



LIA Albany Update

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New York State Budget

In January, Governor Cuomo released his proposed Executive Budget which included the LIA's number one state priority this year: the permanent extension of the 2% property tax cap.

This week, the New York State Assembly and the New York State Senate each released their own separate budget bills which are essentially non-binding blueprints that lay out their fiscal, and oftentimes policy, priorities they want included in the budget that is ultimately adopted.

The state budget is due by April 1st pursuant to the New York State Constitution. While the Governor has taken great pride in having on-time budgets, there is rampant speculation the deadline will not be met this year as the parties continue to negotiate.

Top Priorities

The two most important issues being considered within the framework of the budget are the tax cap and the prevailing wage.

The tax cap is helping homeowners and businesses on Long Island and throughout the state. If the cap is not continued and tax rates rise in similar levels before the cap was approved, Long Islanders could be looking at tax increases of more than \$4,000 per year which is neither acceptable nor sustainable. Municipalities, including school districts which are the biggest driver of property taxes, have by and large responded to the cap with prudent budgeting, more efficiency and restrained spending. The bottom line is that the cap is working which is why we are urging the State Legislature to support Governor Cuomo in his efforts to make the property tax cap permanent in this year's budget. While the Senate includes this in their budget legislation, the Assembly did not.

The LIA is also advocating against an expansion of the prevailing wage law as the Assembly is attempting to expand the definition of public work to include virtually any project that receives some form of financial assistance derived from a variety of government resources (even if the government aid is a fraction of the total pot of private and public funds). The Governor did not include this in his original budget proposal, however, he mentioned it in his State of the State address and the Assembly included it in their one house budget legislation. The Senate included language in their budget bills as well, however, they inserted language that demonstrates the chamber's intent that business and labor work together to reconcile any differences and reach a mutually beneficial result.

Congestion Pricing

While the LIA Board of Directors has not yet taken a formal position on congestion pricing, we anticipate some form of it will be in the budget. Thus, we are requesting that if it moves forward, then a fair percentage of the revenues generated should go to the suburbs.

Key Non Budget Priority

Outside of the state budget process is an important initiative known as the Northeast Supply Enhancement Project (NESE) which will expand the accessibility and availability of natural gas. The LIA supports developing a clean energy economy in the region, however, this is not achievable overnight. Natural gas can serve as a bridge fuel between dirtier oil and cleaner renewable sources such as solar and offshore wind.

Next Steps

We will update you as budget negotiations heat up and ultimately conclude. Please contact the Governor's office, your State Senator and your State Assembly Member in order to convey your support for a budget only if it includes the permanent extension of the property tax cap, among other things. We will update you again before the budget is adopted.

