

STATE OF NEW YORK

1388

2021-2022 Regular Sessions

IN SENATE

January 11, 2021

Introduced by Sens. BROOKS, GAUGHRAN, SKOUFIS, THOMAS -- 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.

LBD03525-01-1

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--two thousand
9 twenty-three school year, which shall equal the greater of: (i) the sum
10 of the tax equalization aid apportionment, the tax limitation ceiling
11 aid apportionment, and the wealth adjusted tax rate aid apportionment;
12 or (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-three--two thousand twenty-four school
16 year 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-four--two thousand twenty-five 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-three--two thousand twenty-four 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--two thousand twenty-three school year,
35 for the purpose of computing aid pursuant to this subdivision, the
36 statewide average expense per pupil shall be sixteen thousand two
37 hundred fifty dollars.

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

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

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

1 section is greater than the statewide average tax effort ratio. For the
2 two thousand twenty-two--two thousand twenty-three school year, for the
3 purpose of computing aid pursuant to this subdivision, the statewide tax
4 average effort ratio shall be two thousand eight hundred fourteen
5 hundred thousandths (0.02814).

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

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

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

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

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

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

23 e. Wealth adjusted 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 wealth adjusted aid appor-
26 tionment if: (i) the combined wealth ratio is less than two and five tenths
27 (2.5); and (ii) the quotient arrived at when dividing total general fund
28 expenditure by the total aidable pupil units expressed per one thousand
29 dollars is greater than the statewide average of such calculation. For
30 the two thousand twenty-two--two thousand twenty-three school year, for
31 the purpose of computing aid pursuant to this subdivision, the statewide
32 total general fund expenditure divided by total aidable pupil units
33 expressed per one thousand dollars shall be twenty dollars and five
34 cents.

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

40 f. "Residential real property tax levy reduction apportionment." (1)
41 School districts other than districts with a city with a population of
42 one hundred twenty-five thousand or more, shall be eligible for residen-
43 tial real property tax levy if: (i) the residential tax levy calculation
44 is equal to or greater than fifty percent; and (ii) the combined wealth
45 ratio is less than two and five-tenths (2.5).

46 (2) "Residential tax levy calculation" shall equal the quotient
47 arrived at when dividing the residential real property tax levy defined
48 pursuant to subparagraph one of paragraph a of subdivision sixteen of
49 this section divided by the total actual expenditures for the year
50 commencing in the calendar year one year prior to the calendar year in
51 which the base year began.

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

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

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

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

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

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

37 § 3609-i. Moneys apportioned to school districts for reimbursement of
38 apportionments pursuant to the New York state residential property tax
39 relief act for public education. 1. As used in this section, "school
40 district" shall mean a public school district eligible for an apportion-
41 ment of aid under subdivision four of section thirty-six hundred two of
42 this article.

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

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

51 b. The remaining balance shall be paid after February first, provided
52 that the amounts paid on or before February first shall not be subject
53 to recalculation.

54 c. No payment may be made pursuant to this subdivision until the
55 amount for each school district is certified by the commissioner of
56 taxation and finance and transmitted to the commissioner. Such certif-

1 ication shall be made on or before January first so as to facilitate
2 payments to be made pursuant to this section.

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

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

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

16 6. It is the intent of the governor to submit and of the legislature
17 to enact for each fiscal year after the two thousand twenty-two--two
18 thousand twenty-three fiscal year in an annual budget bill an appropri-
19 ation in the amount to be paid to school districts pursuant to subdivi-
20 sion forty-two of section thirty-six hundred two of this part.

21 § 6. Paragraph a of subdivision 7 of section 1608 of the education
22 law, as amended by chapter 514 of the laws of 2016, is amended to read
23 as follows:

24 a. Each year, commencing with the proposed budget for the two thou-
25 sand--two thousand one school year, the trustee or board of trustees
26 shall prepare a property tax report card, pursuant to regulations of the
27 commissioner, and shall make it publicly available by transmitting it to
28 local newspapers of general circulation, appending it to copies of the
29 proposed budget made publicly available as required by law, making it
30 available for distribution at the annual meeting, and otherwise dissem-
31 inating it as required by the commissioner. Such report card shall
32 include: (i) the amount of total spending and total estimated school tax
33 levy that would result from adoption of the proposed budget and the
34 percentage increase or decrease in total spending and total school tax
35 levy from the school district budget for the preceding school year; and
36 (ii) the district's tax levy limit determined pursuant to section two
37 thousand twenty-three-a of this title, and the estimated school tax
38 levy, excluding any levy necessary to support the expenditures pursuant
39 to subparagraphs (i) through (iv) of paragraph i of subdivision two of
40 section two thousand twenty-three-a of this title, that would result
41 from adoption of the proposed budget; and (iii) the projected enrollment
42 growth for the school year for which the budget is prepared, and the
43 percentage change in enrollment from the previous year; and (iv) the
44 percentage increase in the consumer price index, as defined in paragraph
45 c of this subdivision; and (v) the projected amount of the unappropri-
46 ated unreserved fund balance that will be retained if the proposed budg-
47 et is adopted, the projected amount of the reserved fund balance, the
48 projected amount of the appropriated fund balance, the percentage of the
49 proposed budget that the unappropriated unreserved fund balance repres-
50 ents, the actual unappropriated unreserved fund balance retained in the
51 school district budget for the preceding school year, and the percentage
52 of the school district budget for the preceding school year that the
53 actual unappropriated unreserved fund balance represents[, and a sched-
54 ~~ule of reserve funds, setting forth the name of each reserve fund, a~~
55 ~~description of its purpose, the balance as of the close of the third~~
56 ~~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 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, 2022; provided that the provisions of this act shall expire and be deemed repealed on July 1, 2025. 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.