

This Week in New York

Covering New York State and City Government

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In the News



Governor Nixes NYC Tax Extenders

Citing “unwarranted expansion” of existing programs, Governor Andrew Cuomo recently vetoed legislation to extend tax relief initiatives currently available to businesses in Lower Manhattan.

Sponsored by Assembly Speaker Sheldon Silver (D Manhattan) and Senator Mary Golden (R Brooklyn), the legislation was promoted as an extension of seven tax relief programs currently afforded to business in Lower Manhattan. Specifically, the bill would have extended the Lower Manhattan State and Local Sales Tax Exemptions, Lower Manhattan Commercial Revitalization Program, New York City Industrial and Commercial Abatement Program, New York City and Lower Manhattan Relocation and Employment Assistance Programs, New York City Energy Cost Savings Program and Lower Manhattan Energy Program, Commercial Rent Tax Special Reduction, and the New York City Commercial Expansion Program.

According to the Governor’s veto message, the legislation included language that would have expanded the Lower Manhattan State and Local Sales Tax Exemption thereby costing New York taxpayers \$20 million annually.

“This bill would extend for two years various New York City revitalization tax incentive programs and tax abatements which have assisted New York City to recover from the economic effects of the 9/11 attacks and Superstorm Sandy,” Governor Cuomo explained. “I agree that they should be extended. However, within the bill, Part A would substantially alter one such program -- the Lower Manhattan State and Local Sales Tax Exemption -- by loosening the eligibility criteria at a great cost, but with no corresponding relief, to the State’s financial plan. Moreover, that program does not even expire until 2014.”

“This unwarranted expansion, passed without discussion with the Executive or the Division of Budget, would increase the cost to State taxpayers of this program by \$10 million for this year and \$20 million for each year thereafter. It would also have an impact on the State’s and New York City’s financial plans. As noted, the Legislature did not discuss this with the Executive; thus, I cannot approve the legislation as it now stands.”

With the veto, certain provisions of the New York City and Lower Manhattan Relocation and Employment Assistance Programs, the New York City Energy Cost Savings Program and Lower Manhattan Energy Program, and the Commercial Rent Tax Special Reduction have expired. The other programs are set to expire in 2014 and 2015. NYC Economic Development Corporation currently coordinates the existing programs.

The Governor did offer the sponsors an opening, asserting that “if the Legislature were to pass a bill that extends, but not expands, the programs extended in this bill, I would sign that bill.”

To date no straight extender has been introduced and the Legislature is in recess.



2012 NYS Tourism Spending Jumps 6%

New York State tourist spending increased 6.2 percent to \$57.3 billion in 2012, according to a report released this week.

Every region in the state saw growth in 2012 from the previous year, with New York City and Long Island leading the State. New York City saw the largest growth in tourism spending, 7.3 percent, to \$37.1 billion in 2012 from \$34.5 billion in 2011. Long Island reported a 6.3 percent increase, from \$4.8 billion in 2011 to \$5.1 billion in 2012.

“Our efforts ... are clearly paying off with a recent report by Tourism Economics showing that traveler spending in New York State generated \$92 billion in business sales in 2012,” Governor Andrew Cuomo said. “This represents an increase of 6 percent from 2011 to 2012 and demonstrates that our focus on growing the tourism industry is working and we are poised for further growth in every single region of the state. As the fifth largest employer in New York State, the tourism industry plays a vital role in our state’s economy. That is why we are investing the highest level of tourism funding in decades this year, launching targeted marketing campaigns to drive visitors Upstate...Our message is simple: come visit the Empire State.”

New York Traveler Spending



Source: Tourism Economics

Other findings of the report include:

- More than 714,000 jobs were sustained by tourism activity last year with total income of \$29 billion.
- Room demand grew 3.9% in 2012. And room rates increased 3.8% equating to a total hotel revenue increase of 7.3% according to Smith Travel Research.

