

# GREATER NEW YORK HOSPITAL ASSOCIATION STATEMENT OF OPPOSITION

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May  
Twelve  
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TO: Members of the New York State Legislature

FROM: Greater New York Hospital Association (GNYHA)

RE: A.1826/S.1372, in relation to the exemption from taxation for not-for-profit organizations

A.1826/S.1372 would amend the New York State real property tax law in relation to the exemption from taxation for not-for-profit organizations. The bill would require a not-for-profit corporation or association to establish annually that it is entitled to any real property tax exemptions it receives. Specifically, the bill amends section 420-a of the real property tax law to create such a burden of proof and requires that it be met by clear and convincing evidence. In addition, the bill proposes to “develop guidance documents to be used by assessors in determining whether the standard of proof...has been met.” The bill would create an unnecessary administrative burden for hospitals and other tax-exempt organizations, and GNYHA strongly opposes A.1826/S.1372.

Currently, New York’s not-for-profit corporations or associations must seek an initial real property tax exemption under Section 420-a. In addition, all not-for-profit and charitable organizations in New York State must register under Article 7-A of the Executive Law, which requires registration of charitable and other not-for-profit organizations that solicit contributions from New York State residents, foundations, corporations, government agencies, and other entities, and Section 8-1.4 of the Estates, Powers, and Trusts Law, which requires registration of charitable organizations that are incorporated, are formed, or otherwise conduct activity in New York State. The Attorney General’s Charity Bureau has a clearly defined infrastructure to manage the necessary annual reporting, as well as a searchable registry of not-for-profit organizations. In addition, tax-exempt organizations are charged with a variety of Federal requirements set forth by the Internal Revenue Service.

All told, there are a vast number of checks on the tax-exempt status of such organizations, yielding detailed information that is already available to the State, as well as the general public. A.1826/S.1372 would forgo the value of this information and add an additional and arguably inefficient layer of administrative burden. In addition, the “guidance documents” to be developed by the State for its assessors could create conflicting standards and processes for hospitals and other tax-exempt organizations. For these reasons, GNYHA strongly opposes A.1826/S.1372 and urges members of the Legislature to oppose this bill.



*GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.*