



# NEW YORK CITY COUNCIL

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## STATE BUDGET AND LEGISLATIVE AGENDA

**2014-2015**

**HON. MELISSA MARK-VIVERITO**  
SPEAKER

**HON. JIMMY VAN BRAMER**  
MAJORITY LEADER

**HON. JULISSA FERRERAS**  
CHAIR, FINANCE COMMITTEE

**HON. KAREN KOSLOWITZ**  
CHAIR, STATE AND FEDERAL LEGISLATION COMMITTEE



THE COUNCIL  
OF  
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Dear Colleagues in Government:

We are happy to share with you the New York City Council's State Budget and Legislative Agenda for the coming year.

Earlier this year, the City Council had the opportunity to travel to Albany to fight for New York City and to advocate for its priorities in the State Budget.

This agenda, which comes on the heels of that visit, outlines in greater detail some of the important budget and legislative priorities that we aim to achieve for our city in the coming year.

Our goal, as always, is to ensure that we are consistently in Albany working alongside you to advocate for the needs of our residents.

The following items are some of the top priorities that we are fighting for:

- Funding Universal pre-K through a tax increase on New York City residents earning over \$500,000 per year;
- Giving New York City the ability to set its own higher minimum wage; and
- Passing the DREAM Act to help immigrant youth attain the higher education they need.

We want to thank all of you for your leadership and support. This City Council is united in our common purpose – standing up and fighting for New York City – and we look forward to an ongoing partnership where, together, we can take actions that will protect and enhance the lives of New Yorkers across all five boroughs.

If you have any comments or concerns about the priorities outlined in this agenda, please do not hesitate to contact us at any time.

Sincerely,

Melissa Mark-Viverito  
Speaker

Jimmy Van Bramer  
Majority Leader

Julissa Ferreras  
Chair, Finance

Karen Koslowitz  
Chair, State & Federal Leg.

# TABLE OF CONTENTS

Budget Priorities .....	1
<i>Economic and Revenue Measures</i> .....	1
Personal Income Tax & Education .....	1
<i>Provide Secure Funding for Universal Pre-Kindergarten by Authorizing the City to Raise its Personal Income Tax on Income over \$500,000</i> .....	1
<i>Enact an Improved Renter’s Tax Credit Targeting Rent Burdened Households</i> .....	2
<i>Restore the Non-Resident Income Tax (Commuter Tax)</i> .....	2
Business Taxes and Incentives .....	3
<i>Aid Small Businesses by Extending the General Corporation Tax Credit on the City’s Personal Income Tax</i> .....	3
<i>Eliminate the Property Tax Exemption for Madison Square Garden</i> .....	4
<i>Spending Measures</i> .....	4
Education .....	4
<i>Fulfill the Promise of a Sound Basic Education</i> .....	4
Higher Education.....	5
<i>Raise Base Aid for CUNY</i> .....	5
<i>Restore CUNY Program Cuts</i> .....	5
Human Services.....	6
<i>Increase Funding for the Youth Development Program</i> .....	6
<i>Increase Funding for the Summer Youth Employment Program</i> .....	6
<i>Fund a Homeless Rental Assistance Program</i> .....	6
<i>Include Hunger Prevention and Nutrition Assistance Funding in the Budget</i> .....	6
<i>Rescind the Human Services Cost-of-Living Adjustment Delay</i> .....	7
<i>Increase HIV/AIDS Welfare-to-Work Funding</i> .....	7
<i>Public Health Awareness and Prevention Funding Consolidation</i> .....	7
Health and Mental Health.....	7
<i>Strategic Investments in HIV Prevention and Care</i> .....	7
<i>Reject Change in Funding Model for School-Based Health Centers</i> .....	8
<i>Nurse-Family Partnership</i> .....	8

Housing .....	8
<i>Allocate Expanded Low-Income Housing Tax Credits Fairly</i> .....	8
<i>Capital Funding for the New York City Housing Authority</i> .....	9
Parks.....	9
<i>State Funding to Implement Hudson River Park Infrastructure</i> .....	9
Legislative Priorities .....	10
<i>Increase the Minimum Wage for New York City</i> .....	10
<i>The New York State DREAM Act</i> .....	10
<i>Raising the Age of Criminal Responsibility</i> .....	11
<i>Repeal Urstadt</i> .....	11
<i>Women’s Equality Act</i> .....	12
<i>Gender Expression Non-Discrimination Act</i> .....	12
<i>Reducing Traffic Fatalities</i> .....	12
<i>Raise Senior Citizen Rent Increase Exemption Threshold</i> .....	12
<i>Allow Baccalaureate, Advanced Degree Programs, and Certain Educational and Training Activities to Count Toward the Satisfaction of Work Activity Requirements for the Temporary Assistance for Needy Families Program</i> .....	13
<i>Establishing Rewards for Reports of Violations of the City Cigarette Tax</i> .....	13
<i>Election Reform</i> .....	14
<i>Sandy Relief</i> .....	15
<i>Translation of Orders of Protection</i> .....	16
<i>Reducing Gun Violence</i> .....	16

# Budget Priorities

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## *Economic and Revenue Measures*

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### **Personal Income Tax & Education**

#### ***Provide Secure Funding for Universal Pre-Kindergarten by Authorizing the City to Raise its Personal Income Tax on Income over \$500,000***

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The New York City Council supports Mayor de Blasio's visionary program to provide universal, high quality, full-day pre-kindergarten for the children and families of New York City. To provide a secure funding source for this program, the City Council calls upon the New York State Legislature to authorize the City to raise its tax rate on income over \$500,000 to 4.41 percent from the current 3.88 percent. This funding would be dedicated to pre-kindergarten in a manner similar to the City's successful Safe Streets, Safe City program of the 1990s. The rate increase is estimated to impact 48,000 taxpayers, with a median tax increase of around \$2,600. The median adjusted gross income of taxpayers in this bracket is \$1.073 million.

