

Property tax cap faces fight in State Assembly

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BY JOSEPH SPECTOR • ALBANY BUREAU • JANUARY 9, 2011, 5:55 PM

Gov. Andrew Cuomo has made a property tax cap a centerpiece of his agenda, but the controversial measure continues to face questions in the Democratic-led Assembly, where members are voicing concern over its impact on schools and local governments.

The debate over Cuomo's proposal to limit the growth in property [taxes](#) to 2 percent a year comes as he is pushing hard for the cap early in his administration, saying that New Yorkers can no longer deal with taxes that are among the highest in the nation.

The measure has wide support in the Republican-controlled Senate, which under the GOP and Democratic control has passed a 4 percent tax cap several times in recent years. But it faces a more uncertain fate in the Assembly, which is heavily supported by teacher unions that oppose the cap.

Some Assembly members said that a hard cap would be crippling to schools, which [account](#) for about 60 percent of a homeowner's property tax bill. Schools and local governments say they would be unable to abide by Cuomo's cap -- which would be 2 percent a year or the rate of inflation, whichever is lower -- without significant mandate relief from the state, such as lower pension and health care costs.

"A lot of people are very concerned about it. They know a straight cap will be extremely harmful to public schools," said Assemblywoman Barbara Lifton, D-Ithaca.

Others say a tax cap would increase the disparity between wealthy and poor school districts. Cuomo's plan would allow communities to override a tax cap with 60 percent of the vote in a referendum, which would be more likely in richer places.

"What we are doing is condemning every district that is considered needy right now to be needy forever," said Assemblyman Gary Pretlow, D-Mount Vernon, Westchester County.

It takes 76 votes to pass a bill in the 150-member Assembly.

A tax cap "will be an important first test for the new administration," said Assemblyman Joseph Morelle, D-Irondequoit, Monroe County, a Cuomo ally and tax cap supporter. "I think there's a lot of movement to getting it done -- public support in both houses, support by the governor. The timing seems right."

The property tax cap, which polls show is popular among voters, is also apparently becoming tied to another issue: rent control regulations in New York City.

Assembly Speaker Sheldon Silver, D-Manhattan, and other Democratic lawmakers indicated in recent days that a tax cap needs to be part of a larger discussion about [affordable](#) housing for all New Yorkers, including in New York City where rent costs are generally a more pressing issue than property taxes. Rent regulations expire this year.

"I think we're all hopeful that in addition to addressing property tax relief, which is a necessary and pressing concern, we will also be able to have a broader conversation about preserving and creating affordable housing in the city of New York," said Assemblyman Hakeem Jeffries, D-Brooklyn.

Silver indicated in his remarks Wednesday at Cuomo's State of the State address that he will work with the Democratic governor to cap taxes. But his responses since then have been less emphatic.

"I believe that property taxes are too high in this state and they should be reduced," Silver told reporters after the speech. "There are a number of ways that has been proposed and I believe that we can come to an agreement with this governor and the Senate."

Another battle looms over what costs should be exempt from a tax cap. For example, pension and health care costs in New Jersey are exempt from the 2 percent cap it passed last year.

Cuomo's proposal would not exempt those mushrooming expenses. As a result, governments said they would be unable to live under a cap without the state picking up additional costs or offering relief from state-imposed mandates, such as Medicaid and social services.

A report last month from the Empire Center for New York State Policy found that pension costs alone in the coming years would equate to a yearly property-tax increase of about 3.5 percent.

"If his main item, the 2 percent property tax cap, is put in place without some mandate relief, we're in real trouble," said Binghamton Mayor Matthew Ryan.

Cuomo has pledged that a tax cap would be coupled with mandate relief. To drive home that point, he has formed a Mandate Relief Redesign Team, made up of government, business and union leaders.

The group, which held its first conference call on Friday, includes Monroe County Executive Maggie Brooks; Sen. Andrea Stewart-Cousins, D-Yonkers; Assemblyman Marcus Molinaro, R-Tivoli, Dutchess County; and Westchester County Association president William Mooney.

"The enormous burden of unfunded and underfunded mandates is breaking the backs of taxpayers, counties and municipalities across the state," Cuomo said Friday in a statement.

"These mandates are throwing budgets out of balance and sending local property taxes through the [roof](#)."

But that group isn't expected to report its findings until at least March 1, perhaps after Cuomo would want a tax cap adopted in the Legislature. That has drawn the concern of some lawmakers as well, saying it would be difficult to vote for a tax cap without knowing if it's tied to larger cost [savings](#).

"If it's not coupled with some means by which our districts can actually save (money), it doesn't seem like an entirely responsible approach," said Assemblyman Kevin Cahill, D-Kingston.

Some Assembly members and unions prefer a circuit-breaker program, which would tie property taxes to household incomes. But that proposal comes with at least a \$1 billion price tag at a time when the state faces a roughly \$10 billion budget gap next fiscal year, which starts April 1.

In another approach, Cahill introduced a bill Thursday that would allow BOCES to expand its regional services to lower costs for schools. His plan also includes moving away from property taxes as the major source of revenue for schools to an income-tax-based [model](#).
