



Tompkins County Council of Governments

320 North Tioga Street
Ithaca, NY 14850

Meeting: 01/27/11 03:00 PM
Department: Legislature Office
Category: Intermunicipal
Functional Category: New York State

ADOPTED

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RESOLUTION 001-2011

Urging New York State to Significantly Cut the Unfunded Mandates that Cause Local Property Tax Increases Before Imposing a Property Tax Cap

MOVED by Ms. Robertson, seconded by Mr. Hartill, and unanimously adopted by voice vote by members present.

WHEREAS, New York property taxes are nearly eighty percent (80%) above the national average, and

WHEREAS, New York municipal leaders have long recognized the need for lower property taxes and have been strong advocates in support of lowering the local property tax burden for decades, and

WHEREAS, Governor Cuomo and many State Legislators support a cap on local property tax levies of two percent (2%) or the rate of inflation, whichever is less, but the current crop of property tax cap proposals does nothing to reduce or eliminate current State mandates on local governments or prevent new mandates, and

WHEREAS, a simple property tax cap will leave in place the inequities of New York's system, which relies on the regressive property tax to pay for public schools, health care for the poor, and other safety net programs, and

WHEREAS, arbitrarily capping property taxes without addressing root causes would cripple local governments within a few short years, because all non-mandated spending would have to be eliminated to meet the cap, and

WHEREAS, little action has been taken by New York State to decrease or control the costs of unfunded State mandates, which have been driving up local property tax levels for decades, and

WHEREAS, counties have no choice over how to spend most of their locally raised revenues, as mandates from Albany and state-determined pension costs make up as much as ninety percent (90%) of a typical county budget, and

WHEREAS, in addition to State Mandated pensions the major cost drivers of local property taxes are other unfunded and underfunded state mandates, such as Medicaid, early intervention services, pre-school special education, public assistance, child welfare, youth detention, probation, and indigent defense, along with numerous other programs, such as storm water regulations and code enforcement, and

WHEREAS, these mandated costs grow well in excess of the rate of inflation nearly every year, including for example:

- County payments by all local governments to the New York State Retirement System are expected to rise forty percent (40%) in 2011 and by a similar amount in 2012, and have grown by over one-thousand percent (1,000%) since the year 2000, due to generous benefit expansions determined and mandated by the State Legislature and Governor.
- Since 2005, the local share of Medicaid costs has increased at least three percent (3%) each year and sometimes by double-digit annual increases in the years prior to 2005.
- The State continued to shift its costs to counties in the 2009-2010 and 2010-2011 State budgets by more than \$400 million in human service delivery alone, and

WHEREAS, school districts are facing cuts in state foundation aid as well as a cap in the amount of local revenue that can be raised to fill the gaps created by those cuts. As proposed the tax cap will destroy the ability of many districts to meet the needs of children, and

WHEREAS, school district budgets are passed by public referendum of those who reside within its boundaries, a powerful tool for local citizens that would be greatly diminished by an artificial cap imposed by another government body, and

WHEREAS, the cap will leave in place the inequities among school districts because it does nothing to level the playing field between wealthy and poorer districts, and because the wealthier districts will be more likely to override the cap. The property tax cap, especially coupled with state aid cuts, will disproportionately hurt lower-income New Yorkers and widen the gap between rich and poor in New York State, and

WHEREAS, our State government has both consistently reduced State Aid to Municipalities and has failed to amend the formulas which place municipalities with significant percentages of tax exempt properties at a considerable disadvantage in how it raises the moneys needed for the delivery of essential services, and

WHEREAS, simply capping property taxes does nothing to reduce the costs of these and many other State services that local municipalities must pay for and implement at the local level; in fact a property tax cap preserves the unjust system of taxation, where local taxes pay for state programs, and

WHEREAS, there is a fundamental difference between the state paying for a service and local governments paying for it, since New York State is the only entity that collects income tax, so a person pays *state* taxes according to their ability to pay. Property tax is not charged according to ability to pay, which is why it is unjust to rely on it to pay for state programs, and

WHEREAS, this injustice drives people and businesses out of New York and acts as a deterrent to relocation to our state, and

WHEREAS, the Governor's property tax cap proposal allows local boards to override the cap with a two-thirds majority vote, thereby not only shifting costs to local governments, but also unfairly shifting blame to local leaders for tax increases that are actually caused by the State, now therefore be it

RESOLVED, That the Tompkins County Council of Governments (TCCOG), which includes all municipalities in Tompkins County, urges New York State to take fiscal responsibility for services over which it has decision-making authority, rather than require local governments to pay for its decisions; this will in turn reduce the property tax burden and not preserve the status quo,

RESOLVED, that TCCOG, which does not include school districts among its members, stands with school districts in opposing the property tax cap without mandate relief,

RESOLVED, further, That Tompkins County Council of Governments urges the Governor and State Legislature not to impose a local property tax cap (in itself another unfunded State mandate) unless and until it is coupled with significant cuts in local costs for State mandated programs that cause local property tax increases or to develop an aid formulas and Home Rule Legislation authority to recognize the burdens borne by local governments

RESOLVED, further, That copies of this resolution be sent to Governor Cuomo, Assembly Speaker Sheldon Silver, Assembly Minority Leader Brian Kolb, State Senate Leader Dean Skelos, Senate Minority Leader John Sampson, State Senators Thomas O'Mara, James Seward, Michael Nozzolio, and Jeffrey Klein, Assemblywoman Barbara Lifton, the New York Association of Counties, the New York State Association of Towns, and the New York State Conference of Mayors.