New York City is prepared to provide high-quality, full-day pre-kindergarten to the 73,250 children who require it by the 2015-2016 school year, beginning with 53,604 children in September 2014. The City has determined that infrastructure, educators, curriculum, and space can all be made available within this timeframe provided there is a secure source of funding for the program<sup>1</sup>.

High-quality, full-day pre-kindergarten is advantageous to all children in the City. A recent study found that it increased the time parents spent on educational activities with their children, reading out loud, talking with their children, and doing craft projects by 25 minutes a day. It also found that high-quality pre-kindergarten improves educational performance of low-income children and that this improvement persists at least until the 8<sup>th</sup> grade. High-quality, full-day pre-kindergarten will also relieve the financial burden of many young families who would otherwise pay for pre-kindergarten from their own resources<sup>2</sup>.

With respect to the funding source, New York City has long had progressive income taxes. According to Professor Howard Chernick of CUNY, economic models based on a 'flight from progressivity' have not done very well empirically<sup>3</sup>. Another study shows that half-millionaires do not flee small changes in

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<sup>1</sup> "Ready to Launch: New York City's Implementation Plan for Free, High-Quality, Full-Day Universal Pre-Kindergarten", City of New York, Office of the Mayor, January 2014

<sup>2</sup> Elizabeth U. Cascio and Diane Whitmore Schanzenbach, "the Impacts of Expanding Access to High-Quality Preschool Education, Fall 2013 Brookings Panel on Economic Activity

<sup>3</sup> Howard Chernick, "Redistribution at the State and Local Level: Consequences for Economic Growth", *Public Finance Review* 2010 38: 409

marginal tax rates<sup>4</sup>. All other things being equal, state and local governments with progressive taxes do not see lower rates of economic growth (Chernick, 2010).

This makes sense when you consider the recent “Cities of Opportunities” report that was done for the Partnership for New York City. New York City ranked first in competitiveness among 27 global cities. The Partnership measures competitiveness by 60 different characteristics, with taxes being only one of them. Among these 27 cities, New York was not even in the top 10 in taxes, though our taxes were the highest in North America, narrowly beating out San Francisco. Therefore, a change in the top rate of our personal income tax shouldn’t undermine the City’s global competitiveness.

**Fiscal Impact:** The New York City Council Finance Division estimates an increase of city revenues of approximately \$500 million annually. There is no New York State revenue impact.

### ***Enact an Improved Renter’s Tax Credit Targeting Rent Burdened Households***

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The New York City Council applauds Governor Cuomo’s renter’s credit proposed in the 2014-2015 State Executive Budget. As the Governor pointed out when he announced the credit, “over 829,000 low-income renter households pay more than 50 percent of their monthly cash income on housing costs and thousands of moderate-income renters face similar burdens.” The credit is more than symbolic; in its first year of operation it is estimated to provide over \$200 million in relief to overburdened renters.

The Governor’s proposal for the credit could be further strengthened by targeting the relief to those that are most rent burdened.

Building off of best practices from other states that have renter’s credits, the City Council has developed a proposal that would adjust the amount of relief provided to renters based on the share of their income that they spend on rent. Those that are most severely rent burdened would see a larger share of relief. The budgetary impact on the State of our proposal would cost no more than the Governor’s proposal, and would have the added benefit of focusing the relief to households who need it most. Rent burdened households tend to make less than the median income. As a result, though this statewide credit would be available to hard-pressed households making up to \$100,000, over 90 percent of the credit would go to households making under \$50,000.

**Fiscal Impact:** The New York City Council Finance Division estimates a targeted renter’s credit would cost New York State \$400 million a year when fully phased in. The costs would be roughly the same as those assumed in the New York State Financial Plan.

### ***Restore the Non-Resident Income Tax (Commuter Tax)***

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The New York City Council calls for the reinstatement of New York City’s nonresident income tax. Due to the State’s elimination of the City’s modest “Commuter Tax” in 1999, individuals who work in the City yet live elsewhere pay no tax to the City on the income that they earn within its borders. This modest

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<sup>4</sup> Cristobal Young and Charles Varner, Millionaire Migration and State Taxation of Top Incomes: Evidence from a Natural Experiment, *National Tax Journal*, June 2011, 64 (2).

charge amounted to 0.45 percent of wage earners' income, and 0.65 percent of the earnings of the self-employed.

The added fiscal burden caused by the repeal of the commuter tax has cost billions in cumulative revenue since its repeal. The increased revenue from the re-imposition of the commuter tax would help the City pay the cost of police, fire, transportation and other essential city services utilized not only by city residents but also by commuters who come to the City every day.

Commuter taxes are not unusual in the United States. New York State, New Jersey, Connecticut, and many other states tax all personal income earned within their borders. According to data from the Tax Foundation, there are 420 local commuter taxes in the United States, including in cities like Denver, Baltimore, Philadelphia, and San Francisco.

