



Association of Towns of the State of New York (AOT)

Testimony Presented by
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February 5, 2018

PUBLIC HEARING
on the
2018-2019 Executive Budget

Senate Finance Committee
and
Assembly Ways and Means Committee

Hearing Room B, Legislative Office Building

Service and Representation for the 932 Town Governments of New York

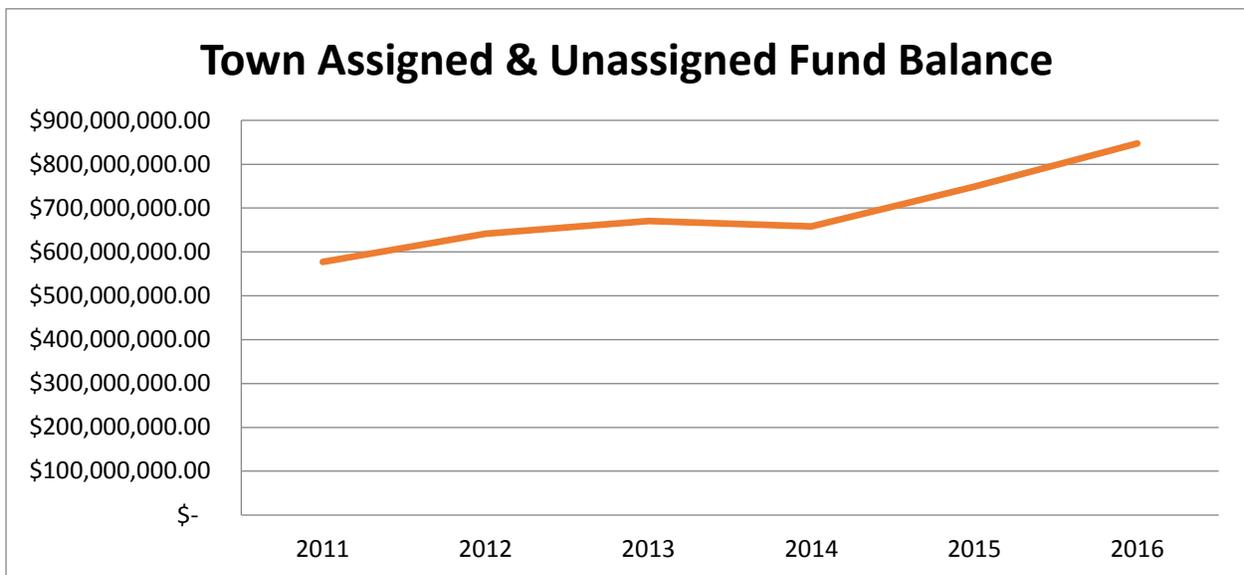
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Greeting and Preliminary Statement

Good Afternoon, it is a pleasure to be with you today. My name is Gerry Geist, and I thank you for the opportunity to appear today on behalf of the Association of Towns to discuss the impact the Executive Budget for State Fiscal Year 2018-2019 will have on town budgets and services. With me today is Denny Powers, Supervisor, Town of Elma Erie County. We believe the development of state policy and funding initiatives work best through a collaborative process, and we want to take a moment to thank you for making efforts to include town officials in the process of developing state policy and funding priorities.

