



NEW YORK STATE SENATOR

Fred Akshar

Senator Fred Akshar: Albany Raids Municipalities' Budgets to Pay for its Own

FRED AKSHAR January 23, 2019

| ISSUE: **LOCAL GOVERNMENT, PROPERTY TAXES**



It's a new year, a "New" New York, but the same old shell game when it comes to Governor Cuomo's proposed Executive Budget.

While the Governor's proposed budget always includes plenty of ways to spend hardworking New Yorkers' tax dollars, he still needs to find ways to pay for it. This year, he has his sights are firmly locked on gutting a crucial state funding program for local municipalities - Aid and

Incentives for Municipalities (AIM).

Under Cuomo's plan, AIM funding would be swept away from 91% of New York's towns and villages and put back into the General Fund for towns and villages. That amounts to about \$60 million statewide and over \$2 million from the communities I represent that will be simply stripped away and sent back to Albany to help cover the \$3 billion State Budget deficit. For some municipalities, the cut represents \$20,000 - \$30,000, for others, like the communities of Endicott, Vestal and Owego, the cuts are in the hundreds of thousands of dollars.

New Yorkers pay some of the highest taxes in the nation, but at least this AIM funding was coming back directly to help their individual communities. If the Governor's raid succeeds, these tax dollars will go straight to Albany and our local governments will be faced with a decision: raise property taxes to cover the loss or cut local services they provide to the communities.

How does this \$2 million raid affect the people I represent in the 52nd Senate District? Roads may not get paved. Bridge repairs and park upgrades may get cancelled or delayed. Staff like local police, fire and EMS workers may be laid off in the middle of the year.

The state-imposed 2% property tax cap has at least helped contain New York's out-of-control property tax levels, but this latest scheme has put our local governments in a nearly impossible position.

AIM has remained a consistent part of local municipalities' tightly-stretched budgets and has gone without increase for nearly a decade. Local governments depend on this funding,

and for many, these cuts are coming in during the middle of their fiscal year. For many, this means almost immediate staffing cuts to simply make ends meet.

Also added to the pile of unfunded mandates on local government are this year's recently passed election reform bills, which localities must immediately adopt and pay for this year with no listed financial support from Albany.

While the Governor's budget proposal eagerly strips \$60 million in funding from 91% of New York's local governments, it's just as eager to handout \$3 billion in taxpayer-funded incentives to the likes of Amazon, whose CEO is literally the richest man in the world.

Some have suggested that any budget deficits, \$3 billion or otherwise will be offset by sales tax receipts on the expected legalization of recreational marijuana, but the Governor's own report shows that estimates of actual tax revenue only range from \$248 - \$340 million.

Instead of relying on new or higher taxes to cover deficits, New York state should simply look inward to reduce the cost of government. The \$8 billion spent each year on disappointing economic development programs seems like a great place to start.

This assault on local governments was bundled into the same State of the State speech where Governor complained about an "assault" from the federal government. Are these assaults only permissible if no one notices them?

Last week, I was proud to stand shoulder to shoulder with 17 other local officials last week to emphatically oppose this scheme on behalf of local governments across the communities I represent and communities across the state that will be marred by these cuts.

In previous years, Republican majorities in the State Senate were able recognize to block these types of funding raids and take them off the negotiating table, but this year the Governor has the support of Democrat-led majorities in the Senate and Assembly.

Will they stand up to Governor Cuomo on behalf of our local governments? Will they prioritize local roads, bridges, police and emergency services over corporate welfare?

I urge all New Yorkers to contact their state representatives and ask them yourself. If Albany wants to play another shell game with tax dollars that ends with either higher property taxes or fewer services for everyday New Yorkers, they must be held accountable.

Maybe, just once, we can get Albany to try playing a different game.