

MEMORANDUM IN OPPOSITION

A.6967 by Assemblymember Kevin Cahill

S.4264-A by Senator Kevin Parker

Date: May 2021
Contact: Michael Kelly

The New York State Association of REALTORS®, Inc. **opposes A.6967(Cahill)/S.4264-A(Parker)** which would enact the Climate and Community Investment Act.

The Climate and Community Investment Act (CCIA) seeks to address the environmental and economic impacts of climate change and transitioning to clean energy. These issues will impact New Yorkers and residents well beyond the State's borders over the next several decades. REALTORS® recognize that climate change threatens to upend society in ways that will affect the everyday lives of New Yorkers. However, REALTORS® also believe that addressing the current and anticipated impacts of climate change in New York requires a measured approach that recognizes that New Yorkers cannot afford to be taxed out of their homes.

The CCIA would lead to the imposition of substantial taxes, fees and fines on entities that sell, use, or bring carbon-based fuels in the State of New York. Among these would be a Climate Pollution Fee, which would begin at the amount of \$55 per ton of carbon dioxide equivalent content emitted. The bill also creates a new public authority, the Climate and Community Investment Authority, to administer the costly economic, social, and environmental programs funded through the new taxes, fees and fines.

The taxes, fees and fines that would be imposed under this legislation would not merely impact energy companies, or "big polluters" as described by the supporters of this proposal. These costs would be passed on to consumers, businesses, homeowners, housing providers and renters in the form of higher energy costs. The bills rebate provisions are a tacit recognition of this reality.

The energy costs associated with heating and cooling a home will increase substantially if this bill becomes law. For example, the New York State Business Council estimates the initial increase in residential home heating fuel and natural gas would be approximately 26%. Increased costs from the taxation of energy companies selling, using, or bringing other carbon-based fuels in the State would impact New York's residents as well.

Although the bill would authorize rebates to low- and moderate-income households as well as tax credits to businesses employing under 50 persons, a sizeable segment of the population would see their home energy costs dramatically increase, even after these rebates are distributed. In fact, the bill's definition of "eligible moderate-income household" guarantees that no household above the median income for their county will receive a rebate. This will ensure that millions of middle-income households being powered by carbon-based fuels will be subject to major increases in home energy costs.

These increases in energy costs will last for years, if not decades. While we applaud the State's ambitious climate goals of reducing greenhouse gas emissions by 85 percent by 2050, the fact that the taxes and fees

created in this legislation are levied through 2051, means that homes and places of business powered by carbon-based fuels will have major financial impacts beyond the initial \$55 per ton of CO² emitted.

Furthermore, the Tax Foundation has estimated that this legislation would increase New York's existing gas tax by more than 127%, or 55 cents per gallon, which would bring the total cost of gasoline taxes in the State to nearly \$1 per gallon. This would exceed the cost of the gasoline tax in next closest state by more than 57%.

REALTORS® understand that climate change and its adverse impacts need to be rationally addressed. However, imposing significant energy costs on millions of New Yorkers will only exacerbate the existing competitive disadvantage our residents and businesses face in terms of affordability. Home prices are significantly higher in New York than the rest of the nation, with a median sales price of \$365,000 in the New York State compared with \$319,000 for the United States. Energy costs are a critical component of owning and maintaining a home or business, and significant increases to the costs of heating, cooling, and powering a home or place of business would be detrimental to property owners and tenants alike.

New York needs energy and environmental solutions that do not result in major increases to a cost-of-living that is already much higher than the rest of the United States.

For the above stated reasons, the New York State Association of REALTORS®, Inc. **urges disapproval of A.-A.6967 (Cahill)/S.4264-A(Parker).**

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