Fiscal Responsibility

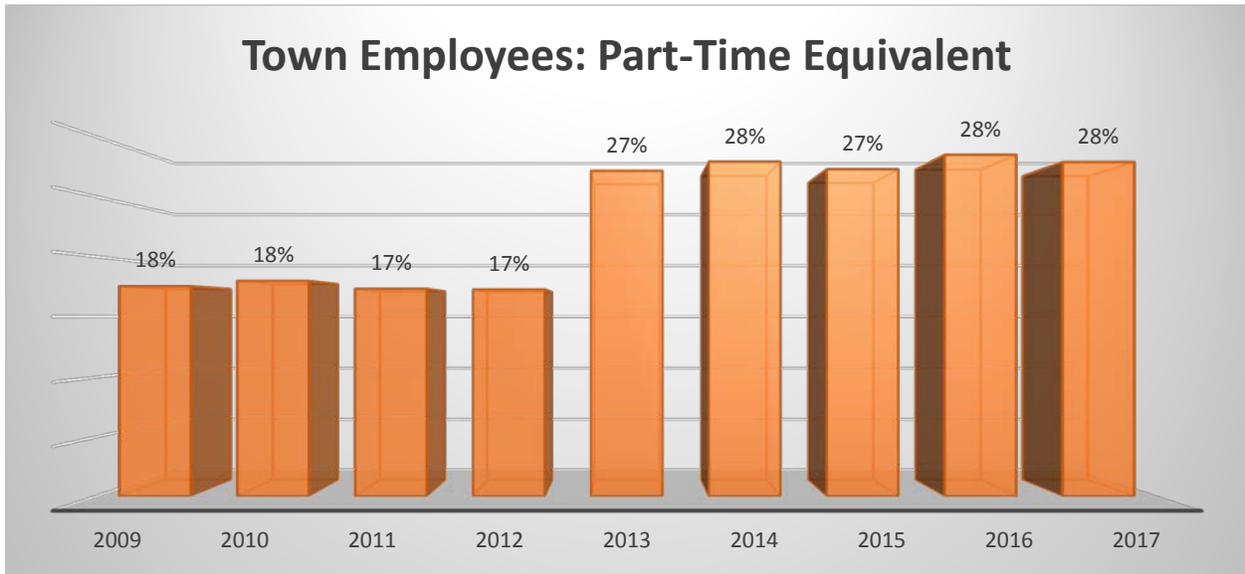
Towns have been working diligently to restore their depleted fund balances to pre-2008 levels. Their ability to respond to fiscal emergencies, natural disasters and unforeseen events continues to improve; aggregate town fund balance (A915 and A917) increased 13 percent over the prior year and 47 percent over five years ago. The reliance on fund balances for operating expenses is in decline.



Furthermore, the most recent *Fiscal Stress Monitoring* report from the Comptroller’s Office found that no towns were under significant fiscal stress, just three towns were experiencing moderate stress, and 11 were susceptible, the lowest level of measured stress. Towns have worked hard to achieve a 16 percent reduction from the fiscal stress levels seen in 2012. Put another way, 99 percent of towns are so fiscally secure that they have entirely avoided any fiscal stress designation.

Operating Successes: Employees and Shared Services

Towns continue to utilize the strategy of replacing full-time equivalent employees with part-time equivalent employees. Where the town workforce used to be made up of 17 percent part-time equivalent and 83 percent full-time equivalent workers, for the last five years, the average split is 27/73. In 2017, 28 percent of town workers were part-time equivalent, unchanged from the prior year. Simply stated, towns are doing more with less.



Local governments in New York State have a long history of sharing services. Of the 29 categories of local government services, municipalities, on average, forged shared service agreements in 27 of these categories for an average length of 18 years. Such efforts bear fruit. Over the last 20 years, towns alone have taken in more than \$3.2 billion in revenue from shared services. Annually, towns earn more money from providing services to other local governments than they receive in unrestricted state aid — 140 percent more, in fact. Since 1996, city, county, fire district, library, school, town, village and joint activity and special purpose units have generated \$18.4 billion in shared services revenue.

Rather than revenue, as above, an analysis of savings also confirms that local governments work well with each other. Currently, local governments are implementing the second year of a three-year requirement imposed by the state in order to make local homeowners eligible for an income tax credit in 2015 and 2016 (Property Tax Freeze Credit, Ch. 59, L. 2014). Nearly 1,000 cities, counties, towns and villages participate in the program for a three-year savings of more than \$1.5 billion. Whether the metric is revenue or savings, local governments recognize the value of sharing services.

