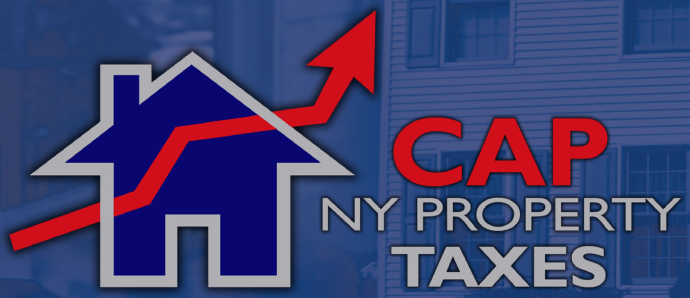


Reducing Property Taxes for New Yorkers

The New York State Property Tax Cap's Successful First Year

September 27, 2012

Albany, New York

Executive Summary

Local property taxes are higher in New York than anywhere else in the country. The median property tax paid by a homeowner in New York ($4,090) is twice the national median ($2,043). And in the context of home value—median property taxes as a percentage of median home value—thirteen of the fifteen highest-taxing counties in the country are in New York.

Recognizing that rapid growth in already-high property taxes was fueling New York's negative tax climate reputation, under the leadership of Governor Andrew M. Cuomo, the New York State Legislature enacted in 2011 New York State's first-ever property tax cap.

New York State's Property Tax Cap limits increases in school and local property taxes to two percent a year, or the rate of inflation, whichever is less, with narrow limited exemptions, while maintaining local control. Carefully constructed based on lessons learned from other states, the Cap does not impose a State-determined level of taxation, but empowers local citizens to scrutinize the taxes that they have to pay.

In only its first year of operation, New York's Cap has succeeded in curbing the average rate of property tax levy growth to 2 percent—less than 40 percent of the previous 10-year average.

Out of 3,077 local governments and school districts reporting a proposed levy, 84 percent reported a levy within the capped amount.[1]

- 642 of 678 or 95 percent of school districts stayed within the Cap.
- 1,944 of 2,399 or 81 percent of local governments that reported a proposed levy stayed within the Cap.

The existence of the Cap encouraged school boards to propose lower tax increases in the first instance. 92.8 percent of school districts presented voters with budgets that were at or below allowable tax levy increases under the Cap. Of these, 99.2 percent were approved by the voters on the initial vote.

The Cap increased voter participation and communication between school boards and the voters. Fifty-two districts proposed budgets that exceeded the Tax Cap and required a 60 percent "supermajority" to pass. Of those 52 districts, 33 (63 percent) passed their budgets on first vote, and 18 others received approval on revote after reducing their proposed budgets. The overall budget initial passage rate was 96.4 percent in 2012, compared to an average passage rate on school budget votes since 1969 of 84 percent.

Local governments and school districts have begun a course toward more sustainable property tax growth. ***Even those school districts and local governments that elected to override the Cap had proposed tax levies that were below average rates of increase for the past ten and thirty years.*** Using an overlay of public participation in the budget process, the Cap encourages local governments to explore all avenues of reform and efficiency before they increase the local levy.

Lowering the property tax burden on all businesses is key to making New York more competitive and improving the State's economy.

---

[1] The Office of the State Comptroller (OSC) estimates that nearly 3,940 local governments and school districts are subject to the Tax Cap, meaning they have the authority to levy, or cause to be levied, an annual property tax. Unlike school districts, local governments are not required to report proposed levies to OSC. Although full data will not be available until next year, results from 3,077 local governments and school districts reporting a levy—a sample comprising some 78 percent of the covered jurisdictions—show compliance with the Cap so far is promising.

Introduction

Enacted in 2011, Governor Andrew M. Cuomo's Property Tax Cap law protects homeowners and businesses from skyrocketing property tax hikes for the first time in New York history. It also empowers citizens to have a more involved voice in the taxes that they have to pay. With the first set of local government and school district budgets subject to the Cap nearly all adopted, the Tax Cap has already shown to be reducing the growth in property taxes.

Local governments and school districts in New York State impose some of the nation's highest property taxes. The median property tax paid by a homeowner in New York ($4,090) is twice the national median ($2,043). Homeowners in 33 of New York's counties sustain a property tax burden that surpasses the national median. Property taxes in Westchester and Nassau counties are nearly five times that national figure, and rank highest and second-highest in the entire country.[1]

Table 1. Highest Property Taxes Paid, 2010

County/State	National Rank	Median Property Tax Paid by Homeowners
Westchester, NY	1	$9,945
Nassau, NY	2	$9,289
Bergen, NJ	3	$9,081
Rockland, NY	4	$8,861
Essex, NJ	5	$8,755
United States	-	$2,043

Table notes at Endnote 1.

