

Business groups offering support to Cuomo

By Joseph Spector • Albany Bureau • December 17, 2010, 6:50 pm

ALBANY -- Business groups on Friday fired back at criticism of incoming Gov. Andrew Cuomo's property-tax cap plan, saying a cap is needed to lower expenses in [New York](#).

The groups' effort is a sign of things to come. [Business leaders](#) across the state are forming the Committee To Save New York to act as a counterweight to unions and other special interests during the upcoming budget fight.

The committee plans to raise more than \$20 million next year in its media push to boost Cuomo's agenda, said an organizer Kathryn Wylde, president of the Partnership for New York City, a [business](#) group.

"It gives him an opportunity to make his case without being blasted out of the water by every special interest that is looking to maintain the status quo," Wylde said.

The coming together of business groups in New York is setting up what may be an unprecedented battle in Albany between powerful labor unions and business interests.

But Wylde said the committee, expected to be formally introduced early next year, is looking to broaden its membership to include unions, good-government groups and civic organizations.

Already, the committee has joined forces with the Building and Construction Trades Council of Greater New York, a powerful private-sector union in New York City, and has brought on influential players such as former Comptroller Carl McCall and Richard Parsons, the chairman of [Citigroup](#).

McCall said while the group supports Cuomo's agenda, the aim is to unify all the varying interests to help the state out of its economic troubles.

"Let's not fight each other," McCall said. "Why should the unions spend millions of dollars fighting the government and some committee spends millions of dollars fighting the unions? Let's put that aside, and let's agree on a common strategy and a common

agenda for moving forward."

Rochester Business Alliance president Sandy Parker, who sits on the committee's executive board, said they want to build awareness that the state's business climate is suffering because of unsustainable policies in Albany.

"I think it's the first time, quite frankly, the business folks from across the whole state have recognized that there's going to be a battle to be fought," she said.

A first salvo was launched Friday, when upstate business groups cooperatively issued harsh criticism of a proposal supported by unions to tie property taxes to household incomes -- called a circuit breaker -- rather than instituting a tax cap.

"It's gimmicks. It's nonsense," Kenneth Adams, the Business Council's president, said of a circuit breaker. "It won't get the job done."

Adams added that, "You can't do this in half steps or false starts or bits and pieces. You have to have a comprehensive plan with a hard property-tax cap and the mandate relief and the [pension](#) reform, and that's what Andrew Cuomo has put forward."

The debate over a tax cap versus a circuit breaker has been going on for years. But the issue has gained new traction under Cuomo, who wants to install a cap that would limit the growth of property taxes to 2 percent a year or the rate of the inflation, which ever is lower.

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In recent days, local governments and schools have raised warnings about the cap, saying they would be unable to abide by it because costs, particularly for public pensions and health care, are rapidly rising. They called for relief from state mandates if a cap is going to be pursued.

Cuomo spokesman Josh Vlasto said the incoming Democratic governor, who takes office Jan. 1, plans to couple a tax cap with mandate relief.

"Governor-elect Cuomo will put forward a comprehensive plan to cap property taxes, reduce state mandates to lower local governments' costs, reform the New York state pension system and empower citizens to consolidate unnecessary levels of government," Vlasto said.

"He will be working to achieve all of these reforms, but the property-tax cap is the cornerstone to providing relief for our citizens."

Richard Iannuzzi, president of the New York United Teachers union, said the effort by business groups to push a tax cap will be beaten back by the public once they are educated about the plans, suggesting the union will undertake its own media campaign.

Iannuzzi said the tax cap won't lower taxes for the middle class, while a circuit breaker would redistribute the tax burden based on wealth. Still, a circuit breaker comes with a price tag of at least \$1 billion a year at a time when the state is already facing a \$9 billion shortfall next year.

"We'll continue to do what we always do to get our message out there," Iannuzzi said. "And I think frankly the more exposure they get for what they are doing, the better off we're going to be."

But business groups say they will be getting their message out too.

Unshackle Upstate, an upstate business group representing 70,000 employers, on Friday called on their supporters to encourage lawmakers to support a tax cap along with mandate relief for local governments. The tax cap has passed the state Senate under both Republican and Democratic control, but has not been taken up in the Democratic-led Assembly.

"Property taxes are the biggest burden affecting businesses, schools and local governments in Binghamton," said Lou Santoni, president of the

Greater Binghamton Chamber of Commerce.

"We agree that a tax cap should come with mandate relief. Unfunded mandates have been an albatross around New Yorker's necks for years."

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