2014 Tax Freeze Efficiency Plan: Participating Towns						
	Savings	Average	Median	Average % Levy Saved	Median % Levy Saved	Average Per Capita Savings
2017	\$101,625,510	\$173,127	\$22,524	3.43%	1.79%	\$13
2018	\$102,780,859	\$174,797	\$21,863	3.43%	1.79%	\$13
2019	\$104,201,795	\$177,214	\$22,305	3.47%	1.83%	\$13
3-Year Total	\$308,608,164	\$710,889	\$67,572	3.44%	1.80%	\$38

2014 Tax Freeze Efficiency Plan: Participating Cities						
	Savings	Average	Median	Average % Levy Saved	Median % Levy Saved	Average Per Capita Savings
2017	\$55,717,625	\$282,831	\$86,789	4.34%	2.37%	\$23
2018	\$58,945,154	\$299,214	\$84,000	4.47%	2.42%	\$24
2019	\$62,273,051	\$316,107	\$84,000	4.63%	2.49%	\$25
3-Year Total	\$176,935,830	\$299,384	\$86,700	4.48%	2.42%	\$71

2014 Tax Freeze Efficiency Plan: Participating Counties						
	Savings	Average	Median	Average % Levy Saved	Median % Levy Saved	Average Per Capita Savings
2017	\$323,562,187	\$723,307	\$80,000	6.23%	3.95%	\$28
2018	\$333,744,844	\$743,307	\$84,500	6.42%	4.07%	\$29
2019	\$328,721,345	\$732,119	\$81,562	6.55%	4.27%	\$29
3-Year Total	\$987,492,432	\$733,105	\$83,485	6.40%	4.07%	\$85

2014 Tax Freeze Efficiency Plan: Participating Villages						
	Savings	Average	Median	Average % Levy Saved	Median % Levy Saved	Average Per Capita Savings
2017	\$26,846,161	\$34,730	\$7,622	6.21%	2.51%	\$25
2018	\$27,218,039	\$35,211	\$7,920	6.29%	2.58%	\$26
2019	\$28,305,390	\$36,618	\$8,000	6.47%	2.63%	\$27
3-Year Total	\$82,369,590	\$35,519	\$7,920	6.32%	2.55%	\$78

Countywide Shared Services Initiative (CWSSI)

In his SFY 2017-18 Executive Budget, the Governor included a new two-year shared services mandate. Initially, the proposal would have limited the participation of town officials in the development of a countywide shared services plan. It also lacked a financial incentive to participate. Sharing services is a tremendous resource, but to maximize its many benefits, it must be initiated at the local level. We'd like to take this opportunity to thank the Legislature for making the finalized plan a more collaborative and inclusive process for all municipalities and for including state funding to support new initiatives developed through this process. To that end, the Executive Budget proposes to provide \$225 million (to be distributed sometime in 2019) in matching grants for initiatives included in the 34 plans submitted in 2017 that are up for implementation in 2018. Counties that were unable to submit a plan in 2017 may submit a plan in 2018. There are 23 counties that intend to submit plans in 2018.

In addition to proposing funds for the one-time matching state grants, the Governor is proposing to make the countywide shared services plan requirement permanent. While we support providing the matching state funds, we believe that this program should be fully evaluated before making it permanent or introducing any new shared services mandates. For example, upon closer inspection of initial reports that the 2017 plans could save taxpayers \$200 million, \$128 million of that projection came from a single proposal in Nassau County, which is laudable, but paints an entirely different picture of the program's potential strengths and successes. In our opinion, New Yorkers would be much better served by lifting barriers to cooperation and programs that incentivize shared services rather than mandating them.

Shared Services and Government Efficiency Grants

The Executive Budget continues support for the suite of shared services, restructuring and efficiency grant programs administered by the Department of State. These appropriations are subject to certification by the director of the Division of Budget and are proposed to be aligned with the plan set forth in the countywide shared service panels adopted after 2020.

Barriers to Cooperation

The Executive Budget also includes two proposals to address barriers to shared services, including eliminating the need for post-legislative approval for shared justice courts under section 106-a of the Uniform Justice Court Act. We support improving the process to share court services under the Uniform Justice Court Act and encourage the state to explore additional ways in which towns can voluntarily share or consolidate court services, provided the process is initiated at the local level.

In addition, the Executive Budget also includes an elaborate proposal to allow counties to take over planning and zoning functions from towns, cities and villages under new and amended provisions of the General Municipal Law. The state should be looking for ways to eliminate barriers to sharing services, but the Governor's proposal is very complex, and should therefore be considered separately from the budget process. In addition, there are already numerous ways that municipalities may share planning and zoning services through intermunicipal

agreements, county referral services and joint planning and zoning boards, which must also be taken into consideration.

