-five of this title, or
52 residential real property owned and occupied by a married couple, one of
53 whom is sixty-five years of age or over and meets each of the require-
54 ments for the enhanced exemption for senior citizens set forth in
55 section four hundred twenty-five of this title, shall be eligible for
56 the capped real property school tax rate set forth in this section,

1 provided the school district, after public hearing, adopts a resolution
2 providing therefor.

3 (b) For purposes of this section, the term "capped real property
4 school tax rate" shall mean the lower of: (i) the real property school
5 tax rate established on the taxable status date next succeeding the date
6 on which an eligible person attains the age of sixty-five years; or (ii)
7 the real property school tax rate established on any taxable status date
8 subsequent to the date on which an eligible person attains the age of
9 sixty-five years, which is lower than the real property school tax rate
10 established pursuant to subparagraph (i) of this paragraph.

11 (c) The capped real property school tax rate shall be determined annu-
12 ally for each eligible person sixty-five years of age or older in
13 accordance with the provisions of paragraphs (a) and (b) of this subdivi-
14 vision.

15 2. Any person eligible for the capped real property school tax rate
16 shall apply annually for such capped rate. Such application shall be
17 made in a manner and form determined by the commissioner and shall
18 require proof of the applicant's age. Such application shall be filed
19 with the local assessor on or before the taxable status date for such
20 district.

21 3. Every school district shall notify, or cause to be notified, each
22 person owning residential real property in the school district of the
23 provisions of this section. The provisions of this subdivision may be
24 met by a notice sent to such persons in substantially the following
25 form: "Residential real property owned by persons sixty-five years of
26 age or older may be eligible for a capped real property school tax rate.
27 To receive such capped rate, eligible owners of qualifying property must
28 file an application with their local assessor on or before the applica-
29 ble taxable status date. For further information, please contact your
30 local assessor."

31 4. A school district which provides a capped real property school tax
32 rate for persons sixty-five years of age or over pursuant to this
33 section shall be eligible for reimbursement by the department of educa-
34 tion, as approved by the commissioner of education, in consultation with
35 the executive director of the office of real property services, for one
36 hundred percent of the direct cost to such school district resulting
37 from the implementation of this section. Such direct cost shall be
38 calculated pursuant to regulations of the commissioner of education, in
39 consultation with the commissioner. A claim for such reimbursement
40 shall be made by such school district in a manner and form prescribed by
41 the commissioner of education.

42 § 5. The real property tax law is amended by adding a new section
43 431-a to read as follows:

44 § 431-a. Persons sixty-five years of age or older; fixed real property
45 assessed value. 1. Residential real property owned and occupied as the
46 primary residence, of one or more persons, each of whom is sixty-five
47 years of age or older and all of whom have a combined annual income of
48 one hundred thousand dollars or less for the income tax year immediately
49 preceding the date of application or residential real property owned and
50 occupied as the primary residence, of a married couple, one of whom is
51 sixty-five years of age or older and both of whom have a combined annual
52 income of one hundred thousand dollars or less for the income tax year
53 immediately preceding the date of application, shall be eligible for the
54 fixed real property assessed value established by this section.

55 2. For the purposes of this section, the following terms shall have
56 the following meanings:

1 (a) "Fixed real property assessed value" shall mean the lower of:

2 (i) the assessed value of real property established on the taxable
3 status date next succeeding the date on which an eligible real property
4 owner attains the age of sixty-five years; or

5 (ii) the assessed value of real property established on any taxable
6 status date subsequent to the date upon which an eligible real property
7 owner attains the age of sixty-five years, which is lower than the
8 assessed value established pursuant to subparagraph (i) of this para-
9 graph.

10 (b) "Residential real property" shall mean any one or two family
11 dwelling, including condominium units and cooperative units.

