

GOVERNOR'S PROPOSED STATE TAX CAP WOULD BE A TAX OUTRAGE!

The Governor's proposal represents a radical change in State policy.

A cap on the State payment of property taxes to localities within the 6,000,000-acre Adirondack region would gradually cause a damaging and destructive shift of the tax burden to the already restricted and weak local economies.

The Adirondack and Catskill Forest Preserves comprise approximately 3,000,000 acres of State-owned "forever wild" land, of which somewhat less than 300,000 acres are within the Catskill preserve. In addition, the State owns roughly 700,000 acres of conservation easements on land in the Adirondacks, on which, by recent statute, it also pays the large share of the taxes because it owns the development rights.

The State's impact on the local tax structure in the Adirondacks is all-pervasive. This likelihood was foreseen approximately 125 years ago, when the State was looking into the future and developing the first Forestry Commission in the United States to manage its impressive and growing forestland holdings.

History

In a report commissioned by the Legislature in 1884 the Forestry Commission made recommendations for the system of management of the 781,000 acres that the State had acquired in the Adirondacks.

Below are three short excerpts from the 55-page report, where the policy of the State paying taxes on its land was discussed in depth, and the Commission unanimously concluded that the State should pay taxes on the land that it acquires in the Adirondacks. The conclusions of the Commission were adopted by the Legislature shortly thereafter.

"Ultimately, therefore, there will probably be the position of the State holding a large part of the property in the Adirondack towns which would normally pay taxes, and this holding would be chiefly for the benefit of the rest of the State."

"It is not unreasonable, therefore, that the State should, up to the extent of taxes upon the lands which it holds in these counties, bear a proportion of the expenses of local administration whose benefits it receives."

"It is only after the most careful and prolonged consideration that the Commissioners have concluded to recommend that the State hereafter bear taxes upon its lands in the Adirondack region."

Report by the Forestry Commission to the Hon. Alfred C. Chapin, Comptroller of the State of New York pursuant to Chapter 551 of the Laws of 1884, to "investigate and report a system of forest preservation." (Documents of the Assembly of the State of New York, 1885, No. 36)

On January 23, 1885, the Comptroller submitted the report of the Forestry Commission to the Assembly of the State of New York, and its recommendations formed the basis for the laws protecting the lands acquired by the State in the Adirondacks and for establishing that the State would pay real estate taxes to the local governments

The Present Day

The Adirondack region is far more restricted at this time than was considered by the Legislature when the fair tax policy was put into effect. Today, the State owns several times the amount of land than it owned in 1885 and the State has also put into effect restrictive land use regulations on the private land, with the passage of the Adirondack Park Agency Act in 1973. The local economy is restricted by both State land ownership and the severe land use restrictions, with nearly half the private land zoned for 42 acres per house, and other severe minimum lot sizes, as well as more onerous wetland restrictions and more restrictive building laws than are imposed in the rest of the state.

Housing that ordinary people need is hard to find. Schools are closing due to lack of students because of the scarcity of jobs and the inability of working people to pay for land or housing, which is accentuated by the competition for land and homes by people from outside the region who have incomes from non-local sources.

Even at the current level of State land ownership, the State continues to acquire land.

The Governor has currently proposed \$58 million for open space land acquisition in the Adirondacks and elsewhere. In fact, the State is currently acquiring in various stages from The Nature Conservancy the former Finch Pruyn timber lands, of which the State and the Conservancy have announced the intention to place approximately 100 square miles, the finest timber-producing lands, into the "forever wild" Forest Preserve—never to be logged again.

The State's mania for land acquisition exemplifies its poor fiscal management and its failed economic policies. The proposed tax cap would impose an extreme negative economic impact on the North Country.

Conclusion

The proposed tax cap should be rejected, considering the doctrine of fair play long established by the Legislature and the profound effect that the cap would have on local economies as land values and budgetary costs increase and taxes are shifted from the State to the localities.