



NEW YORK STATE SENATOR

Terrence Murphy

Senator Murphy Co-Sponsors Medicaid Bill That Will Make Life Less Taxing For Local Residents

TERRENCE MURPHY May 9, 2018

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Albany, NY - Hard-working families are leaving New York at an alarming rate. In the past eight years, more than 1 million people have exited the New York area, moving to other parts of the country. New York's high property taxes, among the most exorbitant in the nation, have jeopardized homeowners' quality of life and taxed their finances to the point where they can barely afford to remain in their homes. To help build a better New York and allow

families to flourish, Senator Terrence Murphy has co-sponsored S8412, a bill that would enact a 2 percent limit on New York City's ability to raise property taxes and will relieve taxpayers from unexpected high property tax increases.

"High property taxes are draining homeowners' finances, forcing them out of the state. Losing residents often means losing jobs, which stifles local economies," said Senator Murphy. "This legislation will eliminate the Medicaid costs incurred by counties and will save billions of dollars in local taxes that will ease the burden on strapped homeowners and make New York a more affordable place to live."

"Mandated County contributions for Medicaid are by far the highest in New York out of all 50 states. In New York, counties send more than \$7 billion per year to the state for Medicaid costs and Westchester is among the highest each year," said Westchester County Legislator John Testa. "I applaud Senator Murphy and his colleagues in the State Senate for recognizing the tremendous burden that unfunded mandates place on local governments and I urge the entire State Senate and Assembly to support this legislation that would gradually shift Medicaid costs back to the State where they belong."

Joseph Castellano, Putnam County Legislative Chairman stated, "This measure forces the state to take responsibility for Medicaid on a local basis and will take the burden off of taxpayers and remove unfunded mandates that are hindering local governments. I'm certain taxpayers will appreciate Senator Murphy's efforts to improve quality of life in the Hudson Valley."

The bill would enact a phased-in state takeover of the local share of Medicaid over a 10-year period, lifting substantial property tax pressure on those counties. It also ensures that the tax burden on local property taxpayers outside of New York City is alleviated by requiring

that any reduction in county Medicaid costs resulting from state or federal legislative action be passed on to residential property taxpayers on a dollar for dollar basis. For New York City residents, the bill reduces the City income tax burden by requiring that any reduction in City Medicaid costs resulting from state or federal legislative action be passed on in the form of income tax relief. The measure, sponsored by Senator Catherine Young, has met with enthusiastic support in the Senate with Senators Murphy, Elaine Phillips, Patty Ritchie, Kemp Hannon, Martin Golden, Simcha Felder, Andrew Lanza, and Fred Akshar co-sponsoring the bill.

Since the enactment of the Medicaid program in 1965, local social service districts (counties and the City of New York) have been required to share in both the cost and administrative operation of the program. The State is responsible for program design and, over the course of several years; the overall administration of the program has been gradually shifting to the state. The counties' Medicaid share is currently capped at 2015 levels. However, the localities continued to contribute \$7.6 billion to the program in 2018.