



NEW YORK STATE SENATOR

Rich Funke

## Senate Passes Funke Bill to Prevent Property Tax Increases Due to Costly State Mandates

RICH FUNKE May 27, 2015

| ISSUE: **TAXES**

The New York State Senate today passed S3144, a bill sponsored by Senator Rich Funke to help control property tax increases by preventing large unfunded mandates from affecting municipal and school district budgets. The bill would require the state to fund costly mandated programs or services, instead of placing the burden on local governments and property taxpayers.

Funke said, "The amount of mandated spending that Albany forces on local governments and school districts is a primary reason New York's property taxes are among the highest in the nation. In fact, just a handful of mandates account for nearly all of the property taxes collected across our entire State each year. My legislation to cap mandated cost hikes would go a long way toward better protecting local taxpayers, and I thank my colleagues on both sides of the aisle for their support."

State mandated programs place taxpayers and local officials in the position of paying for services that they do not control. When the state sets local priorities and forces municipal taxing decisions by mandating services, programs, and standards, many local governments and school districts are put in acutely difficult fiscal situations.

The Senate has been working to address these unfunded local burdens and since January 1, 2011, has adopted a wide range of mandate relief proposals, of which over 63 have become law. Mandate relief initiatives allow localities to pass on savings to taxpayers through reduced property taxes. These measures include taking over certain local expenses such as Medicaid growth caps and eliminating state requirements.

This bill would prevent future unfunded mandates from affecting local finances and driving up property taxes. It requires any state mandated program imposed on municipalities or school districts that creates an annual net additional cost in excess of \$10,000 or an aggregate annual net additional cost in excess of \$1 million to be funded by the state. Local governments would then be more able to stay within the property tax cap and provide further relief to taxpayers.