- Air passenger activity increased 4.5% for JFK and LGA combined while airfares at these airports increased 2%.
- A combination of higher fuel prices and additional drive visitors pushed spending at gasoline stations up 7.8%.
- Direct tourism employment grew 2.8% to reach a new high in 2012 while associated personal income expanded 4.6%. By both of these measures, tourism outpaced the general economy.
- 8.1% (1 in 12) of all New York state employment is sustained by tourism, either directly or indirectly.
- New York State tourism generated \$7.2 billion in state and local taxes in 2012, saving each NYS household an average of \$891 in taxes.

The study was conducted by Philadelphia-based Tourism Economics whose staff worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.

The report may be accessed at: <http://www.governor.ny.gov/assets/documents/tourism/nys-tourism-impact-2012-v1.0.pdf>

Governor's Moreland Commission Meets

Governor Andrew Cuomo's Moreland Commission to Investigate Public Corruption held a private introductory organizational meeting this week in New York City, according to published reports. Commission Executive Director Regina Calcaterra explained that the Commission is advisory in nature and is exempt from requirements under the state Open Meetings Law which requires public notice whenever a quorum of a public body gathers to conduct public business.

The 25 member commission – comprised primarily of lawyers and prosecutors – is chaired by Nassau County District Attorney Kathleen Rice, Syracuse District Attorney William Fitzpatrick, and attorney Milton Williams. State Police Superintendent Joseph D'Amico, New York City Police Commissioner Ray Kelly, and Barbara Bartoletti of the League of Women Voters serve as special advisers.

Governor Cuomo formally appointed the much-publicized Commission last week. Areas where the Commission will focus its investigation include but are not limited to:

- Criminal statutes for corruption and misconduct by public officials, such as bribery laws.
- Campaign financing including but not limited to contribution limits and other restrictions; disclosure of third-party contributions and expenditures; and the effectiveness of existing campaign finance laws.
- Compliance of outside organizations and persons with existing lobbying laws, including but not limited to organizations engaged in lobbying and other efforts to influence public policies and elections, and the effectiveness of such laws.

- Adequacy and enforcement of the State's election laws and electoral process including: the structure and composition of the State and County Boards of Elections, the Board of Elections' enforcement, and the effectiveness of and compliance with existing election laws.

The Commission will issue a preliminary report on its initial findings and recommendations by December 1, 2013.

Executive Action

Bills Signed by the Governor

Chapter 71 (sponsored by M of A Benedetto/ Senator Martins) -- Relates to the disposal of surplus computer equipment by political subdivisions.

Chapter 74 (sponsored by M of A Miller/ Senator Lanza) -- Extends various provisions of law relating to the idling of school vehicles.

Chapter 78 (sponsored by M of A Sweeney (MS) /Senator Seward) -- Extends the provisions of chapter 563 of the laws of 2001 relating to providing for an emergency technician 5 year re-certification program.

Chapter 79 (sponsored by M of A Farrell /Senator Golden) -- Relates to the sale of bonds and notes in NYC, the refunding of bonds, the down payment for projects financed by bonds, variable rate debt, and interest rate exchange agreements in NYC.

Chapter 82 (sponsored by M of A Morelle /Senator Zeldin) -- Extends provisions relating to rental vehicle protections.

Chapter 84 (sponsored by M of A Weisenberg /Senator Martins) -- Relates to allowing certain special assessing units other than cities to adjust their current base proportions.

Chapter 85 (sponsored by M of A Weisenberg /Senator Martins) -- Relates to the base proportion in approved assessing units in Nassau county.

Chapter 87 (sponsored by M of A Titus /Senator Fuschillo) -- Extends a section of law relating to the enforcement of support through the suspension of driving privileges.

Chapter 90 (sponsored by M of A O'Donnell /Senator Flanagan) -- Relates to extending the timeframe for school professionals applying for certification to complete training on the social patterns of harassment, bullying and discrimination.