In only its first year of operation, New York's Cap has succeeded in curbing the rate of property tax levy growth to a level that is less than 40 percent of the previous 10-year average, and is setting the foundation for further progress.

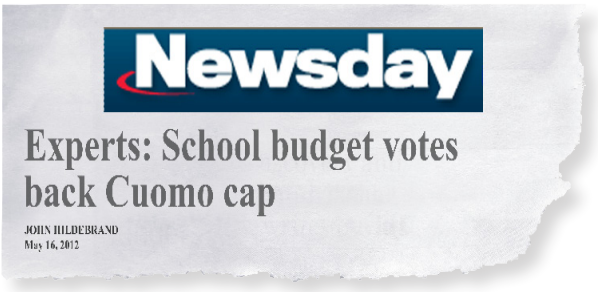
Table 2. Highest Property Taxes Paid as a Percent of Home Value

County/State	National Rank	Taxes as % of Home Value	Median Property Tax Paid by Homeowners
Wayne, NY	1	3.02%	$3,142
Monroe, NY	2	3.00%	$4,035
Cattaraugus, NY	3	2.90%	$2,257
Livingston, NY	4	2.84%	$3,136
Oswego, NY	5	2.81%	$2,605
Niagara, NY	6	2.81%	$3,023
Wayne, MI	7	2.72%	$2,430
Chautauqua, NY	8	2.70%	$2,275
Camden, NJ	9	2.70%	$5,889
Steuben, NY	10	2.69%	$2,318
Erie, NY	11	2.65%	$3,278
Schenectady, NY	12	2.61%	$4,383
Cayuga, NY	13	2.57%	$2,632
Onondaga, NY	14	2.55%	$3,439
Chemung, NY	15	2.54%	$2,340
United States	-	1.14%	$2,043

Table notes at Endnote 2.

When the burden of property taxes is seen in context of home value, the picture is even worse. In fact, based on median property taxes as a percentage of median home value, thirteen of the fifteen highest-taxing counties in the country are in upstate New York, with Wayne County highest in the land. [2]

As a percentage of personal income, local taxes in New York are the highest in the U.S. – 79% above the national average. And between 1998 and 2008, local property tax levies in New York grew by 73%, more than twice the rate of inflation during that period.[3]


Newsday

Experts: School budget votes back Cuomo cap

JOHN HILDEBRAND
May 16, 2012

Recognizing that rapid growth in already-high property taxes was fueling New York's negative tax climate reputation, Governor Cuomo and the New York State Legislature enacted in 2011 New York State's first-ever property tax cap. Drawing from lessons in other states, New York's new property tax cap is carefully calibrated to empower informed voter control. Already, in only its first year of operation, the Cap has succeeded in curbing the rate of property tax levy growth far below the trend, and is helping to make New York competitive again. This report summarizes the context for New York's Property Tax Cap and provides findings on the first year.

A History of High and Growing Property Taxes

New York has an arcane, duplicative, and complicated local government structure. Developed over centuries, local government in the State consists of numerous, overlapping governments and special districts. An individual can simultaneously live in a county, town, village, school district, fire district, and library district – all of which have separately-elected governing boards that can raise property taxes. This is both confusing and costly for the taxpayer. As Attorney General, Governor Andrew Cuomo secured passage of the "New N.Y. Government Reorganization and Citizen Empowerment Act" to provide a process for citizens to petition for a public vote on dissolving or consolidating local governments. The Act simplified the byzantine set of laws specifying how voters or government officials can choose to dissolve or merge towns, villages and the thousands of special districts that provide water, sewage treatment and other services throughout the State.

Table 3. Trend in Property Tax Growth by Type of Jurisdiction

	30-Year Average Annual Growth Rate 1980 - 2010	10-Year Average Annual Growth Rate 2000 - 2010
Total - School & Local Gov't	**5.7%**	**5.3%**
Inflation	**3.3%**	**2.4%**
School District	**6.3%**	**5.9%**
Total - Local Government	**4.9%**	**4.4%**
County	4.8%	4.2%
City	3.2%	3.2%
Town	5.3%	4.7%
Village	5.4%	5.0%
Fire District	7.0%	5.7%

Table notes at Endnote 4.

