



This Week in New York

Covering New York State and City Government

A Publication of Pitta Bishop Del Giorno & Giblin LLC

December 14, 2012 Edition



In the News – New York State



Introducing Governor Cuomo's NYS Tax Reform & Fairness Commission

Governor Andrew M. Cuomo this week announced the members of the New York State Tax Reform and Fairness Commission, which is charged with addressing long term changes to the state tax system and helping create economic growth.

The members of the New York State Tax Reform and Fairness Commission are:

- **H. Carl McCall (Co-Chair)**- Chairman of the State University of New York Board of Trustees
- **Peter J. Solomon (Co-Chair)**- Founder and Chairman of investment advisor Peter J. Solomon Company
- **J. Pat Barrett**- Chairman of the Olympic Regional Development Authority
- **Dall W. Forsythe**-Former Budget Director for the State of New York
- **Thomas H. Mattox**- Commissioner of the Department of Taxation and Finance
- **James Parrott**- Deputy Director and Chief Economist at the Fiscal Policy Institute
- **Alan D. Schwartz**- Executive Chairman of Guggenheim Partners
- **James W. Wetzler**- Deloitte Tax LLP, former New York State Tax Commissioner
- **Robert G. Wilmers**- Chairman and CEO of M&T Bank
- **Deborah Wright**- Chairman, President and CEO of Carver Bancorp, Inc. and Carver Federal Savings Bank

According to the Governor, the Commission will conduct a comprehensive and objective review of the State's taxation policy, including corporate, sales and personal income taxation and make revenue-neutral policy recommendations to improve the current tax system. In its review, the Commission will consider ways to eliminate tax loopholes, promote administrative efficiency and enhance tax collection and enforcement.

Additional legislative appointments to the Commission are forthcoming.

The Commission was first announced last December (2011) in conjunction with the special session passage of "the first major restructuring of the tax code in decades." The legislation cut taxes for middle class, reduced the then-set-to-expire "millionaire's tax," reduced the MTA payroll tax on small businesses, created the NY Works Infrastructure Fund, and expressed support for a casino gambling constitutional amendment vote.

At that time, Governor Cuomo, Assembly Speaker Sheldon Silver, and Senate Majority Leader Dean Skelos issued a joint press release outlining the composition of the Commission. Four commission members were to be recommended by the Senate and Assembly majority leaders and two recommended by the Senate and Assembly minority leaders. The chair of the Commission was to be appointed by the Governor. All members were required to have expertise in the tax field and will receive no compensation.

Consumer Alert: Marketing Scam

Letters Sent to Hurricane Victims Claiming to be From Fictitious "Dept. of Remediation"

Individuals in the areas affected by Hurricane Sandy should beware of a solicitation letter sent out by GC Environmental, Inc., a private company with no affiliation with the State of New York, falsely claiming to be from the "Department of Remediation," the New York State Department of Environmental Conservation (DEC) warned this week. The letter states that homeowners will be fined \$25,000 per day for failing to clean up their residences from oil spills after the storm and featured a likeness of DEC's logo.

According to DEC, the GC Environmental letter points out sections of the New York State Navigation Law that requires those responsible for oil spills to promptly clean up those discharges, and that there could be a penalty of \$25,000 a day for failure to complete that cleanup. It also states that any costs related to DEC's actions in spill cleanup would be the responsibility of the spiller.

DEC has indicated that it will not fine homeowners for discharging oil without a permit or for delaying cleanup of residential oil spills due to Hurricane Sandy.

No services of this company are being offered with the approval of DEC.

There may be other companies offering their services to assist with cleanup and restoration associated with Hurricane Sandy. Please be advised that DEC does not license, certify or endorse any environmental cleanup contractors.

Comptroller DiNapoli Proposes Legislation to Help Local Governments with Storm Costs

State Comptroller Thomas P. DiNapoli today proposed a legislative package to help local governments deal with the financial impact of Hurricane Sandy.

The Comptroller's legislative proposals would amend current laws to provide local governments with the flexibility to use more of their reserve funds to pay the up-front costs for Hurricane Sandy-related expenses until they receive reimbursement. In addition, it would provide direct property tax relief to homeowners impacted by the storm.

