

New York State Educational Conference Board



Approve Common Sense Adjustments in the School Tax Cap

The New York State Educational Conference Board – comprised of New York’s leading educational organizations representing parents, classroom teachers, school-related professionals, school business officials, building administrators, superintendents and school boards – calls upon the legislature to approve common sense adjustments in the school property tax cap.

ECB advocates these changes be addressed in legislation to accompany the 2017-18 state budget:

- **BOCES Capital:** Permit districts to exclude from their allowable levy limit the local share of capital expenses for Boards of Cooperative Educational Services (BOCES) instructional facility improvements. This reform would have the effect of treating BOCES capital expenses that districts incur the same as district capital expenses. Districts rely on BOCES instructional facilities to provide opportunities for students they cannot provide themselves, or cannot do so at an affordable cost to local taxpayers.
- **PILOTS:** Permit districts to include in the “quantity change factor” additions to their tax base which generate payments in lieu of taxes (PILOTs). This reform would have the effect of treating tax base growth additions which generate PILOTs the same as those which generate property taxes. Especially because some PILOT-producing developments create new service demands, schools and municipalities should be permitted to realize revenue to meet those demands.
- **Negative Tax Caps:** Assure that the tax cap for any school district or local government will never be less than zero.

Each of these reforms would be common sense adjustments, consistent with expectations for the tax cap as enacted. The BOCES and PILOT adjustments have in fact been previously approved by the legislature in various forms:

- First, legislation enacted in 2015 authorized the Commissioner of Taxation and Finance to promulgate regulations to implement the reforms but, to date, the agency has not done so.
- The same changes would also have been enacted into practice through S. 8049 (Rules), which passed the Senate unanimously last June.
- Finally, the Assembly’s proposed state budget approved on March 16 would direct the Tax and Finance Commissioner to promulgate regulations within 90 days to implement the BOCES and PILOT changes (A. 3006-B, Part HH, sections 4 and 5). The Assembly budget would also prevent negative tax caps.

ECB member groups believe additional changes to the tax cap are needed, but are prioritizing these for action with the upcoming state budget based on the foregoing evidence of past legislative support.

Note: *This paper and its recommendations apply to independent school districts – those outside the Big 4 cities and New York City – and as such do not represent the position of the Conference of Big 5 School Districts, an ECB member.*