12 (c) "Income" shall mean the "adjusted gross income" for federal income
13 tax purposes as reported on the applicant's federal or state income tax
14 return for the applicable income tax year, subject to any subsequent
15 amendments or revisions, reduced by distributions, to the extent
16 included in federal adjusted gross income, received from an individual
17 retirement account and an individual retirement annuity; provided that
18 if no such return was filed for the applicable income tax year, "income"
19 shall mean the adjusted gross income that would have been so reported if
20 such a return had been filed.

21 3. Each taxing authority shall annually determine the fixed real prop-
22 erty assessed value for each eligible real property owner.

23 4. Any person eligible for the fixed real property assessed value
24 shall annually apply to the appropriate assessing unit for such fixed
25 assessed value. Such application shall be made in such manner and form
26 as shall be determined by the commissioner, and shall require proof of
27 the applicants' ages and incomes. Such applications shall be filed on or
28 before the taxable status date of the real property.

29 5. Every assessing unit shall notify or cause to be notified, each
30 person owning residential real property within its jurisdiction, of the
31 provisions of this section. Such notice shall be and include words which
32 are substantially the following: "Residential real property owned by
33 persons sixty-five years of age or older and having a combined annual
34 income of one hundred thousand dollars or less, may be eligible for a
35 fixed real property assessed value. To receive such fixed assessed
36 value, eligible owners of qualifying real property must file an applica-
37 tion with their local assessor on or before the taxable status date. For
38 further information, please contact your local assessor."

39 § 6. The real property tax law is amended by adding a new section
40 906-a to read as follows:

41 § 906-a. Effect of fixed real property assessed value upon taxing
42 authorities; state aid. 1. Levy of taxes; determination of taxes due.
43 The amount of taxes to be levied for any taxable year shall be deter-
44 mined without regard to the fact that state aid will be payable pursuant
45 to this section. In addition, the tax rate for any taxable year shall be
46 determined as if no parcels are subject to a fixed real property
47 assessed value pursuant to section four hundred thirty-one-a of this
48 chapter. However, the tax rate so determined shall be applied to the
49 taxable assessed value of each parcel after accounting for all applica-
50 ble exemptions.

51 2. Tax savings. The tax savings for each parcel subject to a fixed
52 real property assessed value pursuant to section four hundred thirty-
53 one-a of this chapter shall be computed by subtracting the amount actu-
54 ally levied against the parcel from the amount that would have been
55 levied if not for the fixed real property assessed value. A statement
56 shall then be placed on the tax bill for the parcel in substantially the

1 following form: "Your tax savings this year resulting from the fixed
2 real property assessed value is \$ _____."

3 3. State aid. (a) The total tax savings duly provided by each taxing
4 authority pursuant to this section shall be a state charge, which shall
5 be payable as provided in this subdivision.

6 (b) A taxing authority seeking state aid pursuant to this section
7 shall submit an application therefor to the commissioner. The applica-
8 tion shall include such information as the commissioner shall require.
9 In addition, each taxing authority shall file a copy of such application
10 with the county clerk of the county in which an eligible parcel is situ-
11 ate.

12 (c) Upon approving an application for state aid pursuant to this
13 section, the commissioner shall compute and certify the amounts payable
14 to the taxing authority. Such state aid shall be payable upon the audit
15 and warrant of the state comptroller from vouchers certified and
16 approved by the commissioner.

17 (d) The commissioner may audit an application for state aid pursuant
18 to this section within one year after authorizing payment thereon. If
19 the commissioner should discover that a taxing authority has received a
20 greater or lesser amount of such aid than it should have received, the
21 commissioner shall so notify the taxing authority, and shall cause the
22 next payment of such aid to the taxing authority to be adjusted accord-
23 ingly.

24 4. Installment payments. When real property taxes are payable in
25 installments pursuant to law, the tax savings provided by this section
26 shall be apply proportionally against the respective installments.

27 5. Untimely payment of taxes. When taxes on a property subject to a
28 fixed real property assessed value pursuant to section four hundred
29 thirty-one-a of this chapter are not paid in a timely manner, interest,
30 penalties and any other applicable charges shall be imposed only against
31 the balance due after the tax savings provided by this section have been
32 deducted from the taxes owed.

