



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

May 6, 2015

Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, New York 14202

IMMEDIATE CONSIDERATION REQUESTED

Re: Home Rule Request - Extension of Additional 1% and .75% Sales Tax

Dear Honorable Members:

Please find enclosed for your approval a Home Rule Request to reauthorize the County's imposition of the an additional 1.0% and 0.75% sales and compensating use tax for the period December 1, 2015 to November 30, 2017.

The County's authority to impose the additional 1.0% and 0.75% sales and compensating use tax expires on November 30, 2015. Every two years the County must request the approval of legislation in the New York State Assembly and New York State Senate to allow Erie County to continue this critical revenue stream.

Your Honorable Body unanimously approved a an Assembly and Bill Request for Legislation Authorizing Extension of Additional 1.0% and 0.75% Sales and Compensating Use Tax at your March 12, 2015 session. Assemblymember Robin Schimminger and Senator Michael Ranzenhofer subsequently introduced this legislation. The Assembly and Senate now require the County to approve a Home Rule Request before they act.

Should your Honorable Body require further information, I encourage you to contact the Division of Budget and Management or the County Attorney's Office. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz", with a stylized flourish at the end.

Mark C. Poloncarz
Erie County Executive

MCP/tc
Enclosure

cc: Erie County Fiscal Stability Authority
Erie County Comptroller Stefan I. Mychajliw
Robert W. Keating, Director of Budget and Management

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Office of the County Executive
Re: Home Rule Request - Extension of Additional 1% and .75% Sales Tax
Date: May 6, 2015

SUMMARY

It is recommended that the Erie County Legislature timely adopt the attached resolution which requests the enactment of Assembly Bill No. A.7250 and Senate Bill No. S.4804, now pending before the New York State Legislature, which would authorize an extension of the additional 1% and .75% sales and compensating use tax from December 1, 2015 through November 30, 2017.

FISCAL IMPLICATIONS

Positive – nearly \$278 million in annual revenue.

REASONS FOR RECOMMENDATION

Approval of a Home Rule Request for extension of addition 1% and .75% sales and compensating use tax is required prior to subsequent action.

BACKGROUND INFORMATION

On March 12, 2015, the Erie County Legislature unanimously approved Comm. 5E-25 (2015), an Assembly and Senate Bill Request for Legislation Authorizing Extension of Additional 1.0% and 0.75% Sales and Compensating Use Tax. Assemblymember Robin Schimminger and Senator Michael Ranzenhofer have subsequently introduced this legislation. The Assembly and Senate now require the County to approve a Home Rule Request before their approval.

CONSEQUENCE OF NEGATIVE ACTION

Failure to extend the addition 1% and .75% sales and compensating use tax would mean the annual loss of nearly \$278 million in County revenue, \$12.5 million of which is shared with local governments, and would create a severe challenge to the continued operation of County government and its delivery of services.

STEPS FOLLOWING APPROVAL

The Assembly would approve Assembly Bill No. A.7250 and Senate would approve Senate Bill No. S.4804. After the Governor signs the bills into law, your Honorable Body will once again be presented with a final resolution amending the Erie County Sales and Use Tax Resolution to incorporate the newly authorized extension. A certified copy of this adopted resolution amending the Erie County Sales and Compensating Use Tax Resolution must be timely sent by registered or certified mail to the New York State Department of Taxation and Finance in Albany.

EXTENSION OF ADDITIONAL 1% AND .75% SALES TAX

ASSEMBLY

WHEREAS, the additional 1% and .75% Erie County sales and compensating use tax, will expire on November 30, 2015 unless further extended and imposed, and

WHEREAS, failure to extend the imposition of the additional 1% and .75% sales and compensating use tax will result in an estimated annual shortfall of nearly \$278 million in the Erie County budget, and

WHEREAS, Assembly Bill No. A.7250 and Senate Bill No. S.4804, now pending before the New York State Legislature, would authorize an extension of the additional 1% and .75% sales and compensating use tax, from December 1, 2015 to November 30, 2017;

NOW, THEREFORE, BE IT RESOLVED, THAT A HOME RULE REQUEST IS MADE TO THE NEW YORK STATE LEGISLATURE AS FOLLOWS:

TO THE LEGISLATURE:

Pursuant to Article IX of the Constitution, the County of Erie requests the enactment of Assembly Bill No. A.7250 entitled "AN ACT to amend the tax law, in relation to the imposition of additional rates of sales and compensating use taxes by Erie County"

It is hereby declared that a necessity exists for the enactment of such legislation, and that the facts establishing such necessity are as follows:

The local government does not have power to enact such legislation by local law.

Other facts as set forth in the following explanation establish such necessity.

Failure to authorize the extended imposition of the additional 1% and .75% sales and compensating use tax will result in an estimated annual shortfall of nearly \$278 million in the Erie County budget, the cessation of services essential to the people of Erie County and jeopardize any sharing of net collections therefrom with Erie County's cities, towns and villages.

Such request is made by the local legislative body of such local government, at least two-thirds of the total membership thereof having voted in favor of such request.

AND BE IT FURTHER

RESOLVED, that the Clerk of the Legislature be directed to forward copies of this Home Rule Request, certified by the Clerk of the Erie County Legislature, as follows: two copies to the New York State Assembly and two copies to the New York State Senate.

EXTENSION OF ADDITIONAL 1% AND .75% SALES TAX

SENATE

WHEREAS, the additional 1% and .75% Erie County sales and compensating use tax, will expire on November 30, 2015 unless further extended and imposed, and

WHEREAS, failure to extend the imposition of the additional 1% and .75% sales and compensating use tax will result in an estimated annual shortfall of nearly \$278 million in the Erie County budget, and

WHEREAS, Senate Bill No. S.4804 and Assembly Bill No.7250, now pending before the New York State Legislature, would authorize an extension of the additional 1% and .75% sales and compensating use tax, from December 1, 2015 to November 30, 2017;

NOW, THEREFORE, BE IT RESOLVED, THAT A HOME RULE REQUEST IS MADE TO THE NEW YORK STATE LEGISLATURE AS FOLLOWS:

TO THE LEGISLATURE:

Pursuant to Article IX of the Constitution, the County of Erie requests the enactment of Senate Bill No. S.4804, entitled "AN ACT to amend the tax law, in relation to the imposition of additional rates of sales and compensating use taxes by Erie County"

It is hereby declared that a necessity exists for the enactment of such legislation, and that the facts establishing such necessity are as follows:

The local government does not have power to enact such legislation by local law.

Other facts as set forth in the following explanation establish such necessity.

Failure to authorize the extended imposition of the additional 1% and .75% sales and compensating use tax will result in an estimated annual shortfall of nearly \$278 million in the Erie County budget, the cessation of services essential to the people of Erie County and jeopardize any sharing of net collections therefrom with Erie County's cities, towns and villages.

Such request is made by the local legislative body of such local government, at least two-thirds of the total membership thereof having voted in favor of such request.

AND BE IT FURTHER

RESOLVED, that the Clerk of the Legislature be directed to forward copies of this Home Rule Request, certified by the Clerk of the Erie County Legislature, as follows: two copies to the New York State Senate and two copies to the New York State Assembly.