We appreciate the focus on facilitating shared services. In addition to those obstacles identified in the various county plans, Mildred Warner, a professor with the department of City and Regional Planning at Cornell University, has identified other barriers to shared services. For example, in order for public entities to share services under article 5-g, each participating entity must have the individual authority to provide that service. Professor Warner notably observed that this requirement prohibits towns and school districts from entering into a shared service agreement to provide school crossing guards because school districts are not individually authorized to provide them (General Municipal Law §119-n). The state could also help facilitate the deployment of more school crossing guards by amending General Municipal Law, §208-a (see A2954-A (McDonald) same as S367-A (Little)).

We also encourage the Legislature to consider other proposals to encourage voluntary cooperation such as allowing local governments to join county self-insurance plans through by amending articles 44 or 47 of the insurance law (see A2578 (Steck) same as S3660 (Griffo)).

Federal Tax Relief

Governor Cuomo has indicated that he will be introducing changes to New York's tax laws to mitigate the impacts of the reduction of the State and Local Tax (SALT) deduction on New York taxpayers. In 2015, more than 3.3 million households in New York claimed the SALT deduction, and with the highest average of any state in the country at around \$24,000. Reducing the SALT deduction and including state and local government real property tax payments in one's taxable federal income unleashes a double whammy on New Yorkers by destroying a fundamental principle of federalism and resulting in double taxation. To this end, the Association of Towns will support measures the Governor and Legislature consider to preserve these important deductions. The Association of Towns represents 9 million residents that reside in towns and, in this capacity, has a unique perspective to offer in shaping the future of these deductions. We look forward to working with both the Legislature and the Governor to ameliorate the impacts of the federal policy at the state level.

Aid and Incentives for Municipalities (AIM)

General revenue sharing through the Aid and Incentives for Municipalities (AIM) Program has been flat since 2008. Over that period, cities, towns and villages have lost \$1.2 billion due to inflation alone. Had AIM kept pace with inflation, the 2018 appropriation would have been for \$893 million instead of \$715 million. Despite authority for a 2 percent annual spending increase, the Executive Budget is not proposing any increases to general revenue sharing through the AIM Program. Municipalities will again share \$714.7 million in AIM funding, with \$47.9 million, or 6.7 percent, to be distributed among New York's 932 towns.

Through the tax cap, tax freeze and the countywide shared services initiative, the Governor and the Legislature have demonstrated a clear desire to reduce the burden on property taxpayers. According to the State Comptroller's Office's 2017 figures, 54.1 percent of town operations are

funded by property taxes, and just 6.9 percent are funded through state aid. One practical way to reduce reliance on property taxes to fund town operations would be to increase state aid.

Transportation Funding

A reliable system of roads and bridges is the linchpin in New York's ability to attract and retain businesses. Responsible for more than 60,000 centerline miles and their own share of 8,600 highway bridges, towns spend \$7 billion annually on roads and bridges, making highway costs our top expenditure. Despite our local commitment, we are limited in our ability to increase local funding due to the tax cap, contractual obligations and competing priorities.

The Executive Budget maintains CHIPS at \$438.1 million (no increase since 2013's \$75 million bump); Municipal Streets and Highways Program (Marchiselli) at \$39.7 million; PAVE-NY at \$100 million and includes \$250 million for Phase II of the BridgeNY, with \$50 million allocated to culverts. CHIPS, Marchiselli and the recent transportation aid enhancements constitute 2.6 percent of what towns spend each year on roads and bridges. Unfortunately, the significant financial investment we are making in our local roads is not enough. TRIP, a transportation research group based in Washington D.C., recently estimated that New York needs to increase spending for local roads and bridges by 64 percent simply to maintain them at current levels, and to triple that amount if we want to improve them (*The Condition and Funding Needs of New York's Local Roads and Bridges*, TRIP, October 2014).

We cannot do it alone. We know you are genuinely concerned about local roads and bridges, as demonstrated when more than 60 percent of the Legislature participates in the annual CHIPS funding rally at the state Capitol. Now is the time to invest in our local roads and bridges, because if we wait, it will cost more to replace what could have been repaired.

