



2021

ADVOCACY AGENDA



UNSHACKLE UPSTATE



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ABOUT US



Unshackle Upstate is a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from across Upstate New York. Our primary mission is to make Upstate New York a more affordable place to live and a better place to do business.

OUR PARTNERS



The **Buffalo Niagara Partnership**, a founding member of Unshackle

Upstate, is the area's regional chamber of commerce and privately-funded economic development organization. Partnership members employ more than a quarter of a million people in the Buffalo Niagara region. By mobilizing members and strategic partners around common goals, the Partnership grows private investment and jobs in Buffalo Niagara through advocacy, business development and convening.



The **Greater Rochester Chamber of Commerce**, a founding member of Unshackle Upstate, is the regional chamber of

commerce for the nine-county Rochester region, which includes Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne, Wyoming and Yates counties. The GRCC provides information, advocacy, human resource services and networking to help Finger Lakes employers grow.



The **Empire State Chapter of Associated Builders and Contractors** is the New York Chapter of ABC, a national construction trade association

devoted to merit shop contractors. The Empire State Chapter serves nearly 450 contractor members throughout New York State from our central office in East Syracuse, and from branch offices in Buffalo, Rochester, Albany, Ronkonkoma and Manhattan.



The **Greater Binghamton Chamber of Commerce** serves as

the premier resource for business development in the Greater Binghamton region. Its aim is to support the existing local business community and the attraction of new businesses to the region through member-driven programs and services, the development of strategic community partnerships and effective political advocacy.



The **North Country Chamber of Commerce** is a regional chamber of commerce serving

Clinton, Essex, Franklin, Hamilton and northern Warren Counties in New York State and southern Quebec. With more than 4,000 members, it is the largest business and economic development alliance in northern New York and one of the five largest chambers in the state.

OUR CALL TO ACTION

In 2020, New York State experienced one of the greatest crises in its history. It will likely take several years to fully recover from the extensive business closures and dramatic job losses caused by the COVID-19 pandemic. The question now is whether Albany will do what's necessary to reform the state's harsh business climate and revive the state's frail economy.

Our Fast Forward agenda outlined a number of pro-growth policies that would benefit communities in every corner of the state and help boost our economy. Lowering tax rates for

But they're not the only ones who need help.

Statewide, roughly one in four small businesses remain closed since January 2020, according to an analysis from Opportunity Insights – a joint effort between Harvard University, Brown University and the Bill & Melinda Gates Foundation. This harmful decline has been happening for decades across Upstate communities but now, this trend has hit downstate communities just as hard. Regardless of your geographic location or your political affiliation, seeing the massive collapse of the

IT'S TIME TO PROVIDE REAL RELIEF TO OVERBURDENED TAXPAYERS AND STRUGGLING SMALL BUSINESSES.

IT'S TIME TO STAND UP FOR UPSTATE.



localities with fewer than 1 million residents, enacting a five-year moratorium on the outdated Scaffold Law, and expanding cellular and broadband access are just a few examples of measures that we advanced. Those and other proposals are outlined again in this agenda.

Embracing a pro-growth mindset is essential in 2021. Now that countless employers and employees across the state are working remotely, they're realizing they don't have to live in New York State. While many residents will undoubtedly join the 1 million New Yorkers who've fled over the last 10 years, those who can't afford to leave will be left to shoulder the nation's largest state and local tax burden. Now, more than ever, struggling taxpayers need relief.

small business community is simply devastating. These employers and their workers need help now.

As many New Yorkers have come to realize over the last year, time is a precious resource. With this renewed sense of urgency, we believe now is the time for action.

It's time to revive our small business community. It's time to rebuild our aging roads, bridges and expand broadband infrastructure. It's time to reform New York's harsh business climate. It's time to provide real relief to overburdened taxpayers and struggling employers. It's time to stand up for Upstate and get our economy growing.

