

Public Statement  
Mayor Byron W. Brown  
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On behalf of the City of Buffalo, the second largest city in New York State, I am again pleased to respond to the New York State Commission on Property Tax Relief's call for testimony as to how the State can help to reduce the property tax burden on our citizens.

My Administration's message is simple and centers on three recommendations, mandate relief, stable and consistent state aid, and new revenue streams that will enable us to lessen our reliance on state aid and ultimately reduce the property tax burden.

Despite the fact that mandate relief continues to be one of local government's top legislative priorities, the legislature continues to impose costly mandates each and every year. For example, in 2007, we had to comply with state law by sending each property foreclosure notice to not only the homeowner but to the lien holder as well, costing the city nearly \$500,000 annually. Also, during last year's legislative session, specific safety harnesses for firefighters were mandated for all localities outside of New York City, another mandate, which will cost our city approximately \$1.5 million. While of course, many of the mandates that the state imposes sound like good ideas, they still cost municipalities money and still place a burden on the property tax payer.

In addition to mandate relief, the State needs to consider re-examine the fiscal paradigm for cities. New York's cities have three other sources of revenue in addition to the property tax, the sales tax, locally generated fees and fines, and state aid. For a city such as Buffalo to lessen its reliance on the property tax, the other sources of revenue would need to make up the difference. However, each presents issues that constrain Buffalo's ability to maximize revenue from these resources.

The sales tax revenue source is constrained by Buffalo's disproportionately lower share of the local portion of the sales tax as compared to the other upstate cities. While Rochester receives over 25% and Syracuse nearly 35%, Buffalo's share of the sales tax is not even 12%.

As for locally generated fees and fines, these are revenue areas the City keeps purposely low to encourage more economic investment. Low water, sewer, and user fees, for example, are important to business and residents alike. In addition, in certain instances, the State takes a share of some of these locally generated fees, fines, and charges. For example, half of the \$40 fee for marriage licenses goes to the State and each time the City issues a handicapped-parking tag, nearly half of the revenue goes to the State as well. In addition, each time the City demolishes a vacant, blighted structure we are required to pay the State a fee, which may total as much as \$1,000 per demolition.

This revenue sharing with the state of locally generated revenue compromises important sources of City revenue and shifts the burden for providing city services onto the property taxpayer.

Finally, while state aid is appreciated and critical to the city's bottom line, we can hardly rely on it as a stable and consistent revenue stream given the economic pressures facing the state.

Simply put, given the constraints on the bulk of city revenue sources, the City needs new sources of revenue to pay our workers, to fight crime with new police officers, to invest in economic development, and to employ our youth and keep them off the streets and in school, so that can grow into productive, contributing citizens. These cost centers are in addition to our provision of core city services such as snow removal, garbage collection and infrastructure repair work, to name a few.

- Specifically, we recommend New York State end the practice of mandating that cities share its locally generated revenue with the state and give cities the authorization for new sources of revenue such as a red light camera system at high risk intersections.

We in Buffalo have made the tough choices and tightened our belts. Our workers have sacrificed by going, in some cases, nearly six years without a raise, and doing more with less as their numbers have been reduced by over 25% since 2000. We have implemented scores of efficiency measures and have put in place new accountability tools such as CitiStat Buffalo, to ensure we are delivering city services in as cost-effective and efficient manner as possible.

And, our hard work and sacrifices have benefited our property tax payers. Over the past two years, the Brown administration reduced the property tax rate by nearly 10%. But the state must now do its part. Continued progress in reducing the tax burden requires a moratorium on any new state mandates, reducing existing mandates, allowing municipalities to keep all of their locally generated fees and fines, opening up new revenue streams such as allowing municipalities to install red light camera systems, and ensuring consistent and stable state aid.

The City of Buffalo appreciates the opportunity to present this testimony and looks forward to working with the Commission as it fulfills its mandate to provide recommendations for real property tax relief.