



NEW YORK STATE SENATOR

James L. Seward

Return To Albany

JAMES L. SEWARD August 27, 2009

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In short order I will join my colleagues in state government and return to Albany for a special legislative session. The agenda, most likely, will be limited to a few housekeeping matters and one extremely difficult bookkeeping task – how to close a \$2.1 billion dollar budget gap.

There are no simple answers to this complex financial problem and a brief special session is merely providing a band-aid to a gushing wound. Sound, fundamental policy shifts are needed if we are going to stem the bleeding and make a long term recovery.

Property tax relief must be a top priority and a basis for statewide economic recovery. For many years now, New York's property taxes have ranked among the highest in the nation. This burden has made it extremely difficult for upstate families to achieve the American dream of home ownership. Still for many others, the dream has been shattered by the reality of foreclosure.

New York's taxing dilemma doesn't end with property taxes. The governor and his fellow New York City leaders who crafted the 2009-10 budget in secret found plenty of other ways to steal your money. When the smoke cleared back in the spring and a new budget was adopted, the magical spending plan included \$8.5 billion in higher taxes and fees. Many of these have already been assessed, like a 2 percent increase in the utility tax. Others, like higher hunting and fishing license fees will be coming soon. The tax hike stream, much like a leaky kitchen faucet, just keeps on dripping.

This is also the time of year when homeowners should be receiving their STAR rebate checks. That's another program killed off by the governor and his cronies, shortchanging families \$300 to \$400 each.

Instead of repairing the damage by cutting back, the governor went for the quick fix – federal stimulus money. By using the funds from Washington D.C. the governor was able to patch the leak and actually increased our state spending by \$12 billion. At a time when families are learning to do with less so they can pay their bills and small businesses across upstate New York are holding on by a thin thread, state government has gone on an unprecedented spending spree.

Controlling government spending through a state spending cap is a concept that must be embraced. It is a measure I have fought for in the past and will continue to strongly support. I am also renewing my call for consolidations and mergers of state agencies and authorities. We must find efficiencies wherever possible and streamline the way New York operates. Real savings can also be found through an increased crackdown on Medicaid fraud.

Along with implementing cost saving measures the state must take advantage of our finest natural resource – our people. New York is blessed with a highly skilled workforce that stands ready, willing and able to help turn the state's fortunes around if given the opportunity.

Late last year the senate passed a job creation plan that I believe could still help revive our state. The plan included:

- Tax cuts for small businesses and manufacturers to help them compete with other states;
- Reduction in burdensome government regulations;
- New investment in community revitalization;
- Interest free loans to college students who stay in New York.

Many state and regional business groups backed the senate plan, but the governor and assembly failed to come on board.

During this year's budget debate I called for the new leadership in Albany to revisit the job creation plan, but they instead voted to raise taxes and hike spending. Now income tax receipts are down, sales tax receipts are plummeting and the state's deficit is growing.

The patch applied to our state's leaky faucet has ruptured and we are left with a greater hole. In order to correct the situation it is time to make bona fide repairs. We need to start the repair work when we return to Albany on September 10.