KEY PRIORITIES

REDUCING THE INCOME TAX RATE, CORPORATE TAX RATE AND SALES TAX RATE FOR LOCALITIES WITH FEWER THAN 1 MILLION RESIDENTS

As we outlined in our recent Taxed Out fact sheet, New York's taxpayers have the biggest state and local tax burden in the nation. This massive tax burden has played a major role in New York's population decline.

More than 1.4 million New Yorkers have fled to other states since 2010. That trend will continue unless struggling taxpayers across Upstate New York get real relief in 2021.

CREATION OF AN UPSTATE LEGISLATIVE CAUCUS

Ensuring that the issues and concerns of Upstate's businesses and taxpayers are heard is an essential part of our mission. Upstate taxpayers will continue to leave for other states if they feel they have no voice in Albany. Strengthening that voice is more important than ever before. We believe we can accomplish this goal by engaging with our leaders in all parts of the state and across party lines.

ENACT COVID-RELATED PROTECTIONS FOR EMPLOYERS

Unshackle Upstate supports legislation that would exclude unemployment charges caused by the impact of COVID-19 from being used to calculate an employer's experience rating.

Employers who continue to operate in good faith and are in accordance with applicable statutes, rules, executive orders, and approved sector-specific restart plans, must be protected from COVID-19 related lawsuits. A wave of legal action against struggling businesses would be detrimental to employers, employees and the state's recovery efforts.

PAUSE ON FUTURE MINIMUM WAGE INCREASES UNTIL THE UPSTATE ECONOMY RECOVERS

Now that the pre-determined annual increases in the Upstate minimum wage have reached \$12.50, we believe it is wise to pause future increases until the Upstate economy has recovered from the ongoing pandemic. Small employers that are most susceptible to harmful impacts of wage mandates are not in a position to absorb additional increases. Doing so would lead to more business closures and job losses.

"GOVERNOR CUOMO AND THE LEGISLATURE NEED TO PAY CLOSER ATTENTION TO THE STRUGGLES OF THE UPSTATE ECONOMY, EVEN IF THEY HAVE TO MAKE EXCEPTIONS TO MANY OF THEIR PROGRESSIVE POLICIES."

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KEY PRIORITIES

REFORMING PREVAILING WAGE CALCULATIONS

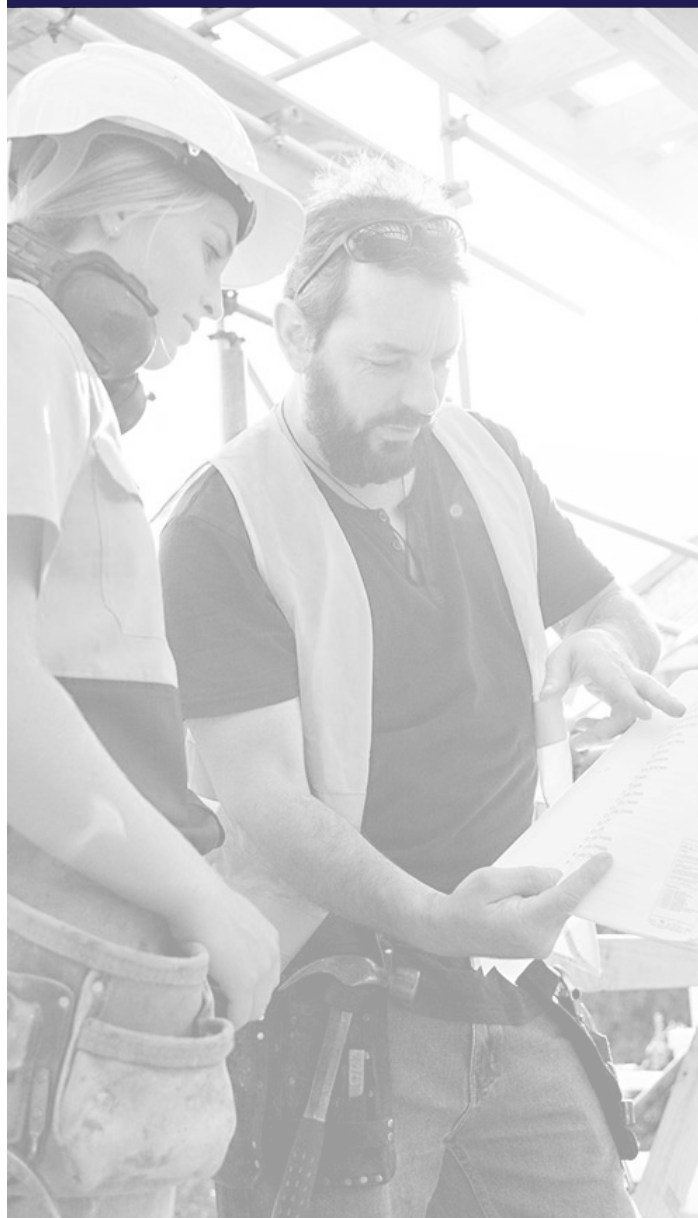
Reforming how New York's prevailing wage is calculated should reflect the actual "prevailing wage" in a given labor market. Determining an accurate and responsible prevailing wage will save billions on state and local public construction projects. We propose the following reforms:

- Return New York to the federal Davis-Bacon standard so that prevailing wage reflects the wage of 50% of the labor force in a given trade or a weighted average for each construction trade, not New York's 30% standard.
- Survey private-sector trade workers to determine how many construction workers are, in fact, covered by a collective bargaining agreement. These surveys should be conducted using the defined borders of the state's Regional Economic Development Councils.
- Where the state's 30% standard has not been reached, use federal occupational statistics or apply already available and collected New York State Unemployment Insurance job classification data to determine regional prevailing wages.

ENACTING A 5-YEAR MORATORIUM OF THE SCAFFOLD LAW

New York's antiquated Scaffold Law increases the cost of general liability insurance on every construction project in the state; serving as a drag on economic development. As New York considers investing in construction projects and infrastructure repair to create much-needed jobs, we're calling for a 5-year moratorium of the Scaffold Law. This will allow state and local governments, as well as private builders across the state, to lower their construction costs and begin more projects.

ACCORDING TO AN ANALYSIS FROM THE EMPIRE CENTER, NEW YORK'S PREVAILING WAGE MANDATE DRIVES UP THE COST OF CONSTRUCTION PROJECTS BETWEEN 13-25% DEPENDING ON THE AREA.



ITEMS OF SUPPORT

MAINTAIN FISCAL RESPONSIBILITY WITHIN THE STATE BUDGET

As New York faces a massive budget deficit in 2021, and for several years to come, maintaining a 2% spending cap is critical. We urge Albany to explore savings through efficiencies and reforms.

ENACTMENT OF SMALL BUSINESS TAX RELIEF

Unshackle Upstate supports additional tax relief for the small and medium size businesses that drive our economy:

- Increase the exemption from 5% to 15% for small businesses who file via personal income tax; and;
- Reduce the tax rate for small businesses who file via corporate tax rate from 6.5% to 2.5%.

EXPAND TAX REFORMS FOR NEW YORK'S MANUFACTURERS

In 2014, New York eliminated the corporate franchise tax for manufacturers organized as C corps. That reform only applied to 25% of manufacturers in New York. We support expanding this exemption to New York's small manufacturers as well. According to the sponsors of the legislation (S.4671A/A.636B), the elimination of the PIT for pass-through manufacturers would create thousands of private sector jobs.

CONTINUATION OF WORKERS' COMPENSATION REFORMS

Recent reforms to workers compensation reform took important steps to reduce employer costs, modernize the system and protect workers. Despite those changes, costs in New York remain among the highest in the nation. State leaders must continue to pursue reforms to reduce costs and reject policies that will burden employers.

- Modernize SLU impairment guidelines;
- Expand the current Preferred Provider opt-out period from 30 to 90 days; and
- Reject policies that will increase costs on our already expensive Workers' Compensation program.

LIMIT THE USE OF NEW YORK STATE DEPARTMENT OF LABOR'S "EMERGENCY RULEMAKING" AUTHORITY

Limiting the use of emergency rulemaking will provide employers, non-profits and local governments more opportunities to participate in the regulatory process and prevent the enactment of unnecessary regulations.

