



# New York State School Boards Association

*Better School Boards Lead to Better Student Performance*

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June 2, 2020

The Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12244

Re: S.8138-B (Martinez)/A.10252-A (Stern)

Relates to deferring certain taxes during the COVID-19 declared state disaster emergency and permitting installment payments thereafter

Dear Governor Cuomo,

The New York State School Boards Association (NYSSBA) wishes to express concern with this legislation in its current form and highlight some of the significant challenges that it could present for school districts.

This bill would permit school districts and local governments to defer collection or establish installment schedules for property tax payments due to the state emergency declaration associated with the COVID-19 pandemic. No fees could be charged as part of a deferral or installment schedule. And any installment or deferral would be limited to 120 days beyond the original due date.

NYSSBA understands and appreciates the difficult financial situation that the COVID-19 pandemic has created for governments, companies, organizations and the general public. In a matter of weeks, unemployment rates jumped from the lowest in decades to the highest levels since the Great Depression. The desire to provide relief to taxpayers when possible is not unreasonable. But if flexibility for taxpayers is to be offered in exchange for added financial pressure for school districts and other local governments, we believe that it should be focused on those that truly need it.

The current bill provides no test of economic or financial need. It treats a fully employed dual-income household the same as single parent who has lost their job. The bill would also require property tax payments being held in a fully-funded escrow account be treated the same as tax payments made in a lump sum upon the collection due date. Allowing fully-funded escrows to be deferred, for upwards of four months, could lead to significant difficulties for school districts while not serving to provide any benefit to the taxpayer. However, it could lead to a windfall for banks. It would allow millions of dollars to stay with banks for months. An attempt to provide relief for taxpayers should not instead lead to profits for banks. Including already funded escrows in the deferral would also make it more difficult for districts to approve a deferral, if they might otherwise be interested and able to do so. The legislation effectively requires school districts and local governments to give this unnecessary benefit to banks in order to provide relief to taxpayers.

The timing of this bill is also particularly challenging as voters across the state will have the opportunity to vote on their school budgets over the next couple weeks. This is likely to place immediate pressure on school boards, adding to what is already a stressful and uneasy process.

Finally, it is not clear if the requirement that a state disaster emergency must be in place for the legislation to apply is specific to when a board approves a deferral or if it applies to the deferral itself. For example, if a school board approves a deferral or installment schedule on July 1 while the state disaster emergency is in effect, but the emergency expires before the regular property tax due date, would the deferral or installment schedule still be valid?

NYSSBA believes strongly that these issues must be addressed before the bill can be acted upon. We have been, and will continue to be, a willing partner in attempt to solve these outstanding concerns – to the benefit of school districts and taxpayers alike. If you require additional information, please do not hesitate to contact NYSSBA Governmental Relations at (518) 783-0200.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Fessler", written in a cursive style.

Brian C. Fessler  
Director of Governmental Relations

Cc:

Senator Monica Martinez  
Assemblymember Steve Stern  
Dan Fuller  
Elizabeth Garvey  
Kumiki Gibson  
Stephen Heagle  
Craig Herskowitz  
Michael Mastroianni