



TESTIMONY

Mayor Lovely A. Warren

Rochester, New York

Joint Legislative Hearings

2019-20 New York State
Executive Budget Proposal

February 11, 2019



Chairwoman Young, Chairwoman Weinstein, members of the Ways and Means and Finance Committees; other members of the Senate and Assembly: Thank you for the opportunity to address this panel on behalf of the residents of the City of Rochester.

The City of Rochester is in a time of unprecedented growth. We are becoming a true 21st Century City. We're building an innovation economy focused on technology, software and photonics.

Along with these new jobs, crime is dropping, and our neighborhoods are safer and more vibrant. And, we're providing better educational opportunities so every child can fulfill their dreams.

We're also aggressively addressing the systemic inequities that have plagued our community for decades.

However, as we do this essential work, Rochester faces a \$35.7 million all-funds gap that threatens our ability to build on these successes and truly achieve our vision for the future.



Mayor Lovely A. Warren
City of Rochester, NY



Today, I ask you to support progressive solutions to the challenges we face, and allow us to make our vision for Rochester's future, a reality.

First, our state needs to modernize policies regarding the Gross Receipts Tax, or GRT, on Energy Service Companies and mobile phones, as well as sales taxes on online purchases.

The GRT has failed to keep pace and our cities are suffering as a result.

Rochester has seen nearly a 50 percent decline in its annual GRT revenue – This is nearly \$6 million dollars that would go a long way toward helping the citizens of Rochester.

Many Energy Service Companies – or ESCOs – do not pay the GRT tax – even though the State agrees that they should.

Rochester needs State legislation to clarify that ESCOs must pay the GRT – a simple change to restore this vital revenue.

GRT legislation must also include mobile phone services. Currently, it only applies to landlines – clearly a policy stuck in the past.



I also support requiring online marketplace providers to collect sales and use taxes on goods sold to New York residents. Online shopping will only continue to grow, and I am asking that the state respond to this trend.

These proposed changes to the GRT and online Sales Taxes are not new taxes on consumers. They simply reflect where their dollars are being spent in today's economy.

Another progressive change I support to ensure New York addresses our modern realities is the legalization of marijuana.



However, such legislation must address the damage done to our cities, our poorest neighbors and people of color. Your body has the opportunity, and the obligation, to legalize marijuana in a way that benefits those who suffered most under criminalization.

I am heartened by the support expressed by both Speaker Heastie and Leader Stewart-Cousins for such an approach.

Cities deserve revenue generated from marijuana sales to fund programs to lift residents out of poverty.

To that end, I would ask that the Legislature specifically provide cities with the ability to tax marijuana sales and/or simply allow for retail marijuana sales to be subject to local sales taxes.

We estimate that Rochester would garner between \$1.2 - \$2.4 million dollars in annual revenue from sales taxes on legalized marijuana.

Lastly, to truly ensure we address the modern realities faced by Rochester, the Legislature must eliminate the inequity in AIM funding that essentially makes Rochesterians second-class citizens in New York State.

Rochester per capita only receives 84 percent of the AIM aid received by Syracuse and 67 percent of the AIM aid received by Buffalo.

This is simply unfair. And, forces our City to do more with less than our up-state neighbors.

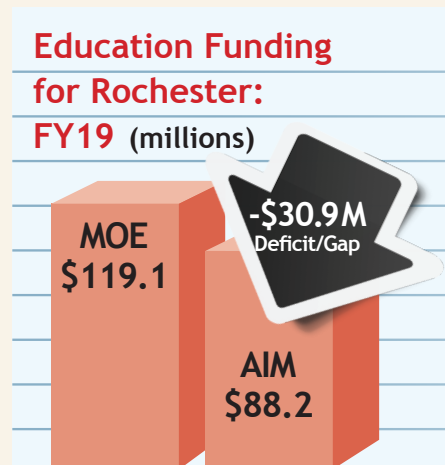
Rochester is the only upstate city whose maintenance of effort for our schools exceeds the AIM aid that we receive.

We are required to pay \$119.1 million dollars in maintenance of effort funding to the Rochester City School District. Yet, we only receive \$88.2 million dollars in AIM aid from the state each year – A nearly \$31 million dollar gap.

This inequity must end if Rochester is truly going to remain a leader into the 21st Century with more jobs, safer and more vibrant neighborhoods, and greater educational opportunities for our children.

I ask that 2019 be the year when the Legislature finally provides Rochester and its residents with our fair share of AIM funding.

However, I recognize that our City would not be where it is today if it were not for the support of our legislators, and I would like to thank you – especially Rochester’s state delegation – for your continued investment.



To this end, I would also like to ask for your support of key capital projects vital to Rochester's future.

With Governor Cuomo's help we are "ROC"ing the Riverway, and reconnecting our City to the Genesee River -- the precious resource on which our community was founded.

Thanks to an initial \$50 million investment from Empire State Development, and the support of the Legislature, "ROC the Riverway" has become a critical component of our region's economic development strategy.

This initiative has excited the entire Finger Lakes Region and is showing immediate success.

And, we are just getting started - so today I am asking you to support \$50 million dollars for Phase Two of ROC the Riverway.

These funds will support critical infrastructure projects that will not only create jobs, but ensure that the Genesee River is at the heart of our City's future.

Other key infrastructure projects include our Neighborhood Police Section Offices, Recreation Center upgrades and street reconstruction projects.

These exciting projects and our strong fiscal stewardship position us to seize opportunity in the decades ahead.

So, on behalf of Rochester's residents, I ask you to continue to support our city and its bright future by acting on the requests I have shared here today.

Thank you, and I am happy to take any questions.





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For more information
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