CONTINUATION OF UPSTATE INVESTMENT INITIATIVES

We support continued investment in the Upstate economy through programs including the Upstate Revitalization Initiative, Downtown Revitalization Initiative and the Regional Economic Development Councils.

**ACCORDING TO OPPORTUNITY
INSIGHTS, 27% OF SMALL
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REMAIN CLOSED SINCE THE
START OF THE PANDEMIC.**



ITEMS OF SUPPORT

SUPPORT THE NEW YORK/CANADA ECONOMIC CORRIDOR

Upstate enjoys a unique cross-border market with hundreds of billions of dollars in economic activity. Despite challenges associated with the pandemic, Unshackle Upstate encourages our leaders to advocate for cross-border commerce and investment, support key frontline organizations in their cross-border related endeavors and reject proposals that would inadvertently damage New York/Canada commercial relations.

MAINTAIN ACCESS TO AFFORDABLE ENERGY SOURCES AND SUPPORTING ASSOCIATED INFRASTRUCTURE

Enacted in 2019, the Climate Leadership and Community Protection Act will have an undeniable effect on New York's energy future. As the Climate Action Council, established under the CLCPA, seeks to enact newly established emissions reductions they must recognize the continued need for affordable energy resources like natural gas. A report from the Consumer Energy Alliance found that as New York's use of natural gas expanded, our overall emission of pollutants declined significantly. These findings demonstrate that New York can achieve lower carbon emissions, improve our environment and support a growing economy. For many Upstate communities, expanding access to energy infrastructure is critical.

IMPROVE NEW YORK'S MWBE PROGRAM

New York is a national leader in providing economic opportunity to Minority and Women Owned Business Enterprises (MWBE). However, Unshackle Upstate supports a new disparity study to better determine the demographics of the state's diverse economic regions. The goals and targets must reflect demographic realities across the state. We also support making the MWBE application and certification process more accessible and efficient to ensure qualified contractors can take advantage of the program.

EXPAND BROADBAND AND CELL PHONE SERVICE ACCESS THROUGHOUT UPSTATE AREAS

We urge the state to fulfill its commitment to universal broadband access, closing significant access gaps in rural regions and repealing the Department of Transportation's fees on broadband utilizing DOT rights of way. We also call for the beginning of a related effort to address significant gaps in cell phone service in many rural regions. The pandemic has proven that both broadband and cell phone access are no longer conveniences but are necessary to public health, education and employment.

“EVERY NEW YORKER SHOULD BE ABLE TO ACCESS A STABLE CELL CONNECTION, YET OUR UPSTATE REGIONS HAVE STRUGGLED FOR TOO LONG TO MAKE THE CONNECTIONS THAT ARE VITAL TO EVERYDAY LIFE AND COMMERCE.”

- GOVERNOR ANDREW CUOMO



ITEMS OF SUPPORT

REDUCE THE COSTS OF SHIPPING THROUGH REPEAL/REFORM OF HIGHWAY USE TAX

New York is one of only four states in the nation with a highway use tax (HUT) on commercial vehicles. Unshackle Upstate supports reforming or repealing this onerous tax in order to reduce shipping costs to businesses across the state, improve the competitiveness of New York based motor carriers and help to improve the overall economy for businesses and consumers.

REDUCE HEALTH CARE TAXES, ASSESSMENTS AND SURCHARGES

One of the chief reasons New York has among the highest health care costs of any state in the nation is the number of taxes, surcharges and assessments the state imposes on employers and individuals who purchase health insurance. In 2020, the “covered lives” assessment (\$1.05 billion), the premium tax on commercial health insurance (\$509 million), the New York State Department of Financial Services (DFS) section 206 assessments (\$143 million) and the HCRA surcharge (\$3.87 billion), combine to cost consumers \$5.57 billion. In some cases, these taxes drove up premiums between 6-9%. We support reducing the cost of health insurance by reducing these burdensome taxes.

