



NEW YORK STATE SENATOR

Dean G. Skelos

## Senate Majority Leader Skelos, Governor Cuomo and Assembly Speaker Silver Announce Historic Passage of Major Legislation

DEAN G. SKELOS June 24, 2011

Senate Majority Leader Dean Skelos, Governor Andrew M. Cuomo and Assembly Speaker Sheldon Silver today announced passage of legislation that address many of New York's most pressing and longstanding issues, including the greatest expansion of rent regulations in 40 years and the first ever cap on property taxes in the state.

Senate Majority Leader Dean G. Skelos said, "I am extremely proud of the many accomplishments the past several weeks have brought. We worked together to pass measures that will help create jobs, bring needed tax relief to homeowners and businesses, reduce the regulatory burden facing local governments, enable our state universities to grow and our students to excel, and improve the process for creating more clean, reliable and affordable energy. While there is more work to be done, we have laid a solid foundation for the continued growth of the state's economy and a better future for all New Yorkers."

"New Yorkers can now look at Albany and see progress on historic initiatives, action on issues that have been left unresolved for decades, and a legislative session that delivered results," Governor Cuomo said. "New Yorkers can have a renewed sense of pride and confidence in their state government. We must now seize this momentum and press forward to continue to make this government work for the people once again. I applaud the

leadership of Senator Skelos and Speaker Silver and the members of the Legislature for passing these unprecedented reforms. I also thank the people of New York state for making their voices heard and being the driving force behind these actions."

Assembly Speaker Sheldon Silver said, "This has been a singularly productive session for the people of New York. On major issues which have in the past have been stalled, we have settled our differences without compromising our principles. Working with Governor Cuomo, we have been able to come together to address the real needs of hard working men and women throughout New York. We passed Marriage Equality, which is a historic turning point in the journey of our state and nation. We expanded rent laws for the first time since 1993 and enacted a property tax cap while taking the first steps toward relieving burdensome mandates on our local governments. Additionally, we came together to put in place a plan to adequately fund our university system while still keeping its costs within reach of middle class families, and created the Power NY Act to ensure clean, affordable, and reliable electricity. There is still a great deal of work left to do in the future, including ensuring our schools are adequately funded and providing vital safety net programs with the resources they need. Today the citizens of this state have so many great reasons to be proud of their government. I also want to thank my colleagues in the Assembly and am proud of their active participation in shaping these important victories. I am confident we will be able to continue to grow our economy and make New York even stronger."

A Property Tax Cap to Help Homeowners and Businesses:

For the first time in New York history, there will be a property tax cap to protect homeowners and businesses from skyrocketing property tax hikes. The property tax increases will be capped at 2 percent or the rate of inflation, whichever is less.

For more than 15 years, both houses of the Legislature along with three governors have talked about a property tax cap for New York's overburdened homeowners with no results. New York's property taxes are among the highest taxes in the nation:

- The median U.S. property tax paid is \$1,917. In New York, it's \$3,755 – 96 percent higher than the national average
- As a percentage of personal income, New York has the highest local taxes in the nation – 79 percent above the national average
- From 1998 to 2008, property tax levies in New York grew by more than 73 percent – more than twice the rate of inflation during that span
- Companies pay five times more in property taxes than they do in corporate taxes
- Meanwhile, New York – especially Upstate New York – continues to hemorrhage population and jobs at a greater rate than the national average

This cap, a hallmark of Governor Cuomo's campaign and priority of his administration's first year, will finally deliver relief to millions of homeowners and business owners across the state who for too long have been burdened by out-of-control property taxes.

The cap will put the odds in favor of the taxpayers who deserve it, because, as Governor Cuomo has repeatedly said, the deck has been stacked against them for too long. Local communities and local voters could override the cap, but it would require a 60 percent vote on the budget for school boards or relevant legislative bodies.

This cap on property taxes includes safeguards to ensure delivery of critical services for New Yorkers. There will be limited exceptions to the cap, including:

- Judgments or court orders arising out of tort actions that exceed 5 percent of the localities' levy
- Certain growth in pension costs where the system's average rate increases by more than 2 percentage points from the previous year. The amount of contributions above the 2 percentage points will be excluded from the limit.
- Growth in tax levies due to economic development

The Greatest Strengthening of Rent Regulations in Decades:

The rent regulations proposed by Governor Cuomo and passed by the Legislature give tenants the greatest strengthening of rent regulations in nearly 40 years. Among the important pro-tenant changes, the measure raises the deregulation rent threshold for the first time since 1993 and raises the income threshold for the first time since 1997.

From 1994 to the present day, more than 238,000 apartments were removed from the rent regulation system, leaving middle class New Yorkers with fewer affordable housing options. Without this expanded bill, it is estimated that more than 100,000 additional apartments would be lost to decontrol in the next few years.