Table 4. Trend in Property Tax Growth by Region

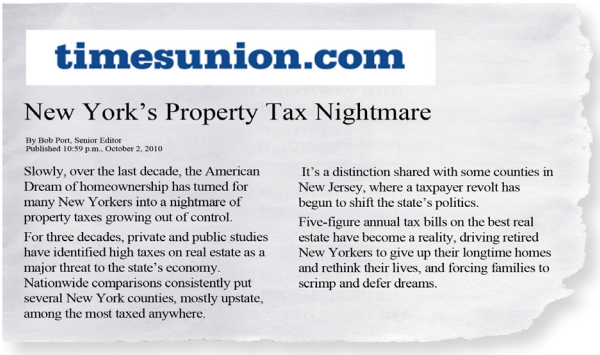
	30-Year Average Annual Growth Rate 1980 - 2010	10-Year Average Annual Growth Rate 2000 - 2010
Total	5.7%	5.3%
Inflation	**3.3%**	**2.4%**
Capital	6.2%	5.4%
Central NY	5.1%	4.3%
Finger Lakes	5.4%	4.4%
Long Island	5.8%	5.6%
Mid-Hudson	6.3%	6.2%
Mohawk Valley	5.2%	4.2%
North Country	5.8%	5.4%
Southern Tier	5.6%	5.0%
Western NY	4.6%	3.5%

Table notes at Endnote 5.

Over the last 30 years, New York's local property taxes grew by an unsustainable average rate of 5.7 percent per year.[4] School districts, which on average consume 62 cents of every property tax dollar, increased levies by an annual average of over 6.3 percent. And local fire districts – at 7.0 percent – had an even higher average annual rate of growth over the 30 years. By comparison, the average annual increase in the Consumer Price Index for the same period was 3.3 percent.

Although lower than the 30-year rate of growth, the 10-year rate of growth remains above the rate of inflation across all types of school districts and local government.

The historical trend of growth in property taxes shows variation by region as well as by type of taxing jurisdiction. For the 30-year period 1980 to 2010, average annual growth in property taxes was highest in the Mid-Hudson Valley (6.3 percent) and Capital Region (6.2 percent).



timesunion.com

New York's Property Tax Nightmare

By Bob Port, Senior Editor
Published 10:59 p.m., October 2, 2010

Slowly, over the last decade, the American Dream of homeownership has turned for many New Yorkers into a nightmare of property taxes growing out of control.

For three decades, private and public studies have identified high taxes on real estate as a major threat to the state's economy. Nationwide comparisons consistently put several New York counties, mostly upstate, among the most taxed anywhere.

It's a distinction shared with some counties in New Jersey, where a taxpayer revolt has begun to shift the state's politics.

Five-figure annual tax bills on the best real estate have become a reality, driving retired New Yorkers to give up their longtime homes and rethink their lives, and forcing families to scrimp and defer dreams.

The more recent 10-year period 2000-2010 finds that property taxpayers in the Mid-Hudson Valley have the highest rate of annual growth in taxes (6.2 percent), followed by those property taxpayers on Long Island (5.6 percent).

For 2000-2010, average rates of growth in property taxes are lowest in Western New York (3.5 percent), and the Mohawk Valley (4.2 percent).[5] However, even in these regions, the growth in property taxes still exceeds the rate of inflation for that time period.

lohud.com
powered by The Journal News

School budget growth sinks quickly; districts retreat to core programs

CATHY O'DONNELL AND GARY STERN
April 15, 2012

As previously noted, school districts are an especially significant driver of local property tax increases in New York, comprising some 62 percent of all property tax dollars. Between 1995-96 and 2010-11, spending by school districts increased by a startling 122 percent. During this period, inflation grew by only 48 percent and student enrollment actually declined by 2 percent.[6] Gaining greater accountability and performance from school district property tax growth and increased State aid to education are central purposes of Governor Cuomo's New NY Education Reform Commission.

