

'Unusual but Effective Coalition' Killed Forest Preserve Tax Changes

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Assemblyman Dan Stec questions DEC commissioner about the proposed tax cap at a February 27 budget hearing in Albany (at left on the panel is Senator Betty Little)

A controversial proposal to replace state tax payments on Forest Preserve lands with negotiated “payments in lieu of taxes” was jettisoned in the final rounds of state budget talks.

“I am both relieved and grateful that the budget does not change New York’s current method of paying taxes on state-owned lands to localities,” State Senator Betty Little said on March 31, shortly after the budget was adopted. “It would have overturned a practice, now more than a century old and clearly defined in statute, unfairly costing the local taxpayers. Getting this out of the budget was a priority for me and I’m very pleased we’ve gotten the result so many wanted.”

The state’s payments to Adirondack towns, schools and special districts in the form of property taxes on Forest Preserve lands, which some have been estimated to be as high as \$80 million a year, are therefore likely to continue, at least for the time being.

The combined efforts of Adirondack counties, towns and regional organizations, not to mention environmental conservation groups, helped persuade the administration to drop the proposal according to Fred Monroe, executive director of the Adirondack Park Local Government Review Board.

Both government and conservation are Adirondack stakeholders, who may disagree on some issues but share a conviction that "New York State has an obligation to pay its full share in the Adirondacks," said Peter Bauer, the executive director of Protect the Adirondacks.

Without those revenues, "Communities can't keep the roads plowed and the town halls and schools open," added Bauer.

This "unusual but effective coalition of environmental groups and government officials," took the fight to Albany, said Fred Monroe.

"It was a team effort. Everyone who worked to persuade the Governor and Legislature to reject the idea deserves credit," said John Sheehan, communications director for the Adirondack Council, the Park's largest environmental conservation group.

Sheehan noted that Senator Little and Assemblyman Billy Jones of Franklin County, both members of the majority party in their respective houses, worked especially hard.

"They would have had to spend some political capital to get this plan removed from the budget," Sheehan said.

Sheehan and Fred Monroe also praised Horicon Supervisor Matt Simpson, president of the Association of Adirondack Towns and Villages.

"Matt Simpson did a great job of bringing his group's efforts to bear on this problem," said Sheehan. "And he did television interviews and made sure that any media outlet requesting answers from local officials got those answers."

According to current law, state lands are valued by local assessors as though they were private lands; local assessments are then reviewed by the state's Office of Real Property Tax Services.

But reviewing local assessors' determinations "is a time-consuming undertaking," according to Morris Peters, a spokesman for the Division of Budget, who spoke with the *Lake George Mirror* earlier this year.

Removing Forest Preserve lands from the real property tax standard and authorizing New York State to send Adirondack communities "payments in lieu of taxes" was in the interests of efficiency, Peters said at the time.

"The goal of this budget proposal is not to reduce property tax payments on Forest Preserve lands, the goal is to achieve administrative efficiencies," Peters emphasized.

The savings to New York State would come not from reducing payments to localities but, rather, "from freeing the Office of Real Property Tax Services of the responsibility of reviewing local assessment determinations," he said.

The Division of Budget may have anticipated cost savings from leaving positions in Office of Real Property Tax Services vacant. But David Gibson of the wilderness advocacy group Adirondack Wild, said "the Division of the Budget had no data to back up their claim that the change would increase efficiency at Real Property Services and reduce costs."

Moreover, Gibson said, "the policy analysts at Division of Budget did not anticipate the ferocity of the opposition from local government and environmental groups. That message was very effectively delivered to their higher-ups."

By holding the growth of state payments on Forest Preserve lands below a certain, artificial threshold, New York would effectually be shifting the rising costs of maintaining schools and municipalities to private landowners, argued the Adirondack Park Local Government Review Board, the Association of Adirondack Towns and Villages, county and town governments, all of which adopted resolutions opposing the proposal.

Alternatively, communities could have faced cuts in services.

"Every community would have taken a financial hit," said Queensbury Supervisor John Strough, who chairs the Warren County Board of Supervisors' Legislative Affairs Committee.

