

# STATE OF NEW YORK

2520

2023-2024 Regular Sessions

## IN SENATE

January 23, 2023

Introduced by Sen. PALUMBO -- 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 school district reorganizations and real property tax rates

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

1 Section 1. Section 3613 of the education law, as added by section 6 of  
2 part A of chapter 56 of the laws of 2014, is amended to read as follows:  
3 § 3613. School district reorganizations and real property tax rates.  
4 1. When two or more school districts propose to reorganize pursuant to  
5 sections fifteen hundred eleven through fifteen hundred thirteen,  
6 fifteen hundred twenty-four, fifteen hundred twenty-six, seventeen  
7 hundred five, or eighteen hundred one through eighteen hundred three of  
8 this chapter, and under the law that would otherwise be applicable, the  
9 reorganization would have an impact upon the school tax rates within the  
10 areas served by the school districts that existed prior to the reorgan-  
11 ization, notwithstanding any other provision of law to the contrary, the  
12 boards of education or trustees of all the school districts participat-  
13 ing in the proposed reorganization may opt to have that impact deferred  
14 for a one-year period and/or phased-in over a period as may be deter-  
15 mined by the boards of education or trustees of all participating school  
16 districts in the manner prescribed by this section but which shall not  
17 exceed a [~~ten-year~~] twenty-year period. To exercise such option, the  
18 boards of education or trustees of all participating school districts,  
19 after conducting a public hearing, may adopt a resolution at least  
20 forty-five days prior to the special district meeting at which the reor-  
21 ganization vote will be held, to defer and/or phase-in the impact as  
22 provided herein. If the board of education or trustees of any partic-  
23 ipating school district does not approve such a resolution opting for a  
24 common phase-in period, the provisions of this section shall not apply.  
25 2. During the one-year deferral period, the tax rate for each portion  
26 of the school district shall be calculated in the following manner:

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

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1 (a) Determine the assessed value tax rate that applied for the school  
2 year immediately preceding the school year in which the reorganization  
3 took effect.

4 (b) Multiply that assessed value tax rate by the state equalization  
5 rate applicable to the portion for the school year immediately preceding  
6 the school year in which the reorganization took effect.

7 (c) Divide the product so determined by the state equalization rate  
8 applicable to the portion for the first school year of the reorganized  
9 school district. The quotient is the assessed value tax rate for the  
10 portion for that school year. Provided, that if the sum of the real  
11 property tax levies in all of the portions in the school district, using  
12 the assessed value tax rates computed pursuant to this subdivision,  
13 would yield a real property tax levy that is above or below the total  
14 real property tax levy specified in the school district budget for the  
15 current school year, the assessed value tax rates shall all be decreased  
16 or increased proportionately so as to yield the specified real property  
17 tax levy amount.

18 3. During each year of a phase-in period, whose duration up to [~~ten~~]  
19 twenty years shall have been determined by the boards of education or  
20 trustees of the constituent school districts, the tax rate for each  
21 portion of the reorganized school district shall be calculated in the  
22 following manner:

23 (a) Determine the assessed value tax rate that applied for the school  
24 year immediately preceding the school year in which the reorganization  
25 took effect.

26 (b) Multiply that assessed value tax rate by the state equalization  
27 rate applicable to the portion for the school year immediately preceding  
28 the school year in which the reorganization took effect. The result is  
29 the base full value tax rate of the portion.

30 (c) Determine the assessed value tax rate that would have applied in  
31 the portion but for the provisions of this section.

32 (d) Multiply that assessed value tax rate by the state equalization  
33 rate that would have applied for the current school year but for the  
34 provisions of this section. The result is the target full value tax rate  
35 for the portion.

36 (e) Determine the difference between the target full value tax rate  
37 and the base full value tax rate for the portion.

38 (f) Divide the difference so determined by the total number of years  
39 in the phase-in period applicable to the school district.

40 (g) Multiply the quotient so determined by the number of years from  
41 the beginning of the phase-in period up to and including the year for  
42 which the tax rate is being determined.

43 (h) Add the product so determined to the base full value tax rate.

44 (i) Divide the sum so determined by the applicable equalization rate.  
45 The quotient is the assessed value tax rate for the portion for the  
46 current school year. Provided, that if the sum of the real property tax  
47 levies in all of the portions in the school district, using the assessed  
48 value tax rates computed pursuant to this subdivision, would yield a  
49 real property tax levy that is above or below the total real property  
50 tax levy specified in the school district budget for the current school  
51 year, the assessed value tax rates shall all be decreased or increased  
52 proportionately so as to yield the specified real property tax levy  
53 amount.

54 4. As used herein the term "portion" means that part of an assessing  
55 unit located within a school district.

56 § 2. This act shall take effect immediately.