

STATE OF NEW YORK

8123

IN SENATE

January 8, 2024

Introduced by Sen. KENNEDY -- 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 creating a school budget tax cap exemption for expenditures resulting from settlement awards in civil actions brought against school districts under the child victims act

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

Section 1. Paragraph i of subdivision 2 of section 2023-a of the education law, as added by section 2 of part A of chapter 97 of the laws of 2011, is amended to read as follows:

i. "Tax levy limit" means the amount of taxes a school district is authorized to levy pursuant to this section, provided, however, that the tax levy limit shall not include the following:

(i) a tax levy necessary for expenditures resulting from court orders or judgments against the school district arising out of tort actions for any amount that exceeds five percent of the total tax levied in the prior school year;

(ii) a tax levy necessary for expenditures resulting from court orders or judgments against the school district arising out of civil claims or causes of action brought pursuant to section two hundred fourteen-g of the civil practice law and rules;

(iii) in years in which the system average actuarial contribution rate of the New York state and local employees' retirement system, as defined by paragraph ten of subdivision a of section nineteen-a of the retirement and social security law, increases by more than two percentage points from the previous year, a tax levy necessary for expenditures for the coming fiscal year for school district employer contributions to the New York state and local employees' retirement system caused by growth in the system average actuarial contribution rate minus two percentage points;

~~(iii)~~ (iv) in years in which the normal contribution rate of the New York state teachers' retirement system, as defined by paragraph a of subdivision two of section five hundred seventeen of this chapter,

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

LBD13257-01-3

1 increases by more than two percentage points from the previous year, a
2 tax levy necessary for expenditures for the coming fiscal year for
3 school district employer contributions to the New York state teachers'
4 retirement system caused by growth in the normal contribution rate minus
5 two percentage points; and

6 [~~(iv)~~] (v) a capital tax levy.

7 § 2. Subdivision 1, subparagraph 4 of paragraph a of subdivision 3,
8 paragraph (a) of subdivision 6, and subdivision 9 of section 2023-a of
9 the education law, as added by section 2 of part A of chapter 97 of the
10 laws of 2011, are amended to read as follows:

11 1. Generally. Unless otherwise provided by law, the amount of taxes
12 that may be levied by or on behalf of any school district, other than a
13 city school district of a city with one hundred twenty-five thousand
14 inhabitants or more, shall not exceed the tax levy limit established
15 pursuant to this section, not including any tax levy necessary to
16 support the expenditures pursuant to subparagraphs (i) through [~~(iv)~~]
17 (v) of paragraph i of subdivision two of this section.

18 (4) Subtract the tax levy necessary to support the expenditures pursu-
19 ant to subparagraphs (i) and [~~(iv)~~] (v) of paragraph i of subdivision
20 two of this section for the prior school year, if any.

21 (a) Notwithstanding any other provision of law to the contrary, in the
22 event the trustee, trustees or board of education of a school district
23 that is subject to the provisions of this section proposes a budget that
24 will require a tax levy that exceeds the tax levy limit for the corre-
25 sponding school year, not including any levy necessary to support the
26 expenditures pursuant to subparagraphs (i) through [~~(iv)~~] (v) of para-
27 graph i of subdivision two of this section, then such budget shall be
28 approved if sixty percent of the votes cast thereon are in the affirma-
29 tive.

30 9. Nothing in this section shall preclude the trustee, trustees, or
31 board of education of a school district, in their discretion, from
32 submitting additional items of expenditures to the voters for approval
33 as separate propositions or the voters from submitting propositions
34 pursuant to sections two thousand eight and two thousand thirty-five of
35 this part; provided however, except in the case of a proposition submit-
36 ted for any expenditure contained within subparagraphs (i) through
37 [~~(iv)~~] (v) of paragraph i of subdivision two of this section, if any
38 proposition, or propositions collectively that are subject to a vote on
39 the same date, would require an expenditure of money that would require
40 a tax levy and would result in the tax levy limit being exceeded for the
41 corresponding school year then such proposition shall be approved if
42 sixty percent of the votes cast thereon are in the affirmative.

