



NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION, INC.

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March 13, 2009

To: Long Island New York State Senate and Assembly Delegations

From: Jim Kaden, President
Fran Greenspan, Legislation Chair

Re: Oppose the Cap/Reduction of Payments in Lieu of Taxes (PILOT's)
on State Owned Lands

Governor David Paterson's approach to the state fiscal crisis is becoming increasingly predictable: shift costs to local property taxpayers.

The Executive Budget includes a proposal seeking to default on the state's obligation to pay local governments and school districts for lost tax revenues on state owned lands by capping Payments in Lieu of Taxes (PILOT's) at 2008-09 rates and reducing payments by 6%.

This is yet another devastating blow to overburdened taxpayers and to school districts struggling to develop sound budgets with limited resources. At stake is in excess of \$20 million in PILOT's to Suffolk County schools.

The state has fulfilled its legal obligation for PILOT's for more than a century, compensating communities for lost tax revenues on vast tracks of publicly owned land from the Adirondaks and Catskills, to the Pine Barrens in Suffolk County, Long Island. The governor's proposal requires amendments to New York State's Real Property Tax Law. A recent decision by the State Appellate court (Dillenburg v. New York State) upheld the state's obligation to pay taxes on state-owned forest lands.

On behalf of the 112 Long Island member boards, we urge you to reject any attempt by the governor to amend the Real Property Tax Law that would result in compromising the state's duty to provide PILOT's to school districts.

Cc: The Honorable David A. Paterson, Governor of the State of New York
The Honorable Malcolm A. Smith, New York State Senate Majority Leader
The Honorable Sheldon Silver, New York State Assembly Speaker
The Honorable Suzi Oppenheimer, New York State Senate Education Comm. Chair
The Honorable Catherine Nolan, New York State Assembly Education Comm. Chair