



NYSAC
NEW YORK STATE
ASSOCIATION OF COUNTIES

2017

Budget Priority

SHARED SERVICES REFERENDUM MANDATE

PROBLEM

County and state elected leaders have long focused on the fact that property taxes are higher in New York compared to the rest of the nation. County leaders have argued that a key reason for high county property taxes is unfunded state mandates. Counties in other states are not required to pay for such a large array of state defined and controlled programs (and are often significantly more generous than what others states implement), leaving New York at a huge disadvantage in relation to local property tax burdens. In New York, 80 percent of a typical counties' total budget is dedicated to paying for state and federal mandates. Of note, the cost of just a handful of state mandates is equal to the entire statewide county property tax levy.

2017 EXECUTIVE BUDGET PROPOSAL

The Governor's Budget asserts that local property taxes are high because there are too many local governments and that they should consolidate or share more services. Under the budget proposal, county leaders will be required to convene all local governments (except school districts) to develop a plan for consolidating or sharing functions to eliminate duplication of services. Counties would have four months to assemble the plans, which would be on a November referendum for voter approval.

COUNTY SOLUTION

Counties are strong supporters of partnering with other local governments to share and improve service delivery, and continue to pursue these actions. However, as presented, counties oppose the Governor's budget proposal mandating a costly and unnecessary voter referendum on something that is already underway. The State Constitution provides a mechanism for a bottom up, voter inspired, process to implement consolidations and mergers. A top-down mandated process from the State Capitol is unnecessary and wasteful.

As part of Governor Cuomo's 2015 property tax freeze rebate check program, counties submitted \$882 million in shared services and government efficiency savings to the state. Those savings plans are being implemented in 2017 (\$289 million), 2018 (\$297 million) and 2019 (\$295 million). These county-led savings plans include the cooperation of 556 local government partners to achieve the savings targets.

Counties believe the Governor's proposal raises significant constitutional issues and falls short by leaving out the largest potential savings that can be generated by government consolidation and shared services expansion: the state as aggregator, and school districts and New York City as entities levying property taxes. This shortfall means that the state and jurisdictions that levy 80 percent of all property taxes in New York State are exempt from having to find savings.

Shared services and consolidation efforts, while laudable, are not the answer to the much larger issue of high property taxes in this state. Any solution to that problem must address school property taxes and unfunded state mandates. NYSAC therefore rejects the Governor's consolidation plan and referendum proposal as incomplete in its scope and not capable of achieving its goal of dramatically lowering property taxes.

For more information on the county position regarding this issue, visit www.nysac.org/intergovernment or call 518-465-1473 to speak to Dave Lucas, NYSAC Director of Finance and Intergovernmental Affairs.