



NEW YORK STATE SENATOR

Hugh T. Farley

## Senate Republicans Launch Bold Plan to Invest Over \$3 Billion Bnp Bank Settlement to Keep State Moving Forward

HUGH T. FARLEY July 7, 2014

Senator Farley (R, C – Schenectady) and fellow Senate Republicans today launched a plan to invest over \$3 billion from the BNP Paribas bank settlement. This comprehensive and fiscally responsible budgeting approach will accelerate planned tax cuts to give New Yorkers the relief they need and deserve as soon as possible, make key infrastructure investments to create new jobs across the state and provide historic assistance to local schools and property taxpayers.

The Senate Republican's plan, which follows the recent announcement of two major credit rating upgrades for the state, is designed to further strengthen New York's overall fiscal integrity. Given the one-time, non-recurring nature of the settlement funds, the plan makes long-term investments in New York's infrastructure, while also prudently accelerating scheduled tax reductions and spending commitments.

The windfall also allows Senate Republicans to continue rolling back the economic damage caused by the disastrous two-year reign of the New York City Democrats in 2009-10.

During their brief stint in the majority, Senate Democrats raised taxes by \$14 billion, enacted the job-killing MTA payroll tax, took away STAR rebate checks for seniors and homeowners, put in place a new energy surcharge, cut aid to Long Island, New York City, Hudson Valley

and Upstate schools, and left a massive \$10 billion structural budget deficit.

Working in a bipartisan manner, Senate Republicans have reversed much of that devastation, but there is still significant work to be done - - work that would be sped up by the wise utilization of these funds.

Senator Hugh T. Farley (R-C, Schenectady) said: "It is essential that these funds be used wisely for the benefit of all the residents of this State. Our plan addresses several of the most pressing issues and needs facing our State."

Specifically, the Senate Republican Conference's plan includes the following three components:

1. Accelerate Tax Relief for New Yorkers: Senate Republicans have always led the effort to deliver comprehensive tax relief to increase economic opportunities and help hardworking New Yorkers succeed. The Senate Republicans' new initiative will provide significant new tax relief to millions of overburdened taxpayers, with a major focus on undoing some of the damage caused by the 124 new tax and fee increases that were enacted when Senate Democrats controlled the chamber. Over the past four years, Senate Republicans have made great strides in rolling back many of these onerous taxes; the BNP settlement funds provide the opportunity to further expedite elimination of the Senate Democrat-initiated tax increases. These tax cuts will include the immediate elimination of the Senate Democrats' 18-a energy tax increase, a continued phase-out of the Senate Democrats' MTA payroll tax, and additional property tax relief to replace the STAR rebate checks eliminated by Senate Democrats, among others.

2. Investing in New York's Infrastructure: The Senate Republicans' plan will help create thousands of new jobs by committing most of the funds to major new investments in New

York State's infrastructure. From rebuilding local roads and bridges, to enhancing local college campuses, to key environmental initiatives, such as clean water projects and sewer upgrades in communities across the state, the Senate Republicans' plan will provide both short and long-term economic benefits throughout New York State. The Senate Republicans' infrastructure plan will also be regionally balanced, and will help to address some of the damage caused by the Senate Democrats' unfair capital investment programs, which consistently shortchanged entire regions, such as Long Island and Upstate New York, by eliminating the 5-year road and bridge capital plan.

3. Helping Local Schools and Property Taxpayers: The Senate Republican plan will be beneficial for our schools, our children and local property taxpayers across the state. A particular emphasis will be placed on accelerating the complete elimination of the damaging and highly controversial Gap Elimination Adjustment (GEA). The GEA – a multi-year, multi-billion dollar budget-cutting scheme enacted by Senate Democrats in 2010 - - has severely impacted hundreds of school districts and millions of property taxpayers throughout the state. The Senate Republican plan would fulfill the promise to eliminate the \$1 billion left of this unfair Senate Democrat ruse. The plan would also support the scheduled school aid increases we approved this year in the state budget, which will help keep local property taxes down. Once again, our plan provides regional balance, in stark contrast to the approach taken when Senate Democrats disproportionately slashed funding from schools in Upstate New York, the Hudson Valley and on Long Island.

New York's over \$3 billion share is part of an overall \$9 billion settlement paid by French Bank BNP Paribas, resulting from repeated violations of U.S. sanctions.