

STATE OF NEW YORK

3313

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

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.