In its resolution opposing the measure, adopted at a February meeting in Chestertown, the Adirondack Park Local Government Review Board warned that the proposal might be "the first step in phasing out payments on forest preserve lands to local governments and schools."

"Adirondackers know a bad deal when they see one," said the Adirondack Council's John Sheehan. "PILOTS are agreements. They can change."

According to environmental conservation groups, the perception that New York State might renege on its obligations to pay its taxes, especially if wide-spread in communities where year-round residents' incomes are lower than average, had the potential to undermine support for the Forest Preserve.

"State tax payments allow local communities to become partners with New York in attracting twelve million visitors every year to the Adirondack Park," said Willie Janeway, the Adirondack Council's executive director, noting that tax payments

help finance services that benefit those visitors. "They also increase support for Forest Preserve protection and expansion at the local level."



In Arietta in Hamilton County, where 90% of the town's land is Forest Preserve, on which New York State pays taxes (Lake George Mirror files).

Fears that local governments might withhold support for new state land acquisitions if denied tax payments may be one reason why environmental groups joined with municipal officials in opposing the Cuomo administration's proposal.

"Groups like Adirondack Wild understood immediately that if this went through, the New York State Open Space Conservation Plan would be crippled because local governments could no longer trust New York State to fulfill its commitments," said David Gibson.

Gibson was alluding to a provision of the the 1993 bill creating the Environmental Protection Fund that gave local governments a veto over state land acquisitions that had yet to be identified by the Department of Environmental Conservation in the Open Space Plans as priorities, and which the state intended to purchase with money from the new fund.

As a consequence, local governments now have more leverage with the state than they once had.

The Local Government Review Board's Fred Monroe stated as much during a February 21 interview on WCNY's Capital Pressroom.

"When the DEC asks Adirondack town supervisors if they support new land acquisitions, as the department did when organizing the purchase of the Finch Pruyn lands, the answer is likely to be 'Not so much,'" Monroe told interviewer Susan Arbetter.

Regardless of the environmental protection groups' motives, the support was appreciated, said Assemblyman Dan Stec.

"The environmental groups were saying, 'we value local governments as partners, and we want to support them,'" said Stec. "Over the past ten years, local governments and the environmental groups have worked together on a variety of issues. This is the most recent example of that."

The environmental protection groups all submitted testimony objecting to changes in state tax payments when commenting on the 2018-19 Executive Budget plan.

And on March 12, representatives of several groups gathered in Albany to meet with the leaders of both houses of the legislature and with Division of the Budget staff.

"In that meeting, we effectively drove home the message that surely the Governor had no wish to hurt small towns and school districts all across the Adirondacks and Catskills, and we received the desired response: 'No, he does not,'" said Dave Gibson.

According to Gibson, Governor Cuomo's Deputy Secretary for the Environment, Venetia Lannon, was especially helpful by facilitating the meeting with the Division of Budget. She attended via Skype from her New York City office.

John Sheehan noted, "the proposal does seem to have originated with the Division of Budget. The governor's staff seemed as surprised by it as we were."

"No one in the Department of Environmental Conservation supported this; in fact, they knew nothing about it until they started getting angry phone calls," said Peter Bauer.

Bauer continued, "We were told by people in the governor's office and at DEC that if both houses of the legislature pushed back, the proposal would be dropped."

And that, in fact, is what happened. Both the Senate and the Assembly adopted budget resolutions omitting the proposal.

"After that, the Division of Budget had no stomach for putting it back, " Dave Gibson said.

But that doesn't mean that Adirondack towns have seen the last of efforts by Albany to reduce the cost of acquiring Forest Preserve lands, representatives of the groups said. "Forest Preserve taxes will be a target for reduction in future tough budget years," said Fred Monroe.

John Sheehan observed that the coalition that was formed to resist the proposal to cap taxes on Forest Preserve lands reaffirmed "the benefits of local officials and environmental groups working together."

"If we ever forget that, we'll pay the price when another budget director comes looking for savings for the state in the Adirondack Forest Preserve," said Sheehan.