We also believe that more towns could participate in the BridgeNY fund if this program were instead a dedicated formula program similar to CHIPS, rather than a competitive grant program. While we appreciate the additional funding provided through PAVE-NY and BridgeNY, the temporary nature of these programs is not conducive to long-term capital planning. Increasing the funding for the CHIPS base will provide the funding stability we need to properly plan and invest in our local roads and bridges.

Clean Drinking Water Funding

We support the state's commitment to clean drinking water through the revolving loan fund and the Water Quality Infrastructure Improvement Act to address our aging drinking water infrastructure. Thank you for taking the initiative to create and support these programs. The Executive Budget again supports these programs with appropriations (e.g. \$210 million in state and federal funding through the Clean Water State Revolving Fund and approximately \$400 million in Water Quality Infrastructure Improvement Act funding). To strengthen the state's commitment to lowering property taxes and providing clean drinking water, we encourage you to look at creating a dedicated annual funding program similar to CHIPS funding for highways. Namely, Senator Tedisco and Assembly Member Steck have sponsored legislation (S3292/A3907) that would create the Safe Water Infrastructure Action Program or SWAP.

Environmental Stewardship

The Legislature's support for increased funding for environmental projects strengthens its role and legitimacy as a steward of our natural resources. We are pleased that the Executive budget provides \$300 million to fund the State Environmental Protection Fund (EPF). There is, however, a pressing need to fund additional State Forest Rangers, who provide policing, firefighting and first responder services for folks living in, working in and visiting our beautiful state forests. There are just 50 forest rangers tasked with protecting the 6 million acres of the Adirondack State Park. If you can find the resources, our state forests would certainly benefit from increased attention and protection.

Empire Forests for the Future Initiatives

There are many positive elements to the Empire Forests for the Future Initiatives proposal, and the opportunity to work with the Department of Environmental Conservation on this issue resulted in legislation that we can largely get behind. As it applies to towns, the program essentially phases out eligibility for the tax exemption program for forest lands under Real Property Tax Law § 480-a, creates Real Property Tax Law § 480-b, a new tax exemption program for forest lands, and creates the "Community Forest Grant Program, which is a competitive grant program for municipalities to purchase land for forest plantations or forest management. However, the Association of Towns would like to see some amendments before we can support the initiative without reservation. First, the proposed changes to the 480-a program eliminates a stumpage tax, which is a source of revenue for towns; this loss is supposed to be offset by state assistance to towns where exempt forest land under 480-a or 480-b accounts for 1 percent or more of the total taxable assessed value of property in the town. The proposed assistance is supposed to equal the tax exempt value that exceeds 1 percent, subject to appropriations; however, the amount of assistance is reduced by the amount of assistance given to towns more than a decade prior (see Ch. 50 2004; State Finance Law § 54 [10][b][8]). Counties and school districts are not subject to as many reductions. The Association of Towns cannot support a system wherein towns lose revenue, without being made whole again, nor are on the same standing as other political subdivisions.

Finally, under this program, there is a proposed amendment to Environmental Conservation Law § 9-0815, which would require a municipality to submit any local law or ordinance that could possibly restrict the practice of forestry to the Department of Environmental Conservation for review. If the DEC does not recommend adopting the local law, a supermajority of the town board is required for the law to pass. This hindrance on a town's ability to adopt a local law flies in the face of home rule authority. The town is singularly best suited to enact legislation that fits the needs of its community and should be able to do so without obstacles from the state. Because this infringes on home rule, the Association of Towns cannot support this part of the Empire Forests Program and respectfully requests that the Legislature remove this as a requirement.

Limiting Local Control over Municipal Rights-of-Way (TED Part F)

The Executive Budget seeks to provide telecommunication companies with a statutory right to install private equipment within municipal rights-of-way and on municipal property through a preemptive uniform permitting process. It's similar to industry-supported proposals popping up in statehouses around the country, and similar enough to one piece of California legislation (SB 649), which was vetoed by Governor Jerry Brown, who sided with local governments, saying that "the interest which localities have in managing rights-of-way requires a more balanced solution than the one achieved in this bill." A simple Google search uncovers California editorial boards' widespread agreement with Brown's decision (*Editorial: California should butt out of cities' deals with telecom companies* by East Bay Times Editorial Board | Published: July 16, 2017; *Gov. Brown right to block industry giveaway Editorial Board*, San Francisco Chronicle, Oct 16, 2017; and *Here's how Jerry Brown can help protect vulnerable people, voting integrity and local control* by the Editorial Board Sacramento Bee September 28, 2017).