If the commuter tax is reinstated, the City can raise an estimated \$856 million in City Fiscal Year 2015. It would cost the typical commuter around \$2.80 a day.

## **Business Taxes and Incentives**

### ***Aid Small Businesses by Extending the General Corporation Tax Credit on the City's Personal Income Tax***

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The New York City Council calls upon the New York State Legislature to extend the personal income tax credit for general corporation tax paid by middle-class city residents whose businesses are organized as Subchapter S corporations. This is a credit designed to reduce double taxation on small business owners who live and work in the City. Middle-class residents of the City who have taxable income under \$35,000 currently receive a credit on their personal income tax equal to 100 percent of their share of the general corporation tax paid by the business that they own. The percentage gradually falls until it is equal to 0 percent at \$100,000. Taxpayers with taxable income over \$100,000 receive no credit. The credit is not refundable. It will sunset on January 1, 2015.

Subchapter S corporations are treated by the federal government, New York State and most other states much the same as partnerships. That is, they do not pay corporate taxes. Rather, they pass their income and expenses on to their owners, who then pay personal income tax on them. In New York City these corporations pay the City's general corporation tax of 8.85 percent of net income, and then pass this income on to the owners who pay the city income tax, the top marginal rate for recipients of this credit up to 3.648 percent.<sup>5</sup> This credit reduces this double taxation of city residents. There is a similar but more generous credit for freelancers, partnerships and other unincorporated businesses.

Continuation of this credit is assumed in New York City's Financial Plan.

**Fiscal Impact:** As estimated by the New York City Office of Management and Budget, \$30 million. There is no New York State revenue impact.

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<sup>5</sup> This credit is not available to taxpayers in the City's top income tax bracket.

## ***Eliminate the Property Tax Exemption for Madison Square Garden***

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The New York City Council proposes eliminating the property tax exemption for Madison Square Garden (MSG) to provide additional property tax revenue for city services or tax relief to city residents.

In 1982, the New York State Legislature enacted Section 429 to the State Real Property Tax Law, granting a full property tax exemption to MSG if certain conditions are met. The law stipulates that the tax exemption would be granted to a facility located in New York City that would be used by both a professional National Hockey League (NHL) team and a professional National Basketball Association (NBA) team to play their home games. In order to obtain the exemption, the team owners would be required to enter into an agreement with the mayor stating that the teams would play their home games in New York City for at least ten consecutive years.

At the time the exemption was granted, the City had been negotiating with the owners of MSG, the owners of the New York Knicks, and the owners of the New York Rangers in an effort to provide financial assistance to these teams to ensure that they would continue to play their home games in the City.

Since 1982, the Knicks and the Rangers teams have been playing their home games at MSG in front of packed houses. For over 30 years, the owners of MSG have benefited from a full property tax exemption for the facility it uses for all sporting events, entertainment activities, conventions, trade shows, and other events. The Madison Square Garden Company, the current owner of MSG, derives substantial revenue from these events.

Unlike the MSG exemption, most other exemptions that the City makes available to encourage economic development and business retention are given for a specified and finite period of time. Without city and state action, the owners of MSG will continue to save at least \$17.3 million a year for the foreseeable future.

## ***Spending Measures***

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### **Education**

#### ***Fulfill the Promise of a Sound Basic Education***

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Governor Cuomo's executive budget for 2014-2015 would provide a total of \$8.486 billion in school aid for New York City. This is \$230.4 million or 2.79 percent more than the current year level of \$8.256 billion. The Governor's proposal would hold the City's Foundation Aid flat at \$6.374 billion, increase formula aids by \$39.3 million to \$1.186 billion, leave universal pre-kindergarten (UPK) aid at \$224.9 million, and shrink the Gap Elimination Adjustment (GEA) by \$160.4 million. (These changes are exclusive of the proposed additional funding for full-day UPK, the Smart Schools Technology Bond funding and other initiatives.) The modest year-over-year growth in school aid still leaves the City with a \$342.2 million GEA or baselined budget cut and a frozen Foundation Aid level insufficient to cover

ongoing operation costs of schools. Furthermore, the Governor's proposed Foundation Aid level does not come close to the level needed to provide a sound, basic education as required by the State Constitution. Through the 2007-2008 Education and Budget Reform Act, the State introduced a plan to provide an additional \$2.35 billion in school aid for New York City over the course of 4 years in compliance with the final decision in the Campaign for Fiscal Equity (CFE) case. Subsequent extension of the four-year phase-in period and imposition of the GEA have essentially eliminated the CFE budget increases made in the first two years following resolution of the CFE lawsuit.

Given the expected state budget surplus, the State should no longer impose the GEA, which was originally intended to cover a shortfall in the State's overall budget. A full GEA elimination would increase New York City's school aid by \$342.2 million next year. Additionally, the State should plan to fully phase in the CFE award through an increase in Foundation Aid over the next several years. Statewide the CFE settlement should have increased Foundation Aid to \$20.2 billion by the 2014-2015 state budget; the Governor's proposal falls \$5 billion short. New York City's share is about \$3.1 billion, according to the Alliance for Quality Education.

