



LOWER HUDSON EDUCATION COALITION

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MEMO IN OPPOSITION S.8138-B Martinez/A.10252-A Stern

An act to amend the real property tax law, in relation to special deferments and installment payments during the COVID-19 state of emergency.

The Lower Hudson Education Coalition (LHEC) opposes S.8138-B (Martinez)/A.10252-A (Stern), as currently drafted, which authorizes local governments to split up or defer tax payments that are due during the COVID-19 state of emergency.

The legislation would allow, at the local option, local governments the ability to defer or split up taxes that come due during the COVID-19 emergency period for up to 120 days after their normal due date. While we appreciated the sponsor's intent to provide local governments and school districts flexibility to temporarily ease the burden on their taxpayers who may be facing financial difficulties due to COVID-19, as drafted, this legislation would cause significant pressure on public school districts across the state.

The lack of increase in Foundation Aid has caused significant fiscal stress that school districts will need to manage over the coming years. Deferring tax payments by up to 120 days would create significant cash-flow challenges for school district operations. This concern is heightened by the potential 20% cut in education aid if the State does not receive relief from the Federal government.

The Lower Hudson Education Coalition requests the sponsors amend this legislation to clarify that funds held in escrow accounts, which make up approximately 75% of all tax payment accounts, be exempted. This would allow more school districts to opt into this legislation, and provide relief to taxpayers in need of financial relief during this pandemic.

For these reasons, the LHEC opposes the aforementioned legislation as written, and respectfully requests an amendment.