

STATE OF NEW YORK

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2021-2022 Regular Sessions

IN SENATE

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Introduced by Sens. BROOKS, GAUGHRAN, KAMINSKY, REICHLIN-MELNICK, SKOUFIS, THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Education in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 disparities
6 in educational opportunity and inequities with regard to distribution
7 of the system's financial burden. The quality of education that
8 children receive varies widely by geographic region, as does the opportunity
9 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 legislature
18 therefore must take immediate action to provide relief to those

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

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1 areas most impacted by these disparities through the residential proper-
2 ty tax relief aid determined through a residential property tax relief
3 aid formula. The legislature further orders an education funding study
4 to examine long-term funding alternatives for the state primary and
5 secondary educational system that allows all children throughout the
6 state to receive the same educational opportunities.

7 § 3. Section 3602 of the education law is amended by adding a new
8 subdivision 42 to read as follows:

9 42. New York state residential property tax relief act for public
10 education. a. Eligibility. (1) Each school district shall be eligible to
11 receive a New York state residential property tax relief act for public
12 education aid apportionment in the two thousand twenty-two--two thousand
13 twenty-three school year, which shall equal the residential property tax
14 levy reduction apportionment.

15 (2) Each school district shall be eligible to receive a New York state
16 residential property tax relief act for public education aid apportion-
17 ment in the two thousand twenty-three--two thousand twenty-four school
18 year in the same amount as in the base year.

19 (3) Each school district shall be eligible to receive a New York state
20 residential property tax relief act for public education aid apportion-
21 ment in the two thousand twenty-four--two thousand twenty-five school
22 year in an amount equal to the New York state residential property tax
23 relief act for public education aid apportionment in the two thousand
24 twenty-three--two thousand twenty-four school year multiplied by one and
25 seven hundred sixty-nine ten-thousandths (1.0769).

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

29 c. "Residential real property tax levy reduction apportionment." (1)
30 School districts other than districts with a city with a population of
31 one hundred twenty-five thousand or more, shall be eligible for residen-
32 tial real property tax levy if: (i) the residential tax levy calculation
33 is equal to or greater than fifty percent; (ii) the combined wealth
34 ratio is less than two and five-tenths (2.5); and (iii) such district is
35 in compliance with the tax levy limit in the manner prescribed by
36 section three-c of the general municipal law.

37 (2) "Residential tax levy calculation" shall equal the quotient
38 arrived at when dividing the residential real property tax levy defined
39 pursuant to subparagraph one of paragraph a of subdivision sixteen of
40 this section divided by the total actual expenditures for the year
41 commencing in the calendar year one year prior to the calendar year in
42 which the base year began.

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

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

52 e. Definition. As used in this subdivision, "total real property tax
53 levy" shall mean the total real property tax levy specified in the
54 school district budget for the year commencing in the calendar year two
55 years prior to the calendar year in which the base year began. The final
56 update of such data shall be reported by the commissioner of taxation

1 and finance to the commissioner by February fifteenth of the base year.
2 The commissioner of taxation and finance shall adopt regulations as
3 appropriate to assure the appropriate collection, classification and
4 reporting of such data for the purposes of paying state aid to the
5 schools.

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

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

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

28 § 3609-i. Moneys apportioned to school districts for reimbursement of
29 apportionments pursuant to the New York state residential property tax
30 relief act for public education. 1. As used in this section, "school
31 district" shall mean a public school district eligible for an apportion-
32 ment of aid under subdivision four of section thirty-six hundred two of
33 this part.

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

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

42 b. The remaining balance shall be paid after February first, provided
43 that the amounts paid on or before February first shall not be subject
44 to recalculation.

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

50 3. Moneys paid pursuant to this section shall be payable to the treas-
51 urer of each city school district, and the treasurer of each union free
52 school district and of each central school district and of each other
53 school district, if there be a treasurer, otherwise to the collector or
54 other disbursing officer of such district, who shall apply for and
55 receive the same as soon as payable.

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

4 5. Any payment to a school district pursuant to this section shall be
5 made in compliance with the tax levy limit in the manner prescribed by
6 section three-c of the general municipal law.

7 6. Notwithstanding any other provision of law to the contrary,
8 payments made to school districts under this section shall be considered
9 general aid payments made pursuant to section thirty-six hundred nine-a
10 of this part.

11 7. It is the intent of the governor to submit and of the legislature
12 to enact for each fiscal year after the two thousand twenty-two--two
13 thousand twenty-three fiscal year in an annual budget bill an appropri-
14 ation in the amount to be paid to school districts pursuant to subdivi-
15 sion forty-two of section thirty-six hundred two of this part.

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

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