

TOWN OF DELHI

RESOLUTION 16 OF 2010

TITLE: RESOLUTION URGING NEW YORK STATE TO CUT THE UNFUNDED MANDATES THAT CAUSE LOCAL PROPERTY TAX INCREASES BEFORE IMPOSING A CAP ON LOCAL PROPERTY TAXES

WHEREAS, New York property taxes are nearly 80% above the national average; and

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

WHEREAS, counties do not have a choice over how to spend most of their locally raised revenues as mandates from Albany and other fixed costs make up as much as 80 percent of a typical county budget; and

WHEREAS, Governor Paterson and many state legislators support a cap on local property tax levies of 4%, or 120% of inflation, whichever is less, but the current crop of property tax cap proposals do nothing to reduce or eliminate current state mandates on counties or prevent new mandates; and

WHEREAS, arbitrarily capping property taxes without addressing root causes would cripple county 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 county property tax levels for decades; and

WHEREAS, the major cost drivers for counties are fixed costs and delivering state services locally; and

WHEREAS, counties' fixed costs include pension contributions, which are determined by benefit levels established by the state legislature; and

WHEREAS, the other major cost drivers are 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 that will cost county property tax payers and New York City residents over \$10 billion this year alone, along with numerous other programs; and

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

- County payments to the New York State Retirement System that are expected to rise 40% in 2011 and by an similar amount in 2012, and have grown by over 1000 percent since the year 2000 due to generous benefit expansions mandated by the state legislature and governor.
- Since 2005, the local share of Medicaid costs has increased at least 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 2009-10 and 2010-11 state budgets by over \$400 million in human service deliver alone.
- New York State counties are owed hundreds of millions of dollars in state reimbursement at any given moment, without providing any compensation to counties for the cost of "floating" cash to the state, and this amount can easily double when the state budget is not adopted on time.

WHEREAS, simply capping property taxes does nothing to reduce the costs of these and many other state services that counties must pay for and implement at the local level; in fact it preserves the distinction of having the highest property taxes in the nation; and

WHEREAS, this distinction continues to drive people and businesses out of New York and acts as a deterrent to re-location to our state; and

WHEREAS, the 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; and

NOW, THEREFORE, BE IT RESOLVED, that the Delaware County Board of Supervisors encourages all parties, state and local, to enact legislation so that fiscal responsibility for services resides with the level of government that has the decision-making authority over those services; this will in turn reduce the property tax burden and not preserve the status quo; and

BE IT FURTHER RESOLVED, that Delaware County Board of Supervisors urges the Governor and state legislature not to impose a local property tax cap unless it is coupled with significant cuts in local costs for state mandated programs that cause local property tax increases; and

BE IT FURTHER RESOLVED, that the Delaware County Board of Supervisors shall forward copies of this Resolution to Governor Paterson, the New York State Legislature and all those deemed necessary and proper.

Motion made by Maggie Reinmann and seconded by Jim Bracci

Voting: Margaret Reinmann Y
Michele DeFreece Y
James Bracci Y
Allan Reed Y
Peter J. Bracci Y