

FORM OF SUBMISSION OF PROPOSAL NUMBER ONE, AN AMENDMENT

REMOVAL OF SMALL CITY SCHOOL DISTRICTS FROM SPECIAL CONSTITUTIONAL DEBT LIMITATION

The proposed amendment to Article 8, section 4 of the Constitution removes the special constitutional debt limitation now placed on small city school districts, so they will be treated the same as all other school districts. Shall the proposed amendment be approved?

ABSTRACT OF PROPOSAL NUMBER ONE, AN AMENDMENT

REMOVAL OF SMALL CITY SCHOOL DISTRICTS FROM SPECIAL CONSTITUTIONAL DEBT LIMITATION

This constitutional amendment removes the special debt limit for small city school districts. Debt limits would be established in state law for all school districts

A small city school district is one that includes at least part of a small city. A small city is a city with less than one hundred twenty-five thousand people.

The State Constitution limits how much debt a small city school district can incur. Their debt cannot be more than five percent of the value of taxable real estate in the district. There are exceptions for certain expenses. Other school districts are not subject to a constitutional debt restriction, but have a different debt limit provided by state law. State law says their debts cannot be greater than ten percent of the value of taxable real property. If this Constitutional Amendment passes, small city school districts would be eligible to have the same debt limit as other school districts enacted via legislative action.

TEXT OF PROPOSAL NUMBER ONE, AN AMENDMENT

"REMOVAL OF SMALL CITY SCHOOL DISTRICTS FROM SPECIAL CONSTITUTIONAL DEBT LIMITATION"

Proposal Number One, an Amendment proposing an amendment to section 4 of article 8 of the constitution relating to limitations on local indebtedness

Section 1. Resolved (if the Senate concure), That section 4 of article 8 of the constitution be amended to read as follows

§ 4. Except as otherwise provided in this constitution, no county, city, town[,] or village [or school district] described in this section shall be allowed to contract indebtedness for any purpose or in any manner which, including existing indebtedness, shall exceed an amount equal to the following percentages of the average full valuation of taxable real estate of such county, city, town[,] or village [or school district]:

- a. the county of Nassau, for county purposes, ten per centum;
- b. any county, other than the county of Nassau, for county purposes, seven per centum;
- c. the city of New York, for city purposes, ten per centum;
- d. any city, other than the city of New York, having one hundred twenty-five thousand or more inhabitants according to the latest federal census, for city purposes, nine per centum
- e. any city having less than one hundred twenty-five thousand inhabitants according to the latest federal census, for city purposes, [excluding education purposes,] seven per centum;
- f. any town, for town purposes, seven per centum; and
- g. any village for village purposes, seven per centum[; and
- h. any school district which is coterminous with, or partly within, or wholly within, a city having less than one hundred twenty-five thousand inhabitants according to the latest federal census, for education purposes, five per centum; provided, however, that such limitation may be increased in relation to indebtedness for specified objects or purposes with (1) the approving vote of sixty per centum or more of the duly qualified voters of such school district voting on a proposition therefor submitted at a general or special election, (2) the consent of The Regents of the University of the State of New York and (3) the consent of the state comptroller. The legislature shall prescribe by law the qualifications for voting at any such election].

Except as otherwise provided in this constitution, any indebtedness contracted in excess of the respective limitations prescribed in this section shall be void.

[In ascertaining the power of any city having less than one hundred twenty-five thousand inhabitants according to the latest federal census to contract indebtedness, indebtedness heretofore contracted by such city for education purposes shall be excluded. Such indebtedness so excluded shall be included in ascertaining the power of a school district which is coterminous with, or partly within, or wholly within, such city to contract indebtedness. The legislature shall prescribe by law the manner by which the amount of such indebtedness shall be determined and allocated among such school districts. Such law may provide that such determinations and allocations shall be conclusive if made or approved by the state comptroller.

In ascertaining the power of a school district described in this section to contract indebtedness, certificates or other evidences of indebtedness described in paragraph A of section five of this article shall be excluded.]

The average full valuation of taxable real estate of any such county, city, town[,] or village [or school district] shall be determined in the manner prescribed in section ten of this article.

Nothing contained in this section shall be deemed to restrict the powers granted to the legislature by other provisions of this constitution to further restrict the powers of any county, city, town[,] or village [or school district] to contract indebtedness.

§ 2. Resolved (if the Senate concur), That the foregoing amendment be submitted to the people for approval at the general election to be held in the year 2023 in accordance with the provisions of the election law.