CUT EXCISE TAXES THAT DRIVE UP THE COST OF LIVING FOR ALL NEW YORKERS

The state’s significant tax burden has contributed to the ongoing population decline and anti-business climate. For example, New York has the 5th highest state and local tax rate on wireless service. While the state ranks relatively low on wine and beer excise tax rates, it ranks 23rd in the nation for excise tax rate on distilled spirits. Unshackle Upstate supports lowering excise taxes so hardworking residents can keep more money in their pockets.

DELAY OF THE START OF NEW YORK’S PUBLIC CAMPAIGN FINANCE PROGRAM

New York’s public campaign finance system is currently scheduled to start in late 2022 and be available for use in 2024 legislative primaries and general elections; followed by statewide races in 2026. As it will likely take several years for New York’s economy to recover from the COVID-19 pandemic, we support postponing the start date of this program indefinitely.

EMPLOYER PROTECTIONS REGARDING MARIJUANA

The legalization of adult-use marijuana continues to be a concern for employers, particularly in safety sensitive industries. The Legislature should consider establishing an impairment standard addressing impacts to workplace safety and employer liability. Any employer protections prior to the passage of this measure should remain.

NEW YORKERS WITH HEALTH INSURANCE PAID MORE THAN \$5.5 BILLION IN TAXES, SURCHARGES AND ASSESSMENTS ON THEIR COVERAGE IN 2020.



ITEMS OF OPPOSITION

INCREASES ON EXISTING TAXES, FEES, ASSESSMENTS OR CREATION OF NEW TAXES, FEES, ASSESSMENTS

The reality is that New York's tax burden has been too high for too long. New York leads the nation in terms of combined state and local tax burden as well as state and local individual income tax collections per capita. This massive tax burden has played a major role in New York's population decline. We oppose any measure that would worsen New York's tax climate and drive out more overburdened residents.

CREATION OF SINGLE PAYER SYSTEM

Replacing the current health insurance system in New York State with a multi-billion-dollar, government-run single payer scheme would wreak havoc on our economy – especially in Upstate. Additionally, this plan would force millions of New Yorkers off their private insurance, requiring them to get their coverage from an Albany-run bureaucracy. Given New York's track record of managing large programs, state control over health care choices must be rejected. Unshackle Upstate supports efforts to improve our existing system, reduce costs and achieve universal coverage. With 95% of New Yorkers currently having insurance, this goal is fully within reach without destroying jobs and devastating our economy.

WEAKENING OF 2% PROPERTY TAX CAP

While we understand the need for local governments to operate and provide services to their constituents, Unshackle Upstate opposes all efforts to weaken New York's property tax cap. The cap has saved New York families and businesses billions of dollars since it was enacted. Recognizing the importance of this

measure, Governor Cuomo and the Legislature rightly made the property tax cap permanent in 2019. It should be left as is.

USE OF REGIONALLY MANDATED PROJECT LABOR AGREEMENTS (PLAS)

Unshackle Upstate strongly opposes mandating regionally negotiated project labor agreements which increase the cost of construction projects by an estimated 18-30%. We support awarding work to the contractor who offers the best price and quality. In 2015, adding a PLA to the construction of a new exit (122) off State Route 17 cost state taxpayers an additional \$4.5 million dollars.

OVER-REGULATION AND PRODUCT BANS ON CHEMICAL INDUSTRY

State laws and regulations can contribute to the state's reputation for a hostile business environment and negatively impact New York's economy. More specifically, over- regulation and product bans related to the chemical industry can further hurt the stability and growth of Upstate.

RECLASSIFICATION OF GIG WORKERS

New York's gig economy has created opportunities for countless New Yorkers to work in an independent and flexible setting. Changing the classification of individuals who find work through the gig economy from independent contractors to employees would lead to a number of unintended consequences. We oppose measures that would change the classification of gig workers and encourage elected officials to consider other solutions that would allow these workers to maintain their independence and flexibility while also ensuring that they are afforded basic protections.



STAND UP FOR UPSTATE



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