## **Higher Education**

### ***Raise Base Aid for CUNY***

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The State Executive Budget includes \$525 million for CUNY's Community Colleges, a \$1 million decrease from the current year. The Community Colleges receive state aid allocated according to a formula based on student enrollment. In the State Executive Budget for 2014-2015, the formula remains unchanged and leaves the base operating aid support at \$2,422 per full-time equivalent (FTE) student. In accordance with the CUNY Compact that gave CUNY the approval to raise tuition each year for three years, CUNY expects an increase in the base aid and asked the State for a \$250 per FTE increase. CUNY will increase annual tuition by \$300 in September 2014. In the enacted budget this year, the New York State Legislature gave CUNY a \$150 per FTE increase. The New York City Council supports an increase in state appropriations to raise the base aid by \$250 per FTE.

### ***Restore CUNY Program Cuts***

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Governor Cuomo's proposed budget eliminates funding for three student support programs: the Accelerated Study in Associate Program (ASAP); childcare centers; and College Discovery. The 2013-2014 state budget included \$1.7 million for ASAP, which provides academic and financial supports to help students earn degrees within 3 years, \$500,000 to fund day-care centers on CUNY campuses for students' children, and \$26,900 for College Discovery, which provides academic and financial supports to students who face significant obstacles to college success. The New York City Council supports renewed funding for these programs.

## Human Services

### ***Increase Funding for the Youth Development Program***

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Proposed funding for the Youth Development Program is at the same level as last year's in the 2014-2015 State Executive Budget (\$14.1 million). The New York State Legislature added \$1.3 million last year before enactment, which is not reflected in the executive proposal. Last year the State provided New York City with \$4.5 million. The New York City Council calls upon the State to increase funding in this area as it supports vital youth programs in the City.

### ***Increase Funding for the Summer Youth Employment Program***

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Proposed Summer Youth Employment Program (SYEP) funding is higher than last year's Enacted Budget by \$2.5 million (\$27.5 million). Additionally, language around the formula for allocations was changed so that the methodology for distribution would be developed by the Office of Temporary and Disability Assistance (OTDA) instead of last year's formula, which was based on previous distributions, and the number of youth ages 14 to 24 in households at or below 200 percent of the federal poverty level. Last year the State provided \$13.5 million to New York City for SYEP. A major concern with SYEP funding is the increase in the State's mandated minimum wage, which could eliminate 3,700 slots from the program in New York City if the funding stays the same. The New York City Council calls upon the State to increase funding for this program to \$35 million in order to, at minimum, maintain the same level of service.

### ***Fund a Homeless Rental Assistance Program***

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The Article VII Aid to Local Governments bill explicitly prohibits the creation of a rental assistance program in New York City without the approval of the Office of Temporary and Disability Assistance budget director's approval. The New York City Council urges the State to work with the City to develop programs and funding that will help address the rising homeless shelter population with effective solutions to both avoid and successfully exit shelter.

### ***Include Hunger Prevention and Nutrition Assistance Funding in the Budget***

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Hunger Prevention and Nutrition Assistance Funding Program (HPNAP) helps New Yorkers in need lead more healthy and productive lives by providing them safe, nutritious food, as well important health and nutrition information. The State budget fails to baseline HPNAP, which was added to the State's budget in Fiscal 2013-2014 to assist with the increased need in hunger prevention program funding. With reductions in federal funding for the Supplemental Nutrition Assistance Program, the need for food programs are stronger than ever. The New York City Council calls upon the State to include \$28 million in HPNAP funding in the 2014-2015 budget.

### ***Rescind the Human Services Cost-of-Living Adjustment Delay***

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Once again, the State budget defers the planned two percent Cost-of-Living Adjustment (COLA) scheduled to take effect in 2014-2015 for human services programs. The New York City Council urges the State not to defer it and to include it in the 2014-2015 budget, a projected expense of \$64 million.

### ***Increase HIV/AIDS Welfare-to-Work Funding***

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The HIV/AIDS Welfare-to-Work Program provides individuals afflicted with the HIV/AIDS virus with the supports necessary to obtain and/or maintain employment while dealing with the many issues related to this illness.

The HIV/AIDS Welfare-to-Work program is included in the State Executive Budget, with an allocation in the amount of \$1.2 million. This allocation is the same as last year. The New York City Council calls upon the State to increase funding for the program, as it provides vital employment supports for New Yorkers living with HIV/AIDS.

### ***Public Health Awareness and Prevention Funding Consolidation***

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The State Executive Budget has proposed to move 37 separate health awareness and prevention programs into 11 pools, comprised of similar programs. As a result of this proposal, the Governor's budget did not include specific funding for organizations that provide lesbian, gay, bisexual and transgender (LGBT) health and human services.

The New York City Council opposes this proposal and calls upon the State to allocate funding for LGBT health and human services in a clear, transparent manner at last year's level of \$5.26 million. While the City Council supports budgetary accountability, this proposal does not articulate how each initiative would be funded and will negatively impact organizations across the State that address the continuum of needs facing LGBT communities.

## **Health and Mental Health**

### ***Strategic Investments in HIV Prevention and Care***

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Concerted and coordinated efforts are needed to focus on reducing HIV infections and ensuring optimal health for those with HIV. Therefore, the New York City Council supports increased funding for these services, as well as the creation of a statewide task force that could develop these strategies and ensure that programs are being implemented effectively. Efforts in this area should also include restoring funding to the AIDS Drug Assistance Program (ADAP), which provides free medications for the treatment of HIV/AIDS and opportunistic infections. The drugs provided through ADAP can help people with HIV/AIDS to live longer by treating the symptoms of HIV infection. Yet, ADAP funding has decreased from \$42.3 million last year to \$41 million this year, a \$1.25 million or 3 percent reduction.