43 § 3. Paragraph a of subdivision 7 of section 1608 of the education
44 law, as amended by chapter 514 of the laws of 2016, is amended to read
45 as follows:

46 a. Each year, commencing with the proposed budget for the two thou-
47 sand--two thousand one school year, the trustee or board of trustees
48 shall prepare a property tax report card, pursuant to regulations of the
49 commissioner, and shall make it publicly available by transmitting it to
50 local newspapers of general circulation, appending it to copies of the
51 proposed budget made publicly available as required by law, making it
52 available for distribution at the annual meeting, and otherwise dissem-
53 inating it as required by the commissioner. Such report card shall
54 include: (i) the amount of total spending and total estimated school tax
55 levy that would result from adoption of the proposed budget and the
56 percentage increase or decrease in total spending and total school tax

1 levy from the school district budget for the preceding school year; and
2 (ii) the district's tax levy limit determined pursuant to section two
3 thousand twenty-three-a of this title, and the estimated school tax
4 levy, excluding any levy necessary to support the expenditures pursuant
5 to subparagraphs (i) through [~~(iv)~~] (v) of paragraph i of subdivision
6 two of section two thousand twenty-three-a of this title, that would
7 result from adoption of the proposed budget; and (iii) the projected
8 enrollment growth for the school year for which the budget is prepared,
9 and the percentage change in enrollment from the previous year; and (iv)
10 the percentage increase in the consumer price index, as defined in para-
11 graph c of this subdivision; and (v) the projected amount of the unap-
12 propriated unreserved fund balance that will be retained if the proposed
13 budget is adopted, the projected amount of the reserved fund balance,
14 the projected amount of the appropriated fund balance, the percentage of
15 the proposed budget that the unappropriated unreserved fund balance
16 represents, the actual unappropriated unreserved fund balance retained
17 in the school district budget for the preceding school year, and the
18 percentage of the school district budget for the preceding school year
19 that the actual unappropriated unreserved fund balance represents, and a
20 schedule of reserve funds, setting forth the name of each reserve fund,
21 a description of its purpose, the balance as of the close of the third
22 quarter of the current school district fiscal year and a brief statement
23 explaining any plans for the use of each such reserve fund for the ensu-
24 ing fiscal year.

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

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

1 description of its purpose, the balance as of the close of the third
2 quarter of the current school district fiscal year and a brief statement
3 explaining any plans for the use of each such reserve fund for the ensu-
4 ing fiscal year and the percentage of the school district budget for the
5 preceding school year that the actual unappropriated unreserved fund
6 balance represents.

7 § 5. The opening paragraph of subdivision 2-a of section 2022 of the
8 education law, as amended by section 7 of part A of chapter 97 of the
9 laws of 2011, is amended to read as follows:

10 Every common, union free, central, central high school district and
11 city school district to which this article applies shall mail a school
12 budget notice to all qualified voters of the school district after the
13 date of the budget hearing, but no later than six days prior to the
14 annual meeting and election or special district meeting at which a
15 school budget vote will occur. The school budget notice shall compare
16 the percentage increase or decrease in total spending under the proposed
17 budget over total spending under the school district budget adopted for
18 the current school year, with the percentage increase or decrease in the
19 consumer price index, from January first of the prior school year to
20 January first of the current school year, and shall also include the
21 information required by paragraphs a and b of this subdivision. The
22 notice shall also set forth the date, time and place of the school budg-
23 et vote, in the same manner as in the notice of annual meeting, and
24 shall also include the district's tax levy limit pursuant to section two
25 thousand twenty-three-a of this part, and the estimated school tax levy,
26 excluding any levy necessary to support the expenditures pursuant to
27 subparagraphs (i) through [~~(iv)~~] (v) of paragraph i of subdivision two
28 of section two thousand twenty-three-a of this part, that would result
29 from adoption of the proposed budget. Such notice shall be in a form
30 prescribed by the commissioner.

31 § 6. This act shall take effect immediately and shall first apply to
32 school district budgets and the budget adoption process or the 2024-2025
33 school year; and shall continue to apply to school district budgets and
34 the budget adoption process for any school year beginning in any calen-
35 dar year during which this act is in effect.