Comptroller DiNapoli submitted four bills this week to the State Assembly and Senate, including:

- **Use of Reserve Funds** – Temporarily ease restrictions on the use of reserve funds to allow impacted local governments and school districts to pay for Sandy-related expenses.
- **Permit Property Assessment Adjustments** – Give local governments impacted by Sandy the option of providing property tax relief to owners of properties that lost 50 percent or more of their value due to the storm. Property owners of heavily damaged properties could apply to have their assessment and tax liability reduced. Similar legislation was enacted in the aftermath of Hurricane Irene and Tropical Storm Lee.
- **Issuance of Storm Bonds** – Provide local governments flexibility in borrowing to pay for storm costs. The changes would allow local governments to issue bonds to be repaid over five years. Local governments are normally restricted from borrowing money to pay for non-capital expenses.
- **Extend Repayment of Inter-fund Advances** – Inter-fund advances normally must be repaid within the fiscal year in which they occur. This proposal would extend the time for repaying these internal loans.

Also this week, Independent Democratic Conference Leader Senator Jeffrey D. Klein and Republican Conference Leader Senator Dean G. Skelos announced the formation of a bipartisan Senate task force to help impacted areas develop short and long-term recovery plans. Senator Andrew Lanza (R-Staten Island) and Senator Malcolm Smith (D-Queens) will co-chair the bipartisan task force. Task force members will include Senator Diane Savino (D-Staten Island/Brooklyn), Senator Charles J. Fuschillo Jr. (R-Merrick), Senator-Elect James Sanders, Jr. (D-Queens), Senator Jack Martins (R-Mineola), Senator David Carlucci (D-Rockland), Senator Martin J. Golden (R-Brooklyn), Senator Joseph Addabbo Jr. (D-Queens) and Senator Lee Zeldin (R,C,I-Shirley).

In addition, Assembly Speaker Sheldon Silver (D-Manhattan) this week introduced legislation (A.39) to provide property tax relief to New York City home owners and businesses. The New York City Hurricane Sandy Assessment Relief Act, if adopted by New York City, would allow property owners that experienced catastrophic damage as a result of Hurricane Sandy to apply for property tax assessment reductions according to a sliding scale.

In the News – New York City



City Comptroller Nixes Taxi of Tomorrow

Mayor Insists City “Will Do It Anyways”

The battle of the City’s Taxi of Tomorrow continued today as City Comptroller John rejected the Nissan contract and Mayor Michael Bloomberg retorted “...we will do it anyways.”

City Comptroller John C. Liu today officially rejected the Taxi of Tomorrow, writing to Mayor Bloomberg that the contract may violate the federal Americans with Disabilities Act (ADA) and increase the City’s exposure to costly lawsuits. On November 16, 2012, the Department of Citywide Administrative Services submitted to the Office of the Comptroller for registration a contract for Nissan Taxi Marketing, N.A., LLC (“NTMNA”) to serve as the mandatory source for all new vehicles, the so-called “Taxi of Tomorrow,” for the New York City taxi fleet.

According to the Comptroller, the Taxi of Tomorrow cannot accommodate wheelchair users unless a medallion owner opts to spend an estimated \$14,000 to install a wheelchair ramp in the trunk. In addition, he termed the Taxi and Limousine Commission’s program that allows people who use wheelchairs to call the city and get picked up by an accessible taxi a “band-aid” approach.

Prior to the Comptroller’s formal announcement, Mayor Bloomberg (on his Friday morning radio show with John Gambling) said the City would go ahead with the deal regardless of the Comptroller’s determination.

“We can go ahead and do it anyways, which we will,” he asserted.

At a news conference announcing the rejection, the Comptroller acknowledged that the City Charter allows the Mayor to override objections to contracts.

The ultimate fate of the contract may very well lie in the courts. Disabled advocates have filed a lawsuit against the City, the Mayor, and the Taxi and Limousine Commission asserting the contract is discriminatory.

In Brief

Public Service Commission Approves Utilities Request to Refund Customers for Hurricane-Related Outages

Utility customers who lost service during Hurricane Sandy will be granted refunds based upon lost usage. The New York Public Service Commission on Thursday approved requests from Consolidated Edison, Orange and Rockland Utilities, National Grid, and New York State Electric and Gas to give credits for lost days of electric or gas service on customer bills.

The refunds will generally range from several dollars for residential customers to several hundred dollars for larger users like businesses, municipalities, and lighting districts. They are based on the average number of days of lost service. The utilities have also suspended bill collection and credit actions against customers with past-due bills.

Governor Signs Legislation to Make Unlicensed Practice of Law a Felony

Governor Andrew M. Cuomo this week signed legislation that will make the unlicensed practice of law a class E felony. For most professions licensed by New York State, unlicensed practice constitutes a class E felony but under current law, unlicensed practice of law constitutes a misdemeanor. The new law will make serious instances of unlicensed practice of law a felony.

The new law takes effect November 1, 2013.

