



## The clamor for property-tax relief isn't going away

By Laurie Nikolski • August 24, 2008 Editorial

Have New York's taxpayers been heard? Or have they been had?

Advocates and analysts across the state have echoed the same word to describe last week's two-day special session of the Legislature, which resulted in almost a half-billion dollars in budget cuts:

"unprecedented." Indeed, the actions taken at the insistence of Gov. David Paterson to close a \$5.4 billion budget gap were, on one level, impressive. The Assembly and Senate even took off the books \$40 million for "pork barrel" projects, money that would come in handy in an election year. Those cuts, however, obscure the fact that Albany made no progress on the item topping taxpayers' wish list: containing or reducing school property taxes.

In the end, lawmakers cut \$427 million from the \$121.3 billion 2008-'09 state budget. Paterson wanted \$600 million. Additional planned reductions, however, will trigger \$1.14 billion in cuts from next year's projected budget deficit of \$6.4 billion. In the absence of any action, Paterson warned in advance of last week's session, the budget gap could rise to more than \$26 billion two years from now.

Just getting most of the lawmakers back from their August vacation was a win for Democrat Paterson, who became governor March 17. It wasn't just for a public-relations show of leadership. Paterson has been saying for months that the state is facing its gravest fiscal crisis since the 1970s. "I'm not going to minimize the gravity of this budget crisis," Paterson told reporters in a Capitol briefing the day after the cuts were agreed to. "It is continuing . . . if we do see (revenue) going south, we will be right back here."

### Same old, same old

But the self-congratulations heard throughout Albany did not resonate elsewhere. "It was more of the same," said William Mooney Jr., president of the Westchester County Association. In recent years, the association has ramped up its advocacy on behalf of business community and individual taxpayers, who are desperate to shrug off the mantle of being the highest-taxed people in the country. Mooney complained that the cuts were too small and missed the best targets. Mooney said that the Legislature "was still operating on

yesterday's model and hurting the little guys." The \$427 million represents one-third of 1 percent of the total current budget. "These are little numbers that add up to virtually nothing," Mooney told the Editorial Board.

"It should anger a lot of people that they lacked the political courage to do what has to be done," Mooney said. "They have to go after the human resource issues - that's where the real **savings** are." Those issues, he said, include reducing the high cost of health insurance and targeting the guaranteed pensions paid public employees. In many ways, such benefits have greatly outpaced those given private-sector workers. "The state has to do the painful kinds of things that the rest of corporate America has done."

He's talking about the "L" word, of course. State government has been loathe even to broach the prospect of layoffs, even though they have been plentiful in the private sector.

### **Stagnancy, again**

Yet the Legislature touched none of that, enacting no pay cuts, approving no layoffs, making no concrete progress on the economic issues important to overwrought taxpayers. For proponents of a cap on property tax increases, particularly perplexing was how the Legislature responded to recommendations from a state Commission on Property Tax Relief. In June, the panel recommended mandate relief for schools; a cap on annual school property tax increases; and a "circuit-breaker" to limit tax increases based on individuals' income. Lawmakers simply ignored the mandate-relief issue, and each chamber went its own way on property taxes.

The Republican-led Senate approved Paterson's plan for a tax cap on annual school property tax increases - 120 percent of the inflation rate or 4 percent, whichever is less, unless overridden by a super-majority of voters in a school district. The Democratic-dominated Assembly, however, snubbed the cap and passed the circuit-breaker proposal. So what taxpayers got in the end was the legislative stasis that Albany has perfected over decades of inaction. Mooney, for one, believes voters have had enough. "Voters are going to be angry this year," he said, looking to Nov. 4, when all 212 seats in the Senate and Assembly are on the ballot. "Some incumbents," he said, "are going to have a more difficult time now than in the past."

A disappointed but politically realistic Paterson knew that once newly elected Republican Senate Majority Leader Dean Skelos went ahead with the tax-cap vote on Aug. 8, any attempt at a compromise with the Assembly on tax relief was lost. Of course, Paterson supported the tax-cap proposal, but in the upside-down world of Albany, he actually would have preferred the Senate had held off on, well, following his advice. "When they passed their property-tax cap, and I don't blame them, they might have passed it because they wanted to, they might have passed it for political reasons," Paterson told our Albany Bureau. "But for whatever reason they did, it was immediate retrenchment."

## **Will voters step up?**

So the Assembly and the Senate remain far apart on the major quandary of the day: What to do about school property taxes. Taxpayers aren't so conflicted: They want both the tax-cap proposal and the circuit-breaker proposal. A Siena College poll out last week found that voters backed a school-property-tax cap 66 percent to 23 percent; they approved the circuit-breaker, 75 percent to 18 percent. "Both houses are trying to demonstrate that they have a commitment to this issue because they know that's what voters want," said Steven Greenberg, a Siena poll spokesman.

Obviously, neither the issue nor the politicking is going away. Paterson has vowed to continue to fight for the tax cap, which he insists is a way to "create efficiencies . . . in the school districts." After Labor Day, he told Newsday, "we're going to start having some real progressive conversations about the property tax cap." And candidates aren't waiting until after Labor Day. "It is becoming increasingly clear that we cannot keep electing the same people to office and expect different results," wrote Larchmont Mayor Liz Feld, a Republican challenging Sen. Suzi Oppenheimer, D-Mamaroneck.

Said Assembly Real Property Tax Committee Chairwoman Sandy Galef, D-Ossining: "The public is going to have to really speak out as to what they prefer."

Haven't taxpayers been clear? If not, between now and Election Day, they should start shouting.

The writer is associate editor of the Opinion section of The Journal News and LoHud.com.