

1 **2021 NYSAC Legislative Conference**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #3**

4 **Resolution Calling on the Governor and State Legislative Leaders to**
5 **Permanently Extend all Existing Local Sales Tax Rates, and Allow All**
6 **Counties to Set Their Local Rate up to Four Percent Under Local Law and**
7 **to Reform the Process Over Other Home Rule Revenue Options**

8 **WHEREAS**, for many years, counties have faced significant challenges in balancing
9 their budgets and providing local services, while also meeting the goals of the property
10 tax cap and state requirements to pay for and administer a wide variety of state
11 programs; and

12 **WHEREAS**, numerous state actions have fundamentally altered the home rule
13 authority granted to counties in the state constitution and further supplemented in state
14 law, resulting in county elected leaders losing control and authority over the ability
15 to generate and determine the use of locally raised revenues for local purposes; and

16 **WHEREAS**, these state actions include:

- 17 • Expanding existing state programs and creating new ones that counties must pay
18 for and administer with limited or no state resources to support higher costs,
- 19 • Reducing the state's funding in support of their own programs and requiring
20 local taxpayers to pay more,
- 21 • Withholding hundreds of millions of dollars of federal Medicaid funds owed to
22 counties for years,
- 23 • Diverting, and redirecting the use of, local sales tax for state spending
24 purposes, now approaching \$500 million annually, and
- 25 • Authorizing the state to cut hundreds of millions of dollars in state
26 reimbursements to counties when the state finds itself in financial trouble due to
27 overspending or a recession, even in the midst of a pandemic; and

28 **WHEREAS**, these actions over many decades now require counties to administer and
29 pay for more than 40 state programs that can consume up to 80 percent of a county's
30 entire budget; and

31 **WHEREAS**, local elected officials rely on their home rule authority to determine what
32 mix of local taxes is the least burdensome in their community; and

33 **WHEREAS**, county elected officials should not have to wait months, or years, for the
34 State Legislature to convene and finally approve a local home rule revenue request to
35 raise necessary resources to respond to critical community needs, especially in the
36 middle of a national emergency; and

1 **WHEREAS**, the loss of these revenues causes fiscal stress and budget uncertainty for
2 counties, while increasing pressure on property tax rates; and

3 **WHEREAS**, in the case of sales tax, counties often share the revenues with cities,
4 towns, and villages to help pay for services delivered by these municipalities, or to
5 directly lower the amount of property taxes levied in these jurisdictions; and

6 **WHEREAS**, the pass-through of local sales tax revenue from counties to cities, towns,
7 and villages was \$2 billion in 2019; and

8 **WHEREAS**, many counties have found their local home rule revenue requests and
9 renewals held hostage by the state elected officials as political bargaining chits; and

10 **WHEREAS**, New York City was granted permanent local authority over their sales tax
11 rate of 4.5 percent more than a decade ago, while county requests for the same authority
12 have been repeatedly denied; and

13 **WHEREAS**, the Governor's proposed state fiscal year 2022 budget
14 includes a provision that would make all existing county sales tax rates permanent and
15 allow all counties to set their local tax rate up to four percent under local law; and

16 **WHEREAS**, granting this authority will provide more budget certainty and stability;
17 while reducing administrative expense and duplication of effort to process the necessary
18 paperwork, forms, legislative hearings, filings and notices, resulting in improved
19 government operations and fiscal savings at both the state and local levels.

20 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
21 Counties supports the Governor's state fiscal year 2022 budget that would provide
22 parity with New York City by granting permanent home rule sales tax authority to
23 counties at their current rate or up to four percent; and

24 **BE IT FURTHER RESOLVED**, we urge legislative leaders to reform the home
25 rule process so it works as efficiently as possible for local taxpayers, eliminates
26 unnecessary and duplicative legislative activity at the state and local level, while
27 retaining appropriate state legislative review; and

28 **BE IT FURTHER RESOLVED**, that counties be authorized to control the
29 establishment, and rate setting level, for other local home rule
30 revenue options without the need for state legislative action including mortgage
31 recording tax, occupancy taxes, real estate transfer taxes as long as they do not
32 exceed the average rate charged by counties that have such taxes; and

33 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
34 of New York State encouraging member counties to enact similar resolutions; and

35 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
36 forward copies of this resolution to Governor Andrew M. Cuomo, the New York State
37 Legislature and all others deemed necessary and proper.