Mayor Bloomberg Signs Legislation Requiring Additional Financial Disclosure, Requiring Taxi Cabs to Improved Accessibility for the Visually Impaired, and Regulating Pedicabs

This week Mayor Michael Bloomberg approved the following bills:

- *Introduction 597-A (sponsored by Councilmember Gardonick)* requires all pedicab drivers to base their rates on a ride's duration (the number of minutes will be calculated by a timer affixed to the pedicab in full view of passengers), eliminate any added fees unrelated to the duration of the ride, such as charges for additional passengers, require drivers to post conspicuous signs indicating these details, and require drivers to give passengers a Pedicab Information Card.

- **Introduction 599-A (sponsored by Councilmember Vacca)** requires taxis to be equipped with payment technology that includes an audio component so that the visually impaired can hear the fare amount announced, as well as any changes to the rate code or any tolls that accrued. The equipment also audibly instructs passengers on how to pay.
- **Introduction 968 (sponsored by Councilmember Dickens)** requires members of uncompensated policymaking boards and commissions – such as the TLC and the Landmarks Preservation Commission – to file financial-disclosure reports. The legislation will bring the City into full compliance with the State’s requirement that all policymaking officials, and members, officers and certain employees of public authorities file financial disclosure forms.

Coming Up

(As of 4 p.m. Friday)

New York State

Monday December 17th

Oversight of the 2012-2013 State Budget and the programs that are under the purview of the Committee on Economic Development, Job Creation, Commerce and Industry and the Committee on Small Business Assembly Standing Committee on Children and Families
Assembly Committees on Economic Development, Job Creation, Commerce and Industry; Small Business; and Oversight, Analysis and Investigation

Legislative Office Building, Roosevelt Hearing Room C, 2nd fl, Albany , 10:30 a.m.

Supportive Housing Services in New York State

Assembly Committees on Social Services & Mental Health and Developmental Disabilities

Legislative Office Building– Hamilton Hearing Room B, 2nd fl, Albany, 10:30 a.m.

Tuesday December 18th

The Affordability and Accessibility of Long Term Care Insurance

Assembly Standing Committee on Insurance

Legislative Office Building– Roosevelt Hearing Room C, 2nd fl, Albany, 10 a.m.

Wednesday December 19th

To examine existing and proposed practices being used by the New York State Departments of Labor and Civil Service, to improve access to higher paying jobs and careers for men and women

Assembly Committees on Labor & Governmental Employees and the Task Force on Women’s Issues

182 Remsen Street, St. Frances College- Maroney Theater, 7th fl, Brooklyn, 11 a.m.

New York State's Brownfield Cleanup Program

Assembly Committee on Environmental Conservation

Legislative Office Building- Roosevelt Hearing Room C, 2nd fl, Albany, 9:30 a.m.

Thursday December 20th

Programs for the Prevention and Treatment of Problem Gambling

Assembly Committee on Alcoholism and Drug Abuse

250 Broadway- Assembly Hearing Room 1923, 19th fl, New York, 11 a.m.

New York City

Monday December 17th

Subcommittee on Planning, Dispositions, and Concessions, 250 Broadway, 16th fl, 9 a.m.

Committee on Contracts, 250 Broadway – Committee Rm, 14th fl, 10 a.m.

Int 0911-2012- In relation to opportunities for minority and women owned business enterprises and emerging business enterprises in city procurement.

Committee on Land Use, 250 Broadway – Committee Rm, 16th fl, 10 a.m.

Committee on Fire and Criminal Justice Services, 250 Broadway – Committee Rm, 14th fl, 1 p.m.

Int 0943-2012- In relation to the place of assembly certificate of operation and the place of assembly permit.

Committee on Environmental Protection, 250 Broadway – Committee Rm, 16th fl, 1 p.m.

Int 0887-2012- In relation to the creation of a sustainable energy systems web portal.

Committee on Lower Manhattan Redevelopment and Committee on Small Business, Meet in front of Bowne & Co. Stationers 211 Water Street (between Fulton & Beekman Streets), New York, 2 p.m.

T2012-5647- Tour: Small Businesses Affected by Hurricane Sandy in the Lower Manhattan Area

Tuesday December 18th

Committee on Finance, City Hall – Committee Rm, 10 a.m.

Committee on Rules, Privileges, and Elections, City Hall– Council Chambers, 10:30 a.m.

T2012-5654- Recommending Maria Guastella to the Council for re-appointment to the New York City Board of Elections.

City Council Stated Meeting, City Hall– Council Chambers, 1:30 p.m.

Thursday December 20th

Committee on Governmental Operations, 250 Broadway– Committee Rm, 14th fl, 2 p.m.

Int 0978-2012- Campaign finance board and the New York City campaign finance act.

Note: Published reports indicate that this bill will not be considered.

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