### ***Reject Change in Funding Model for School-Based Health Centers***

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The State Executive Budget includes a proposal to fund School-Based Health Centers (SBHCs), primarily via federal reimbursement, by modeling them as Managed Care Organizations.

SBHCs currently receive monthly funds for every registered child on Medicaid directly from the State, and additional funds for certain services. Under this model, SBHCs would get paid on a fee-for-service basis, and not a monthly reimbursement. The final budgetary impact is not known.

The New York City Council does not support this proposal and urges the State to allow SBHCs to be phased in to receive Medicaid reimbursements, as this transition will impact the financial sustainability of SBHCs in New York City.

### ***Nurse-Family Partnership***

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Nurse-Family Partnership helps transform the lives of vulnerable first-time mothers and their babies. Through ongoing home visits from registered nurses, low-income, first-time mothers receive the care and support that they need to have a healthy pregnancy, provide responsible and competent care for their child, and become more economically self-sufficient.

Funding for this program remains absent from the State Executive Budget; as such, this appropriation is expected to continue at funding levels provided in the 2012-13 SFY Enacted Budget, which provided \$2 million under a Temporary Assistance for Needy Families grant. The impact to New York City is a loss of \$1.5 million. The New York City Council calls upon the State to restore funding to this vital program.

## **Housing**

### ***Allocate Expanded Low-Income Housing Tax Credits Fairly***

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The State Executive Budget authorizes the New York State Division of Housing and Community Renewal (DHCR) to allocate an additional \$8 million to expand the Low Income Housing Tax Credit (LIHTC) program in 2014-15, and an additional \$16 million in 2015-16. Credits are given in equal installments for a ten-year period. The total amount of credits to be awarded from this new authorization will be \$160 million over a multi-year period. DHCR is the main allocating agency of tax credits in New York State; it administers \$40-42 million in tax credits for the State. DHCR sub-allocates LIHTCs to the New York City Department of Housing Preservation and Development (HPD) to administer the program in New York City. The amount of tax credits HPD administers is negotiated annually with the State. Typically, HPD allocates \$12-\$14 million in credits per year to 40 or more projects with a total of 1,200 low-income units.

Since DHCR will be allocating an additional \$8 million for the program in 2014-15, the New York City Council urges the State to allocate additional Tax Credits to HPD in at least the same proportion.

## ***Capital Funding for the New York City Housing Authority***

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In 1998, the State discontinued funding for 16 housing developments that they built, financed, and annually subsidized. In 2001, the City followed suit, disinvesting from its five housing developments. As a result, the New York City Housing Authority (NYCHA) was left to cover all the operating and capital costs of these 20,000-plus apartments. Through a Mixed-Finance Modernization Plan, these 21 developments were sold to an entity created and controlled by NYCHA. That meant, however, that federal money for all NYCHA projects had to be spread thinner to cover the 21 projects without state and city subsidies. Thus, more will need to be done to further stabilize NYCHA's finances, and state-level funding for NYCHA developments would further strengthen the agency's finances. For Fiscal 2014-2017, the New York City Council will provide approximately \$98 million to NYCHA's Capital Plan, while mayoral funds will provide the agency with approximately \$96 million, and the Borough Presidents from Brooklyn, Manhattan and the Bronx will provide about \$11 million.

Given the urgent need to bring NYCHA's facilities into a state of good repair, the City Council calls upon the State to match the City's total capital contribution of \$205 million.

## **Parks**

### ***State Funding to Implement Hudson River Park Infrastructure***

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The 2006 Solid Waste Management Plan planned for the building of four new putrescible waste marine transfer stations (MTSs), building a new MTS for recyclables off of the Gansevoort Peninsula located in Hudson River Park, and converting the 59th Street MTS, which currently takes recyclables to take construction and demolition debris.

A Request for Proposals for the design of the demolition of New York City Department of Sanitation structures on the Gansevoort peninsula was awarded in August of 2012, and design is ongoing. The earliest that demolition can begin is June 2014, but that is dependent on the Manhattan 1/2/5 Garage being completed so that temporary garages housed on the Gansevoort Peninsula can be dismantled.

Before the Gansevoort MTS can be built, a Memorandum of Understanding between the City and State needs to be signed (Mayor, Governor, Assembly Speaker and Senate President), as required by the amended Hudson River Park Act. The most recent draft stipulates that the City and State each allocate \$25 million to the budget for the Hudson River Park. Currently, there is \$25 million in the City's Parks Department.

The New York City Council calls upon the State to include the agreed upon \$25 million for Hudson River Park in its budget in order for this project to move forward.

# Legislative Priorities

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## ***Increase the Minimum Wage for New York City***

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The federal minimum wage has decreased in real value by 32 percent since its peak in value in 1968, and despite various proposals, the federal government has not raised the minimum wage since 2009. While the State's minimum wage increased on December 31, 2013, to \$8.00, and is scheduled to increase to \$9.00 by the end of 2015, given that the cost of living in New York City is much higher than the rest of the State, momentum is growing for a higher minimum wage for New York City. Proponents believe that increasing the minimum wage will help minimum wage earners to better support their families, reduce income inequality, and reduce the need for government support. This mirrors a national trend where high-cost cities have approved minimum wages that are higher than their states', including San Francisco, San Jose and Santa Fe. A study of San Francisco, "The economic effects of a citywide minimum wage" published in the journal *Industrial & Labor Relations Review*, found that San Francisco's minimum wage did not adversely impact employment in the industry that felt its largest effect, restaurants.

