



**Transcript of Governor David A. Paterson's Remarks on the Need for Property Tax Relief  
Red Room, State Capitol  
June 3, 2008**

The Commission on Property Taxes was challenged to implement a property tax cap while preserving the quality of education for students all around New York State. Today I am here to accept the report of the Commission.

In only a short time period of four months, the Commission has conducted exhaustive study, has interviewed thousands of citizens in all corners of the State, and has come back with workable, sensible ideas for changing our tax system to try to address skyrocketing property taxes.

I want to thank Nassau County Executive Tom Suozzi, who is the Chair of the Commission. I'd like to thank all the members of the Commission—Chairman Suozzi will mention them a little bit later. I'd like to thank John Reid, whose great work as Executive Director has moved this process forward with tremendous speed, and his staff, who assisted him quite ably.

I'd like to thank the school districts and local government officials involved in this process; certainly, the business leaders who have weighed in on this issue that has curtailed their development considerably; and all of the taxpayers for coming together in a short period of time and bringing forth recommendations.

When I travel around the State, and I visit with New Yorkers, this is the constant theme that I hear: our property taxes are too high.

This is the highest-taxed state in the Union. When you put the regular State taxes together with the property taxes, no one in this country pays more.

We pay, in terms of property taxes, 79 percent higher than the national average. And, since 2001, our school property taxes are up 50 percent.

Statistics often blur the issue, so let's go through that again. If you were paying \$6,000 in property taxes in 2001, now you're paying \$9,000.

At the same time, salaries and the inflation rate have gone up, but property taxes have gone up at more than twice the levels of both of them.

Nine of the ten highest-property-taxed counties in this country are in New York. All of them are Upstate.

So what does this mean?

It means that we have gained a national reputation as a high-tax state. It has discouraged business investment. And it has depressed the Upstate economy.

It means that the doors to small businesses are closing, and that our young entrepreneurs, when they finish college, are going to other places to take their creative ideas.

It means that families in this State that are looking for quality of life are going to places like North and South Carolina; Reno, Nevada; and San Jose, California, because they have a better way of living—they don't tax their constituency the way we do.

Finally, it means that senior citizens living on fixed incomes cannot afford to keep the homes that they've lived in for years.

When you combine this with the economy, with energy prices going up, with food prices going up, with the price of gasoline at the pump over \$4—nearing \$4.50—this has created a situation that needs to be addressed by government.

So, my message to all the long-suffering property taxpayers is: I hear you. Enough is enough. We have to implement a property tax cap now.

Now the Commission's challenge was to bring forth recommendations that would not only implement a property tax cap, but would preserve the quality of education, so that no child suffers as we try to diminish property taxes.

They have brought forth some fair and feasible recommendations. I accept the Commission's report. I thank County Executive Suozzi for his hard work and his movement all around the State, along with the other Commission members.

Property tax caps can work. There's a state that neighbors us that proves it.

The State of Massachusetts, in 1980, along with New York, was one of the five highest-taxed states in the Union. They implemented a property tax cap. They are now 33<sup>rd</sup>. They are in the top level of the bottom third of states on property taxes. We are #1. We have exacerbated our problem since 1980.

The property tax cap would be 4 percent of economic growth, or 120 percent of the inflation rate, whichever is lower.

If there was a desire on the part of a county—and there are some reasons that counties might need to do this—to elevate the taxes, it must be met by voter approval.

If the county's property taxes are equal to 4 percent or 120 percent of the inflation rate, or less than that, it would appear that there would be no need for a vote on their budget, but we would not eschew the right of these counties to exercise the right to vote if they think it's necessary.

The most important issue is that, from now on, there will be a boundary. And there will be no ability to tax the constituency above that boundary without voter approval. So, therefore, skyrocketing property taxes will no longer be an option in this state.

The property tax cap is a blunt instrument. It will force us to make hard choices. It will force us to save our state from the peril that looms in our future if we don't act.

I am going to submit a program bill to the Legislature calling for a tax cap. And I'm looking forward to working with my colleagues in government so we can receive an understanding, negotiate this bill, and come out with a proposal that brings relief to those who are suffering in this State.

I appreciate that this is a controversial issue. But if we're not willing to undergo change, then we bear the consequences. Right now, we are bearing the consequences for not undergoing change. Even after implemented the STAR program about a decade ago, property taxes went up about 7 percent annually for the first five years after that.

And so, we as a government have got to be flexible, and we have to understand the need of the Legislature to examine this. But let's be clear. The Legislature knew that it was the intention of the Commission to bring back a property tax cap proposal, and we have done that. Now I'm asking the Legislature to act.

Now I want to recognize, to explain the plan further, the Chairman, Tom Suozzi.

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