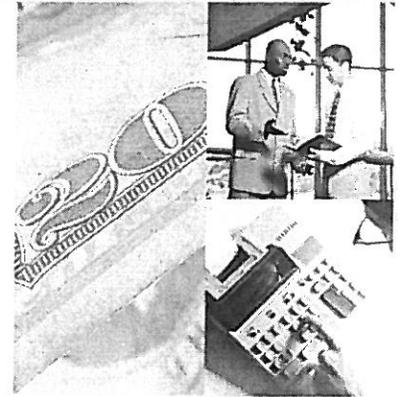


# Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions



## **PROVISIONS FOR LOCAL GOVERNMENTS (Counties, Towns, Cities, Villages, Fire Districts and Special Districts)**

Beginning with the fiscal year that begins in 2012 (and lasting through at least June 15, 2016), no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however the permitted increase will not be less than 1%.

Local governments are authorized to exceed the tax levy limit only if the governing body enacts, by a 60% vote, a local law, or for a special district or fire district, a resolution by a 60% vote, to override the tax levy limit.

Exceptions to the limit include: 1) Judgments or court orders arising out of tort actions that exceed 5% of the local government's levy; and 2) Limited growth in pension costs. Where the system average actuarial contribution rate for ERS and/or PFRS (individually, not in the aggregate) increases by more than 2% from the previous year, the amount of contributions above 2% would be excluded from the tax levy limit.

Adjustments to the limit include: 1) Local governments are allowed to carryover to the current fiscal year the amount by which the tax levy for the prior fiscal year was below the levy limit for that year, but such carryover can not exceed 1.5% of the levy limit; and 2) Local governments are permitted to adjust the levy limit upward, based on a growth factor calculated by the NYS Commissioner of Taxation and Finance, to ~~for physical~~ physical or quantity growth in the property tax base.

The Commissioner of Taxation and Finance calculates the quantity change factor for each local government for the coming fiscal year based upon the physical or quantity change reported by the local assessor. The quantity change factor must show the percentage by which the full value of the taxable real property in the local government has changed between the second final assessment roll or rolls preceding the final assessment roll or rolls upon which taxes are to be levied, and the final assessment roll or rolls upon which taxes are to be levied.

Local governments are required to calculate the levy limit and submit relevant data to the State Comptroller for potential review and audit. The law does not require approval of the levy by the State Comptroller.

The State Comptroller is required to determine the tax levy limit for local governments that are consolidated or dissolved or where local government functions are transferred to another local government.

Any excess levy funds that are collected due to error are to be held in reserve in a manner to be determined by the Office of the State Comptroller and utilized (including interest on the excess funds) to offset the tax levy in the following fiscal year.

## LOCAL GOVERNMENT MANDATE RELIEF HIGHLIGHTS

(this is not a complete listing)

An Executive Mandate Relief Council is established and charged with reviewing and referring statutory and regulatory unfunded mandates to the legislature and to executive agencies for modification or repeal. It empowers local governments to petition the Council for permanent relief of burdensome or costly regulations.

The process by which a local government can petition for approval of an alternative to a regulatory mandate is eased by 1) streamlining the content requirements for such petitions; 2) allowing a local government petitioner to appeal a state agency decision to the Mandate Relief Council; and 3) establishing a hearing process for review of a state agency's determination to rescind approval of a regulatory alternative.

The NYS Office of General Services (NYS OGS) is authorized to provide centralized services in the form of purchases of electricity to political subdivisions (including school districts).

Local governments and school districts are authorized to directly purchase or "piggyback" from Federal General Services Administration (GSA) Schedule 70 contracts (information technology and telecommunications hardware, software and professional services). They can also purchase off of GSA e-government and defense supply contracts.

Local governments are authorized to "piggyback" on county public works contracts.

Local governments and public authorities are authorized to exchange services, materials and equipment.