The New York City Council therefore urges the New York State Legislature to pass legislation that would give New York City the power to raise its own minimum wage. S.6516 (Stewart-Cousins) would empower all counties, cities, towns, villages and public benefit corporations to set their own minimum labor standards, with the state standards providing a floor. These minimum standards would include wages, hours or other working conditions. Local minimum wages would be administered by the New York State Department of Labor, the same as the current state minimum wage.

## ***The New York State DREAM Act***

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Immigrant youth, regardless of their immigration status or the immigration status of their parents, are entitled to free public education through the 12th grade and are eligible to enroll in most colleges and universities. Unfortunately, however, their ability to afford this higher education is often contingent upon their immigration status and that of their parents.

In an effort to make higher education more accessible for immigrant families, the New York City Council supports the passage of the New York State Development, Relief and Education for Alien Minors (DREAM) Act (A.2597A (Moya)/S.2378B (Peralta)).

If enacted, the New York State DREAM Act would establish the New York DREAM Fund Commission and amend eligibility requirements and conditions governing academic financial aid awards. The New York State DREAM Fund Commission would be responsible for raising private dollars to establish a scholarship program for eligible college-bound students who are the children of immigrants. Neither the Commission nor the Fund would receive state funding or aid.

This legislation would also repeal sections of the New York State Education Law to eliminate the requirement that an applicant for a general award or academic performance award be a U.S. citizen, a lawful permanent resident, or a refugee. Additionally, this legislation would give undocumented immigrant students access to a variety of state financial assistance programs. In order to be eligible for these financial assistance programs, an applicant would have to establish that, among other things, he or she has taken steps to obtain legal status or intends to do so when the opportunity arises.

Lastly, the New York State DREAM Act would allow undocumented parents with a valid tax identification number the opportunity to participate in the New York State 529 family tuition account under the New York State College Tuition Savings Program.

### ***Raising the Age of Criminal Responsibility***

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New York State currently sets its age of criminal responsibility at 16. Data shows the vast majority of 16- and 17-year-olds who come into contact with the criminal justice system are arrested for misdemeanors or nonviolent offenses. Nonetheless, they are prosecuted in the adult court system, where they are subject to adult sentences and can acquire criminal records. Such outcomes make it much harder for these young people to obtain jobs, financial aid, or public housing or to be admitted into colleges. In addition, they are far less likely to receive rehabilitative services in the adult system. Not surprisingly, young people who go through the adult system, as opposed to the juvenile justice system, have a much higher risk of re-offending in the future.

Research on adolescent development shows that young people's brains are not fully developed, meaning adolescents are limited in their capacity to make reasoned judgments and calculate risks. Many believe that because of their diminished capacity, young offenders should not be treated as adults in our justice system. In Fall 2012, New York State Chief Judge Jonathan Lippman proposed raising the age of criminal responsibility for non-violent offenses from 16 to 18. In addition to several bills pending on this matter, Governor Cuomo announced the establishment of a Commission on Youth, Public Safety & Justice to provide concrete, actionable recommendations on the raise-the-age issue by the end of 2014 in his State of the State address last month. The New York City Council urges state leaders to make this issue a top priority in the coming session.

### ***Repeal Urstadt***

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The New York City Council urges the New York State Legislature to grant New York City local control over rent regulation by passing S.1492 (Krueger)/ A.8393 (Wright) of 2013.

Rent and eviction regulations are principally matters of local, rather than state, governance. Since New York City's housing market is different from other communities in the State, our local government is in the best position to understand the area's housing problems. The City should have the authority to adopt rational housing policies to protect affordable housing stock and create new affordable units.

The City Council urges the State Legislature to repeal those provisions of state law that prevent New York City from enacting local laws that establish or adjust rents, classify housing accommodations, regulate evictions, and provide for enforcement of rent regulation laws.

### ***Women's Equality Act***

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In his 2013 State of the State address, Governor Cuomo outlined a Women's Equality Agenda, which included 10 targeted areas aimed at improving women's lives in all communities throughout the State. The legislation to fulfill this 10-point agenda, known as the Women's Equality Act, includes provisions to address the following issues: pay equity, sexual harassment in the workplace, barriers to remedying discrimination, family status discrimination, housing discrimination for victims of domestic violence, source of income discrimination, strengthening order of protection laws, strengthening human trafficking laws, pregnancy discrimination, and protecting freedom of choice.

This Women's Equality Act (A. 08070 (Titus)) already passed the State Assembly on January 27, 2014, and the New York City Council calls on the State Senate to pass the law in its entirety as well.

### ***Gender Expression Non-Discrimination Act***

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In order to combat discrimination against transgender New Yorkers, Assembly Member Gottfried and Senator Squadron introduced A.4226/S.195, commonly referred to as the Gender Expression Non-Discrimination Act (GENDA) in 2013. This legislation would prohibit discrimination based on gender identity or expression, and define "gender identity or expression" as "having or being perceived as having a gender identity, self-image, appearance, behavior or expression whether or not that gender identity, self-image, appearance, behavior or expression is different from that traditionally associated with the sex assigned to that person at birth." If enacted, GENDA would also expand the State's hate crime laws to specifically include offenses regarding gender identity or expression within the list of offenses subject to treatment as hate crimes. This is particularly significant in light of reports that anti-lesbian, gay, bisexual, transgender and questioning and HIV-affected hate violence disproportionately impact transgender people.

