



NEW YORK STATE SENATOR

Jack M. Martins

From the Desk of Senator Jack M. Martins

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More Than Just a Tax Cap

I think people in neighboring states could hear New Yorkers breathe a collective sigh of relief this past week as we finally began to see the effects of our new tax cap. More than anything else, property taxes have been the overriding issue in New York for many years, especially since they've grown on average more than 6 percent a year for ten years, double the rate of inflation. So, after leading the nation in runaway increases for so long, we finally hit the brakes in 2011 with a tax cap that had bi-partisan support in both houses of the legislature. With limited exceptions, it holds increases in school and local property taxes to two percent a year, or the rate of inflation, whichever is less.

But, and this is an important "but," a greater increase can still be passed, if necessary, should 60 percent of voters approve it. Taxing districts would have to present a well-informed and obviously persuasive case and then let voters decide. This puts the power of responsible budgeting where it belongs, in the hands of the people paying the bills. Yet I want to stress the word "responsible" because there are undeniable realities that must be addressed. Circumstances are different from community to community and each must decide for itself what its needs are and how it can meet those needs with respect to the cap.

You see, we put that 60 percent safety valve into the legislation because we recognized that it is ultimately a community decision and there may very well be instances where the community would need flexibility in addressing its needs. Hopefully, as the matter is debated and analyzed publicly in the context of the budget, it will actually foster greater understanding of the workings of our local governments and schools.

I think we all understand that there are very few, if any, “one size fits all” solutions in this world – including our tax cap. To be effective, a cap has to have teeth and this one certainly does. Gone are the days of austerity budgets which oftentimes were nearly as high as the budget that was voted down. Now, if a budget vote fails, the result is a 0 percent year-to-year increase. But to be effective, the community itself must also have the ability to bypass the tax cap to address local needs and concerns. The 60 percent threshold allows for that flexibility while keeping the tax cap viable.

That being said, the cap has had great success thus far and I am gratified that it seems to be working for so many. A full 90 percent of schools and 83 percent of local government will be in compliance this year. Not only does that translate into lower and well-controlled taxes, it also means better government because officials are holding their budgets to a higher and more accountable standard. In response, unions have stepped up, finding ways to help those officials keep within the cap without hurting students or services. There have been some growing pains to be sure, but I couldn't be prouder of the legislation and its effect or the local leaders who have worked to make it happen.

If you are a member of one of those communities looking to pierce the cap, I encourage you to get involved, understand the issues clearly and participate in the discussion. This legislation is about much more than capping taxes, it's about improving our own citizenry as we take ownership of our communities' budgets.

Our tax cap is one of those basic yet uncommon pieces of legislation that has the potential to turn New York around in a big way. Simply put, people have always loved living in New York, they just couldn't afford it. Hopefully, that will change now.