



**Governor Paterson's Remarks on Reducing Property Taxes through Mandate Reform
Niskayuna, New York
April 27, 2009**

Thank you, Joe.

I was last here in December when we were protesting the decision by FEMA not to bring the amount of resources that we needed after the storm. We were persistent. And fortunately—for the citizens of Niskayuna and the sixteen counties that were affected by the storm, for all the citizens of New York State, and for me personally—former Governor Janet Napolitano of Arizona became the Director. And ever since we've had her there, we've been getting much better services than we used to. So we're very pleased and happy to report that.

I can't thank enough my friend and colleague, the Westchester County Executive, Andrew Spano—who not only let me raid his office for staff, but who also came all the way up here for this press conference today.

And to Ulster County Executive Michael Hein, who is also here; and Albany County Executive Michael Breslin, who has joined us as well; and the Mayor of Schenectady, Brian Stratton; and the Mayor of Cohoes, Mayor McDonald; and to have Steve Acquario from the New York Association of Counties; and also representation from the New York Association of Towns; and also Peter Baynes from the New York Conference of Mayors; thank you all for coming here. And thank you, Mr. Auerbach, for being here as well.

These are very hard times. But they are more than just hard times for financial institutions, businesses, banks and corporations. They are hard times for everyday New Yorkers—whose quality of life, already challenged by high property taxes, is now even further challenged by the downturn in the economy, and by our national recession, which now enters its seventeenth month.

The unemployment rate right here in Niskayuna is now fifty percent higher than it was last year. It isn't fifty percent, but half the people who were unemployed last year have now been added to the unemployment lines, which are now at nine percent.

Now is the time for Albany to get a wake-up call. Now is the time for Albany to find ways to reduce costs to counties and to local governments all around this state. Now is the time to make the tough decisions, to stand up to the special interest groups, and to really bring to the people of New York State the type of government that, when a problem is as persistent as long as property taxes have been, there will be some kind of redress from the people we elect to make those decisions.

Obviously, this is going to be a very difficult challenge. But I know a lot about difficult challenges; I have been in them seemingly for the past year and six weeks I have been Governor.

But we can come through this process. We can bring our state back to prosperity. We can make an affordable life for the residents of New York State. And that's why we stand here today.

We have just passed a budget where the deficit was four times larger than any deficit New York State has faced before. But we managed to pass it. We reduced our out-year budget deficit from \$60 billion to \$11 billion, an 80 percent reduction of our out-year budget deficit gap. We held New York State spending by the Legislature flat this year. Spending was flat. We used the stimulus money as an appropriation, but the actual spending of the Legislature was flat.

And finally, our projection for next year's budget is \$2.7 billion. Now, \$2.7 billion is a lot of money. But compared to \$20 billion, believe me, I'm ready to start on that immediately.

Now we have to start moving around this state and addressing some of the issues that everyday New Yorkers are facing. And there are no issues greater than our property tax situation.

Our property taxes in New York State are 78 percent higher than the national average. Eight of the top 10 counties in this country that have the highest taxes are right here in New York State. And you're looking at the executive from the largest one, Westchester County, which leads the entire country.

Why are property taxes so high? Well, we had a property tax relief commission that we appointed last year. And we had one of the County Executives, County Executive Tom Suozzi from Nassau County, chair it. They came back with a number of reasons, but there was none that was more paramount than the issue of mandate relief.

Mandate relief is what New York's counties and local governments actually need. When New York State passes laws or promulgates regulations, they often incur higher costs to counties. The counties then pass those costs onto residents in terms of increased property taxes.

This often happens because people don't realize, when they're drafting legislation, what the actual impact is going to be for those in local governments. And when local governments have no place else to go, as the point of last resistance, they not only increase the property taxes. They incur the wrath of the residents of these counties—because they know that their school districts raise their property taxes, but what they don't know is that the epicenter of the problem, the focus of where the financial issue starts, is right in Albany. And this is what we're going to change today.

Today I'm issuing an Executive Order establishing that, for purposes of legislation or the promulgating of regulations, there will be a new process in New York State government.

From this day forward, whenever there is legislation to be passed, or any regulation that's going to be considered, there must be a prompt, complete and transparent process by which we identify these five issues:

One is what the fiscal impact will be on local governments and counties. Second is what the costs and benefits will be to these areas. Third, we will make sure that, in this process, we consult with individuals on the local level to make sure this is a good idea—and that the local government, county, and taxpayer can actually be sustained. And then we will try to identify the revenues that will pay for whatever the legislation is that's desired. Can we actually afford to do this? And finally, we will assess what the impact will be on property taxes.

This will be a transparent way in which we will actually open up the process so that, when the costs are known, and the fiscal impact is assessed, we will make a decision as to whether we go forward with this legislation.

For too long, we have gone in this process where people have been complaining about property taxes—74 percent of people polled say they want a cap on property taxes—and yet our government in Albany continues to ignore them.

We can't allow this to go on any further. And it won't go on any further today because I'm not going to sign any legislation that I think has an undue impact on counties, local governments or taxpayers.

These are some of the ways we can address this crisis, but there are others.

We need a new pension system: Tier 5. This is what we did in the Seventies. We established Tier 3 and Tier 4 because the pension allowances were overburdening the government. We couldn't afford to pay for them. And this is what we need.

We have to look at the cost of public employee benefit plans. They are out-year costs, not always listed in budgets, but they will be because of new accounting procedures now—so that we are not overburdening our government with costs we cannot afford.

And, in that way, we will really address what is at stake here. What is at stake here are families like the Pritchards, who were kind enough to welcome us to their home right here on Mayfair Road here in Niskayuna.

Michael Pritchard is an engineer. His wife, Joan, is a speech therapist who works with little children. And they have three children of their own: Evan, who is age nine; Jillian, who is age seven; and Daniel, who was kind enough to join us this morning. He is age four. And he also took a picture with the Governor without complaining, putting him in the ninety-fifth percentile of most kids.

They once lived in Boston. They have relatives in Missouri. And when they find out how much they're paying in property taxes compared to their relatives in Missouri, it would urge them to perhaps consider living in another place.

So many people have done that. So many people we know have moved to North Carolina, to Georgia, to the state of Florida, to Tennessee; people are moving there in great numbers right now. To the states of Nevada and New Mexico, and also the state of California, particularly in San Jose, California. People are moving for a better quality of life.

What is amazing is that so many people who have been thwarted by the encumbrances of property taxes and unfunded mandates have managed to stay. We love New York. We don't want to leave. We want to stay here.

But we're not going to be able to stay here if the costs are overburdening. The costs of personal income taxes, property taxes, energy and food costs, and all the added costs of a recession—these are prohibitive. We have to save the residents of our state, who love this state, and want to continue to live here.

So thank you so much for joining us. Thank you for coming out to try to curb our property taxes and relieve our counties and local governments of excessive mandates.

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