The New York City Council urges the New York State Legislature to pass A.4226/S.195 in order to protect transgender New Yorkers from bias-related harassment and discrimination.

### ***Reducing Traffic Fatalities***

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The New York City Council supports state legislation that would aid New York City in its goal to reduce traffic fatalities and increase pedestrian safety. In particular, the City Council seeks legislation to be able to place speed cameras and red light cameras without getting authorization from the New York State Legislature. Red light cameras especially need to be addressed in this state legislative session, as the City's authorization to utilize red light cameras expires December 1, 2014. The City Council also supports increasing penalties for dangerous driving, requiring enhanced safety features on trucks, and gaining local control for setting speed limits.

### ***Raise Senior Citizen Rent Increase Exemption Threshold***

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The New York City Council supports A.2257 (Quart), a bill that would increase the income threshold of the Senior Citizen Rent Increase Exemption (SCRIE) program to \$30,000.

Since 1970, tens of thousands of low-income seniors in New York City have relied on the SCRIE program to stay in their homes by shielding them from rising rents. Under SCRIE, rent increases are limited for qualifying seniors, and in return landlords receive a property tax abatement equal to the amount of the rent forgiven. While SCRIE can be a life-changing benefit for seniors, participation in the program is limited because of the \$29,000 annual income limit and a definition of “income” that does not exclude essential purchases such as out-of-pocket prescription drug expenses. Further, while programs like Social Security include regular cost-of-living adjustments, the income threshold of SCRIE is static, causing many seniors to lose SCRIE benefits as their Social Security income increases. A.2257 would require annual adjustments to the SCRIE household income limits based upon changes in the regional consumer price index and would adjust the definition of income to exclude medical and prescription drug expenses that are not reimbursed or paid for by insurance.

***Allow Baccalaureate, Advanced Degree Programs, and Certain Educational and Training Activities to Count Toward the Satisfaction of Work Activity Requirements for the Temporary Assistance for Needy Families Program***

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The Temporary Assistance for Needy Families (TANF) program provides public assistance to needy families through federal funds given to states allowing them to develop and implement their own public assistance programs. TANF mandates that recipients who are determined to be work-eligible must engage in approved work activities in order to receive public assistance, and includes twelve categories of work activities that can count toward work participation, including but not limited to vocational and educational training. Additionally, TANF regulations state that any recipient can participate in vocational and educational training for up to 12 months, which can include postsecondary education, including bachelor's degree programs. However, New York State law does not include bachelor's degree programs in approved work activities for public assistance recipients.

The New York City Council supports S.1419 (Montgomery)/A.3473 (Wright), which would allow attendance in up to four years of post-secondary education to count toward an individual's public assistance employment requirement, where the attendance is consistent with the individual's employment and assessment plan goals.

***Establishing Rewards for Reports of Violations of the City Cigarette Tax***

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Recently, there have been increasing reports of rampant evasion of the City's cigarette tax. This tax is usually evaded through the sale of cigarettes that are smuggled in from other states and sold without paying New York City or State taxes. Cigarette tax evasion lowers the price of cigarettes for youth, undermining the deterrent effect that cigarette taxes have on youth smoking initiation and the number of cigarettes smoked per day. In October, 2013, the New York City Council passed Local Law 97, which stiffens penalties for retail dealers of cigarettes and attempts to make enforcement of the City's cigarette tax easier by, for example, authorizing the New York City Department of Finance (DOF) to seal the premises of stores that violate the City's cigarette tax. Despite this and DOF enforcement efforts, the evasion of the City's cigarette tax remains a major problem. A recent report by CNN found that over 60 percent of cigarettes sold in New York City are sold illegally. DOF has estimated that the City loses

out on substantial revenue from unpaid cigarette taxes due to the sale of bootleg cigarettes, with the state and federal governments also losing billions on state and federal taxes on cigarettes as well. Given the tremendous scope of illegal sales of cigarettes, more is needed to assist DOF in enforcement of this tax.

The New York City Council supports S.06349 (Lanza)/A.00364 (Dinowitz), which would amend the Administrative Code of the City of New York by authorizing the DOF Commissioner to approve suitable rewards for information that leads to the detection of violations of the tax on cigarettes. The rewards could be offered on a number of bases, including for information about violations relating to underpayments of cigarette taxes, conspiracies to violate the cigarette tax, the sale or transport of untaxed cigarettes, and unlicensed retail activity. These rewards will be paid out of funds collected under the cigarette tax. DOF would have discretion in setting the amounts for the rewards, but they would not exceed 15 percent of the amount (other than interest) collected on the basis of the information.

## ***Election Reform***

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### **Instant Runoff Voting**

The New York City Council urges the New York State Legislature to pass A.7013 (Kavanagh), which would create an instant runoff voting system for New York City citywide primary elections.

