



NEW YORK STATE SENATOR

Dean G. Skelos

Senate & Assembly Republicans, Business Community Step Up Pressure on Assembly Majority to Pass Property Tax Bill

DEAN G. SKELOS April 12, 2011

| ISSUE: **PROPERTY TAX**



Enactment of Property Tax Cap Must Be Top Priority This Session

Senate Majority Leader Dean G. Skelos, Assembly Minority Leader Brian Kolb and representatives of business organizations today urged the Assembly Majority to act on a meaningful property tax cap bill. The Senate overwhelmingly passed Governor Cuomo's

property tax cap legislation with bipartisan support earlier this year.

“New York homeowners are sick and tired of paying the highest property taxes in the nation and business owners say high property taxes are one of the biggest deterrents to job growth in the state,” Senator Skelos said. “Republicans in the Senate and Assembly and Governor Cuomo have made enacting a property tax cap a huge priority. We need the Assembly to pass a tax cap bill that will bring real relief, rather than trying to water it down with so many exemptions. We must enact a relevant property tax cap bill before the end of this legislative session.”

“Today is ‘Tax Freedom Day’ – but not here in New York where it arrives April 24 because our property taxes are America’s highest. Skyrocketing property taxes are costing jobs, killing New York’s economic recovery and destroying our quality of life. Members of our Conference have consistently made the case for the cap and delivering real property tax relief to rescue homeowners from crushing costs. The time for talk is over – the Assembly Majority needs to hold an up or down vote on Governor Cuomo’s property tax relief bill,” said Assembly Minority Leader Brian Kolb (R,I,C-Canandaigua).

Heather Briccetti, Acting President and CEO of The Business Council of New York State, Inc., said: “Following an historic budget that put New York on the road to economic recovery, the next step in the fiscal reform agenda is to adopt the property tax cap already passed by the Senate. The Assembly must take action on this vital reform in this session. Enactment of the property tax cap will send a strong signal to business that New York is ready to grow and

create private sector jobs.”

Senate and Assembly Republicans are offering the “Pass The Cap” petitions in their districts and online through their websites and Facebook pages. Taxpayers can also access the petition at PassTheTaxCap.com. The petition urges taxpayers to sign on to “help us send a loud and clear message to the Assembly that homeowners in our community want a cap on property taxes, and they want it now!”

“Our number one priority right now is to strengthen the economy by providing substantial property tax relief,” Senator John Flanagan (R-C-I, East Northport), Chairman of the Senate Education Committee said. “The reality is that residents and businesses are leaving the state in droves because they cannot continue to pay skyrocketing property and job-killing business taxes. The cap is a reasonable step to help keep people in their homes and small businesses operating, while maintaining essential quality services at the local level.”

Governor Cuomo’s bill is supported by business organizations across the state. It would limit a school district's tax levy limit, excluding the taxes necessary to support the local share of capital expenditures. The tax levy could increase by up to the lesser of two percent or the annual increase in the Consumer Price Index (CPI). 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.

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

Michael Durant, Interim New York State Director of the National Federation of Independent Business, New York's leading small business advocacy organization, said: "Property taxes represent the largest burden for most small businesses. It's the largest tax they pay. And in New York, it is one of the main drivers behind the migration of businesses and residents out of state. A real, hard cap on property taxes is an urgent priority for the state's small businesses, which produce most of our new jobs and is key to future economic growth. We applaud Governor Cuomo for fulfilling his campaign pledge in having the property tax cap measure as his first piece of legislation. We commend the Senate Majority and Senator Skelos for remaining steadfast in their support of this bill and passing it. And again, we urge the leadership in the Assembly to put aside narrow political interests and do what is best for small business owners and taxpayers across New York and bring this bill to the floor for a vote."

Brian Sampson, Executive Director of Unshackle Upstate, said: "With a business tax climate that ranks worst in the country and local taxes that are 79 percent higher than the national average, it's no wonder why 17 Upstate counties suffered significant population losses over the last decade. The Governor and Senate have demonstrated their leadership on the issue. The members of the Assembly Majority must follow and provide New York's taxpayers and private sector employers with real property tax relief – the need is critical and it's time to deliver. By passing the two-percent property tax cap bill, we can rein in rising property taxes and begin the process of tackling unfunded mandates that ultimately drive up property

taxes. Further delay on this vital measure is simply unacceptable.”

Garry Douglas, President of the North Country Chamber of Commerce, said: “Budgeting is supposed to be the allocation of scarce resources. In New York, however, its taxpayers who are becoming a scarce resource as our young people and our job creators continue to exit. Only a cap can restore discipline and sound budgeting. It's working in Massachusetts and will work here. In the North Country and Adirondacks, rising property taxes are the top roadblock to jobs and prosperity, and present the greatest sticker shock whenever we sit down with an economic development prospect from elsewhere. We must have a real cap, as supported by the Governor and Senate, and not any phony version that starts to exempt major cost items. This is the year of change and reform. Let's make this happen.”