An increase in the competitive bidding threshold for CHIPS (Consolidated Local Street and Highway Improvement Program) work from \$100,000 to \$250,000 expands the ability of local governments to use their own labor to perform CHIPs work.

The requirement under Section 102 of the NYS General Municipal Law that local governments collect and return deposits for copies of plans and specifications for awarding and/or entering into public works contracts is eliminated.

Section 207(m) of the NYS General Municipal Law, which sets statutory salary requirements for municipal chiefs of police, is repealed.

Expands to municipalities of over 10,000 population the ability to recover the costs of police training if a police officer leaves one municipality to work for another.

School districts will now need to conduct a census of Pre-K children every 2 years (instead of annually).

School boards in certain school districts are authorized to enact a policy to provide student transportation based upon patterns of actual ridership.

School districts are authorized to provide regional transportation services jointly with other districts or BOCES.

School building aid penalties for the late filing of final cost reports are eased.

Schools will have more flexibility in claims auditing by allowing school districts to establish the position of deputy claims auditor to act in the absence of the appointed claims auditor and by allowing school districts with 10,000 or more students to audit samples of claims instead of every claim.

Up to 3 school districts with fewer than 1,000 students will now have the ability to share a school superintendent.

## PROVISIONS FOR SCHOOL DISTRICTS

Beginning with the fiscal year that begins in 2012 (and lasting through at least June 15, 2016), no school district is authorized to increase its property tax levy by more than 2% or the rate of inflation, whichever is less; however the permitted increase will not be less than 1%. This does not apply to the "Big 5" city school districts (Buffalo, New York City, Rochester, Syracuse and Yonkers).

If a school district subject to the cap proposes an annual budget which would exceed the school district's tax levy limit, then the proposed budget must be approved by 60% of the vote on the budget. Also, any trustee or board of education separate proposition or voter proposition that would cause the school district's tax levy limit to be exceeded must be approved by 60% of the vote.

If the proposed budget contains a tax levy that does not exceed the district's tax levy limit, then a majority vote is required for approval.

School districts subject to the cap are required to calculate the tax levy limit and submit the information to the Commissioner of Education, State Comptroller, and Commissioner of Taxation and Finance no later than March 1st of each year.

The tax levy limit has several limited exceptions: 1) A tax levy necessary to support expenditures resulting from court orders or judgments against the school district arising out of tort actions for an amount over 5% of the total taxes levied in the prior school year; 2) Limited growth in pension costs. Expenditures reflecting the contributions to the New York State and Local Employees' Retirement System and New York State Teachers' Retirement System caused by the growth in the system average actuarial contribution rate above 2% (for contributions to each system—not the aggregate); and 3) Voter approved capital expenditures.

School districts are allowed to adjust the levy limit upward, based on a growth factor calculated by the Commissioner of Taxation and Finance, to account for physical or quantity growth in the property tax base.

The Commissioner of Taxation and Finance, no later than February 15th, is responsible for calculating a quantity change factor for the coming school year for each school district based upon the physical or quantity change reported to the Commissioner by the local assessor. The quantity change factor must show the percentage by which the full value of the taxable real property in the school district has changed due to physical or quantity change between the second final assessment roll or rolls preceding the final assessment roll or rolls upon which taxes are to be levied, and the final assessment roll or rolls immediately preceding the final assessment roll or rolls upon which taxes are to be levied.

The Commissioner of Education determines the tax levy limits for school districts that are consolidated or reorganized.

Any excess levy funds that are collected due to clerical or technical errors are to be held in reserve in a manner to be determined by the Office of the State Comptroller. Those funds (including interest earned) are to then be used to offset the tax levy for the following school year.

If the school district budget is defeated after 2 presentations to the voters, or after 1 defeat where the school district decides not to resubmit a budget to the voters, the district is required to adopt a budget with a tax levy less than or equal to that of the prior year.

School districts are required to include information about the applicable tax levy limit on their property tax report cards.