

Association of Towns' Statement Dated 07/20/2015 Regarding 2016 Tax Cap Limit

Today, the state announced that the tax cap for 2016 will be 0.73 percent. **That is less than half of 2015's property tax cap.** In fact, there hasn't been a 2 percent tax cap since 2013. Local governments are running out of options. Local governments agree with Comptroller DiNapoli's statement that tough budget choices are required, and New York State towns have been making those tough choices. For example, towns cut staff in 2010, 2011 and 2012. While there was an increase in town employment in 2013, three-quarters of that increase was in the form of part-time employees. Towns cut full-time employees again in 2014. These cuts and shifts are simply unsustainable.

One reason for high property taxes in New York is due to the fact that the state relies too heavily on locally raised taxes to support state initiatives and programs. New York derives 15.4 percent of its revenues from local funds. The next highest is Wyoming at 3.9 percent, while the nationwide average is 1.1 percent. New York continues to reduce assistance to local governments, while leading the nation in deriving revenue from local funds. Again, these cuts and shifts are simply unsustainable.

A Siena College-conducted survey this year revealed that New Yorkers trust and rate the job done by local governments as better than that done by the state. We believe the state should reflect the value that taxpayers place in their local governments by increasing state aid to localities and eliminating unfunded mandates. It is only with greater assistance from the state that we can assure sustainable local services.