The 2013 municipal election cycle contained 3 election dates – the primary election on September 10<sup>th</sup>, the run-off election on October 1<sup>st</sup>, and the general election on November 5<sup>th</sup>. The run-off election was required under state law, which requires a run-off primary election for a citywide elected office when no candidate for that office receives forty percent of the vote. Because no democratic candidate for Public Advocate received more than 40 percent of the vote, a run-off election was held at a cost of \$13 million – more than the entire budget of the Public Advocate’s office over 4 years. Moreover, the very possibility of a run-off election – for any office – led to the use of lever voting machines in the primaries, because the New York City Board of Elections did not have enough turnaround time to use the electronic scanners. An alternative to this wasteful use of resources would be to institute Instant Runoff Voting, whereby voters rank candidates for an office in the order of the voter’s preference rather than casting a ballot for a single candidate. If no candidate receives a majority of first-choice votes, the candidate who receives the fewest votes is eliminated, and those ballots are counted as votes for the candidate ranked second. If no candidate has a majority at this point, the process continues until a candidate has a majority of votes. This system would eliminate the need for a separate run-off election, and has been endorsed by many good government groups as more efficient and democratic.

### **Early Voting**

The New York City Council urges the New York State Legislature to pass A.689A (Silver), which would establish early voting in New York State.

During the last several presidential elections, many polling sites across New York City have been plagued by very long lines and other irregularities that resulted in the disenfranchisement of voters who could

not wait any longer and were forced to leave the poll site without voting. The reason for many of these irregularities is that presidential elections have a significantly higher turnout than other elections, causing poll sites to become overwhelmed. One of the most often cited recommendations to deal with this issue is to establish early voting, since doing so would reduce the number of people voting on election day, thereby reducing overcrowding. In states with early voting, as many as 50 to 60 percent of voters choose to vote early, which significantly ameliorated the problems experienced during high turnout elections.

### **State Level Public Campaign Financing**

The New York City Council urges the New York State Legislature to pass the 2013 Fair Elections Act A.4980-C (Silver)/S.4705-A (Stewart-Cousins), which would establish a public financing system for New York State elections.

The current New York State campaign contribution limit for an individual giving to a candidate running in a primary and general election for statewide office is \$60,700, and between \$8,200 and \$16,800 for state legislative office, as compared to \$5,000 for a United States presidential candidate. Similarly, the New York State contribution limit for direct corporate contributions to candidates is \$5,000, as compared to an absolute ban on such contributions under New York City and federal law. As such, New York State's current contribution limits, combined with a lack of a public campaign financing system, have the potential to hinder electoral competition and increase the risk of corruption by allowing wealthy individuals and corporations to spend large amounts to fund political campaigns. Public campaign financing provides candidates with resources to run competitive races, improves election transparency through more stringent disclosure requirements, and reduces the risk of corruption and the appearance of impropriety by decreasing the potential for undue influence from wealthy contributors.

### ***Sandy Relief***

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#### **Mortgage Recording Tax Waiver for Relocating Homeowners**

The New York City Council supports S.5980 (Lanza)/A.8274 (Cusick), which would authorize municipalities to enact a local law that would grant an exemption from the tax on mortgages for residential real property purchased by persons receiving federal and/or state buyouts of their residence as a result of damage caused by Hurricane Sandy. This legislation would also allow for the exemption of both state and city taxes on mortgages. This exemption would only apply to a small number of persons taking advantage of a state or federal buyout who repurchase their property within the City. Thus, the fiscal ramifications of providing this beneficial assistance to these displaced homeowners would be minor.

#### **Property Tax Relief for Rebuilt Sandy Homes**

The New York City Council supports S.6372 (Lanza), which would require buildings that were catastrophically impacted by Hurricane Sandy (a loss of more than 50 percent of its value) and rebuilt to

be assessed at the value of the property prior to the damaged caused by Sandy, and not their current full value.

### ***Translation of Orders of Protection***

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The New York City Council supports S.1728-A (Espaillat)/A.1084-A(Weinstein) of 2014, which would amend state law to require court interpreters to translate, on the record, essential terms of orders of protection issued in family and criminal courts into the appropriate language. Domestic violence victims often seek recourse in the court system. Judges have the authority to issue temporary or final orders of protection, which generally restrict the behavior and activities of the individual alleged to be responsible for the violence. For individuals who require translation services, the court may appoint an interpreter. Unfortunately, courts have not traditionally utilized such interpreters to translate the detailed terms and condition of orders of protection on the record. As a result, some victims and offenders may not fully understand their rights and obligations under the order of protection. This legislation is an important step toward ensuring that people with limited English proficiency or who have a hearing impairment can fully understand the terms and conditions of any order of protection that affects them.

### ***Reducing Gun Violence***

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#### **One-Gun-a-Month Limit and Waiting Period for Purchases**

The New York City Council supports S.572A (Gianaris)/A.3186 (Kavanagh) and S.571 (Gianaris)/A.3181 (Kavanagh), which would limit buyers to one handgun a month and require a 10-day waiting period before a buyer can take possession of a firearm. Passing this legislation would help reduce straw purchases and trafficking by giving law enforcement officials additional time to perform background checks, while guarding against impulsive acts of violence.

#### **Microstamping**

The New York City Council supports S.68A (Peralta)/A3244 (Schimel), which would require all semiautomatic handguns sold or delivered in New York to be equipped with a feature that imprints a unique code onto the shell casing every time a gun is fired. Passing this legislation would assist in solving crimes and help further deter straw purchasers and gun trafficking.