Figure 1. Growth in Total School District Spending, Inflation, and Enrollment, 1995-96 to 2010-11

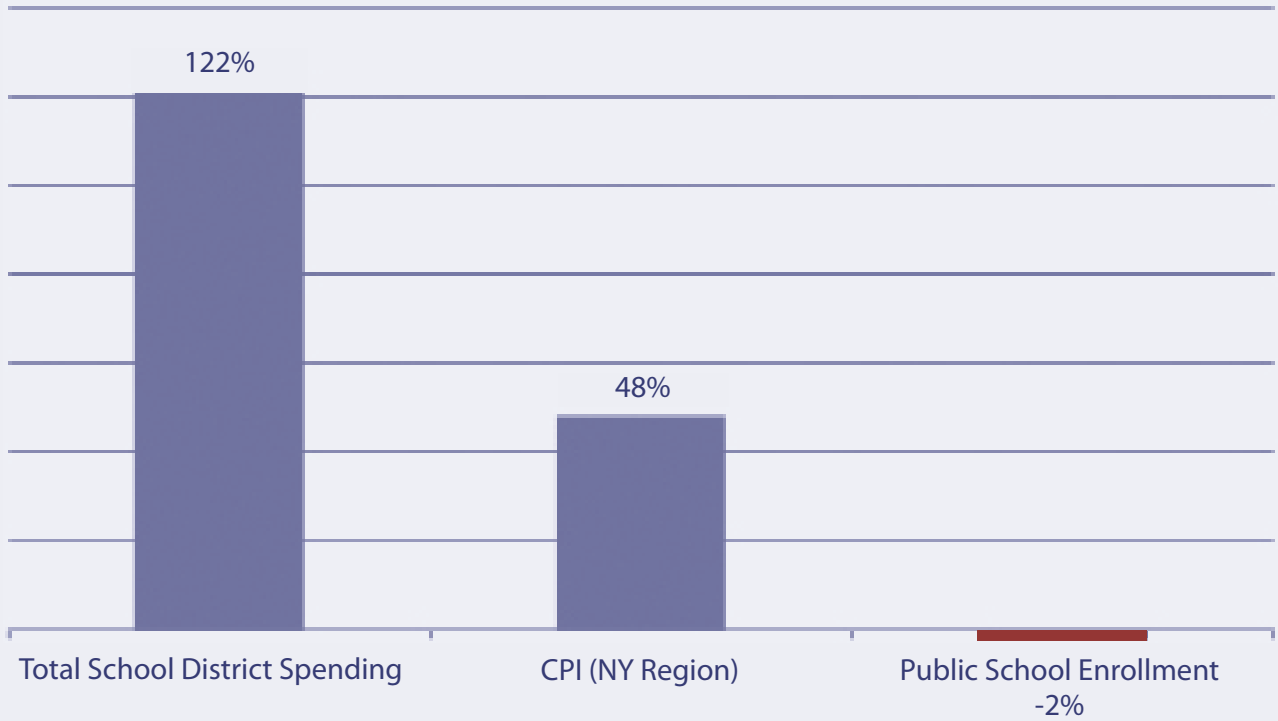


Figure notes at Endnote 6.

The New York State Property Tax Cap—
Empowering Citizens to Hold Down Taxes

New York State's Property Tax Cap limits increases in school and local property taxes to two percent a year, or the rate of inflation, whichever is less (see "*About the Cap*"), while maintaining local control. The Cap does not impose a State-determined level of taxation, but empowers local citizens to scrutinize the taxes that they have to pay. School districts can adopt budgets above the Cap provided 60 percent of the voters agree. Local governments can increase property taxes above the Cap if 60 percent of the local government board approves. By requiring 60 percent votes and other procedural steps, including public hearings, the Cap helps stop unchecked year-after-year increases and directly empowers the people in deciding whether a tax increase is really necessary.

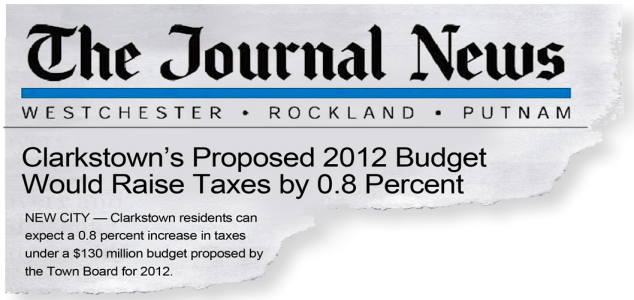
About the Cap

- The New York State Property Tax Cap restricts the year to year annual property tax levy growth.
- All local governments that are independently governed and require a separate tax levy are subject to the Tax Cap.
- The Cap allows local governments to raise necessary taxes for a few extraordinary expenses, including very high pension growth and school district capital costs, without being subject to the Cap.
- The Cap can be overridden by actions at the local level, which also allows taxpayers and local governments to exercise local control and increase spending as deemed appropriate.