"State and local governments have been instrumental leaders in developing the nation's telecommunications infrastructure. In many cases, they have paved the way for the information superhighway."

Testimony of Larry Irving, Assistant Secretary for Communications and Information, U.S. Department of Commerce, on s.1822 the Communications Act of 1994 before the subcommittee on Antitrust, Monopolies, and Business Rights Committee on the Judiciary United States Senate September 20, 1994).

Towns are uniquely motivated in bringing broadband and related infrastructure to their communities to provide residents, students and businesses every competitive and educational edge and to ensure that they are able to capitalize on the various benefits and conveniences reliable access to the internet offers. While we support the state's goal of bringing broadband and wireless telecommunication infrastructure to every New Yorker, it should not come at the cost of any local government's zoning autonomy. Infringing on local zoning and right-of-way management plans in favor of a uniform state-imposed permitting program eliminates discretionary review and undervalues taxpayer-owned resources. Moreover, the goal of any program involving local rights-of-way access and management should be to support local governments first and industry and utilities second.

New York's legislation stipulates that local governments provide access to municipal rights-of-way and vertical infrastructure through a nondiscretionary permitting process with state-mandated, below-market rate fees. This proposal is contrary to the Federal Telecommunications Law, which preserves the authority of localities to manage government property, including the authority to negotiate favorable lease terms with industry providers (*Sprint Spectrum L.P. v. Mills*, 283 F.3d 404, 420-21 (2d Cir. 2002)). Under this proposal, local governments may charge the telecommunications industry an annual rental fee (rate) of \$20 per wooden pole attachment or \$200 per use of a metal, concrete or fiberglass utility pole. In addition, the proposal limits the permit application fee (\$100 each for up to five small wireless facilities addressed in an application and \$50 for each additional small wireless facility addressed in the application). Essentially, this proposal expects property taxpayers to subsidize

the multibillion dollar telecommunications industry through undervalued rents (rates) and application fees. This is wildly incompatible with the state's goal of reducing property taxes under the state-mandated tax cap.

In addition, this proposal limits discretionary review, which takes into consideration the placement and design of equipment to ensure safety, accessibility to other infrastructure in the rights-of-way and compatibility with the landscape. For example, local governments would likely not have the authority under this proposal to require the use of smart poles, which have been successfully integrated in San Jose, Calif. Smart poles are designed to blend into the landscape and to hide telecommunication equipment inside the pole. In addition, it is unclear what effect this proposal will have on historic commercial districts or on underground utilities. Finally, this legislation prohibits local governments from negotiating community benefits with industry providers who want to use taxpayer-owned property. For example, a community might find a value in negotiating a lower rental fee in exchange for providing high-speed service in underserved rural or low-income neighborhoods.

Revenue Sources for Towns – Internet Fairness Conformity Tax and ESCO Sales Tax Exemption Elimination

The Executive Budget includes proposals that generate an increase in local tax revenue; specifically, the sales tax exemption elimination on certain commodities from Energy Service Companies and the Internet Fairness Conformity Tax. The Association of Towns supports these proposals, so long as there is a mechanism in place to ensure the fair and equitable distribution of the local sales tax revenue generated from these proposals to all local governments, rather than leaving the disbursement of the funds to the discretion of the county. While some counties share the local sales tax revenues, other do not, depriving towns of this essential benefit despite the numerous services towns provide.

Justice Court Funding

Town justice courts are primarily locally funded. The current reimbursement rate of \$15 for vehicle and traffic offenses was set in 1997. General Municipal Law § 99-L provides for the payment of specified fees to towns and villages for certain services performed by their respective town and village justice courts. Most of the fees relate to services performed for another municipality or governmental entity – principally the state and county. Although inflation alone necessitates an increase in § 99-L fees for operational expenses, authorizing towns to impose a surcharge on certain traffic fines to neutralize the added expense of funding town prosecutors would enable towns to better fund local court operations.

