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## **New York City Council Stated Meeting Report**

*Every two weeks the New York City Council meets for its Stated Meeting to introduce and pass legislation. As a regular feature, Searchlight covers these meetings and posts a summary of the bills passed.*

### **STATED MEETING - May 5, 2003**

#### **Quote of the Day:**

"Today is a time for realism. It is time to realize that promises will not balance our budget, that demands will not balance our budget. We have to find a way to get the support that we need." – *City Council Speaker Gifford Miller on raising city sales tax and personal income taxes.*

#### **Meeting Summary:**

On May 5, the New York City Council voted to approve a state budget package – including hikes in the sales and income tax – in order to generate \$1.7 billion for the city.

The legislation was not a product of the council, but part of an agreement reached by Mayor Michael Bloomberg and State Assembly and Senate leaders in Albany. By law, the council must approve the local measure – known as a "home rule message" – in the state budget plan.

The proposal includes three new taxes:

- An increase in the city sales tax by 1/8 of a percent, which would generate \$115 million a year
- A personal income tax increase for individuals earning more than \$100,000 a year
- A property tax surcharge for landlords that do not live in the buildings they own, an estimated \$100 million a year

Most council members said they were unhappy with the plan, since it included no commuter tax, a "regressive" sales tax, and less state aid than they had hoped for.

It was also the second time in seven months that the council has been asked to raise taxes; last November, the council increased property tax rates by 18.5 percent.

Manhattan's Alan Gerson called it the "best option in the face of miserable choices." Brooklyn's Charles Barron blamed the mayor for the sales tax, saying it was "Mike's tax, not ours." And Queens Councilmember Peter Vallone, Jr. said he was only voting for it with "kicking and screaming."

But given proposals to lay off 10,000 city workers, close after-school programs, shut firehouses, and eliminate meals for the elderly if state aid does not come through, the council agreed to the plan.

The 51-member council approved it by a vote of 46 to 3. (Two council members – Tracy Boyland and Robert Jackson – were absent.) Only the three Republican members - Andrew Lanza, Dennis Gallagher, and James Oddo - voted "no."

"There are reasons why some of us are Democrats and some of us are Republicans," said Minority Leader James Oddo. "If we concede the tax issue, then the GOP should pack it up."

The budget plan would phase out the sales tax increase in two years and the personal income tax in three years.

It also allows for debt refinancing and aid that will save the city \$750 million next year, grants the city permission to sell 900 taxi medallions worth \$65 million, and expands a \$15 million grant program to recruit teachers.

Governor George Pataki has threatened to veto the state budget deal, but state legislators say they are prepared to override his veto.

While much of the attention has shifted to the budget battle in Albany, some City Council members warned that the plan would not solve the city's fiscal problems. Even with the help from Albany – which could total \$2.7 billion when it is complete – the city still has a \$1 billion hole in its budget.

## New York City Council STATED MEETING - May 5, 2003

by Gotham Gazette Staff

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"We are really here today because we want to spend money we do not have," said Councilmember Helens Sears.

The City Council's budget hearings begin May 7. ( [Click here](#) for a schedule). The next Stated Meeting is scheduled for May 14.