

LEGISLATIVE & RULES COMMITTEE

AGENDA

MARCH 1, 2019

Committee Members: Supervisors Strough, Leggett, Braymer, Wild, McDevitt, Diamond, Dickinson, Geraghty, Magowan, Sokol and Driscoll

- I. Committee meeting called to order by Chairman
- II. Motion to approve the minutes of the prior meeting - *January 31, 2019*
- III. Action Agenda/New Business Items:
 - 1) NYSAC model resolution "Opposing the Proposed and Amended 2020 Executive State Budget Impacting Aid and Incentives to Municipalities and State Cost Shifts to Counties"
- IV. Discussion Items:

None.
- V. Referrals/Pending Items:

None.
- VI. Privilege of the Floor to discuss any additional items to come before the Committee
- VII. Motion to adjourn

Attachments:

- 1) NYSAC model resolution opposing proposed and amended 2020 Executive State Budget impacting aid and incentives to municipalities and State cost shifts to counties (*Action Agenda Item 1*)
- 2) Email from County Administrator Ryan Moore outlining impact of reduction in aid and incentives to municipalities and State cost shifts to counties (*Action Agenda Item 1*)
- 3) Chart reflecting impact of changes in incentives to municipalities specific to Warren County (*Action Agenda Item 1*)

Looking Ahead....

Items to be addressed at next Committee meeting on April 4, 2019:

- 1) *Orange County Legislature Resolution No. 35 of 2019, Calling for NYS Legislative Action to Classify as Controlled Substances Certain Fentanyl "Analogues" that are Responsible for Opioid Overdose Deaths.*
- 2) *Discussion on redistribution of sales tax revenues in Warren County.*

A Resolution Opposing the Proposed and Amended 2020 Executive State Budget Impacting Aid and Incentives to Municipalities and State Cost Shifts to Counties

WHEREAS, on February 15, 2019, Governor Cuomo announced a 30-Day Amendment to the 2020 Executive Budget making impacted towns and villages whole from changes to AIM funding by utilizing revenue from county sales tax; and

WHEREAS, instead of restoring AIM with State funding and signifying a desire by the State to act as partners with local governments, this budget amendment requires counties to make up for lost AIM funding with sales tax revenue, imposing a new mandate on counties; and

WHEREAS, already-existing unfunded State mandates are the cause of high local taxes in New York State; and

WHEREAS, counties were granted the authority to levy a local sales tax in the late 1960s to help pay for Medicaid, indigent legal defense services, and other state mandates on counties, and

WHEREAS, requiring counties to make up for the State's cut in AIM funding to villages and towns sets an unsustainable precedent and unnecessarily shifts the State's burden to local taxpayers who already pay some of the highest property taxes in the nation; and

WHEREAS, currently nine state mandated programs placed on counties equals more than 90 percent of the typical county property tax levy, and these mandated costs continue to grow; and

WHEREAS, cutting AIM funding in the first place is a tax-shift from broad-based State income taxes to regressive local property taxes, and

WHEREAS, replacing what had been State AIM assistance with funding from county revenues is simply a tax-shift that will ultimately will result in higher property taxes.

NOW THEREFORE BE IT RESOLVED, that _____ supports the full restoration of this state aid program to local governments and urges the Governor and State Legislature to fully restore this state funding in the final 2019/2020 state budget.

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the counties of New York State encouraging member counties to enact similar resolutions; and

BE IT FURTHER RESOLVED that _____ shall forward copies of this resolution to Governor Andrew M. Cuomo, the New York State Legislature and all others deemed necessary and proper.

Allen, Amanda

From: Moore, Ryan
Sent: Wednesday, February 20, 2019 12:52 PM
To: Conover, Ronald; Strough John; Sokol, Matt; Thomas, Frank
Cc: Swan, Michael; DeLorenzo, Tammie; Allen, Amanda
Subject: FW: NYSAC Model Resolution for AIM Shift to Counties
Attachments: Model Resolution AIM Cuts and New County Mandate.docx; AIM cuts.xlsx

Importance: High

Ron, John, Matt, Frank:

I looked through the 30-day Amendments to the State Budget today. Mostly technical corrections. One amendment, however, has a detrimental effect on counties and we should consider whether to address it in a March resolution. Could come from L&R, Finance or Budget, your pleasure.

As you are aware, Executive Budget Aid to Localities Appropriation bill (supported by Part I of the PPGG Article VII bill) eliminated 2019-20 AIM funding (Aid and Incentives for Municipalities) for all towns and villages whose 2018-19 AIM funding comprised less than 2% of total 2017 expenditures. Cities were unaffected. The bill text is copied below. I attached the impact on Warren County municipalities...everybody's funding is eliminated except for Glens Falls. Statewide, this action reduces state expenses by \$59.2 million by eliminating funding for 1,250 (82%) of the 1,524 towns/villages that received funding last year.

