



NEW YORK STATE SENATOR

Catharine Young

Local Government Assistance Cuts Could Lead to Higher Local Property Taxes

CATHARINE YOUNG August 14, 2008

OLEAN – In an effort to block sharp reductions to local government assistance, State Senator Catharine Young, (R,I,C-Olean) has said she will oppose \$250 million in local cuts proposed last week by the Governor which would force local governments to raise property taxes to make up for the lost revenue from Albany.

The proposed local assistance cuts come on the heels of the Senate's passage of the Governor's legislation to enact a school property tax cap to provide relief from the crushing burden of property taxes Upstate and in the New York City suburbs. Rising property taxes continue to be the number one issue from Western New York to the tip of Long Island, and cutting local aid would hinder efforts to reduce property taxes.

However, Senator Young reaffirmed her commitment to partnering with Governor Paterson in the coming days and weeks to reduce spending and find real solutions to the fiscal problems created by the national economic slowdown.

"I will continue to work with the Governor to address the economic challenges facing the state, but not in a way that is harmful to the cities, towns and villages I represent who are already doing more with less. If the State takes away promised local aid, many local governments will be forced to raise their taxes to fill the gap. At a time when we are focused on providing real property tax relief to overburdened homeowners, that would send the wrong message," Senator Young said.

The Senate Majority has been at the forefront of efforts to protect local aid, most recently in the 2008-09 State Budget, when the conference beat back a proposal by former Governor Eliot Spitzer to shift 2 percent of public assistance costs from the State to the counties. At the insistence of the Senate, the final Budget did not include the state-to-county cost shifts, which were strongly opposed by local county leaders across New York.

In addition, the Senate Majority has been instrumental in increasing funding for the Aid and Incentives to

Municipalities (AIM) program. As a result of the 2008-09 Budget, municipalities outside of New York City will receive \$767 million in total AIM funding, a \$67.5 million (9.7 percent) increase from 2007-08. Buffalo (+10.8 percent); Rochester (+17.4 percent); Syracuse (+10.8 percent); Albany (+13.3 percent); Binghamton (+10.8 percent), and many other municipalities received significant AIM increases.

The 2008-09 State Budget provides \$246 million in AIM aid to New York City, up from the \$164 million in AIM funding proposed by former Governor Spitzer, which was half of New York City's previously scheduled \$328 million payment for 2008-09. The full AIM payment of \$328 million will be restored in the 2009-10 fiscal year.