33 § 7. Paragraph (a) of subdivision 2 of section 1573 of the real prop-
34 erty tax law, as amended by section 1 of part Y of chapter 56 of the
35 laws of 2010, and as further amended by subdivision (b) of section 1 of
36 part W of chapter 56 of the laws of 2010, is amended and a new subdivi-
37 sion 3-b is added to read as follows:

38 (a) State assistance pursuant to subdivision one of this section shall
39 be payable in an amount not to exceed [~~five~~ **fifteen** dollars per parcel
40 for an assessment roll upon which a revaluation is implemented in
41 accordance with an approved plan, and not to exceed two dollars per
42 parcel for any assessment roll upon which a revaluation is not imple-
43 mented in accordance with an approved plan. The amount payable on a per
44 parcel basis shall exclude parcels which are wholly exempt or assessed
45 by the commissioner.

46 3-b. (a) State assistance shall be payable in a one-time payment of up
47 to two dollars per parcel, excluding parcels which are wholly exempt or
48 assessed by the commissioner, to every assessing unit when all such
49 assessing units which comprise a school district composed of more than
50 one assessing unit revalue their assessments at one hundred percent
51 value during the same year, and the assessment rolls derived therefrom
52 are filed in two thousand twenty-two or thereafter. The provisions of
53 this paragraph shall apply only to those parcels within such school
54 district composed of multiple assessing units, when all such assessing
55 units revalue assessments at one hundred percent value during the same
56 year.

1 (b) No provision of this subdivision shall be deemed to limit the
2 eligibility of any assessing unit to receive state assistance pursuant
3 to subdivisions one and two of this section in addition to the state
4 assistance granted pursuant to this subdivision.

5 (c) If an assessing unit, after having received state assistance
6 pursuant to paragraph (a) of this subdivision, reverts to assessment at
7 less than one hundred percent of the value within four years after the
8 receipt of such aid, such assessing unit shall remit to the state a
9 prorated portion of the aid received, except that in the case of a coun-
10 ty assessing unit, if a city or town therein reverts to assessment at
11 less than one hundred percent of value within five years after the coun-
12 ty's receipt of such aid, the county shall remit to the state a prorated
13 portion of the aid received.

14 § 8. The general municipal law is amended by adding a new section 26
15 to read as follows:

16 § 26. Funding of mandates. 1. Definitions. As used in this section,
17 the following terms shall have the following meanings unless the context
18 shall otherwise require:

19 (a) "Mandate" means:

20 (i) any state law, rule, or regulation which creates a new program or
21 requires a higher level of service for an existing program which a
22 municipal corporation is required to provide; or

23 (ii) any general law which grants a new property tax exemption or
24 increases an existing property tax exemption which the municipal corpo-
25 ration is required to provide.

26 (b) "Unfunded mandate" shall mean:

27 (i) any state law, rule, or regulation which creates a new program or
28 requires a higher level of service for an existing program which a
29 municipal corporation is required to provide and which results in a net
30 additional cost to the municipal corporation;

31 (ii) any alteration in funding provided to a municipal corporation for
32 the purpose of defraying the costs of a program which it is required to
33 provide, thereby resulting in a net additional cost to the municipal
34 corporation; or

35 (iii) any general law which grants a new property tax exemption or
36 increases an existing property tax exemption which the municipal corpo-
37 ration is required to provide, thereby resulting in a net additional
38 cost to the municipal corporation.

39 (c) "Net additional cost" means the cost or costs incurred or antic-
40 ipated to be incurred within a one year period by a local government in
41 performing or administering a mandate after subtracting therefrom any
42 revenues received or receivable by the local government on account of
43 the mandated program or service, including but not limited to:

44 (i) fees charged to the recipients of the mandated program or service;

45 (ii) state or federal aid paid specifically or categorically in
46 connection with the program or service; and

47 (iii) an offsetting savings resulting from the diminution or elimi-
48 nation of any other program or service directly attributable to the
49 performance or administration of the mandated program.

