STATE OF NEW YORK

7524--A

2025-2026 Regular Sessions

IN SENATE

April 21, 2025

Introduced by Sens. MARTINEZ, MURRAY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the local finance law, in relation to authorizing school districts to borrow against certain reserve funds; and to amend the general municipal law, in relation to making a technical correction thereto

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

Section 1. The local finance law is amended by adding a new section 25.11 to read as follows:

§ 25.11 Borrowing from reserve funds. a. 1. Pursuant to a resolution adopted by the board of education of any school district, such school district may borrow from certain reserve funds to reduce reliance on tax anticipation notes and revenue anticipation notes.

2. Such resolution shall include the following information:

(a) the amount to be borrowed;

(b) the reserve from which the school district intends to borrow;

(c) the amount and source of taxes or other revenue anticipated to be received; and

(d) the timeframe in which such taxes or other revenue is anticipated to be received and the schedule upon which repayment shall be made, including a specific date for final repayment; provided, however, that nothing shall prohibit a school district from paying ahead of such schedule.

3. School districts shall not borrow in excess of seventy-five percent of the total of each reserve fund.

b. 1. Borrowing from reserve funds shall be limited to taxes and revenue anticipated to be received in the same fiscal year in which such

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

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borrowing takes place; provided, however, that during the final two weeks of a given fiscal year, such borrowing may be initiated by a school district in anticipation of moneys to be received in the following fiscal year.

2. Final repayment shall be scheduled within the same fiscal year in which the borrowing takes place; provided, however, that if such borrowing was initiated in the final two weeks of the prior fiscal year in anticipation of moneys to be received in the current fiscal year pursuant to subdivision one of this paragraph, such final repayment may be scheduled within the fiscal year during which such anticipated moneys are received.

c. The following reserve funds may be borrowed from pursuant to paragraph a of this section:

1. Workers' compensation reserve fund, as authorized by section six-j of the general municipal law;

2. Unemployment insurance payment reserve fund, as authorized by section six-m of the general municipal law;

3. Repair reserve fund, as authorized by section six-d of the general municipal law;

4. Insurance reserve fund, as authorized by section six-n of the general municipal law;

5. Property loss reserve fund, as authorized by section seventeen hundred nine of the education law; and

6. Tax reduction reserve fund, as authorized by sections sixteen hundred four and seventeen hundred nine of the education law.

§ 2. The section heading of section 6-j of the general municipal law, as amended by chapter 704 of the laws of 1956, is amended to read as follows:

[~~Workmen's~~] Workers' compensation reserve fund.

§ 3. This act shall take effect the first of July next succeeding the date on which it shall have become a law.