State-Owned Lands PILOT Conversion / Tax Cap Limitation

Part F of the Revenue Article VII Bill of the 2018-2019 Executive Budget strips local governments of the authority to assess and impose real property taxes on otherwise taxable state lands by converting such properties into a mandatory Payment in Lieu of Taxes (PILOT), increased each year by the allowable levy growth factor, regardless of the rate of taxation imposed by the local government. Additionally, this proposal eliminates the assessor's statutorily imposed duty to assess such properties, inasmuch as the PILOT payments will be made based on the prior year's

PILOT payment that is increased by the allowable levy growth factor, rather than the actual assessment of the property.

The Association of Towns strongly opposes this proposal, as it infringes upon a local government's ability to impose real property taxes in a fair and equitable manner and, additionally, restricts the duties of the assessor. Local governments depend upon real property tax revenue to provide essential services and comply with state mandates. The real property tax cap automatically limits property taxes. A local government that exercises its statutory authority to override the cap does so to meet pressing fiscal needs in providing essential services to its residents. Taxing state lands at a lower level catastrophically shifts the tax burden onto the non-exempt owners and businesses, to the clear benefit of the state. The systemic erosion of the tax base will ultimately result in higher taxes as the burden shifts to non-exempt owners, and ultimately, a decrease in essential services as local governments struggle to do more with less.

Interests on Judgments

The Executive Budget also seeks to lower real property taxes by reducing local government litigation expenses. The Executive Budget (PPGG Part BB) addresses the current mandatory interest rates that government defendants must pay on court judgments and accrued claims by establishing a market-based method of calculating interest rates similar to the method used for judgments involving the federal government. The General Municipal Law was last amended in 1982 to increase the interest paid by municipal corporations on judgments and accrued claims from 3 percent to 9 percent. Market rate interest will encourage prompt resolution of outstanding claims against municipal corporations. The Association of Towns urges the Legislature to adopt amendments to Section 3-a of the General Municipal Law to reduce the interest rate paid by municipal corporations on judgments and accrued claims to better reflect current economic and market conditions and eliminate this continuing hardship for taxpayers throughout the State of New York.

New Minority- and Women-Owned Business Reporting Mandates (TED Part Q)

Towns support minority- and women-owned businesses. Towns include MWBE goals in local best value purchasing laws, designate MWBE coordinators to ensure compliance with state and federal goals and adopt comprehensive local MWBE goals to address the unique needs of their local communities (see e.g. Town of Willsboro, Essex County, Local Law No. 1 of the year 2013; Town of Ghent, Columbia County, Local Law No. 1 of year 2014; Town of Lansing, Tompkins County, Local Law No. 2 of the year 2015; Town of Greece, Monroe County Local Law No. 3 of the year 2014; and Town of Amherst, Erie County, Local Law No. 31 of the year 2014).

The Executive Budget seeks to amend article 15-a of the Executive Law to include certain municipal contracts within the state's minority- and women-owned business requirements. We appreciate and support the Governor's goal to ensure that all New Yorkers have an equal opportunity to compete in the marketplace, but we believe that these goals can be met through local MWBE programs without the added expense associated with the reporting and

regulatory requirements set forth in article 15-a of the Executive Law and its corresponding regulations.

Sexual Harassment Policy

The Association of Towns is a fervent supporter of ending sexual harassment in the workplace and is enthusiastic in collaborating with the Legislature to evaluate the issue to create practical, workable solutions that eradicate this social ill. Towns can offer particularly helpful perspectives and suggestions, as we have employed sexual harassment policies for decades in alignment with federal standards and are aware of what strategies are particularly effective and where there are shortfalls. It is with this experience that, while we support the policy of ending sexual harassment, we do not believe the proposal in the budget addressing sexual harassment prevention policies is the best means of accomplishing this goal. For example, there are hurdles to imposing sanctions on individuals that perpetrate sexual harassment but hold a position that carries with it a specific term of office, and which cannot be addressed by mere implementation of a policy. Moreover, the proposal gives the “town attorney” the authority to draft the policy as well as designate individuals to investigate complaints and make determinations regarding the complaint. Several towns do not have a town attorney and contract for legal services with an individual or firm, thus there is an additional cost in having the attorney for the town draft a policy. This cost is easily avoidable, particularly when there are programs like the New York Municipal Insurance Reciprocal (NYMIR), a prime example of a shared service initiative, that provide sample harassment policies to its members, now approximately 890 municipalities in New York, at no additional cost. Rather, the Association of Towns believes that local governments, who can draw on their decades of experience in drafting and implementing sexual harassment policies, are the ideal group to further study the issue with the Legislature and design practical and effective solutions to abate sexual harassment.

