



NEW YORK STATE SENATOR

John A. DeFrancisco

Senator Defrancisco Says Mta Bailout Bill Hurts Cny

John A. DeFrancisco

May 7, 2009

Senator John A. DeFrancisco (R-I-C, Syracuse) and his Senate Republican colleagues are calling the secretly-negotiated MTA bailout deal a massive new mandate that will drive up local property taxes, increase taxes on jobs and do nothing to reform the bloated and wasteful spending by the Authority.

“The Democrats’ bailout is a \$2.2 billion tax increase that will be paid by not only New York Metropolitan area commuters, but also by taxpayers throughout the state,” said Senator DeFrancisco. “In addition, this Downstate issue will end up hurting Central New York. Upstate tax dollars will be used to fund this massive bailout, but unlike in the past, there is no road and bridge capital plan for Upstate New York included in the bailout plan.”

NO FIX FOR UPSTATE ROADS AND BRIDGES

For over a decade, the state approved five-year capital plans for the MTA and for road and bridge projects in Upstate. For the first time in memory, that parity was ignored as the MTA bill funds a two-year capital plan for mass transit in the

Metropolitan area only. There is no road and bridge capital plan, only vague promises by the Governor to try to do something sometime in the future.

SCHOOL AID DIVERSION TO DOWNSTATE

In order to relieve downstate schools from a payroll tax imposed on all New York Metropolitan area businesses, schools, not-for-profits, and local governments, the bill provides for the reimbursement of payroll tax obligations to Metropolitan area schools. This money will come out of school aid next year. As a result, \$90 million will be taken off the top of school aid otherwise available to schools throughout the state, including Central New York, which means less school aid for Central New York schools next year and likely higher property taxes.

MASSIVE MANDATE ON LOCAL GOVERNMENT TAXPAYERS

The MTA bill comes just days after Governor Paterson announced that he is committed to preventing new mandates on local governments. Despite this, cities, towns and villages will now have to pay millions more under this plan. This MTA plan is the largest new state mandate since Medicaid.

“Not only does this bailout plan negatively affect Central New York this year, it does nothing to reform the MTA to ensure that we don’t face the same problem in the future,” said Senator DeFrancisco. “The bill is a big loss for taxpayers, homeowners, local governments, businesses and the future of our state.”