



NYSAC  
NEW YORK STATE  
ASSOCIATION OF COUNTIES

2018

# Budget Priority

## EXECUTIVE BUDGET PILOT PROPOSAL

### BACKGROUND

Current law requires that tax payments to local governments on state-owned land are to be based on property values that must be reassessed and reevaluated every year. The Revenue Bill, Part F, of the Governor's 2018/2019 State Budget proposal seeks that State-owned land switch to a PILOT payment system to local governments. This bill proposes that on and after April 1, 2018, the taxes payable on a taxable parcel of state land shall be equal to (1) the taxes that were payable on that parcel in the prior year and (2) multiplied by the "allowable levy growth factor" determined for the applicable local fiscal year or school year under the appropriate tax cap statute. As a result, the tax payments on these lands would automatically increase each year by the rate of inflation or two percent, whichever is less.

### PROBLEM

In many counties, New York State is the largest land owner and this legislation would effectively have New York State determine the amount of taxes that they want to pay on their taxable owned forest land. This proposal would remove the local community from the responsibility of determining the overall tax levy for all parcels within the county, which is contrary to the basic principle of home rule. This change would empower the State to determine their property tax payments to a local government, subject to the State Budget process and not through a property tax system.

Going forward, this change could lead to the State, if it so desires, to "notwithstanding" or lower this revenue stream, leaving local governments and their taxpayers uncertain if that revenue will be available on a year by year basis. This change could result in a large revenue loss for the towns/schools, and could lead to another example of the state simply shifting an expense to the local jurisdictions, resulting in higher property taxes for local homeowners and businesses.

### COUNTY SOLUTION

NYSAC encourages the Governor and members of the State Legislature to keep the current system in place. However, the goal of developing a more efficient way for the State and local governments to evaluate assessments on State parcels of land is a worthwhile pursuit. The State can and should work with local governments on idea sharing and shared service programs that can make the system more efficient while keeping the protections in place that help fund essential local government services.

*For more information on the county position regarding this issue, visit [www.nysac.org/publicsafety](http://www.nysac.org/publicsafety) or call 518-465-1473 to speak to Katie Hohman, NYSAC Legislative Director.*