50 2. Funding of municipal corporation mandates. Notwithstanding any
51 other provision of law, no unfunded mandate shall be enacted which
52 creates an annual net additional cost to any municipal corporation in
53 excess of ten thousand dollars or an aggregate annual net additional
54 cost to all municipal corporations in excess of one million dollars.

1 3. Exceptions to the funding of the municipal corporation mandates
2 requirement. (a) The state shall not be required to fund any new or
3 expanded programs if:

4 (i) The mandate is required by a court order or judgment;

5 (ii) The mandate is provided at the option of the local government
6 under a law, regulation, rule, or order that is permissive rather than
7 mandatory;

8 (iii) The mandate results from the passage of a home rule message
9 whereby a local government requests authority to implement the program
10 or service specified in the statute, and the statute imposes costs only
11 upon that local government which requests the authority to impose the
12 program or service;

13 (iv) The mandate is required by, or arises from, an executive order of
14 the governor exercising his or her emergency powers; or

15 (v) The mandate is required by statute or executive order that imple-
16 ments a federal law or regulation and results from costs mandated by the
17 federal government to be borne at the local level, unless the statute or
18 executive order results in costs with exceed the costs mandated by the
19 federal government.

20 (b) Each act establishing a mandate shall provide that the effective
21 date of any such mandate imposed on municipal corporations shall be
22 consistent with the needs of the state and municipal corporations to
23 plan implementation thereof and consistent with the availability of
24 required funds.

25 § 9. The state finance law is amended by adding a new section 99-ii to
26 read as follows:

27 § 99-ii. The state education fund. 1. There is hereby established in
28 the joint custody of the comptroller and the commissioner of education,
29 a special fund to be known as the "state education fund".

30 2. Such fund shall consist of all revenues received from the sale of
31 any lottery ticket within the state less any expenditures required for
32 the operation of the lottery.

33 3. The moneys in such fund shall be appropriated or transferred only
34 for (i) elementary and secondary education for schools which chose to
35 use the optional system for state funding of school district expenses
36 under subdivision forty of section thirty-six hundred two of the educa-
37 tion law and (ii) municipalities and school districts which have imposed
38 on them unfunded mandates, as such term is defined in section twenty-six
39 of the general municipal law.

40 4. Moneys shall be payable from the fund on the audit and warrant of
41 the comptroller on vouchers approved and certified by the commissioner
42 of education.

43 § 10. 1. The New York state comptroller in coordination with the
44 commissioners of state departments shall see that an extensive and inde-
45 pendent audit is conducted on all state departments and agencies to
46 identify potential cost saving measures and wasteful spending.

47 2. After the conclusion of the audit, the comptroller in coordination
48 with the commissioners of state departments shall ensure all identified
49 cost saving measures are implemented and wasteful spending is ended. All
50 monies saved from the implementation of such cost saving measures and
51 monies retained from the reduction of wasteful spending shall be depos-
52 ited into the education fund established by section 99-ii of the state
53 finance law.

54 § 11. 1. The legislature hereby declares that the real property tax
55 system in the state of New York needs to be examined and restructured in
56 order to provide significant property tax relief for the citizens of the

1 state. As such, it is determined that a blue ribbon commission on prop-
2 erty tax reform shall be established to examine the current ad valorem
3 property tax system and local education financing system of the state.
4 Such commission shall submit a report and recommendations to the gover-
5 nor and the legislature upon completion of such examination.

6 2. A blue ribbon commission on property tax reform is hereby created
7 to examine, evaluate and make recommendations on alternatives or modifi-
8 cations to the existing ad valorem real property tax system in this
9 state and alternative sources of funding for local education. The
10 commission shall be charged with examining and making recommendations on
11 specific areas of reform for local governments and school districts with
12 the goal of mitigating and reducing the property tax burden in the state
13 of New York. The subject areas to be examined shall include, but not be
14 limited to, the following:

15 (a) Accountability:

- 16 (i) inspector general for schools and local governments;
- 17 (ii) enhanced public disclosure of budget data; and
- 18 (iii) program to eliminate waste and fraud.