Curbing Growth in Tax Levies

The Property Tax Cap is nearing the end of its first full year of implementation. All school districts and local governments have approved the budgets for the fiscal year beginning in 2012. This is the first year in which the Tax Cap has an impact on the amount of levy available to support spending.

The Office of the State Comptroller (OSC) estimates that nearly 3,940 local governments and school districts are subject to the Tax Cap, meaning they have the authority to levy, or cause to be levied, an annual property tax.[7] Preliminary data shows promising results. Out of 3,077 local governments and school districts[8] reporting a levy, 491 reported a levy in excess of the capped amount.


The Journal News

WESTCHESTER • ROCKLAND • PUTNAM

Clarkstown's Proposed 2012 Budget Would Raise Taxes by 0.8 Percent

NEW CITY — Clarkstown residents can expect a 0.8 percent increase in taxes under a $130 million budget proposed by the Town Board for 2012.

Table 5. New York's Cap has Lowered Property Growth for Each Type of Taxing Jurisdiction

	10-Year Average Annual Growth Rate 2000 - 2010	Proposed Growth
Total - School & Local Gov't	**5.3%**	**2.0%**
School District	**5.9%**	**2.2%**
Total - Local Government	**4.4%**	**1.7%**
County	4.2%	1.8%
City	3.2%	1.2%
Town	4.7%	1.2%
Village	5.0%	2.1%
Fire District	5.7%	2.7%

Table notes at Endnote 9.

Property tax growth rates in 2012 are less than 40 percent of that of the most recent 10-year average growth rate. This year's average growth for all local governments and school districts is 2.0 percent, compared to 5.3 percent from 2000 to 2010.[9] Lowering the rate of property tax growth will have a real impact on taxpayers. The typical annual property tax bill will be nearly $800 less annually in five years than if taxes had continued to grow at the previous average rate of growth.[10] If trends continue, by 2017, the typical taxpayer will have saved nearly $2,300 in local property taxes.

In the next five years, the typical property tax payer will save nearly $2,300 in local property taxes as a direct result of the Property Tax Cap.

Although the Statewide average proposed growth is less than 40 percent of the previous 10-year average, there are regional differences. Central New York, the Mid-Hudson, and Long Island experienced proposed growth of 40 percent or less than the previous 10-year average rate. The Southern Tier (40.3 percent), the Finger Lakes (40.4 percent), Western New York (42.6 percent), the Capital Region (47.3 percent), the North Country (48.6 percent), and the Mohawk Valley (68.6 percent), also saw lower proposed growth rates although not to the same extent.[11]

Table 6. New York's Cap has Lowered Growth in Property Taxes for Nearly Every Region

	10-Year Average Annual Growth Rate 2000 - 2010	Proposed Growth
Total	**5.3%**	**2.0%**
Capital	5.4%	2.6%
Central NY	4.3%	0.2% *
Finger Lakes	4.4%	1.8%
Long Island	5.6%	2.0%
Mid-Hudson	6.2%	2.1%
Mohawk Valley	4.2%	2.9%
North Country	5.4%	2.6%
Southern Tier	5.0%	2.0%
Western NY	3.5%	1.5%

Table notes at Endnote 11.

The New York Times

New York School Budgets Are Approved at High Rate

PETER APPLEBOME
May 16, 2012

1. Local governments must pass a local law or resolution before overriding the property tax levy limit. Cities, counties, towns, and villages must hold a public hearing at which local officials must make their case to taxpayers.
2. School districts are required to include tax levy limits in their existing Property Tax Payer Report Card.
3. School voters who are asked to override the levy limit are given information comparing the proposed levy to the levy limit in the voting booth.

The emphasis is on transparency, informed discussion and holding elected officials accountable.

One of the overriding strengths of the Property Tax Cap is the focus on transparency and involving taxpayers in decisions made at the local level.

Empowering Public Participation

An overriding strength of the Property Tax Cap is the focus on transparency and the involvement of taxpayers in decisions made at the local level. The Property Tax Cap includes specific requirements that highlight that new transparency.

Why isn't the "2 percent" cap 2%?

New York's Property Tax Cap recognizes the complexity of New York's governmental and financing structures. In order to allow the Tax Cap to self-correct in years of extraordinary costs the Cap includes a few limited exclusions that may increase the limit above 2%.