The Executive Budget (Part G of Revenue Article VII bill) also expands sales tax collection to "marketplace providers," which are primarily online and out of state. The state assumes \$250 million additional annual revenue on its 4%, so counties would collectively see \$187 million on their base 3% tax. The 30 day amendments to the PPGG Article VII bill include language (copied below) that would require counties to make towns/villages that lose AIM funding whole out of the county share of the new sales tax revenue generated from collection from Marketplace providers. It's first of all an expense shift from states to counties, and second of all a mandated change in our distribution of county sales tax revenue. Will cost Warren County \$224,293.

Also attached is a model resolution circulating among County Administrators that we could adopt here if you are willing. Please let me know your thoughts. Thanks.

Ryan

Executive Budget Aid to Localities Appropriation bill:

19 For payment to local governments under the 20 aid and incentives for municipalities 21 program pursuant to section 54 of the 22 state finance law in accordance with the 23 following: 24 For base level grants to municipalities; 25 notwithstanding any other provision of law 26 to the contrary, in the state fiscal year 27 commencing April 1, 2019, each 28 municipality which is a city shall receive a 29 base level grant in an amount equal to the 30 base level grant that such 31 municipality 32 received in the state fiscal year 33 commencing April 1, 2018 pursuant to 34 paragraph b of subdivision 10 of section 35 54 of the state finance law; provided, 36 however, that a town in which a village 37 that received a base level grant in the 38 state fiscal year commencing April 1, 2018 39 and subsequently dissolved may also 40 receive a base level grant increase in an 41 amount equal to such town's pro rata share 42 of the total base level grant that such 43 village received in such state fiscal 44 year, pursuant to paragraph l of 45 subdivision 10 of section 54 of the state 46

finance law; provided further, 46 notwithstanding the foregoing and any 47 other provision of law to the contrary, in 48 the state fiscal year commencing April 1, 49 2019, each municipality which is a town or 50 a village shall receive a base level grant 51 in an amount equal to the base level grant 52 that such town or village received in the 53 state fiscal year commencing April 1, 2018 54 pursuant to paragraph b of subdivision 10 55 of section 54 of the state finance law 56 only if such town or village's base level 57 grant received in the state fiscal year 58 commencing April 1, 2018 equals 2 percent, 59 or greater, of the town or village's 60 fiscal year 2017 total all funds 1 expenditures, as reported to and published 2 by the state comptroller by January 10, 3 2019 (80511) 656,000,000

30 Day Amendment to PPGG Article VII bill:

After "town or village." insert "§ 3. Notwithstanding any law to the contrary, where a municipality received a base level grant in state fiscal year 2018-19 but not in state fiscal year 2019-20 under the aid and incentives for municipalities program pursuant to subdivision 10 of section 54 of the state finance law, the county in which a majority of the population of such municipality resides shall annually distribute, by December fifteenth of each year, to such municipality a portion of the receipts from the sales and use tax imposed by such county pursuant to article 29 of the tax law in an amount equal to the base level grant received by such municipality in state fiscal year 2018-19; provided, however, that such distribution shall be in addition to any other revenue distribution to such municipality required by law."

From: nyscountyadministrators-request@nysac.us [mailto:nyscountyadministrators-request@nysac.us] **On Behalf Of** Mark LaVigne
Sent: Tuesday, February 19, 2019 3:11 PM
To: nyscountyadministrators@nysac.us
Cc: Dave Lucas; Stephen J. Acquario
Subject: NYSAC Model Resolution for AIM Shift to Counties

Dear all,

Attached please find a draft model resolution that can be adapted by counties that want to formally oppose the Governor's 30-Day Amendment to the 2019-20 Executive State Budget that shifts a \$60 million state cut to AIM funding to be funded with county sales tax revenues.

Please let us know if you need any additional information.

Thanks,
Mark

Mark F. LaVigne, PhD, APR
Deputy Director
New York State Association of Counties

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Municipality	County	Class	2018-19 Actual Funding	2019-20 Proposed Funding
Bolton	Warren	Town	\$9,347	\$0
Chester	Warren	Town	\$18,055	\$0
Glens Falls	Warren	City	\$1,607,009	\$1,607,009
Hague	Warren	Town	\$5,010	\$0
Horicon	Warren	Town	\$5,917	\$0
Johnsburg	Warren	Town	\$12,905	\$0
Lake George	Warren	Village	\$10,386	\$0
Lake George	Warren	Town	\$13,837	\$0
Lake Luzerne	Warren	Town	\$13,272	\$0
Queensbury	Warren	Town	\$89,930	\$0
Stony Creek	Warren	Town	\$3,668	\$0
Thurman	Warren	Town	\$21,996	\$0
Warrensburg	Warren	Town	\$19,970	\$0