Chapter 91 (sponsored by M of A Hennessey (MS) /Senator Marcellino) -- Relates to the suspension of certain driver's licenses for violations relating to the use of mobile telephones or portable electronic devices while driving.

Chapter 96 (sponsored by M of A Wright (MS) /Senator Golden) -- Relates to the New York City housing authority.

Chapter 98 (sponsored by M of A Lentol (MS) /Senator Golden) -- Relates to exempting qualified retired law enforcement officers from certain limitations related to the possession of firearms.

Chapter 99 (sponsored by M of A Cusick /Senator Golden) -- Relates to run-off elections in the city of New York.

Chapter 100 (sponsored by M of A Goldfeder /Senator Addabbo) -- Authorizes the reinstatement of prior approved work permits and waives certain requirements of general city law for homes devastated by Hurricane Sandy.

Chapter 102 (sponsored by M of A Galef (MS) /Senator Carlucci) -- Prohibits smoking at playgrounds.

Chapter 113 (sponsored by M of A Lavine (MS)/Senator Martins) -- Relates to electronic filing in civil proceedings in Nassau county.

Chapter 133 (sponsored by M of A O'Donnell /Senator Gallivan) -- Authorizes attorneys of the state commission of correction to issue substitute jail designations.

Chapter 135 (sponsored by M of A O'Donnell/Senator Gallivan) -- States that the chairman of the board of parole is responsible for the administrative functions and daily operations of the parole board and its staff.

Chapter 136 (sponsored by M of A Saladino/RULES) -- Extends the authority of the county of Nassau to impose additional sales and compensating use taxes; extends local government assistance programs in Nassau county.

Chapter 137 (sponsored by M of A Saladino/RULES) -- Extends the authority of the county of Nassau to impose hotel and motel taxes.

Chapter 142 (sponsored by M of A Tenney/Senator Larkin) -- Authorizes the village of Montgomery, Orange county, to authorize certain part-time police officers to take the exam for full-time police officer positions.

Chapter 148 (sponsored by M of A Heastie/Senator Golden) -- Relates to the power of the public employment relations board to investigate unfair labor practices.

Chapter 156 (sponsored by M of A Giglio/Senator Young) -- Relates to the requirements for individuals serving as town justice.

Briefs

State Office of Mental Health Unveils its Regional Centers for Excellence (RCE) Plan.

The State Office of Mental Health this week released its Regional Centers for Excellence (RCE) Plan. The thrust of the plan is to reduce the State's 24 tradition psychiatric centers to 15 by shifting the focus to outpatient services and community-based programs to house and treat the mentally ill. Under the plan, some centers will be closed (e.g. Elmira, Sagamore, Mid-Hudson), while others will be expanded (e.g. Albany's Capital District Psychiatric Center).

Regional implementation plans and priorities will begin to be established in August with the formation of RCE Teams (similar to the Medicaid Redesign Team workgroups). OMH is accepting nominations for membership on the RCE teams. Implementation is scheduled to begin in July 2014.

The plan can be viewed at <http://www.omh.ny.gov/omhweb/excellence/rce/index.html>.

State Investigation into Unpaid Life Insurance Benefits Finds Over \$1 Billion for Consumers

The Cuomo Administration issued a final report this week on the Department of Financial Services' (DFS) investigation into unpaid benefits for consumers at life insurance companies. The report showed that the investigation recovered more than \$1.1 billion in unpaid life insurance benefits for consumers nationwide, including \$386 million for New Yorkers. To date, life insurance payments resulting from this investigation have been made to more than 100,000 consumers nationwide, including more than 25,000 New Yorkers.

The DFS investigation found that many insurance companies regularly received a list of recent deaths from the Social Security Administration but were not using that list to determine if a policy holder had died. DFS then directed insurers to use the U.S. Social Security Administration's Death Master File to investigate policies for which no claims have been made and to find beneficiaries who are eligible for benefits but have not filed claims

As a result of this investigation, the Cuomo Administration launched a free online Lost Policy Finder, www.NYPolicyFinder.com, which was developed in partnership with the insurance industry, to help New Yorkers locate lost or misplaced life insurance policies and annuity contracts.

