

Press Release

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Property Tax Reform Groups Urge State Leaders to Include Enhanced Circuit Breaker in Budget Resolutions Issue Critique of Governor's Property Tax Plan

(Albany, NY) Members of the Omnibus Consortium (a coalition of property tax reform organizations from across NYS) called upon leaders in the Senate and Assembly to include an enhanced circuit breaker in their one-house budget resolutions due out this week. The groups have long advocated linking an individuals property tax burden to their income level as the most logical way to provide property tax relief in a targeted and effective manner.

In a white paper attached to this press release the groups urged leaders to focus on four key points:

- Providing property tax relief to families that need it the most through a targeted circuit breaker
- Making sure overburdened renters receive assistance based on rent burden relative to income
- Eliminating the property tax freeze and immediately implementing the circuit breaker
- Delinking the Circuit Breaker from tax cap and ending "conditional" tax relief

Providing property tax relief to families that need it the most through a targeted circuit breaker

John Whiteley of the NYS Property Tax Reform Coalition stated, "We very much appreciate Governor Cuomo's recognition that a middle class circuit breaker is badly needed, and we are certainly pleased he took the initiative to include a circuit breaker in the Executive Budget. However, a circuit breaker should be structured in a way that targets relief first and foremost to those most overburdened by their property taxes. With funding limited, the logical sequence would be to provide meaningful relief initially to those paying the highest, unsustainable percentages of their income in property taxes on their homes -- those arguably at greatest risk of losing them. Relief can then be gradually extended to others with lesser burdens as additional funding becomes available."

Whiteley pointed out that there are longstanding legislative proposals that serve as a model for how a circuit breaker should be structured -- including one such bill cited positively by the Governor during his 2010 campaign. Unfortunately the Executive Budget proposal tries to give a little something to as many homeowners as possible even though virtually every homeowner already has STAR, with the result that the tax credit is apt to make little difference for most recipients and even less for those most needing the help only a circuit breaker can provide.

Gioia Shebar, coordinator of www.Taxnightmare.org minced no words when she stated, "Filed under the heading of hope overcoming experience, we property tax reformers were initially buoyed up by the Governor's referencing how onerous the property tax is and how he would recommend a circuit breaker. The circuit breaker has always been our preferred relief mechanism but alas, in the Governor's budget, the circuit breaker emerged as a poor and pallid simulation and not a real circuit breaker at all."

“The property tax is a huge, smelly stable that needs mucking out and the governor has handed us a teaspoon to do it with. I noticed all the rest of the budget cutlery went to those who dine lavishly at the public trough, the wealthy and favored corporate interests.”

Robert McKeon, Director, Tax Reform Effort of Northern Dutchess (TREND) said, "The Senate and the Assembly need to take the lead by including in their one-house budget bills an enhanced and substantial circuit breaker. Over the decades, through the merry-go-round at the Governor's office, we've heard them all chant about the burden of the property tax only to propose and/or institute politically motivated actions that give just about every taxpayer the equivalent of a party favor. Just once it would be nice to see them stand up and say that good policy is driving the decision-making and that they are putting the people of New York first."

John Whiteley also pointed out what property tax reformers have been talking about for years, "While a meaningful circuit breaker is urgent to help those most overburdened keep their homes, long term systemic reform of the way we fund services in this state --especially schools --is essential, and we need to start talking about it more directly as we consider this budget and the future of our state. Despite the tax cap, we continue to over-rely on the archaic property tax, which is the most inequitable, burdensome tax we have and hurts middle class residents the most. The state needs gradually but significantly to reduce the use of the property tax for schools and replace it with more equitable state funding, more in keeping with its constitutional obligations and our 21st century realities."

Eliminating the property tax freeze and immediately implementing the circuit breaker

"The proposed two year property tax freeze seems designed mainly to force local cost savings through consolidation or shared services. While such savings are important, so is mandate relief, which we don't hear much about. From a tax relief standpoint, the savings for most homeowners would be minimal-- and what happens in Year Three? The circuit breaker is a more urgent need (albeit needing improvement), is long overdue, and should be fully implemented immediately instead of being further delayed by the quirky freeze," continued **Whiteley**.

“As for the freeze, well, better if it had been left frozen like the woolly mammoths for some future time when more advanced scientists and fiscal experts might have the tools to figure out what manner of creature it is. Or better still, just consign it to extinction,” wryly stated **Shebar**.

“The Governor, to his credit, has from time to time selected social issues that he deemed worthy of aggressive action. We are hard pressed to understand why the very basic necessity of remaining in one's home isn't motivating him to taking the issue seriously. His freeze proposal strikes us as a re-do of the tax cap which only assists in highlighting the deficiencies of that initiative. Clearly, if it is true that property taxes are too high today, we're stymied to understand why his proposals would at best keep them at those levels,” **McKeon** lamented about the freeze.

Delinking the Circuit Breaker from tax cap and ending “conditional” tax relief and Providing Relief to Renters

“New Yorkers need targeted property tax relief without any gimmicks or conditions,” said **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness**. “Tax relief in the form of a circuit breaker for overburdened homeowners and renters is absolutely what the residents of this state need and should get. The property tax freeze is not the right solution for our problem, and making relief conditional on a variety of factors outside the control of the individual is misguided and perverse. Linking the Circuit Breaker to the Property Tax Cap is an idea that should be dismissed by the leaders of both houses.

Mckeon also noted that both houses have a long history with the Circuit Breaker, “The Senate has a storied past of proposing and fighting circuit breaker legislation over the years depending on who happens to be in charge. Perhaps days away from passage in 2009, the Circuit Breaker fell victim to a coup of mostly indictable legislators and their selfish ways. To regain credibility on this issue, they should re-introduce and insist upon what they know to be an effective measure in addressing the impacts of placing too much burden on individual households through the property tax.”

“The Assembly, through its Speaker, has already suggested it would be proposing an enhanced circuit breaker. This is important because their own bill six years ago was weak and reminiscent of the Governor's third year proposal; which more closely resembles the STAR program and is not a serious attempt at getting to the structural problem of the property tax -that it is at present limitless. Let's hope, too, that we limit the posturing in Albany in the next few weeks and actually solve this issue once and for all. After all, as we already said, you've been missing the mark for decades and New Yorkers know it.”