

STATE OF NEW YORK

8750

2025-2026 Regular Sessions

IN ASSEMBLY

June 2, 2025

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

AN ACT to amend the education law, in relation to lease terms for zero-emission school buses

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

1 Section 1. Subdivision 21-a of section 1604 of the education law, as
2 amended by chapter 563 of the laws of 2024, is amended to read as
3 follows:

4 21-a. To lease a motor vehicle or vehicles to be used for the trans-
5 portation of the children of the district from a school district, board
6 of cooperative educational services or county vocational education and
7 extension board or from any other source, under the conditions specified
8 in this subdivision. No such agreement for the lease of a motor vehicle
9 or vehicles shall be for a term of more than one school year, provided
10 that when authorized by a vote of the qualified voters of the district
11 such lease may have a term of up to five years, or [~~eight~~ twelve years
12 for the lease of zero-emission school buses as defined in section thir-
13 ty-six hundred thirty-eight of this chapter. Where the trustee or board
14 of trustees enter into a lease of a motor vehicle or vehicles pursuant
15 to this subdivision for a term of one school year or less, such trustee
16 or board shall not be authorized to enter into another lease for the
17 same or an equivalent replacement vehicle or vehicles, as determined by
18 the commissioner, without obtaining approval of the qualified voters of
19 the school district.

20 § 2. Paragraph i of subdivision 25 of section 1709 of the education
21 law, as amended by chapter 563 of the laws of 2024, is amended to read
22 as follows:

23 i. In addition to the authority granted in paragraph e of this subdi-
24 vision, the board of education shall be authorized to lease a motor
25 vehicle or vehicles to be used for the transportation of the children of
26 the district from sources other than a school district, board of cooper-
27 ative educational services or county vocational education and extension
28 board under the conditions specified in this paragraph. No such agree-

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

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1 ment for the lease of a motor vehicle or vehicles shall be for a term of
2 more than one school year, provided that when authorized by a vote of
3 the qualified voters of the district such lease may have a term of up to
4 five years, or [~~eight~~] twelve years for the lease of zero-emission
5 school buses as defined in section thirty-six hundred thirty-eight of
6 this chapter. Where the board of education enters a lease of a motor
7 vehicle or vehicles pursuant to this paragraph for a term of one school
8 year or less, such board shall not be authorized to enter into another
9 lease of the same or an equivalent replacement vehicle or vehicles, as
10 determined by the commissioner, without obtaining approval of the
11 voters.

12 § 3. Paragraph e of subdivision 7 of section 3602 of the education
13 law, as amended by chapter 563 of the laws of 2024, is amended to read
14 as follows:

15 e. In determining approved transportation capital, debt service and
16 lease expense for aid payable in the two thousand five--two thousand six
17 school year and thereafter, the commissioner, after applying the
18 provisions of paragraph c of this subdivision to such expense, shall
19 establish an assumed amortization pursuant to this paragraph to deter-
20 mine the approved capital, debt service and lease expense of the school
21 district that is aidable in the current year, whether or not the school
22 district issues debt for such expenditures, subject to any deduction
23 pursuant to paragraph d of this subdivision. Such assumed amortization
24 shall be for a period of five years, and for the two thousand twenty-
25 two--two thousand twenty-three school year and thereafter such assumed
26 amortization for zero-emission school buses as defined in section thir-
27 ty-six hundred thirty-eight of this article and related costs pursuant
28 to paragraph f of subdivision two of section thirty-six hundred twenty-
29 three-a of this article shall be for a period of eight years, provided
30 that where a district enters into a lease agreement longer than eight
31 years such assumed amortization period shall be the length of such lease
32 agreement, and shall commence twelve months after the school district
33 enters into a purchase contract or lease of the school bus, charging
34 station, hydrogen fueling station, or equipment, or a general contract
35 for the construction, reconstruction, lease or purchase of a transporta-
36 tion storage facility or site in an amount less than ten thousand
37 dollars. Such assumed amortization shall provide for equal semiannual
38 payments of principal and interest based on an assumed interest rate
39 established by the commissioner pursuant to this paragraph. By the first
40 day of September of the current year commencing with the two thousand
41 five--two thousand six school year, each school district shall provide
42 to the commissioner in a format prescribed by the commissioner such
43 information as the commissioner shall require for all capital debt
44 incurred by such school district during the preceding school year for
45 expenses allowable pursuant to subdivision two of section thirty-six
46 hundred twenty-three-a of this article. Based on such reported amorti-
47 zations and a methodology prescribed by the commissioner in regulations,
48 the commissioner shall compute an assumed interest rate that shall equal
49 the average of the interest rates applied to all such debt issued during
50 the preceding school year. The assumed interest rate shall be the inter-
51 est rate of each such school district applicable to the current year for
52 the purposes of this paragraph and shall be expressed as a decimal to
53 five places rounded to the nearest eighth of one-one hundredth.

54 § 4. This act shall take effect on the same date and in the same
55 manner as chapter 563 of the laws of 2024, takes effect.