

VETO MESSAGE - No. 209

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bills:

Assembly Bill Number 1841-A, entitled:

"AN ACT to amend the general municipal law and the education law, in relation to payments in lieu of taxes"

Assembly Bill Number 5965, entitled:

"AN ACT to amend the education law, in relation to exempting BOCES capital expenditures from limitations upon local school district tax levies; and providing for the repeal of such provisions upon expiration thereof"

NOT APPROVED

In 2011, I worked with the Legislature to establish New York State's Property Tax Cap, which establishes a limit on the annual growth of property taxes levied by local governments and school districts to two percent or the rate of inflation, whichever is less. The Tax Cap has succeeded in curbing the growth of local property taxes, resulting in significant savings for taxpayers.

When the Tax Cap was passed, careful consideration was given to protect taxpayers from further significant increases. These bills would run counter to those efforts. First, Assembly Bill No. 1841-A would alter the value of property subject to payments in lieu of taxes (PILOT) agreements for purposes of increasing the tax levy growth factor. By allowing for the inclusion of currently exempt property within the levy growth factor, this bill would increase the base taxable property value in school districts and municipalities, thus increasing the amount they are permitted to raise taxes annually. Not only would this allow school districts and local governments to circumvent the careful balance of taxpayer and governmental interests that now exists within the Tax Cap, but the burden of those additional taxes would fall entirely on the taxpayers not subject to a PILOT agreement, as PILOTs are fixed.

Second, Assembly Bill No. 5965 would unnecessarily exclude BOCES capital projects from a school district's tax levy. School districts must account for these capital expenses within their annual Tax Cap. By placing this burden outside of the cap, school districts will be allowed to collect additional revenue from property taxpayers above the allowable Tax Cap, which runs contrary to the goals of the Tax Cap. Further, unlike individual school district capital expenditures, BOCES capital expenditures are not subject to approval by district voters. For these reasons, I am constrained to veto these bills.

These bills are disapproved.

(signed) ANDREW M. CUOMO
