

STATE OF NEW YORK

2318

2025-2026 Regular Sessions

IN ASSEMBLY

January 16, 2025

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

AN ACT to amend the local finance law, in relation to the exclusion of certain indebtedness of school districts in a city with one hundred twenty-five thousand inhabitants or more

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

1 Section 1. Section 121.20 of the local finance law, as amended by
2 chapter 506 of the laws of 1964, paragraph b as amended by chapter 116
3 of the laws of 1968, is amended to read as follows:

4 § 121.20[~~-~~] Exclusion of certain indebtedness of school districts
5 other than school districts in a city with one hundred twenty-five thou-
6 sand inhabitants or more according to the latest federal census in
7 ascertaining their power to contract indebtedness. a. As used in this
8 section:

9 1. The term "indebtedness" shall mean indebtedness evidenced by bonds
10 and bond anticipation notes.

11 2. The term "school district" shall mean a school district other than
12 a school district in a city with one hundred twenty-five thousand inhab-
13 itants or more according to the latest federal census.

14 b. In ascertaining the power of a school district to contract indebt-
15 edness, there may be excluded outstanding indebtedness contracted, or
16 indebtedness to be contracted, for objects or purposes having periods of
17 probable usefulness provided in paragraph [~~a-~~] a of section 11.00 of
18 this chapter, to the extent to which the commissioner of education, or
19 such person or persons as may be designated by [~~him~~] the commissioner,
20 shall estimate based upon facts existing on the date of such estimate
21 that moneys receivable by the school district from the state as an
22 apportionment for debt service for school building purposes, under laws
23 existing on the date of such estimate, shall meet the interest on and
24 the annual requirements for the payment of such indebtedness. Any such

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

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1 estimate shall describe the indebtedness to which it relates. An esti-
2 mate shall be effective only until the June thirtieth next succeeding
3 the date thereof.

4 c. The commissioner of education by rule or regulation may prescribe
5 the manner and form in which a school district shall make application
6 for any such estimate. The department of education shall furnish to the
7 school district, without charge, three certified copies of any such
8 estimate.

9 § 2. Section 121.30 of the local finance law, as added by chapter 382
10 of the laws of 1962, is amended to read as follows:

11 § 121.30 Exclusion of certain indebtedness of school districts other
12 than school districts in a city with one hundred twenty-five thousand
13 inhabitants or more according to the latest federal census. In ascer-
14 taining the power of a school district, other than a school district in
15 a city with one hundred twenty-five thousand inhabitants or more accord-
16 ing to the latest federal census, to contract indebtedness under section
17 104.00 of this [~~chapter~~] article, there may be excluded outstanding
18 bonds and bond anticipation notes or indebtedness proposed to be
19 contracted and to be evidenced by bonds or bond anticipation notes to
20 finance the acquisition, construction and installation of a shelter or
21 fallout shelter by such school district pursuant to section twenty-
22 three-a of the New York state defense emergency act, but only to the
23 extent to which such indebtedness, at the time it was contracted or is
24 to be contracted, did not or will not exceed fifty dollars multiplied by
25 the planned shelter occupancy of such shelter.

26 § 3. Section 137.00 of the local finance law, as amended by chapter
27 760 of the laws of 1963, is amended to read as follows:

28 § 137.00 Debt statement of school districts outside cities with one
29 hundred twenty-five thousand inhabitants or more according to the latest
30 federal census. The debt statement of a school district, other than a
31 school district in a city with one hundred twenty-five thousand inhabit-
32 ants or more according to the latest federal census, shall contain the
33 following items of indebtedness for the purpose of showing the indebt-
34 edness of such school district:

35 1. The amount of

36 (a) Outstanding bonds;

37 (b) Outstanding bond anticipation notes, other than those issued in
38 anticipation of the bonds of the issue in connection with which the debt
39 statement is prepared;

40 (c) Bonds of the proposed issue in connection with which the debt
41 statement is prepared; and

42 (d) Bond anticipation notes proposed to be issued where a debt state-
43 ment is prepared in connection with the issuance of such notes.

44 2. The amount of indebtedness of a merged or annexed school district
45 determined pursuant to section 121.10 of this [~~chapter~~] article.

46 For the purpose of showing the indebtedness of a school district,
47 other than a school district in a city with one hundred twenty-five
48 thousand inhabitants or more according to the latest federal census,
49 there may be deducted the amount of any such indebtedness which has been
50 contracted or is proposed to be contracted to the extent provided in
51 section 121.20 of this [~~chapter~~] article, and in such case a certified
52 copy of the estimate of the commissioner of education shall be attached
53 to and form a part of the debt statement filed with the state comp-
54 troller and the clerk of the school district.

55 For the purpose of showing the indebtedness of a school district other
56 than a school district in a city with one hundred twenty-five thousand

1 inhabitants or more according to the latest federal census, there may be
2 deducted the amount of indebtedness contracted, or indebtedness proposed
3 to be contracted, for the purpose and to the extent provided in section
4 121.30 of this [~~chapter~~] article.

5 In connection with the sale of bond anticipation notes, a school
6 district may prepare a debt statement and may file such statement in the
7 manner provided in section 109.00 of this [~~chapter~~] article.

8 § 4. This act shall take effect immediately.