

Omnibus Consortium Omnibus Consortium

Press Release

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Diverse Group of Advocates Call for Short Term Relief and Long Term Solutions to Property Tax Reform

Property Tax Reform Groups, Unions, Fiscal Watchdogs and Education Advocates Unite Around the Omnibus Property Tax Relief and Reform Bill

(Albany, N.Y.) — A coalition of property tax-reform groups, fiscal watchdogs, education advocates and unions called upon Governor Paterson and the state Legislature to enact the Omnibus Property Tax Relief and Reform Act, unveiled by the group today during a historic press conference in Albany. Members of the Omnibus Consortium have been working together over the past 9 months on legislation that would reform the property tax system to provide immediate relief to overburdened homeowners through creation of a property tax circuit breaker — with the long-term goal of creating a fair and equitable tax system by shifting costs from the local level to the state.

“Our consortium partners and I are here today to address no less a problem than the glaring inequalities in our system of taxation that have brought the middle class to its knees. The resentment at the damage to their family stability caused by the poster child of that blatant inequality — the property tax — brought this consortium together to finally bring order out of chaos as well as relief and reform to traumatized middle-income taxpayers,” said **Gioia Shebar, coordinator of Taxnightmare.org** and member of the Ulster BRC. “The demands of the property tax are not only illegitimate but have become extortionate, forcing us to compensate for our income tax structure which is badly out of balance. We are, by definition, a consortium and we came together with one mission: to advocate and achieve property tax relief and reform. The property tax is based not on income or the ability to pay, but on a wildly fluctuating figure assigned to the real estate value of one's shelter. We come before you today with our solution to this crisis: The Omnibus Property Tax Relief and Reform Bill.”

An Omnibus Bill circuit breaker would be paid for by eliminating the STAR rebate-check program, would eliminating a program that provides relatively small checks to all homeowners by establishing a circuit-breaker credit that will provide significant relief to those homeowners who are truly overburdened by their property taxes. The multi-year "phased in" approach is designed to be sensitive to the state's fiscal situation while recognizing that homeowners most overburdened by unreasonable levels of property taxation are part of the overall financial crisis and need help immediately.

" As a former Supervisor of the Town of New Paltz, and a current Ulster County legislator, I know first hand the pressures of property taxes on my constituents. I also know the courage it takes as an elected official to make the hard decisions to control spending and deliver the much needed services provided by government. As a businesswoman, wife and mother, I understand the dilemmas every family faces, including mine, as we try to balance our ability to keep our homes with our needs to feed, educate and care for our families, " **stated Susan Zimet, Ulster County legislator and director of Tax Reform Agenda.** “The Omnibus Bill combines short-term relief to those New York families that need it most and also takes a major step in reforming the onerous burden of property taxes. This legislation combines the best of all the bills provided to date to come up with one comprehensive plan. The Omnibus group will work round the clock to recruit the political and public support needed to see this legislation passed. New Yorkers deserve no less."

The core idea of the tax reform part of the Omnibus Bill will be to increase the progressivity of the state income tax and to use the revenues produced for a reduction in local property taxes by shifting additional costs from the local to the state levels.

"For too long, many of us have been divided over what to do about the dilemma of high property taxes in NYS. Everyone agrees something must be done, but no one could agree on what that something is, until now. The Omnibus Bill is the answer to this problem. It solves the immediate short term problem of people being taxed out of their homes, while gradually reversing the inequities in the tax system that have built up over the last 25 years," said **Ron Deutsch, executive director of New Yorkers for Fiscal Fairness**. "This phased-in approach makes great sense, we did not get into this tax mess overnight and we are not naïve enough to think we get out of it overnight."

"What makes this outstanding bill really extraordinary is that it includes fiscally responsible plans both for urgently needed relief and for long-term structural reform of the property tax system. Both are critically important," stated **long time property tax reform advocate John Whiteley**. "Hundreds of thousands of lower and middle income residents are now paying unsustainable, double-digit percentages of their income in property tax on their homes, ranging as high as 40% and more. The property tax crisis, which is driving people from their homes and out of our state, was already acknowledged last year as the state's No. 1 problem and is an integral part of the financial turmoil now engulfing our state and nation.

