Resolution Urging State Legislative Leaders to Focus Their Property Tax Relief Efforts on Fiscal Reforms that will Lead to Permanent and Historic Property Tax Reduction by Assuming the Cost of State Programs that Counties Are Currently Required to Pay for Under State Law

WHEREAS, State leaders have identified property taxes as the number one fiscal burden for homeowners and small businesses, as well as the largest impediment to economic growth and job creation in Upstate New York and Long Island; and

WHEREAS, the Governor and State Legislature have enacted several laws over the last few decades designed to address New York’s highest in the nation property taxes, including the creation of STAR school tax relief, a property tax cap, a temporary two-year property tax freeze and rebate check program, and two separate temporary state matching grant program for eligible local government shared services efforts; and

WHEREAS, for decades, counties and other local governments have implemented, and continue to implement, thousands of shared services projects and other government efficiencies; and

WHEREAS, county elected leaders have strongly advocated in support of ways to lower the property tax burden for homeowners and businesses across the state going back nearly 50 years when the largest state mandate, Medicaid, was first imposed on counties, growing from $100 million then to over $7.5 billion today; and

WHEREAS, since that time the State has required county taxpayers to finance with local taxes dozens of other state programs that, for the most part, counties in other states are not required to finance; and

WHEREAS, many of these state mandated programs are very comprehensive and generous to their recipients compared to what other states provide and often are among the most expensive in the country in total dollars, as well as per beneficiary; and

WHEREAS, state imposed mandates on counties require more than $12 billion annually in locally raised taxes to be sent to the State Capitol so they can be used in lieu of state raised revenues to pay for statewide programs and initiatives; and

WHEREAS, state elected officials recognize that mandating local governments to finance state-designed and controlled programs directly impacts the property tax burden and to help mitigate this they have enacted important mandate relief for county
property taxpayers including the implementation of two separate caps on the growth in the local share of Medicaid costs and major pension reforms; and

WHEREAS, since the enactment of these mandate relief initiatives the growth rate in aggregate county property taxes has slowed dramatically, generally averaging two percent per year over the last decade, less than the rate of inflation over that time frame; and

WHEREAS, county officials believe that one of the best ways to improve New York’s economic climate and competitiveness is to not just slow the rate of growth in property taxes, but to lower them from today’s levels; and

WHEREAS, counties believe that aligning the cost of the state’s human services programs with the governmental entity that defines and controls them will result in historic and sustainable reductions in county property taxes and establish a more appropriate and equitable distribution of the cost of the state’s human services programs; and

WHEREAS, the cost of the state Medicaid program in a typical county (outside of New York City) equals about one half of the county property tax levy; and

WHEREAS, the benefits, scope, and ultimate cost of Medicaid has been set and controlled by the State for 50 years, but not fully financed with state resources, therefore transferring a significant burden to local property taxpayers and contributing greatly to the disparity between property taxes in New York and other states; and

WHEREAS, Cornell University researchers have documented how New York’s practice of shifting fiscal responsibilities from the state to lower levels of government including counties creates severe imbalances between New York and other states in relation to property taxes; and

WHEREAS, we attribute the practice of using local revenues to subsidize statewide spending initiatives as the number one reason why New York’s property taxes are the highest in the nation.

NOW, THEREFORE, BE IT RESOLVED, the New York State Association of Counties (NYSAC) calls on the Governor and State Legislature to focus on enacting a phased-in state takeover of the costs of its own mandated human services, starting with Medicaid, that would provide immediate, permanent, and measurable county property tax reductions and lower tax rates for New York City residents; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be sent to member counties for their consideration; and
BE IT FURTHER RESOLVED, the New York State Association of Counties shall forward copies of this resolution to Governor Andrew M. Cuomo, the New York State Legislature and all others deemed necessary.