



NEW YORK STATE SENATOR

Jack M. Martins

## Senator Martins and Governor Cuomo Tout Economic Development

JACK M. MARTINS June 28, 2013

| ISSUE: **LOCAL GOVERNMENT, COMMUNITY REINVESTMENT**

| COMMITTEE: **LOCAL GOVERNMENT**



Senator Jack M. Martins and Governor Andrew M. Cuomo were at SUNY Old Westbury to detail the major accomplishments that passed the State Legislature in the last days of the legislative session. The Governor and lawmakers were on hand for a bill signing ceremony for the Start-UP NY program.

Senator Martins, who introduced the Governor, spoke about a new era in Albany that has transformed New York State . The last three legislative sessions have proven that lawmakers can work together with each other and the Governor to move the state forward. This legislative year was certainly no exception as progress was made once again through common sense measures and reforms.

From the innovative Start-Up NY program, and the establishment of a Financial Restructuring Board to help fiscally distressed local governments, communities across the state of New York stand to benefit in a major way from the legislation passed at the end of this year's session.

"This has been one of the most productive legislative sessions on record for communities across New York State," Governor Cuomo said. "Over the past two years, we've changed the economic development paradigm from an Albany-top-down model to a jobs agenda built from the ground up. This year, we put those efforts into high gear. From lowering middle class taxes to their lowest rates in sixty years to launching innovative tech-transfer initiatives and investing in higher education, it has already been a banner year for upstate economic development. We ended this year's session with major initiatives to jumpstart the economy here on Long Island – including Start-Up NY to create tax-free communities around our SUNY schools to attract new business and a Financial Restructuring Board to help struggling localities manage their finances. The achievements of this legislative session send a clear message that New York State is open for business."

Senator Jack Martins, said, "With the Start-Up NY program Governor Cuomo has stated loud and clear that New York is the place for businesses to startup or relocate and stay for the long haul. This initiative will provide a major boost in economic development in our communities, and by extension bring increased revenue into our local governments. Additionally, those same local governments have been given significant support from Albany

with the creation of the Financial Restructuring Board. This body will ensure that struggling municipalities will gain comprehensive strategies to navigate back to sound fiscal foundations. Overall, a real win-win for New York.”

Reverend Calvin Butts, President of SUNY College at Old Westbury, said, “Governor Cuomo’s Start-Up NY program will pump new energy into the New York State economy. By creating tax free communities around schools like SUNY at Old Westbury, the Governor’s proposal will ensure that we attract and retain good middle class jobs in a variety of industries. This program is a definite job creator, and will be a tremendous benefit across the Long Island region.”

Steve Acquario, Executive Director of the New York State Association of Counties said, “Settling labor disputes that involve police officers and firefighters can be a complicated and highly sensitive process given the important services these officials provide. Balancing taxpayer equity and employee concerns is always a difficult process. As proposed by Governor Cuomo, the arbitration reforms for uniformed personnel will improve the process and help municipalities continue to protect the public’s safety while balancing the interests of their taxpayers. This law expires in three years, which will allow interested parties and the Governor to evaluate the need for additional changes. I commend the Governor, legislature, and the police and fire organizations for working together to bring mandate relief to New York State’s local taxpayers.”

Peter A. Baynes, Executive Director of the New York State Conference of Mayors said, “Since 1974, the expensive mandate known as binding arbitration – which was originally enacted as a two-year experiment but has been deemed a “sacred cow” ever since – has blindly ignored the fiscal ability-to-pay of local taxpayers and arbitrarily inflated the cost of police and fire contracts in every region of this state. Thanks to Governor Cuomo’s leadership, for the first time this inequity will begin to change as arbitrators, in most instances, will be obligated to

give taxpayer ability-to-pay the highest consideration, and also take into account the fiscal constraints of the 2% tax cap. Mayors urge the Governor and State Legislature to make this the first of many important steps toward overdue relief from state mandates.”

### **Start-Up NY**

Start-Up NY is an innovative game changer that puts New York at the front of the pack for jobs and private sector investment. This program will allow new and existing businesses to take advantage of all that New York State has to offer without having to pay sales taxes, property taxes, or business taxes – no state taxes, period. Additionally, those company’s employees will have their income taxes waived for up to ten years. Partnering with New York’s world-class SUNY education system as well as selected private colleges and universities will also offer our students more opportunities to pursue employment in their fields of study. Not only will businesses seek to stay and flourish on Long Island, but so too will our graduates.

By putting the focus on creating tax free communities based around the state’s leading higher education system, the Governor is aligning the regional economy with a highly competitive environment that will ensure businesses come to and stay on Long Island.

### **Distressed Cities**

Municipalities across New York State have struggled to balance declining revenues and rising costs for decades, and these tough budget decisions have often put local leaders in a position of having to cut services and jobs. To address these challenges Governor Cuomo created the Financial Restructuring Board, which will work together with local officials to develop cooperative, case-specific strategies to establish a solid fiscal footing from which to operate. New York’s binding arbitration laws have also been sorely in need of reform for generations. Governor Cuomo has ended Albany’s tradition of looking the other way on

binding arbitration by establishing a new “ability to pay” standard which arbitration panels must consider for 70% of their decision on contracts – including specifically considering the requirements of the state’s 2% property tax cap.

The success of Long Island’s economy relies on the strength of our communities. For the first time in many years, New York has a Governor taking decisive action to help struggling cities and towns avoid bankruptcy and regain strong economic foundations. By creating the Financial Restructuring Board and delivering badly needed binding arbitration reforms, Governor Cuomo is ensuring that local governments across the state have the ability to dig out of their current fiscal holes and focus instead on improving services and quality of life.

The end of session accomplishments build on initiatives included in the 2013-14 budget that will help grow the Long Island economy:

**Tax Cuts for Middle Class Families:** Recognizing that New York's taxpayers have been overtaxed for too long, the Budget included \$1.23 billion in new tax cuts to middle class families over three years. Families with incomes between \$40,000 and \$300,000 will be eligible to receive a new child tax credit of \$350 per year, beginning in 2014.

**Tax Cuts for Businesses:** To provide tax relief to New York's job creators, the Budget includes nearly \$800 million in tax relief for New York businesses over three years. With this tax relief, the Budget recognizes that cutting taxes sends a positive sign to the private sector that New York is pro-business and helps reverse New York's longstanding reputation as the tax capital of the nation. **Hiring Tax Credits:** To help New York's returning soldiers and young people find work, the Budget includes a permanent tax credit for the hiring of Veterans, and tax credits for businesses that hire youth.

**Investing in the Economy of Tomorrow:** The Budget provides the initial funding to launch the Innovation Hot Spots program that will create or designate ten high-tech innovation incubators at locations affiliated with higher education institutions to encourage private-sector growth. In addition, a \$50 million Innovation Venture Capital Fund that will provide critical seed and early-stage funding to incentivize new business formation and growth in New York State and facilitate the transition from ideas and research to marketable products.

**Building on the Success of the Regional Councils:** The Budget includes a third round of the Regional Economic Development Councils including \$150 million in new funding and \$70 million in tax credits.

**SUNY and CUNY Campuses Driving Private Sector Job Creation:** The Budget includes \$55 million for a third round of the SUNY 2020 program and \$55 million to launch the CUNY 2020 program to provide competitive grants for projects that connect economic development and academic excellence.