



NEW YORK STATE SENATOR

John J. Flanagan

## Senator Flanagan Joins With Senate Colleagues To Launch Bold Plan To Keep State Moving Forward

JOHN J. FLANAGAN July 14, 2014

### ***Plan Would Invest Over \$3 Billion From BNP Bank Settlement To Accelerate Tax Relief, Rebuild Infrastructure to Create Jobs, Help Schools***

Senator John Flanagan (2nd Senate District) joined with his Senate Republican colleagues in launching a bold and expansive plan to invest over \$3 billion from the recent BNP Paribas bank settlement to enhance the lives of New York State residents. The comprehensive plan will accelerate planned tax cuts to provide New Yorkers with the relief they deserve, make key infrastructure investments to create new jobs across the state and provide historic assistance to local schools and property taxpayers.

The 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. It makes long-term investments in New York's infrastructure, while also prudently accelerating scheduled tax reductions and spending commitments.

Applying the settlement funding this way will enable Senate Republicans to continue rolling back the economic damage caused by the disastrous two-year period when the New York City Democrats controlled the Senate in 2009-10. During their brief time in the majority, Senate Democrats raised taxes by \$14 billion, enacted the job-killing MTA payroll tax, cut billions in aid to schools by implementing the disastrous Gap Elimination Adjustment (GEA), took away STAR rebate checks for seniors and homeowners, enacted a new energy surcharge, 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. That work would be sped up by the wise utilization of these settlement funds.

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

1. Helping Local Schools and Property Taxpayers: The plan will be beneficial for schools, 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 plan that Senator Flanagan supports would fulfill his effort to fully restore the funding that schools across the state lost due to the GEA.

The plan would also support the scheduled school aid increases that were approved this year in the state budget, which will help protect local taxpayers by helping keep local property taxes down.

Most importantly, the plan provides regional balance which is 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.

“The single most important responsibility of the state is to properly fund education for our children. And the most effective way to accomplish that is to eliminate the Gap Elimination Adjustment, which the Senate Democrats imposed on New York taxpayers. The sooner we do that, the sooner everyone benefits,” stated Senator Flanagan. “This settlement provides a unique opportunity to provide legitimate and significant tax relief to property taxpayers across the state and enhance funding for public education.”

2. Accelerate Tax Relief for New Yorkers: Senate Republicans have led the effort to deliver comprehensive tax relief to increase economic opportunities and help hardworking New Yorkers succeed. The 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.

3. Investing in New York's Infrastructure: The Senate Republicans' plan will help create thousands of new jobs by committing most of the funding 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 plan will provide both short and long-term economic benefits throughout New York State.

The 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.

“This package is a prudent and wise use of the funding that will be available to the state due to the settlement. It will help enhance the educational opportunities for our state’s children, spur job growth and provide needed tax relief to our residents faster. That will benefit the state’s economy and help continue the growth that our conference has fostered since taking back the Senate majority,” added Senator Flanagan.

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

**If you would like to support this sensible investment plan, please [click here](#) to add your voice to our efforts to help our state build and grow into the future.**