



NEW YORK STATE CONFERENCE OF MAYORS AND MUNICIPAL OFFICIALS

Mayor Diana Smith, President • Peter A. Baynes, Executive Director

June 29, 2011

Property Tax Cap Signed Into Law

The property tax cap passed both houses of the State Legislature last Friday and was immediately signed into law (Chapter 97 of the Laws of 2011). As expected, the tax cap that was agreed to essentially mirrors the proposal that was introduced by the Assembly on May 24 and explained in a previous NYCOM correspondence.

Highlights of property tax cap, as it relates to municipalities, are as follows:

- The bill caps year-to-year growth in municipal property tax levies at the lesser of 2% or the annual increase in the consumer price index.
- It will be effective for municipal fiscal years beginning in 2012.
- The cap applies to “taxes imposed on real property by or on behalf of a county, city, town, village, school district, fire district or special district.”
- Each local government is responsible for calculating its tax levy limit and submitting the relevant information to the State Comptroller.
- Up to 1.5% of any unused cap in one year would be able to be carried over into the following year.
- Exclusions from the tax cap include:
 - Large legal settlements exceeding 5% of the prior year levy;
 - Levy increases resulting from local government consolidation;
 - Tax levy necessary for pension growth in excess of two percentage points above the prior year’s average actuarial contribution rates for ERS and PRFS; and
 - Development that increases a municipality’s full value of taxable real property. (A growth factor will be calculated by the Department of Taxation and Finance.)
- A local governing body may adopt a local law to override the tax cap. The override is good for one fiscal year and must be approved by 60% of the total voting power of such governing body.
- The tax cap will remain in effect as long as New York State’s rent stabilization law remains in effect.

There are a number of outstanding questions on many aspects of the tax cap that NYCOM is trying to clarify, including: the true definition of the levy; how levies, tax refunds and the like will be treated; who will determine the CPI; how the pension exclusion will be calculated and whether the decision to amortize a portion of pension costs will affect the calculation; and numerous issues related to the timing of determining the amount of your levy cap, approving an override and the adoption of your budget. As we receive clarification on these and other issues, we will convey this important information to NYCOM members.

Mandate Relief

In addition to an extension of rent stabilization, the tax cap bill that ultimately passed the State Legislature ([A.8518/S.5856](#)) also includes certain "mandate relief" initiatives. Unfortunately, the mandate relief provisions are not what NYCOM would consider significant and will likely do very little to help you control costs under the restrictions of a tax cap.

None of the priority mandate relief proposals that NYCOM has been calling for – including pension reform, mandatory health insurance contributions, binding arbitration reform, repeal of the Triborough Amendment, restrictions on police and fire disability – was included in the bill. Some of the mandate relief items that were part of the final agreement are as follows:

- Repeal of the mandate that requires municipalities to provide a police chief with the same dollar increase in compensation received by his/her highest ranking subordinate (and which has been interpreted to mean that a municipality must pay a new police chief the same compensation as his/her predecessor);
- Ability for all municipalities, regardless of population, to recover municipal expenses associated with police officer training when an officer transfers to another municipal police department;
- Authorization to piggyback onto federal contracts for computer hardware software and professional services, as well as federal defense supply contracts;
- Authorization for the Office of General Services (OGS) to provide centralized fuel and electricity purchases for municipalities; and
- Creation of an 11-member Mandate Relief Council (7 gubernatorial appointees and 4 legislative appointees) with the power to review and recommend amendment/repeal of regulatory and statutory mandates presented by local governments and school districts.

OTHER BILLS THAT PASSED BOTH HOUSES

Land Banks – A. 373-A (Hoyt) / S. 663-A (Valesky) – NYCOM Supports

Provides for the creation of up to ten land banks by municipalities in New York State for the purpose of redeveloping vacant, abandoned, tax-delinquent, and foreclosed properties. This legislation would address many of the legal impediments to turning properties that blight communities into productive properties that contribute positively to the local economic and community health, reviving healthy private real estate markets.

STATUS: Awaiting Delivery to the Governor

Conditional Approval of Final Plats – A. 7654 (Lavine) / S. 4226 (Lanza) – NYCOM Supports

Removes the statutory provision that limits the number of 90-day extensions that may be granted on conditional approvals of final plats. This legislation allows planning boards, at their discretion and upon a determination that an extension is warranted, to extend the duration of the conditional approval of the final plat at 90-day intervals.

STATUS: Awaiting Delivery to the Governor

Complete Streets – A. 8366 (Gantt) / S. 5411-A (Fuschillo)

Establishes a Complete Streets Program in New York for the purpose of improving the safe access to public roads by all users. Specifically, requires transportation projects that receive both federal and state funding and are subject to Department of Transportation oversight, to consider the convenient access and mobility on the road network by users of all ages, including motorists, pedestrians, bicyclists, and public transportation users through the use of complete street design features, unless the cost of doing so is disproportionate to the need or there is a demonstrated lack of need for such features.

STATUS: Awaiting Delivery to the Governor

Power NY Act of 2011 – A. 8510 (Cahill) / S. 5844 (Maziarz)

Streamlines the permitting process for power plants, requires a multi-agency siting board to determine whether a proposed facility will create a disproportionate environmental impact in a community and, if so, requires applicant to minimize or avoid those impacts, and provides for "intervenor funding" for the community affected by the proposed plant to hire experts and lawyers.