- *Local governments and school districts can increase the property tax levy to cover costs of high judgments in the case of torts.*
- *Local governments and school districts can increase the property tax levy to cover extraordinary increases in the local contributions to public employee retirement funds.*
- *School district property tax levies can be adjusted (up or down) for changes in local capital costs. If a school district pays off the local share of a capital project, the levy limit is adjusted downwards to reflect the fact that the taxpayer no longer needs to pay taxes to cover a debt. Likewise, a school district can collect additional property tax levy to cover new or increasing local capital costs.*
- *The Property Tax Cap is sensitive to changes in another source of revenue, Payments in Lieu of Taxes (PILOT). The Property Tax Cap treats PILOT revenue as an offset to local property tax revenue. While a new PILOT will lower allowable tax levy, an expiring PILOT will increase the allowable tax levy. However, in both cases, local property tax payers are protected by the Tax Cap and in neither case will an individual's property taxes increase due to the PILOT without an override. In addition, in no case will the total revenue from PILOT and tax levy result in a decrease for local governments.*

lohud.com
powered by The Journal News

Westchester, Putnam school budgets pass in clean sweep

GARY STERN
May 16, 2012

These results are well-illustrated by school budget votes under the Cap's first year.

Local school districts across the State, in an effort to be more responsive to voters, made new efforts to contain costs. Some districts focused on overall costs in contract negotiations and some reopened contracts where concessions could be made.

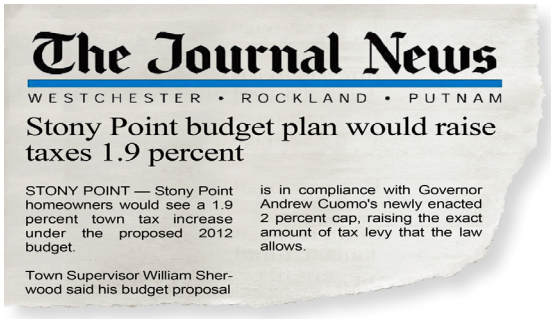
- In the Niskayuna Central School District, the district and teachers agreed to concessions that would save $450,000 over two years by initiating teacher furlough days that will not affect the students' schedule.
- The Mount Sinai Union Free School District successfully negotiated with teachers who willingly opened their contract to address the need for fiscal restraint. The district will save more than $6.4 million in salary and benefit costs. In the same district the administrative staff voluntarily increased their health insurance contributions for further tax savings.
- The Warwick Valley Teachers' Association reopened its contract to reduce salary increases by nearly $1 million and adjust health care premiums so that all members pay an equal amount. These actions preserved 12–15 positions.

Six hundred twenty-six districts, or 92.3 percent, presented voters with budgets that were at or below their maximum allowable tax levy increases under the Cap. These districts required a simple majority to pass their budgets. 99.2 percent of these school district budgets were approved by the voters on the initial vote. Four school districts proposing budgets at or below the Cap went down to initial defeat, but three of these were adopted by voters on a second vote.

Tax Cap Sensitive to the Need of Local Governments and School Districts

99.2 percent of school budgets that required a levy within the Cap were passed by the voters on the first attempt. Among these was the highest allowable levy limit increase under the Cap, 13.95 percent in the Green Island School District which reflects decreasing non property tax revenue from the Green Island Power Plant. This illustrates that the Cap is indeed sensitive to the needs of the local communities, and that the increased communications provided for by the Property Tax Cap will allow local governments to address those needs.

Fifty-two districts proposed budgets that exceeded the Tax Cap and required a 60 percent "supermajority" to pass. Of those 52 districts, 63 percent (33) passed their budgets on an initial vote. The remaining districts submitted a second budget to the voters. Three again asked the voters to override the levy limit, albeit by a lower percentage than they had on the first round of voting. All three of these budgets passed on the second vote.



The Journal News

WESTCHESTER • ROCKLAND • PUTNAM

Stony Point budget plan would raise taxes 1.9 percent

STONY POINT — Stony Point homeowners would see a 1.9 percent town tax increase under the proposed 2012 budget.

Town Supervisor William Sherwood said his budget proposal is in compliance with Governor Andrew Cuomo's newly enacted 2 percent cap, raising the exact amount of tax levy that the law allows.

Two districts failed to pass a budget after two tries and will be required to limit their 2012-13 school year levy to what they levied in 2011-12. One of these was initially proposed at the Cap limit and following disapproval, proposed below the Cap limit. The other was initially proposed as an override vote above the Cap limit and then following disapproval, proposed at the Cap limit. In both districts approximately 60 percent of voters voted against the proposed budget on the final vote.