"Since it is phased in over several years, the circuit breaker included in this bill will immediately help our most overburdened taxpayers remain in their homes while still enabling the state to achieve tax relief savings in the upcoming budget. Longer term, to fund services fairly and efficiently in this state and to prevent future crises we need to reduce the overdependence on the local property tax which has been allowed to develop over the past several years.

This archaic system is seriously out of synch with the economic and fiscal realities of the 21st century, having little relationship to one's ability to pay. The modest increase in broad-based state funding projected in this bill to replace a portion of the local property tax over the next decade will promote tax fairness and greater funding equity among our school districts and local governments," **continued Whiteley** (John Whiteley has served on the leadership boards of several local and regional taxpayer groups, help found the New York State Property Tax Reform Coalition, and as its legislative liaison officer testified extensively last year before the New York State Property Tax Relief Commission).

"This bill is too modest in its fiscal implications to raise objections from anyone who genuinely wants property tax relief. It lays out a series of baby steps that even the most cautious lawmaker can get behind while providing the necessary safeguards," stated **Robert McKeon, director of TREND NY (www.trendny.org)** "The Omnibus is geared towards working families; their financial pressures just keep getting worse. It is a sensible multi-prong, multi-year plan; its success or failure may very well make it or break it for hundreds of thousands of New Yorkers. Omnibus balances the immediate needs of residents and state government."

"This proposal takes a balanced and fair approach to addressing the dual crises in property taxes and educational quality. To do so it relies on the State of New York stepping up to the plate and paying its fair share of the costs of educating children," said **Billy Easton, executive director, Alliance for Quality Education**

"New York's working families have been hit hard by this economic crisis. The state's leaders should immediately enact circuit breaker legislation that would provide meaningful tax relief, in an equitable way, that would lift the burden on homeowners and, ultimately, put money back into local economies," said **New York State United Teachers President Richard C. Iannuzzi**.

Frank Mauro, executive director of the Fiscal Policy Institute said that, "In addition to providing for the assumption by the state, over a reasonable period of time, of a targeted \$10 billion in local government responsibilities, the Omnibus Act also provides for the creation of a tax reform study commission, with members to be appointed by the Governor and all four parties in the Legislature, and the establishment of a statutory requirement for both a periodic study of the incidence of the overall state-local tax system and analyses of the distributional impact of proposed tax legislation. These are all essential steps if New Yorkers are to have real tax reform."

Omnibus Consortium Members

Susan Zimet, Ulster County Legislator- Chair Ulster County Blue Ribbon Commission on School Funding and Tax Reform (Ulster BRC) and Property Tax Agenda

Rich Gerentine, Ulster County Legislator, Ulster BRC

John Whiteley, Tri-County Tax Reform, NYS Tax Reform Coalition

Roberta Whiteley-Tri County Tax Reform

Robert McKeon-TREND (Tax Reform Effort of Northern Dutchess County), Tax Reform Coordinator

Brunetta Calderone- Taxnightmare.org Coordinating Committee- Women's Issues Leader for Correction Dept., Ulster BRC

Tara O'Connor-Alisse, Taxnightmare.org Coordinating Committee -Ulster BRC

Sam Davis, Putnam Reform Group, Taxnightmare.org Coordinating Committee

Gioia Shebar- Coordinator, Taxnightmare.org, Ulster BRC

Bill Hecht- Cayuga County Property Tax Reform Coordinator

Frank Mauro, Fiscal Policy Institute, author of the Omnibus Property Tax Relief and Reform Bill

Ron Deutsch, New Yorkers for Fiscal Fairness, Omnibus Consortium Coordinator

Melinda Person, NYSUT

Billy Easton, Alliance for Quality Education

Ellie and Bill Trumpbour, N.Y. Farm Bureau

Jason Angel, Center for Working Families

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