S T A T E O F N E W Y O R K

10480

I N A S S E M B L Y

May 29, 2012

Introduced by M. of A. TENNEY -- read once and referred to the Committee on Education

AN ACT to amend the education law, in relation to wealth ratio adjustments for school districts with higher than average assessed value holdings of real property exempt from taxation under the real property tax law

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 3 of section 3602 of the education law is amended by adding a new paragraph a-1 to read as follows:

A-1. WEALTH RATIO ADJUSTMENT FORMULA FOR SCHOOL DISTRICTS WHICH CONTAIN NOT-FOR-PROFIT CORPORATIONS IN EXCESS OF THE STATE AVERAGE. (1) AS USED IN THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS: "NOT-FOR-PROFIT CORPORATION" SHALL MEAN ANY ENTITY EXEMPT FROM REAL PROPERTY TAXES UNDER THE REAL PROPERTY TAX LAW. (2) "STATE AVERAGE" SHALL MEAN THE AVERAGE ASSESSED VALUE OF PROPERTY OWNED BY NOT-FOR-PROFIT-CORPORATIONS THROUGHOUT THE STATE. (3) "WEALTH RATIO" SHALL INCLUDE THE COMBINED WEALTH RATIO AND THE COMBINED WEALTH RATIO FOR FOUNDATION AID AS DEFINED IN THIS ARTICLE. THE COMMISSIONER SHALL DEVELOP AND IMPLEMENT AN ADJUSTMENT TO THE WEALTH RATIO FORMULA FOR SCHOOL DISTRICTS WHICH CONTAIN NON-PROFIT CORPORATIONS IN EXCESS OF THE STATE AVERAGE. SUCH FORMULA SHALL ADJUST THE WEALTH RATIO DOWNWARD BY A PERCENTAGE OR PORTION OF A PERCENTAGE, BASED UPON THE PERCENT OF NON-TAXABLE PROPERTIES OWNED BY NOT-FOR-PROFIT CORPORATIONS LOCATED IN THE SCHOOL DISTRICT, WHICH EXCEED THE STATE AVERAGE. THE GOAL OF SUCH ADJUSTMENT IS TO KEEP SCHOOL DISTRICTS WHOLE WHEN LOCAL INCOMES ARE STRONG, BUT THERE IS A CONCENTRATION OF NOT-FOR-PROFIT CORPORATIONS EXEMPT FROM REAL PROPERTY TAXES UNDER THE REAL PROPERTY TAX LAW.

S 2. This act shall take effect on the three hundred sixty-fifth day after it shall have become a law, provided, however that the commissioner of education shall have the authority to promulgate any rules necessary for the implementation of this act on or before such date.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD14420-01-2