

Phone (845) 266-5721 Fax (845) 266-5932

January 17, 2023

Senator Michelle Hinchey 721 Broadway Suite 150 Kingston, NY 12401

Dear Senator Hinchey,

The Aid and Incentives for Municipalities (AIM) program once provided much needed financial relief to small communities like the Town of Clinton. We are writing to ask that you fight to increase funding for the AIM program during the upcoming budget negotiations.

A state revenue sharing program is vitally important for towns throughout New York State, but AIM funding has remained flat for fourteen years. The largest source of local government revenue is real property taxes. The State's real property tax cap limits the amount that local governments can increase the tax levy (without an override) to the lesser of 2 percent or the rate of inflation. This constraint, coupled with flat State funding, has forced towns to increase fees and fines. Those increases are a regressive solution, impacting residents with lower incomes more than those with higher incomes.

Adjusting for inflation, AIM funding has declined in value by 24% since the real property tax cap was enacted in 2011. AIM is a program designed, in part, to help financially challenged local governments. Early increases in AIM payments were calculated based on local government need. The State put a halt to this in response to the Great Recession, and no new formula was constructed to take need into account more comprehensively.

Now there is a proposal to override local zoning in order to build 800,000 new housing units over ten years. Towns are being asked to bear the costs of this new mandate, while continuing to see inflation reduce the value of state aid.

New York State has a responsibility to provide a meaningful level of support to its local governments through revenue sharing. We are asking you to collaborate with local governments. We are asking you to assess what has worked with its unrestricted aid programs in the past, identify where improvements are needed, and work to implement those solutions, so that the much-needed investments in communities across the State are made.

Regards,

Michael Whitton, Town Supervisor



Phone (845) 266-5721 Fax (845) 266-5932

Dean Michael, Councilmember

Chris Juliano, Councilmember

Katherine Mustello, Councilmember



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Assemblymember Didi Barrett 420 Warren Street Hudson, NY 12534

Dear Assemblymember Barrett,

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January 17, 2023

The Honorable Kathy Hochul Governor of New York State NYS Capitol Building Albany, NY 12224

Dear Governor Hochul,

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