



NEW YORK STATE SENATOR

James S. Alesi

Senator Alesi Votes for Property-Tax Cap/supports Governor Cuomo's Proposal

JAMES S. ALESI February 2, 2011

| ISSUE: **PROPERTY TAX**

Senator Jim Alesi (R-C-I – Perinton) today joined his colleagues in the New York State Senate to enact legislation (S.2706) that would place a cap on the growth of school property taxes at two percent (2%) or the Consumer Price Index (CPI), whichever is less. If passed by the Assembly, New York State will become the 44th state to cap local property taxes.

“The high cost of living, from food to gasoline to property taxes, is taking its toll on hardworking, overburdened taxpayers,” said Senator Alesi. “The time for action is now. All New Yorkers, from young families to retired seniors, business owners to laborers, must have faith that we hear their concerns about cutting taxes and reducing government spending. Today the Senate moved forward by passing a property-tax cap, and we need to have the Democrat-controlled Assembly give serious thought to supporting Governor Cuomo’s tax cap. They represent the same people that I represent; tax payers and homeowners who need real relief.”

More specifically, the property-tax cap legislation (S.2706), would include the following provisions:

- A school district's tax levy limit, excluding the taxes necessary to support the local share of capital expenditures, could increase by up to the lesser of two percent or the annual increase in the consumer price index ("CPI");

- A school district would be allowed to carry over unused tax levy capacity from the prior year, but could use this carryover levy capacity to increase its tax levy only an additional 1.5% in any year;
- In the event a district's actual tax levy exceeds its authorized levy due to clerical or technical errors, the erroneous excess levy must be placed in reserve to offset the levy for the next school year;
- A school district would be required to submit a tax levy proposition for approval by voters at the district's annual meeting on the 3rd Tuesday in May. If the proposed tax levy is within the district's tax levy limit, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy limit, then the vote threshold required for approval would be 60 percent;
- If the tax levy proposition is defeated, then the district would be required to submit a second levy proposition for approval, that complies with its tax levy base, by voters at a district meeting held on the 3rd Tuesday in June. If the proposed tax levy is within the district's tax levy limit, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy limit, then the vote threshold required for approval would be 60 percent; and
- If the second proposition is defeated, then the district would be required to adopt a tax levy that is no greater than the prior school year.

If enacted, the law would take effect for the 2012-13 school year.

The bill also provides for the same cap to apply to taxes levied by municipal governments to take effect for the 2012 budget year. Local governments that do not levy an amount up to the cap in one year can rollover that amount up to 1.5 percent in the following year.

The property tax cap legislation has tremendous support, not only among taxpayers throughout the state, but among major business organizations.

Brian Sampson, Executive Director of Unshackle Upstate said: "The Senate's passage of a two percent property tax cap is a huge step forward in providing New York's taxpayers and job creators with real property tax relief. Unshackle Upstate and its army of supporters thank

the members of the Senate for responding to our calls for swift action on this important issue. We'll continue to push for this desperately needed measure until it's signed into law."

Mike Elmendorf, NYS Director of the National Federation of Independent Business (NFIB) said: "NFIB commends the State Senate Majority for once again standing with small business and job creators by today swiftly passing Governor Cuomo's property tax cap. Out of control property taxes have been laying waste to our economy and driving people from their businesses and homes for far too long. Today's bipartisan vote is a critical first step toward relief for New York's overburdened job creators and taxpayers."

MANDATE RELIEF MEASURES

The Senate today also passed mandate relief legislation (S.2707), that would require any state mandated program imposed on municipalities or school districts, which created any net additional cost in excess, to be funded by the state.

Specifically, the resolution urges the mandate relief panel to:

- Focus on New York's service delivery structure that requires school districts, local governments and other local taxing districts to administer and fund mandated programs;
- Look for ways to reduce the costs of mandated programs on schools and local governments by determining how school districts and local governments may be given greater ability to control costs;
- Examine the reason for delays in state reimbursement for mandated programs;
- Consider the practice of cost-shifting of mandated programs; and

- Identify opportunities for eliminating or reducing unfunded and underfunded mandates imposed by the New York State government on local governments and school districts.

The resolution also urges the Governor's Medicaid redesign panel to work with Medicaid stakeholders to conduct a comprehensive review of the state's Medicaid program, and make recommendations for cost saves and quality improvement measures to meet specific budget reductions for Medicaid spending.

The two bills approved today will be sent to the Assembly.