

1 **2006 FALL CONFERENCE**
2 **Standing Committee on Taxation & Finance**
3 **Resolution #03**

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5 **RESOLUTION CALLING FOR AN AMENDMENT TO STATE LAW TO PHASE**
6 **OUT THE REQUIREMENT THAT COUNTIES MAKE SCHOOL DISTRICTS**
7 **WHOLE ON THEIR DELINQUENT TAXES PRIOR TO ACTUALLY**
8 **COLLECTING THE AMOUNTS DUE AND TO HAVE THE STATE OF NEW**
9 **YORK ADVANCE SAID PAYMENTS INSTEAD**

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11 **WHEREAS**, under current state law, county governments are required to cover
12 any delinquent real property taxes owed to school districts and make them whole every
13 April 1st; and

14
15 **WHEREAS**, according to a NYSAC analysis of county financial reports,
16 counties outside New York City, pay school districts over \$353 million to make them
17 whole for uncollected real property taxes, a statewide increase of 30 percent since 2000;
18 and

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20 **WHEREAS**, the fiscal burden placed on counties by this requirement has
21 increased dramatically in recent years and without reform, is expected to increase
22 exponentially; and

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24 **WHEREAS**, the size and scope of the school taxes levied in New York has
25 grown to such a point that current law has become outdated and serves to unnecessarily
26 burden counties;

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28 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
29 Counties (NYSAC) calls for an amendment to state law to phase out the requirement that
30 counties make school districts whole on their delinquent taxes prior to actually collecting
31 the amounts due and to have the state of New York advance said payments instead; and

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33 **BE IT FURTHER RESOLVED**, that NYSAC recommends the following
34 timeline for implementing this amendment to state law:

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- 37 • In the 1st year, counties would make school districts whole for 80 percent of the
38 outstanding amount with the remaining 20 percent paid to schools by the State of
39 New York,
 - 40 • In the 2nd year, counties would pay 60 percent of the outstanding amount with the
41 remaining 40 percent paid to schools by the State of New York,
 - 42 • In the 3rd year, counties would pay 40 percent of the outstanding amount with the
43 remaining 60 percent paid to schools by the State of New York,
 - 44 • In the 4th year, counties would pay 20 percent of the outstanding amount with the
remaining 80 percent paid to schools by the State of New York,

- 1 • In the 5th year and years thereafter, the State of New York would pay 100 percent
2 of the outstanding amounts directly to the school districts. Under this plan, the
3 State of New York would receive their pro-rata share of the amounts collected, as
4 county governments enforce the property tax liens and collect the outstanding
5 taxes, less an administrative fee to be retained by the county; and
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7 **BE IT FURTHER RESOLVED**, that NYSAC shall forward copies of this
8 Resolution to the Governor, the New York State Legislature and all others deemed
9 necessary and proper.