

## N.Y. governor assesses tax cap push

Plan may not be paired with mandate relief, Cuomo says

By Joseph Spector • [jspector@gannett.com](mailto:jspector@gannett.com) • January 13, 2011, 8:55 pm

ALBANY -- What will come first in New York -- mandate relief or a property tax cap?

Gov. Andrew Cuomo is expected to introduce a bill in the coming weeks to cap property taxes in the state, but it may not be coupled -- at least initially -- with reforms to the state-mandated programs that local governments and schools are desperately seeking.

"I don't know that they have to be in the same bill. But I believe you need mandate relief. The definition of that is different depending on who you talk to," Cuomo said earlier this week. "But I believe you need mandate relief and property tax relief. They could be one bill. They could be two bills."

Cuomo has stressed his support for mandate relief and has formed a task force to come back with recommendations by March 1. But if he pushes for a tax cap before then, the Legislature could potentially adopt it without any mandate relief until later in the legislative session.

Cuomo wants to limit the growth in property taxes to 2 percent a year or the rate of inflation, whichever is lower.

How Cuomo rolls out his agenda for property tax relief is being closely watched by schools and local governments who warn that Cuomo's cap would be unattainable without reducing the cost of state programs they fund.

If Cuomo seeks a tax cap without it tied to mandate relief, he may also face a pushback from state lawmakers, many of whom have said that both are needed. But Cuomo is banking on the popularity of a tax cap in New York to win over legislators.

The state School Boards Association said in a report last month that schools statewide would be short \$815 million per year over the next four years if a cap were instituted without any reforms. They said that such a shortfall would lead to staff and program

cuts -- aside from any aid reductions that Cuomo may propose in his budget Feb. 1.

David Albert, the group's spokesman, said Cuomo should seek a tax cap and mandate relief at the same time to ensure schools can accurately prepare their budgets for the coming fiscal year, which starts July 1.

"The two really need to go together in the same legislation, voted on at the same time and preferably the mandate relief taking effect before a cap," Albert said.

Some tax cap advocates said doing the tax cap first, as Cuomo has suggested, could be the right strategic decision.

It could force the Legislature to address mandate relief soon after, without bogging down negotiations over both issues at the same time. A tax cap faces a tough fight in the Legislature.

"The cap does really serve as a blunt instrument to get the discussions going," said Sandy Parker, president of the Rochester Business Alliance, one of many business groups backing the cap.

Stephen Acquario, executive director of the state Association of Counties, said a tax cap and mandate relief could be addressed separately, but should be done within a short time frame of each other.

Local governments and schools have asked for a slew of mandate reforms, such as lowering costs for health care, installing a one-year wage freeze for

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workers and establishing a less generous pension system for new employees.

Acquario, who is on the mandate relief panel, said he's confident that Cuomo and the Legislature will address the mandate problem as part of the whole property tax issue.

"I don't think this governor wants to be known and this Legislature wants to be known for destroying the foundation and the fabric of local government services," Acquario said. "That's what would happen if there was no corresponding relationship with mandate relief and a tax cap."

Assembly Minority Leader Brian Kolb, R-Canandaigua, Ontario County, said a tax cap could be used to force a mandate-relief package through the Legislature because **local governments** would be severely impacted without it.

"To me, maybe it provides more incentive to get that mandate relief we need. So that's why I don't think it's imperative that the two be linked in the same bill," he said.