Lead Paint

The Association of Towns has significant concerns surrounding the proposal in the budget that imposes inspection and reporting requirements regarding lead paint on residential and nonresidential buildings on local code enforcement officers that administer the Uniform Fire Prevention and Building Code (“Uniform Code”). This proposal would require additional training since current classes on lead paint are only occasionally offered as an elective when code enforcement officers get their training and certification for the Uniform Code. Additionally, the code enforcement officer would have to submit a report to the Department of Health on their inspections and remediation efforts, in addition to the report required under 19 NYCRR 1203.4 regarding the administration and enforcement of the Uniform Code. Both of these result in additional costs, to say nothing of the time and resources used in administering this proposal; however, the budget neglects to appropriate any money for it, and thus, the cost of this would ultimately be borne by town taxpayers. Also of significant concern is the potential exposure to liability that a municipality would incur in being responsible for these inspections. Until local governments are inoculated from liability involving lead paint inspections and money is provided for the additional costs incurred, the Association of Towns cannot support this proposal.

Financial Disclosure

Although the Association of Towns is a strong proponent of ethics in local government, we cannot support the proposal in the budget requiring elected officials making \$50,000 annually from their municipality to file an annual financial disclosure statement with the Joint Commission on Public Ethics (JCOPE). First, having a state agency oversee this aspect of local government undermines the very essence of home rule, particularly given that the Legislature has already given financial monitoring authority to municipalities. Specifically, those towns with populations of 50,000 or more are already required to file financial disclosure statements with their local ethics board, but even those with a smaller population have the authority to require them (see General Municipal Law § 811; 812). In adopting these laws, the Legislature affirmed that financial disclosure issues are best handled at the local level so municipalities can create rules responsive to their community and have potential issues reviewed by an independent local body familiar with both state ethics laws and local ethics codes. Respectfully, a state agency will not be familiar with the particular concerns of a community or the local code, nor is it likely to have the enforcement resources to effectively monitor every municipality in New York State; therefore, financial disclosure issues and review should remain at the local level.

The Association of Towns also has significant concerns that imposing a financial disclosure requirement would deter people from seeking public office. Of course, being a public officer means being subject to a certain level of scrutiny, but it is easy to imagine someone who wants to run for office to help and serve their community who is also unwilling to disclose personal financial information, particularly when the position does not involve significant fiscal control or authority. It is difficult to understand what purpose it would serve to have that individual and their spouse file a financial disclosure form with the state that lists, for example, any source of income in excess of \$1,000, something required under the proposed legislation.

Rather than discourage individuals from running for public office, ethics rules should foster the high level of integrity that already exists in local government and deter those who would abuse positions of power. We do not believe the Governor's proposal accomplishes those goals but will gladly work with the Legislature and other interested parties on ethics reform.

Early voting

The Executive Budget proposes a number of amendments to the State Election Law to accommodate voter participation through registration and early voting. As you consider these proposals, we hope that you will also consider the cost borne by local property taxpayers in providing election services. For example, early voting by mail is one option to consider as this might reduce the operational costs associated with numerous polling places. In addition to reducing costs, Voting by Mail may also lead to increased voter participation, as was the case in the states of Oregon and Washington. In addition, we urge you to consider legislative proposals that would have the state pick up some of the costs for election services. For example, Assembly Member Buchwald's legislation (A1261) requires the state to reimburse counties for the cost of ballots, provided in general, special and primary elections. Senator

Comrie and Assembly Member Ortiz have sponsored legislation (S3700/A2520) that would require the state to reimburse counties for election expenses associated with holding a primary in September.

Conclusion

Today's fiscal realities demand a proactive response from government leaders, without question. Town officials are collaborating with other local government leaders, and we appreciate the ability to work collaboratively with you as well. Working together, we can find solutions to foster our collective prosperity. We look forward to a productive legislative session. Thank you for your time and consideration.