William M. Mooney, Jr., President of The Westchester County Association, said: “The Westchester County Association supports the two-percent property tax cap proposed by the Governor and passed by the Senate. It is also imperative to address the key cost drivers within this \$132.5 billion budget such as public employee pension and healthcare costs. Without alleviating the state mandates driving these costs, the burden on local municipalities and school districts, which ultimately lands on the taxpayer, cannot be sustained. Reducing Westchester County’s Number One ranking as the highest property tax county in the nation is essential to retain and attract business.”

Kevin S. Law, President and CEO of the Long Island Association, said: “The Long Island Association remains supportive of the two-percent property tax cap. Long Islanders pay some of the highest property taxes in the nation and if we are to remain economically viable,

we need to get a tax cap in place.”

Andrew J. Rudnick, President and CEO of the Buffalo Niagara Partnership, said: “Escalating property taxes are one of the most onerous deterrents to private sector investment and resulting job creation in Upstate New York. Buffalo Niagara employers are pleased that both the Governor and the State Senate are making a cap on property taxes a top priority for this legislative session, and it needs to get done in the coming weeks. But the issue doesn’t stop there. Mandate relief for municipalities is also very critical. We appreciate Majority Leader Skelos’ recognition of - and leadership on - both facets of this important reform.”

Diana Ehrlich, Vice President of Advocacy and Communications of the Albany-Colonie Regional Chamber of Commerce, said: “New York’s skyrocketing property taxes are placing both businesses and taxpayers at a competitive disadvantage. The need for property tax relief is real, and the time to address this crisis is now. New York State ranks among the top three states in the U.S. for highest property taxes. Enactment of a two-percent property tax cap, along with mandate reform, is essential. New York State, especially the Tech Valley region, is fortunate to have an abundance of resources and a highly educated workforce; however, in order for us to retain jobs and continue to grow economically, reform is needed. New York State must capitalize on economic opportunities in 2011 and beyond; therefore, we urge the Assembly to join with the Governor and the Senate and enact this critical legislation.”

Julie Suarez, Director of Public Policy for the New York Farm Bureau, said: “Farmers own over one-quarter of the state’s land mass, and so are extraordinarily concerned about the escalating nature of local property taxes. Since farm crops are produced locally but priced globally, mitigating the high cost of farming in New York is critical. New York Farm Bureau strongly supports capping the increase in real property taxes from year to year, along with real mandate relief, to help keep our family farmers in business in New York.”

Dr. Marsha Gordon, President and CEO of The Business Council of Westchester, said: “The discipline of a property tax cap is essential to control the revenue side of the equation, so that vital reforms like local mandate relief, public employee pension reform and government consolidation can be implemented.”

Sandy Parker, President and CEO of the Rochester Business Alliance and a co-founder of Unshackle Upstate, said: “New Yorkers have spoken loud and clear – they’ve had enough of the state’s out-of-control spending and the high taxes that result. It’s time to stop talking about how to fix this problem, and take some action. It’s time for the Assembly to pass the two-percent property tax cap proposed by Governor Cuomo and passed by the Senate.”

Duncan MacKenzie, CEO, New York State Association of Realtors, said: “The taxpayers of New York State are in no mood for business as usual. The on-time and austere state budget was an incredible step toward making us fiscally and economically strong again. We congratulate Governor Cuomo and the Senate and Assembly. The next logical step, which is just as vital, is a property tax cap. Governor Cuomo and the Senate have made the tough but correct action by giving the tax cap their approval. It’s time for the Assembly to lead as well and put an end to the unsustainable spending that has made New York State property taxes the highest in the nation.”

Randy Wolken, President of the Manufacturers Association of Central New York (MACNY), said: “I applaud the New York State Senate Majority and the Assembly Minority in their commitment to pass legislation that will begin to address our state’s high property tax problem. Businesses and residents alike have long shared the costly burden and pain of our state’s ever increasing property taxes. As statewide manufacturers and businesses struggle every day to operate their businesses in such a difficult business climate, we must find a way

to lower taxes and fees that are imposed on our business community. A property tax cap is one such critical first step in attempting to reign in our high property taxes, and I look forward to working with the Senate and the Assembly to see this critical legislation move forward.”

Lou Santoni, President and CEO of the Greater Binghamton Chamber of Commerce, said: “The years of exorbitantly high property taxes have taken a toll on New York. There is a direct cause and effect between what taxpayers can afford to and are willing to pay in property taxes. We have seen companies move elsewhere and have lost highly trained professionals because they simply could not or would not pay such high taxes. It is imperative that the Assembly pass a tax cap if our state is to gain back some of its competitive edge.”

In addition, the Senate will be proposing and passing extensive mandate relief measures which must go hand-in-hand with a property tax cap to give school districts and local governments greater flexibility to spend tax dollars on local priorities, rather than to address state mandates.