



PRESS RELEASE

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PROTECT Opposes Tax Cap on the Forest Preserve

State of New York currently pays property taxes based on local assessments. A tax cap could lower state tax payments and cause a tax shift to private lands,

Much more information is needed to assess the potential long-term impacts from a Forest Preserve tax cap.

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A part of the new state budget, the Cuomo Administration has proposed a cap on Forest Preserve property tax assessments and changes to state law from the current system of locally assessed property taxes to a system of Payments in Lieu of Taxes (PILOTs). The state is doing this to save money because Forest Preserve assessments and the PILOT for tax payments would be centrally controlled. This proposal raises issues about a likely decrease in state lands tax payments over time and subsequent tax shift to private lands in Forest Preserve communities in the Adirondacks and Catskills.

The last information available for state tax payments on a town-by-town basis is from 2010, but at that time the State of New York paid over \$75 million for all state lands in the Adirondacks. It is likely that today, given acquisition of new lands and increasing property values, that this figure tops \$80 million. State law requires tax payments on Forest Preserve lands. This cap proposal is akin to efforts made by Governors Mario Cuomo, George Pataki and David Paterson. All these Governors looked at the issue as a way to reduce state spending. If the state set its own assessments on its own lands, then it could control costs.

“If the Forest Preserve tax cap goes through, it could be jarring for Adirondack communities in the years and decades ahead as the growth in assessed value of Forest Preserve lands is capped by the state and tax payments are regulated,” said Peter Bauer, Executive Director of Protect the Adirondacks.

“We’ve always looked at state payment of Forest Preserve taxes based on local assessments as an important part of the state’s annual management and maintenance of the Adirondack Park. State tax payments are a cornerstone of Park policy, something that helps make many Adirondack communities viable. The state has clearly invested heavily

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in a variety of essential Adirondack Park institutions, from Gore and Whiteface Mountain Ski Area and Olympic facilities, to support for museums, colleges, health care networks, and highways, among a variety of other programs and projects. This proposal seems like a radical change to a core part of the Park’s civic infrastructure, a breach of faith for all who believe in the Adirondack Park and want to see it succeed,” said Peter Bauer.

Forest Preserve lands, like private forestlands, are taxed according to a variety of factors, such as road frontage, interior roads, shoreline, accessibility of shoreline areas, and timber value, among other things. State foresters periodically cruise timber in places like the Seward Range in the High Peaks Wilderness. The state’s assessments are shared with local municipalities, which can then use their own assessments or the state assessments. It’s a rational process, though each year the state will grieve a few assessments that it considers egregious or obvious efforts to gouge the state. Generally, these are negotiated to an agreement, though periodically they end up in court.

Some towns with high Forest Preserve land holdings reap great benefits. In 2010, Essex saw \$1.9 million in tax payments from the state, Minerva \$3.1 million, Newcomb \$3.7 million, North Elba \$1.8 million, North Hudson \$1.1 million, Franklin \$1.1 million, Harrietstown \$2.3 million, Santa Clara \$2 million, Arietta \$3.6, Indian Lake \$2.6 million, Lake Pleasant \$1.8 million, Long Lake \$3.1 million, and Wells \$2.4 million, among others. Many other towns with smaller Forest Preserve holdings receive far smaller payments, such as Chesterfield and Crown Point in Essex County with around \$100,000 each.

The state claims that the proposed changes in the Governor’s budget will bring tax saving through administrative efficiencies and staffing reductions. In theory, it would also save some Adirondack communities significant resources, as assessments on state lands would not be necessary. But there are real questions about long-term impacts from a possible shortchanging on Forest Preserve assessments, slowing in the growth of state tax payments on the Forest Preserve, and a tax shift to private lands.

This plan was rolled out as part of the budget and will not be voted on separately but rather as a part of a massive state budget package. This plan was rolled out without analysis, projections, or details about all impacted programs. Something as important to the core of Adirondack Park management, such as state payments of local taxes on state lands, which could have serious long-term impacts on Adirondack communities and the Forest Preserve, should be undertaken only with sound analysis and data that are open for scrutiny and independent assessment.

“The Budget Division did not ascertain the potential impacts on programs of the Department of Environmental Conservation from the tax cap. If the Cuomo Administration is serious about undertaking these kinds of changes they should do so based on good studies that include projections of impacts. They should reach out to effected communities and hear their concerns. Undertaking major policy changes like this within budget negotiations does not make sense,” said Peter Bauer.

Protect the Adirondacks

Protect the Adirondacks, Inc. (PROTECT) is a privately funded, IRS-approved not-for-profit organization dedicated to the protection of the 6-million-acre Adirondack Park in

northern New York. PROTECT was formed through the merger of the Association for the Protection of the Adirondacks and the Residents' Committee to Protect the Adirondacks in 2009. PROTECT pursues its mission to protect the Adirondack Park and defend the public "forever wild" Forest Preserve through citizen advocacy, grassroots organizing, education, research, and legal action. PROTECT is governed by a volunteer Board of Directors. PROTECT maintains an office in Lake George. For more information see www.protectadks.org.

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