



**Testimony of Robert Duffy
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Greater Rochester Chamber of Commerce
Joint Legislative Public Hearing on 2017/18 Executive Budget:
Local Government Officials/General Government
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Senator DeFranciso, Assemblyman Farrell, members of the Joint Legislative Committee, thank you for the opportunity to submit testimony. Greater Rochester Chamber of Commerce will focus its comments on the matter of property tax relief.

At the heart of the County-wide Shared Services Property Tax Savings Plan is the desire to improve efficiency and reduce costs. Those are two issues that the business community can relate to as they're priorities for employers each and every day. We are all painfully aware of the high property tax burden in New York. The nine-county Finger Lakes region represented by Greater Rochester Chamber of Commerce has some of the highest property taxes, as a percentage of home value, in the nation. Efforts to reduce property tax burdens are something that we strongly support. Governor Cuomo's leadership in establishing the property tax cap was a step in the right direction. We agree, though, that there is more that can and must be done. People complain about the tax cap, when it is spending that must be reduced to lower our taxes. The property tax cap keeps annual increases to approximately 2%, when in essence we should cut property taxes by 2%.

Greater Rochester Chamber of Commerce believes New York's Regional Economic Development Councils can play a major role in fostering governmental consolidation and shared services. The ten Regional Councils brought together leaders from academia, business, government, and non-profits to determine priorities for their

regions. The model has been successful in creating greater communication, teamwork, and relationship building in the community and is a great precursor for the work that can be done in the future. It is an example of what we can do when communities work together. Rochester Chamber proposes that the Regional Economic Development Councils, in conjunction with elected officials and leaders from each region, be tasked with submitting a plan on how to lower local government spending. Regional Councils can and should play a leading role in the development of consolidation plans, shared services, alignment, co-locations, and other strategies to ease the burden on taxpayers. Regional Council funding could then be tied to tangible results with the best plans receiving priority in funding decisions.

Across the nine-county Finger Lakes region served by Greater Rochester Chamber of Commerce, there are ample opportunities to decrease property tax burdens and create more effective and efficient governments through alignment and consolidation. A term often heard from business leaders is "innovate or die." To succeed, organizations need to seek new ways of doing business and change based upon the needs of their customers. This holds true for government and its taxpayer customers as well. We need to think and act differently; we cannot afford to continue down this same road. Every government should run their operations like a small business and count every penny. The cost of government is the reason for high taxes. Government has a spending addiction, which has caused the spiraling tax issues we see today. In order to be competitive, businesses must reduce their costs. Already, businesses are faced with a high tax and regulatory climate. Government alignment and consolidation will lower business taxes, lower property taxes, and allow businesses to be more competitive. If businesses cut jobs to reduce their costs under government burdens, shouldn't government also reduce staffs, cut take home cars and seek other reductions?

Indeed, there are many factors that get in the way of alignment and consolidation. The biggest impediments are concerns about the loss of government jobs, politics, and turf issues. Unfortunately, we can't have it all ways. We can't complain about our high taxes and not show the courage to make the tough decisions. We need to put the interests of our region and our people first. Some residents can't afford to pay their tax bill. People are leaving the area. Businesses are moving out of state. We need to stop outmigration, and instead encourage people to move to our area. This cannot happen in

our current tax and regulatory climate. The most onerous tax is our property tax and the biggest opportunity for change is at the local /regional level. Government is here to serve the taxpayers and make it easier for citizens. It will take courage and leadership on everyone's part to bring about change.

We all need to look at ways to reduce redundancies. It is not just local governments that need greater alignment. There is work to be done at the state level, as well. We should leave no stone unturned. Rochester Chamber has approached local leaders with a proposal to consolidate state offices in Rochester into one building. Rochester is the only major upstate city without a dedicated New York State office building. We are pleased that the state is considering our proposal of locating its Rochester offices in one building. This creates not only savings for the state, but also convenience for its taxpayer customers and outside organizations considering a move here.

Greater Rochester Chamber of Commerce regularly hears the stories of decisions that businesses must make to keep their doors open, make great products, and maintain their employment base. We need to support these businesses with lower taxes, lower costs, and regulatory reform.

Finally, Rochester Chamber encourages the state to hold regional hearings to seek public input on how local governments can reduce costs. A study should also be commissioned to determine what other states have successfully done to reduce spending and ease the burden on taxpayers. I would also like to suggest that this body convene hearings in all regions of the state and invite our business owners to testify how they reduce costs and stay in business, even in the wake of mandates such as minimum wage increases, paid family leave and high workers' compensation costs.

Only trepidation will stop this plan from moving forward. That is something we must overcome for the good of all taxpayers.

