



NEW YORK STATE SENATOR

Catharine Young

Senator Young Continues Fight for Property Tax Relief

CATHARINE YOUNG June 2, 2015

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Legislation passed by the Senate continues progress made in this year's state budget

ALBANY – The Senate passed several measures yesterday to continue their fight for property tax relief.

Among those bills, the Senate passed legislation (S3019), sponsored by Senator Catharine Young (R,C,I – Olean), that would create incentives for counties to investigate and prosecute Medicaid fraud. Upon a successful fraud conviction, the local government would receive 100 percent of their local share of the original overpayment. Since the local share on some judgments may be very small, the local governments would be guaranteed at least 10 percent of any recovery, including settlements.

Senator Young said, “Medicaid fraud hurts taxpayers and increases costs for local governments. The existing payment cap inadvertently reduces the incentive to root out fraud, waste and abuse. By providing a greater share of the funds recovered from a

successful prosecution to our local governments, we encourage prosecution of abusers and provide greater tax relief to homeowners, families, and seniors. Local district attorneys and law enforcement know what is going on in their communities best, so it makes sense that we let them handle these cases.”

Last week, the Senate passed legislation (S1074) that would, for the first time since 1994, increase the maximum income eligibility levels for real property tax exemptions for seniors. Local governments currently have the option to provide a partial real property tax exemption to senior citizens based upon their income. This partial exemption can range from five to 45 percent of the property's assessed value. Under the legislation passed by the Senate, the maximum income eligibility would be increased to reflect increases in the cost-of-living.

“Our seniors on fixed incomes risk losing the homes they’ve raised their families in because of New York’s high tax burden. Choosing between paying for their medical expenses, buying food, or paying their property taxes can be daunting for a senior, especially when taxes just keep going up. By increasing the income eligibility, we are making the law reflect the changing cost of living faced by seniors,” said Senator Young

Senator Young and her colleagues also passed legislation (S3144) that will provide municipalities and school districts even greater fiscal relief by preventing large unfunded mandates from affecting their budgets. Under the bill, any state mandated program imposed on municipalities or school districts that added a net cost in excess of \$10,000 or an aggregate

annual net cost in excess of \$1 million would have to be funded by the state. This would make it easier for local governments and school districts to stay within the two-percent property tax cap and provide further relief to local property taxpayers.

Senator Young said, “For years, local governments have been crying out for additional help from these burdensome mandates. By giving municipalities relief from new mandated cost, we provide them the ability to finally achieve meaningful savings that can be passed onto the taxpayer.”

The Senate also fought hard to ensure property tax relief was included in this year’s state budget.

In his Executive Budget Proposal, Governor Cuomo originally advocated for a change to the STAR tax credit homeowners receive on their school tax bills, instead applying the credit to a homeowner’s personal income tax, with plans to eventually eliminate the program entirely. The governor also advocated for a cap on the amount of STAR benefits a taxpayers would receive at no more than the 2014-15 levels.

The enacted budget rejected both of the governor’s proposals and provides \$3.2 billion to help fully fund STAR and Enhanced STAR this year with an increase in assistance for area homeowners included.

Senator Young said, “STAR and Enhanced STAR have proven valuable tools in reducing the school tax bill for area homeowners, and their loss would have been disastrous to our community. These programs make homeownership more affordable, keep seniors in their homes longer, and help our schools achieve the funding they need.”

Under the final budget, area taxpayers will see an increase in their Property Tax Freeze Rebate Check. The program, created last year, encourages local governments and school districts to operate more efficiently. In return, local homeowners receive a tax rebate check in the mail, providing direct property tax relief to millions of New York households.

“The Senate has always been focused on tax relief and economic growth, and it is extremely positive to see others joining our fight. We need to be easing the burden on our families and encouraging more people to pursue the dream of homeownership. This year’s budget was a major step in the right direction and our continued efforts in the months since will help New Yorkers stay in the homes and communities they know and love,” said Senator Young.