



THE
ASSOCIATION OF TOWNS
OF THE
STATE OF NEW YORK

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Dear Supervisor,

As part of the state's 2017-18 Budget, a plan was put forward by Gov. Andrew Cuomo establishing a countywide shared services property tax savings plan (countywide plan). The initial version of this initiative contained several provisions that we felt were harmful to towns. We asked for your help to get those provisions removed, and you responded. Thank you! The final version of the plan that has passed the state Legislature does not include a linkage to state aid or a plan referendum requirement. These elements were removed due to the phone calls, e-mails, letters and resolutions you conveyed. Again, thank you for your help. What follows is a general overview of the final version of the law.

Under the countywide plan, a representative from every town, village and city in the county must participate in a shared services panel chaired by the chief executive officer ("CEO") of the county. The county CEO, after holding at least three public hearings and consulting with panel members and others, must develop a plan to reduce property taxes by instituting initiatives such as eliminating duplicative services, implementing shared services, reducing back-office administrative overhead and better coordinating services. The tax savings must be new and recurring. By August 1st, 2017 the county CEO must submit the plan to the county legislative body, which can issue an advisory report making recommendations. The county CEO can modify the plan based on those recommendations. The plan will then go before the shared services panel to vote on. If a majority of the panel approves the plan, the county CEO will finalize it and send it to the Division of Budget by September 15, 2017. The plan also has to be disseminated to the public in a format set forth by the legislation, and there must be a public presentation of the plan by October 15, 2017. If the plan fails, the process has to be repeated in 2018, and a report must be developed outlining how each panel member voted and with explanations why.

To whom does the legislation apply? Every county, town, village and city outside of New York City.

Who sits on the shared services panel? The CEO of the county (i.e. the county manager, county executive, other chief executive officer or chair of the county legislative body), town supervisors, city mayors and village mayors. Additionally, the county CEO has the option of inviting school districts, special improvement districts and boards of cooperative education services to appoint a representative to sit on the panel and participate in the plan.

Who represents the town on the shared services panel? The town supervisor.

Can a town opt out of participating in the panel or the plan? No. However, a panel member can have a proposal that affects his or her specific municipality removed from the plan if he or she provides written notice striking the provision before the panel votes.

Who develops the tax savings plan? The county CEO, after consulting with panel members and representatives from each collective bargaining unit in the county, towns, cities or villages. Additionally, there must be at least three public hearings to provide public input before August 1, 2017 when the plan goes to the county legislative body for recommendations. Ultimately, the shared service panel votes to approve or reject the plan.

What should the plan include? New, recurring property tax savings through things such as shared services (i.e. joint purchasing, shared equipment, energy and insurance cooperatives), eliminating duplicative services and better coordinating services. Efficiencies are not included.

Can we include shared services agreements already in place? No.

Is there funding for the plan? There is no funding to implement the plan; however, if the state makes appropriations available, municipalities in the county may collectively apply to receive one-time funding that matches the amount of money actually saved by the tax savings plan. The municipalities must agree on how to distribute such funding in order to qualify. There is no guarantee that any plan will receive such funding and there will not be an appropriation for the funds until 2018.

Is there a referendum requirement? No, not to adopt the plan. However, if the plan abolishes or transfers a function of town government, that part may be subject to a referendum before it can be implemented (see NY Const art. IX, § 1[h]). Other proposals in the plan may also be subject to a referendum if another state law requires it.

If approved, how is the plan implemented? Plans have to be implemented in accordance with other state laws, meaning that a proposal that falls under General Municipal Law Article 5-G, like a joint purchase of a piece of highway equipment by a town and village, it must be implemented in accordance with the provisions of Article 5-G, which requires both the village board and the town board to approve the agreement.

In enacting the 2017-18 Budget, Gov. Andrew Cuomo and the Legislature missed an opportunity to help local governments and reduce real property taxes. While the state managed to find funding for nearly every conceivable proposal out there – including \$200 million for hiking trails – both AIM and CHIPS funding remain flat, despite the proven link between these two funding programs and property tax reduction. In addition to the stagnation of revenue sharing, this budget fails to fix structural inequalities in the tax cap and imposes additional unfunded mandates on local governments.

Legislation effectuating policy should not be adopted without public participation and input. The Countywide Shared Services Property Tax Savings Plan represents a significant policy change that does not belong in the budget. One person – “me, myself and I,” as the governor referred to himself during his press conference – should not be dictating public policy at all, let alone through the budgetary process. While the budget has been adopted, this legislative session is far from over. The Association of Towns will continue to advocate for real, meaningful relief in Albany. Please keep an eye out for our announcement of regional training events for town officials on the countywide plan.

Respectfully,

A handwritten signature in black ink, appearing to read "Gerald K. Geist".

Gerald K. Geist
Executive Director