The existence of the Cap encouraged school boards to propose lower tax increases in the first instance. In addition, it increased voter participation and communication between school boards and the voters which allowed for a much higher passage rate: the overall budget initial passage rate was 96.4 percent in 2012, compared to an average passage rate on school budget votes since 1969 of 84 percent. Voters proved to be more than willing to support reasonable and understandable increases in school budgets.

Even those school districts and local governments that elected to override the Cap had proposed tax levies that were below average rates of increase for the past ten and thirty years.[12]

New York's Cap Reflects the Right Lessons from Other States

New York State's Property Tax Cap was carefully constructed based on lessons learned from the experiences of other states. For example, Massachusetts' tax cap, called Proposition 2 1/2, was enacted in 1980. Since then, Massachusetts has moved from being the third-highest property tax state in the country to 33rd, while maintaining its standing at the top of pupil performance rankings.[13] New York's Cap employs a similar construct, limiting the total levy raised in a single year by each locality, and providing for overrides in the case of extraordinary need.

Conversely, New York's Property Tax Cap is not a blunt instrument like the cap enacted as Proposition 13 in California in 1978. Proposition 13 removed the ability of local jurisdictions to independently establish tax rates, and gave state lawmakers a role in allocating property tax revenues among local jurisdictions. In New York, local governments will continue to establish their own tax rates, and local voters will continue to vote on school budgets directly.

The Journal News

WESTCHESTER • ROCKLAND • PUTNAM

October 11, 2011

Ramapo Budget to Meet State Cap with 1.95 Percent Tax Increase

Mareesa Nicosia

RAMAPO -- Property owners in Ramapo would see a 1.95 percent increase in their town taxes under a proposed $81.98 million budget for 2012.

California's Proposition 13 also distorted the distribution of the levy between taxpayers, first by rolling assessments back to an earlier year, then by only reassessing property when it changes ownership. Not only does this artificially reduce the tax base, it has had the unanticipated consequence of depleting the housing market as people are not as willing to move into a new home with a much larger tax bill. New York avoided these pitfalls by capping the growth of the levy and not assessments.

Setting the Foundation for Continued Progress

Bending the Curve of Unsustainable Tax Increases

Local governments and school districts have begun a course toward more sustainable property tax growth. Using an overlay of public participation in the budget process, the Cap encourages local governments to explore all avenues of reform and efficiency before they increase the local levy above the allowable limit. Increased public scrutiny and participation compels local governments to look beyond the one year impact of an action and anticipate how their actions impact their ability to raise revenues in coming years.

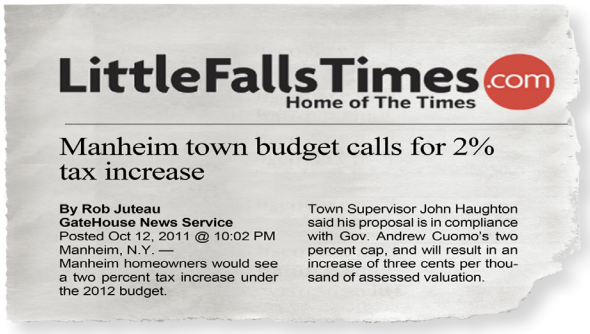
The Tax Cap and Economic Development

It is not only homeowners who suffer under high property taxes; businesses do as well. That is why the Tax Cap applies to all property taxes – regardless of whether they are paid by businesses or homeowners. Lowering the property tax burden on all businesses is key to making New York more competitive and improving the State's economy.

The Property Tax Cap Law recognizes that PILOTs, or Payment in Lieu of Taxes, represent a form of tax revenue and should be first used to reduce the already burdensome taxes paid by the existing homeowner and business person. Based on this approach, PILOT revenues offset tax levy paid by the local taxpayer in the first instance. The Tax Cap formula is sensitive to changes in PILOTs, all the while keeping in the

forefront the need to address the concerns of already overburdened taxpayers. In addition, the formula ensures that existing taxpayers are not burdened with additional taxes as a result of a PILOT agreement.

PILOTs serve a purpose in spurring overall economic growth in a community. They do not exist in a vacuum and should be used to bring some other good to the community. For example, a PILOT should lead to new housing for additional taxpayers attracted by the new economic opportunities, and increased economic activity should result in new sales tax revenue. If a local government believes it has incurred additional costs due to the PILOT, which is not sufficiently covered by this collateral revenue, the local government should be able to make a successful case to override the Tax Cap.



