

Property tax cap for NY school districts will be near zero in 2016-17



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There won't be a lot of wiggle room for school districts as they prepare budgets for the 2016-17 fiscal year.

According to data provided by state Comptroller Tom DiNapoli's office, the property tax cap for New York school districts will be 0.12 percent in 2016-17.

The cap on property tax levy growth affects more than 670 school districts throughout the

state, including the nine districts in the Cayuga-Onondaga BOCES system.

DiNapoli said the tax cap for 2016-17 could force school districts to cut costs in order to stay below the allowable growth percentage.

"The nearly zero growth in the tax cap will limit budget options for school and municipal officials as they plan for next year," he said.

The New York State Association of School Business Officials says this will be the third straight year that the property tax cap has been below 2 percent. When the cap was first imposed in 2012-13, it was at 2 percent. It remained at the same level in 2013-14.

But in 2014-15, the rate of inflation dropped below 2 percent. The cap was set at 1.46 percent.

The cap for the current school year, 2015-16, was 1.62 percent.

NYSASBO says tying the cap to the previous year's consumer price index puts burdens on school districts, especially when inflation is projected to increase in the current year.

The group is calling on state officials to keep the tax cap at 2 percent or provide aid to cover lost revenue — an estimated \$405 million.

Some tax cap reforms were approved last year. According to NYSASBO, the measure would allow the state Tax and Finance commissioner to include payments in lieu of taxes in the property change factor and add BOCES capital costs to the capital exclusion.

So far, these changes haven't been implemented.

"We urge the Legislature and concerned citizens to contact the governor's office or the commissioner of Tax and Finance and request they fulfill their obligation to implement these

changes to the tax cap that the Legislature passed," NYSASBO Executive Director Michael Borges said.

"These changes will each benefit about 75 percent of school districts throughout the state, which is particularly important in a zero percent tax cap year."

The cap limits tax levy growth to 2 percent or the rate of inflation, whichever is less.

School districts may override the tax cap in budget proposals. However, any override attempt must be approved by a supermajority — 60 percent — of voters.

Last year, at least 18 school districts attempted to override the tax cap. In seven of the districts, the budget proposals were rejected.

In 2013, the Moravia school district tried to **override the cap in its initial budget proposal**. A majority of voters backed the plan, but it fell short of the 60 percent needed for passage.

Timothy Kremer, executive director of the New York State School Boards Association, said securing a supermajority is a "very challenging task."

"The alarmingly low tax cap reinforces the need for significantly more state education aid, beyond that proposed in the executive budget," he said.