These regulations will ensure that these units will stay in the rent regulation system and remain available for hard-working New Yorkers. The new rent regulations, which will be in effect until 2015, include the following important pro-tenant changes:

- Raises the deregulation rent threshold from \$2,000 to \$2,500
- Raises the income threshold from \$175,000 to \$200,000
- These changes will help ensure that almost 100,000 units will stay in the rent regulation system over the next few years and remain available for working-class New Yorkers
- Limits landlords to collect only one vacancy bonus per year, reducing the manipulation of leases in order to push units out of the system
- Changes how improvements are calculated and verified for individual apartments, which will reduce a landlord's ability to abuse these renovations as a tool to force units out of regulation

Mandate Relief to Help Local Governments and Taxpayers:

The relief efforts passed include a number of mandate reform recommendations that will benefit local governments, saving more than \$125 million annually. In addition, the Governor will pursue recommendations reviewed by the Mandate Relief Redesign Team for regulatory reforms that will save local governments and schools more than \$40 million annually.

Mandates, where the state tells localities how services should be provided, are primary reasons why New York has such high taxes. The mandate relief package passed this session begins to give schools and local governments greater flexibility, improves services and saves taxpayers money. The mandate relief package:

- Establishes a combined Legislative and Executive Mandate Relief Council to refer unfunded mandates to the Legislature and agencies for modification or repeal
- Empowers local governments to petition the Council for permanent relief from burdensome or costly regulations
- Eases procurement requirements on local governments, allowing them to capture savings by joining on to federal and county contracts
- Expands the number and type of agreements that the Department of Transportation can enter into with municipalities
- Establishes clear authority for school districts to more efficiently manage their bus fleets

## An Intelligent Plan for SUNY/CUNY:

For the first time in the history of the State University of New York (SUNY), students and families will be able to properly plan for the cost of a college education in a predictable manner. The NYSUNY 2020 plan will allow each State University of New York and City University of New York (SUNY and CUNY) campus to raise tuition by \$300 per year for five years.

This plan replaces an era of dramatic tuition increases with a system that is predictable and empowers students and parents to plan for college expenses. For the past 20 years, the average annual SUNY tuition increase has been 6.7 percent, well above the five-year, \$300 increases included in this legislation. During that time, there were periods without tuition increases followed by sudden and dramatic tuition spikes of up to 40 percent.

Such spikes and uncertainty in tuition is detrimental to students, families, and the university system. The NYSUNY 2020 legislation prevents these types of dramatic and unpredictable tuition hikes from reoccurring. The modest increases will help build these institutions into regional economic development generators and world-class centers of research and innovation. It will also allow schools to add more faculty, educate additional students, increase class offerings and improve graduation rates. The plan also allows students and parents to better plan for college expenses, and places SUNY at the center of New York's economic revitalization.

For the first time, SUNY and CUNY will guarantee tuition credits or discounts to students least able to afford tuition payments. In order to maintain affordability and access to higher education, the legislation provides tuition credits to students who are eligible to receive a TAP award.

The NYSUNY 2020 Challenge Grant Program - a joint program between the Governor and State University of New York (SUNY) - incentivizes bottom-up, individualized long-term economic development plans on SUNY campuses and the surrounding communities. It enhances SUNY's academic mission while maintaining affordability and places college campuses across New York at the center of the state's regionally-based economic revitalization strategy. The act authorizes \$60 million in immediate capital for the four University Centers in Albany, Stony Brook, Binghamton and Buffalo.

Two of the four SUNY university centers have already made presentations to Governor Cuomo's administration, SUNY Chancellor Nancy Zimpher and the Legislature:

- The University of Buffalo's UB 2020 plan has the potential to revitalize Western New York by creating jobs, breathing new life into the City of Buffalo, and helping its namesake university become one of the nation's leading public research institutions.
- Stony Brook's plan will use public-private partnerships to create thousands of jobs and reinvigorate the business climate across Nassau and Suffolk counties. In addition, it will ensure that Stony Brook becomes one of the country's most advanced public research



facilities.

## An Investment to Create More Power in New York:

The Power NY Act of 2011 will encourage investment in clean power plants, afford communities more opportunities to meaningfully participate in the siting process, and expand opportunities for homeowners and businesses to invest in energy efficiency under the "Green Jobs/Green New York" program. For the nearly ten years since Article X expired, not one power plant has been sited in the state.

After years of gridlock, this important measure has advanced with support from industry, environmental advocates, consumer groups, labor and community organizations. The Power NY Act of 2011 will:

- Streamline the permitting process for power plants greater than 25 megawatts by creating a "one-stop" multi-agency siting board that will make siting decisions
- Empower communities to participate in the process by requiring power plant applicants to provide "intervenor funding" for the community affected by the proposed plant to hire experts and lawyers
- Improve the environment and public health by requiring the siting board to determine whether a proposed facility will create a disproportionate environmental impact in a community and, if so, requires applicant to minimize or avoid those impacts

- Reduce energy demand by allowing homeowners and businesses to pay back loans for energy efficiency upgrades using a surcharge on local utility bills
- Create jobs by encouraging investment in new power plants and energy efficiency retrofits

Bills and memos for all the aforementioned legislation can be found online at the Governor's Legislation page.