SUNY Now Accepting Applications for New York State Master Teacher Program

The State University of New York is now accepting applications for the New York State Master Teacher Program. Applications can be submitted online, at <http://www.suny.edu/MasterTeacher/>.

The New York State Master Teacher Program was established this year by Governor Andrew Cuomo to identify, reward, and support master math and science teachers throughout New York State. Master Teacher Fellows will:

- Receive a \$15,000 stipend per year over 4 years for participation in the program (total compensation of \$60,000 per Fellow).
- Engage in peer mentoring and intensive content-oriented professional development opportunities throughout the academic year.
- Work closely with pre-service and early career teachers to foster a supportive environment for the next generation of STEM teachers.
- Required to attend regular cohort meetings, participate in and lead several professional development sessions each year, and participate in the training of pre-service and early career educators as part of the Master Teacher Program.

Teachers will be chosen from every region of the state to participate in the program, with four regions launching this fall, in Mid-Hudson, North Country, Central NY, and Western NY. The remaining six regions will kick off in the spring. Each regional program will be paired with a research institution to give participants additional content exposure.

Governor Okays Lever Voting Machines

Governor Andrew Cuomo this week approved legislation to move the date of the possible run-off election in New York City to October 1, 2013, and authorize the Board of Elections of the City of New York (the "Board") to use lever voting machines instead of optical scan systems if it is "necessary to ensure the timely and orderly administration of the primary election, including but not limited to a timely vote count."

"I strongly believe that the use of lever voting machines is a poor solution to the Board's Concerns," Governor Cuomo said, in a memo submitted with the approval. "Most, if not all, of the impediments the Board has cited have less burdensome solutions, from changes in the Board's own hand count requirements to the use of high-speed scanners offered by the Board's vendor, to increased efficiency in completing the required testing. Moreover, the proposed reversion to lever machines poses significant problems for voters; indeed, they are often inaccessible to many voters with disabilities and can routinely 'lose' more votes than the optical scan systems in each election."

In approving the legislation, Governor Cuomo concluded that "preventing the use of lever voting machines through a veto could profoundly impact the integrity of this year's elections."

Los Angeles Bans Plastic Bags, Charges for Paper

The Los Angeles City Council has approved a bill that not only bans single-use plastic bags in food stores but also imposes a 10-cent charge for each paper bag. The ban on plastic in stores that sell perishable foods would take effect in January for large stores and in July 2014 for smaller stores.

Los Angeles is the largest U.S. city to ban plastic bags.

In 2008, New York State enacted the "Plastic Bag Reduction, Reuse and Recycling Act" which requires operators of retail stores over 10,000 square feet, retail stores with five or more branches of 5,000 square feet or more, and retail stores over 50,000 square feet in an enclosed shopping mall, to establish an at-store recycling program. The law also prohibits placement of plastic bags in a solid waste facility by stores, requires stores to make reusable bags available for purchase, and indicates that enforcement of plastic bag recycling vests with the State. The State Act preempted New York City's "Plastic Carryout Bag and Film Plastic Recycling Law", signed into law by Mayor Bloomberg as Local Law No. 1 in 2008.

Coming Up

New York State & New York City

No scheduled meetings for the week of July 15th.

Monday, July 15th

NY Joint Committee on Public Ethics – Client Semi Annual Reports Due

NY Joint Committee on Public Ethics – Lobbyist Bimonthly Reports Due

NYC Clerk – Lobbyist P3 Reports Due

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111 Washington Ave, St.
401
Albany, New York 12210
Telephone (518) 449-3320
Facsimile (518) 449-5812

120 Broadway, 28th Floor
New York, New York
10271
Telephone (212) 652-3890
Facsimile (212) 652-3891

50 Main Street, 10th Floor
White Plains, NY 10606
Telephone (914) 682-2632
Facsimile (914) 663-5180