

# Property tax cap needed to force Albany reform of unfunded mandates

Just a few more days, as I write, until the state Legislature plans to wrap up its session, and I am cautiously optimistic that we will get (or maybe by the time this hits print will already have) the property tax cap that the governor and legislative leadership said they agreed upon.

Regular readers of this column know that I firmly believe the tax cap is an essential first step toward lowering New York's taxes. Local property taxes in New York are 79 percent higher than the national average. These overwhelming property taxes hamper business growth and drive jobs and residents to other states where there is greater economic opportunity.

In fact, a property tax cap is exactly what's needed to force New York to deal with another out-of-control problem, unfunded mandates passed on to local governments and school districts.

For decades, local governments and school districts across the state have struggled with laws and regulations that the state requires school districts, towns, villages and others to abide by and implement, without any financial support from the state. In other words, these are charges your local schools and governments have no control over and no say in whether they are appropriate or effective, yet somehow they must find a way to pay for.

How do they do that? Through the only option available: raising the local property taxes that are levied upon you, the taxpayer, by counties, towns, villages, school districts, sewer districts – all these governmental entities that provide services.



## ON BUSINESS

Sandra Parker

Local elected officials have long railed against this process, saying that in some cases, a huge percentage of their governmental budgets goes to cover the cost of these mandates, forcing them to raise taxes even further to pay for locally provided programs and services, or make cuts.

Now, regular readers of this column also know that I hate simply pointing out problems. I like to point the way toward some solutions. So I want to share with you nine recommendations for mandate relief that Unshackle Upstate has shared with Lawrence Schwartz, a senior adviser to Gov. Andrew Cuomo who serves as chairman of the governor's Mandate Relief Redesign Team.

The first item—enacting the Unfunded Mandate Reform Act—is currently under discussion.

Also on the list:

■ Limiting future unfunded mandates with legislation that would make it more difficult for the state to impose new ones on local governments and school districts, including requiring a public hearing on proposed unfunded mandates so that legislators will understand the impact of their actions.

■ Adopting legislation that would authorize local governments to opt out of certain unfunded mandates, such as the Triborough Amendment and Taylor Law. Opting out of Triborough would let local governments and school districts freeze salaries when a contract expires or when the economy goes sour, unlike the current law that gives employees step increases even if there is no contract.

■ Requiring local government and school district employees and retirees to make minimum contributions to their health insurance, as public employees do in other states and in the private sector. This would save local governments and school districts thousands of dollars per employee and retiree.

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**New York needs processes that restrain state government from dictating what local governments do. The cost of public workers' pensions and health insurance also must be restrained.**

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■ Creating a new defined-contribution pension tier for all state and local employees, allowing municipalities to continue to participate in the current defined-benefit program, let employees choose either a defined-benefit program or a fully portable defined-contribution program or elect to offer only the defined-contribution program.

■ Establishing and empowering the

Health Care Quality and Cost Containment Commission, created to conduct a comprehensive review of all currently mandated benefits and proposed mandates, and to provide an objective cost-benefit analysis of proposed health insurance benefit mandates prior to legislative action.

■ Ending the project labor agreement mandate on municipal public works projects, a move that would save millions in project costs and create an open, competitive and fair bidding process by ensuring the lowest price for such projects.

■ Getting rid of the Wicks Law, or at least making the threshold uniform statewide. This mandate requires that separate specifications be prepared and contracts awarded for the plumbing, electrical and HVAC components of public construction projects when the project cost exceeds \$3 million in New York City, \$1 million in the downstate suburbs and \$500,000 everywhere else. Until the law is repealed, we'd like to see the Wicks Law threshold be \$5 million statewide.

■ Expanding Court of Claims jurisdiction to include claims against local governments, reform that would fairly protect the rights of injured individuals while providing local governments throughout the state with significant savings at no cost to the state.

We all know the problems. Now we need to get talking about the solutions. To join in the conversation, visit [www.UnshackleUpstate.com](http://www.UnshackleUpstate.com).

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