STATUS: Awaiting Delivery to the Governor

Marriage Equality Act – A. 8354 (O'Donnell)

Grants same-sex couples the authority to marry under the law. In addition, the law was amended to include protections for religious organizations that refuse to perform same-sex wedding ceremonies. (Chapters 95 and 96 of Laws of 2011, effective July 24, 2011)

Procurement Reform – “Best Value” – A. 7357-A (Heastie) / S. 4753-A (Ranzenhoffer) – NYCOM Supports

Will require that purchase contracts (including contracts for service work) be awarded on the basis of best value, as defined in section 163 of the State Finance Law.

STATUS: Awaiting Delivery to the Governor

Open Meetings Law and Public Records – A. 72-B (Paulin) / S. 3255-B (Saland) – NYCOM Opposes

Requires that, when requested, certain records which are scheduled to be discussed at an open meeting, be made available, to the extent practicable, prior to or at the meeting. Copies of the records may be made available for a reasonable fee, in accordance with existing provisions of FOIL. Such records shall also be posted on the municipal website.

STATUS: Awaiting Delivery to the Governor

Joint Municipal Ambulance Services – A. 7196 (Gabryszak) / S. 4206 (Libous) – NYCOM Supports

Will allow a municipality to operate ambulance services within its own physical boundaries, as well as within the physical boundaries of other municipalities, with which it has contracted to perform such services.

STATUS: Awaiting Delivery to the Governor

Personal Vehicles Used For Volunteer Firefighting – A. 1007 (Weisenberg) / S. 928 (Marcellino) – NYCOM Supports

Prohibits insurance companies from refusing to issue or renew an automobile insurance policy for the sole reason that the motor vehicle is used for volunteer firefighting.

STATUS: Awaiting Delivery to the Governor

Hazardous Material Spills – A. 7672 (Sweeney) / S. 5444 (Zeldin) – NYCOM Supports

Will allow municipalities or fire districts that contract with or control fire companies to charge for certain costs incurred by such fire companies when responding to an incident involving the release of hazardous materials by a transporter of hazardous materials. Reimbursement would be capped at \$10,000 per incident and would be limited to expendable materials used in the response.

STATUS: Awaiting Delivery to the Governor

Health Coverage to Spouses and Dependents – A. 4954 (Abbate) / S. 5098 (Golden) – NYCOM Opposes

Will provide continuous health insurance coverage to the spouse and/or dependents of public employees who are injured or taken ill while on the job.

STATUS: Awaiting Delivery to the Governor

OTHER BILLS OF INTEREST

Village Dissolution – A. 1274-A (Schimel) / S. 1824 (Martins) – NYCOM Supports

Would have amended various provisions of the New York Government Reorganization and Citizen Empowerment Act by defining the total number of electors for purposes of signing the petition, defining a time period for collecting signatures to initiate a village dissolution, expanding the representation in the development of the dissolution plan, increasing the timeframe for completing the dissolution plan, requiring a vote after the dissolution plan is complete, scheduling dissolution votes at times village votes are normally held; and prohibiting duplicate dissolution proceedings.

STATUS: Assembly: Local Governments Senate: Passed

Tax Increment Financing (TIF) – A. 5296 (Schimminger) / S. 2446 (Young) – NYCOM Supports

Would authorize schools to allow the school portion of real property taxes, typically the largest portion of the real property tax bill, to be used retire TIF bonds. By increasing the amount of money available to pay off bonds that are used to redevelop property, redevelopment projects that were previously unworkable would be viable, spurring growth and development, and boosting municipal and school property tax revenues in the long run.

STATUS: Assembly: Ways and Means Senate: Passed

Competitive Bidding Reform – A. 8255 (Magnarelli) / S. 4133-A (Gallivan) – NYCOM Supports

Would permit local governments to require submission of competitive bids in electronic format and allows municipalities to engage in cooperative purchasing from any state, local or federal information technology and law enforcement equipment contracts. Would also allow local governments to piggyback off of competitively bid out-of-state contracts.

STATUS: Assembly: Ways and Means Senate: Passed

Cooperative Purchasing – A. 8034-B (Russell) / S. 5525-B (Little) – NYCOM Supports

Would authorize New York's local governments to utilize cooperative purchasing by permitting municipalities to purchase off of federally solicited out-of-state contracts.

STATUS: Assembly: Local Government Senate: Passed

Job Order Contracts – A. 5786-A (Abbate) / S. 5149-B (Bonacic) – NYCOM Opposes

Would prohibit local governments from utilizing requirement and job order contracts on contracts for public work, as well as would require certain information be provided in bid specifications that is often difficult to ascertain at the time bids are submitted.

STATUS: Assembly: Rules Senate: Rules

NYCOM's 2011 Planning & Zoning Summer Schools

*Presented by the New York State Conference of Mayors
in conjunction with the Association of Towns and the New York Planning Federation.*

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Friday, July 22 • Albany

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For a course agenda and registration form, click [here](#).

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