



NEW YORK STATE SENATOR

Kenneth P. LaValle

## LaValle Votes to Cap Property Taxes.

KENNETH P. LAVALLE January 31, 2011

| ISSUE: **TAXES, PROPERTY TAX**



Fulfilling a campaign promise, New York State Senator Kenneth P. LaValle (R,C,I – Port Jefferson) voted today to cap property taxes to the lesser of 2% or the annual increase in the consumer price index (CPI). Senate Republicans first passed a property tax cap in 2008, but the measure was never acted upon by the Assembly. LaValle said 43 other states have some type of property tax cap and have seen property tax reductions.

“Everything that has been tried to provide relief to taxpayers, up to this point, has not worked,” LaValle said, adding that he has been pushing for a tax cap for many years. “This bill

will provide real relief to homeowners who are paying the highest property taxes in the nation,” LaValle said.

The bill, which is supported by business organizations across the state, includes the following provisions:

- A school district's tax levy limit, excluding the taxes necessary to support the local share of capital expenditures, could increase by up to the lesser of two percent or the annual increase in the consumer price index ("CPI");
- A school district would be allowed to carry over unused tax levy capacity from the prior year, but could use this carryover levy capacity to increase its tax levy only an additional 1.5% in any year; and
- In the event a district's actual tax levy exceeds its authorized levy due to clerical or technical errors, the erroneous excess levy must be placed in reserve to offset the levy for the next school year.
- A school district would be required to submit a tax levy proposition for approval by voters at the district's annual meeting on the 3rd Tuesday in May. If the proposed tax levy is within the district's tax levy limit, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy limit, then the vote threshold required for approval would be 60 percent.
- If the tax levy proposition is defeated, then the district would be required to submit a second levy proposition for approval, that complies with its tax levy base, by voters at a district meeting held on the 3rd Tuesday in June. If the proposed tax levy is within the district's tax levy limit, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy limit, then the vote threshold required for approval would be 60 percent.

If enacted, the law would take effect for the 2012-13 school year.