



NEW YORK STATE SENATOR

John J. Flanagan

## Senator Flanagan Announces Senate Passage Of Legislation To Protect Taxpayers Involved In LIPA Tax Grievances

JOHN J. FLANAGAN June 20, 2018

| ISSUE: **TAXPAYERS, SCHOOL DISTRICTS, LONG ISLAND POWER AUTHORITY, NEW YORK SENATE**



Senator John Flanagan (2<sup>nd</sup> Senate District) announced today that, working with Senator Kenneth LaValle (1<sup>st</sup> Senate District) and Senator Carl Marcellino (5<sup>th</sup> Senate District), he has secured New York State Senate passage of legislation (S8235) that will help protect taxpayers from harm in regard to the LIPA/National Grid tax certiorari lawsuit. The legislation will enable localities and school districts adversely impacted by a tax certiorari judgment or an agreed upon settlement to access the Electric Generation Facility Cessation and Tax

Certiorari Mitigation Fund to receive funds to help offset losses in revenue.

Monies were added to this Fund as part of the 2018-19 enacted state budget -- and, if enacted into law, Senator Flanagan's bill would make the Fund available to local government entities that have a reduction of real property taxes or payments in lieu of taxes of twenty percent or more as a result of a tax certiorari judgment or settlement.

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*“While local government and school leaders continue to make decisions they believe are best for the future of their residents, it is imperative that the State take action to help protect the taxpayers we jointly serve,” stated Senator Flanagan.*

Senator LaValle said, “As the State’s energy portfolio shifts to a greater reliance on renewables, it is only fair that those who would shoulder the brunt of the tax shift as a result of this process receive some relief.”

Senator Marcellino said, “Throughout this multi-year LIPA tax cert challenge process, my position has not changed. We must protect the taxpayers in the districts served by the power plants. This legislation will allow school districts and local governments to access State funds that will ensure that any settlement or judicial ruling does not devastate these communities.”

Under the legislation, local governments and school districts would be eligible to apply for one payment per year up to a maximum of fifteen years once a final judgment or settlement has been reached. The state funding will help cushion future impacts of a judgment or settlement and enable local entities to make adjustments to their budgets over a period of years while preventing an undue tax burden.

The funding provided to schools and municipalities in relation to any settlement or decision of the LIPA lawsuit would be a percentage of any loss of revenue starting at up to 80 percent restoration in year one and varying percentages throughout the remaining fourteen years:

- **Year 1: up to eighty percent of loss of revenues**
- **Year 2: up to seventy percent of loss of revenues**
- **Year 3: up to sixty percent of loss of revenues**
- **Year 4: up to fifty percent of loss of revenues**
- **Year 5: up to forty percent of loss of revenues**
- **Year 6: up to thirty percent of loss of revenues**
- **Years 7-15: up to twenty percent of loss of revenues**

In addition to the state funding mechanism, the legislation would also help protect taxpayers and schoolchildren by providing affected schools districts with permission to establish a tax certiorari stabilization reserve fund. If approved by voters of the district, the reserve fund would allow school districts to receive annual payments from the Electric Generation Facility Cessation and Tax Certiorari Mitigation Fund and then to withdraw these funds for the purpose of lessening or preventing increases in the district's tax levy.

Nassau County Executive Laura Curran said, "I want to thank the majority leader and the members of the New York State Senate for passing this critical legislation. It provides an important access to funding for schools and other taxing districts impacted when utility assessments change."

Town of Brookhaven Supervisor Ed Romaine said, "Brookhaven Town has reached an agreement in principal with LIPA to settle this case in a way that is fair for our residents, and uses any funds from this settlement to reduce electrical charges for ratepayers. This

legislation will provide state aid to protect the school district, village and local municipalities by stabilizing property taxes as the power plant's assessment is reduced. I want to thank Senators Flanagan and LaValle for their tireless work on this legislation to protect our taxpayers, and I urge the Governor to sign it into law."

Town of Huntington Supervisor Chad A. Lupinacci said, "I applaud the work of Senate Majority Leader Flanagan, Senator Marcellino and Senator LaValle in passing this bill to protect our taxpayers from any potential adverse impact of the LIPA lawsuit. I strongly urge the State Assembly to also pass it and Governor Cuomo to immediately sign this bill into law."

"This legislation will provide local government and school leaders with up to fifteen years to adjust their budgets while protecting taxpayers. I thank my colleagues in the Senate for working with me to move this bill out of the Senate and for joining with me to provide some relief to the affected taxpayers," added Senator Flanagan.

The legislation has been sent to the Assembly for action where it is sponsored by Assemblyman Charles Lavine (13<sup>th</sup> Assembly District).

**Please join Senator Flanagan in calling on Governor Cuomo to protect the hard working families and businesses on Long Island by [clicking here](#).**

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#### RELATED LEGISLATION

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### **2017-S8235A**

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- Introduced

- ○ In Committee Assembly
  - In Committee Senate
  
- ○ On Floor Calendar Assembly
  - On Floor Calendar Senate
  
- ○ Passed Assembly
  - Passed Senate
  
- Delivered to Governor
  
- Signed By Governor
  
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Relates to authorizing funds to municipalities from the UDC in the case of certain tax certiorari challenges or agreed upon settlements and permits tax certiorari stabilization reserve funds

April 20, 2018

In Assembly Committee

Sponsored by **John J. Flanagan**

Do you support this bill?