19 (b) Governance and structure of local governments and school
20 districts:

- 21 (i) shared services and/or consolidation of personnel and services;
- 22 (ii) shared services and/or consolidation of governmental units
23 including special districts;
- 24 (iii) size of municipal and school district governing boards; and
- 25 (iv) the school district election process and oversight.

26 (c) Property assessments:

- 27 (i) property valuation process by local assessors;
- 28 (ii) equalization rate process used by the office of real property
29 services;
- 30 (iii) countywide versus local assessment system;
- 31 (iv) review of state payments to local governments for state owned
32 land; and
- 33 (v) the definition, limits, qualifications of tax exempt properties.

34 (d) Spending and tax controls:

- 35 (i) limits on local levy growth;
- 36 (ii) limits on local tax rate growth;
- 37 (iii) limits on local spending growth;
- 38 (iv) prohibition on unfunded state mandates on local governments and
39 school districts;
- 40 (v) other state's limits on local spending and/or taxing authority;
- 41 and

42 (vi) a circuit breaker to limit percentage of income spent on property
43 taxes.

44 (e) Potential alternative sources of funding to property taxes:

- 45 (i) local/regional/state income tax;
- 46 (ii) sales tax;
- 47 (iii) blended revenue system; and
- 48 (iv) other potential revenue sources.

49 3. The blue ribbon commission on property tax reform shall be composed
50 of eleven members. The members, each to serve a term of one year shall
51 be appointed as follows: three members shall be appointed by the gover-
52 nor; three members shall be appointed by the temporary president of the
53 senate; three members shall be appointed by the speaker of the assembly;
54 one member shall be appointed by the minority leader of the assembly;
55 and one member shall be appointed by the minority leader of the senate.
56 Of the members appointed by the governor, one shall be an expert in the

1 field of municipal finance, one shall be an expert in the field of
2 education finance, and one shall be an expert on assessment adminis-
3 tration. The commission shall elect a chair, a vice-chair and a secre-
4 tary from amongst its members. Notwithstanding the provisions of section
5 74 of the public officers law, section 806 of the general municipal law
6 or any other provision of law, membership on the commission of any state
7 or municipal officer or employee shall not constitute the violation of
8 any code of ethics or a conflict of interest. The commission shall meet
9 at least monthly. Commissioner members shall chair subcommittees to
10 fully examine the five areas of reform. These subcommittees may be
11 appointed by the commission members. The subcommittees shall meet regu-
12 larly and report back to the full commission. Vacancies in the member-
13 ship of the commission and among its officers shall be filled in the
14 manner provided for original appointments.

15 4. The commission may employ and at pleasure remove such personnel as
16 it may deem necessary for the performance of its functions and fix their
17 compensation within the amount made available therefor.

18 5. The commission may meet within and without the state, shall hold
19 public hearings, and shall have all the powers of a legislative commit-
20 tee pursuant to the legislative law.

21 6. The members of the commission shall receive no compensation for
22 their services, but shall be allowed their actual and necessary expenses
23 incurred in the performance of their duties pursuant to this act.

24 7. To the maximum extent feasible, the commission shall be entitled to
25 request and receive, and shall utilize and be provided with such facili-
26 ties, resources and data of any department, division, board, bureau,
27 commission or agency of the state or any political subdivision thereof
28 as it may reasonably request to properly carry out its powers and duties
29 pursuant to this act.

30 8. The blue ribbon commission on property tax reform shall make a
31 final report to the governor and the legislature of its findings,
32 conclusions and recommendations on or before December 1, 2023, and shall
33 submit with such report such legislative proposals as it deems necessary
34 to implement its recommendations.

35 § 12. This act shall take effect April 1, 2022 and shall apply to any
36 general or special law imposing mandates on municipal corporations or
37 school districts enacted on or after such effective date.