LittleFallsTimes.com
Home of The Times

Manheim town budget calls for 2% tax increase

By Rob Juteau
GateHouse News Service
Posted Oct 12, 2011 @ 10:02 PM
Manheim, N.Y. —
Manheim homeowners would see a two percent tax increase under the 2012 budget.

Town Supervisor John Haughton said his proposal is in compliance with Gov. Andrew Cuomo's two percent cap, and will result in an increase of three cents per thousand of assessed valuation.

As Governor Cuomo said in signing New York's Property Tax Cap into law: "We are beginning a new era in which New York will no longer be the tax capital of the nation. For too long New Yorkers across the State have been forced to deal with back-breaking property taxes, and this Tax Cap will finally bring some relief and help keep families and businesses in New York. This Tax Cap is a critical step toward New York's economic recovery, and will set our state on a path to prosperity."

PILOT Treatment Protects Taxpayers

When a PILOT expires, the property returns to the tax rolls and is included in the new total levy. The "new" increased levy due to the PILOT is paid by the owners of that property, not spread amongst the other taxpayers. If a local government believes it has need of even more additional revenues, the local government can make a case to override the Tax Cap. In the first year of the Cap, local governments and school districts have demonstrated that the Tax Cap is flexible enough to support these additional revenues.

Holding the line on property taxes is a significant factor in improving the climate for economic growth in New York. High property taxes are an important barrier to business location decisions, and represent an especially challenging burden for new start-ups, since property taxes must be paid regardless of firm profitability.

Endnotes

[1] *Property Taxes on Owner – Occupied Housing, Ranked by Total Taxes Paid 2010.* Tax Foundation, Washington, DC. July 2012.

[2] *Property Taxes on Owner-Occupied Housing as Percentage of Median Home Value, by State, Calendar Year 2010*. Tax Foundation, Washington, DC. July 2012.

[3] *NYS Office of the State Comptroller, Financial Condition Report 2009.*

[4] Notes for table 3: Analysis of OSC Financial Data for Local Governments. 2010 data is used as it is the most recent available data across all classes of local government. School districts for Buffalo, Rochester, Syracuse, and Yonkers are included with cities as they are subject to their respective city's tax cap and not the school tax cap. Other special districts and libraries are excluded from this analysis due to insufficient historical data. To provide a consistent comparison, only entities for which we could calculate the 30-year growth, the 10-year growth, and the proposed growth are included. Four towns, three villages, and fourteen fire districts were excluded from this analysis as their data appeared to be inaccurate (e.g. a proposed levy of $3 billion for a fire district). In total, 55 counties, 52 cities, 762 towns, 430 villages, 564 fire districts, and 671 school districts – roughly 80 percent of these entities – were included in the analysis.

[5] Ibid.

[6] State Education Department's School District Fiscal Profile (December 2011) and Education Statistics for New York State (January 2012).

[7] NYS Office of the State Comptroller, *Local Government Snapshot, March 2010.*

[8] For local governments other than school districts, the proposed levy is not required to be reported. Therefore, the number of local governments reporting a proposed levy is less than the number of local governments which to date have filed a tax levy limitation calculation with the Office of the State Comptroller.

[9] Analysis of OSC Financial Data for Local Governments, OSC Tax Cap Data as of July 5, 2012 and SED Property Tax Report Card Data. 2010 data is used as it is the most recent available data across all classes of local government. School districts for Buffalo, Rochester, Syracuse, and Yonkers are included with cities as they are subject to their respective city's tax cap and not the school tax cap. Other special districts and libraries are excluded from this analysis due to insufficient historical data. Actual growth for local governments is not analyzed as data is not yet available. Reporting proposed levy was not mandatory for local governments. As such, a number of local governments reporting did not report a proposed levy. The proposed levy was adjusted to adopted levy for Essex County as the proposed levy submitted was significantly different than the prior year levy and the adopted levy. To provide a consistent comparison, only entities for which we could calculate the 30-year growth, the 10-year growth, and the proposed growth are included. Four towns, three villages, and fourteen fire districts were excluded from this analysis as their data appeared to be inaccurate (e.g. a proposed levy of $3 billion for a fire district). In total, 55 counties, 52 cities, 762 towns, 430 villages, 564 fire districts, and 671 school districts – roughly 80 percent of these entities – were included in the analysis.

[10] Calculated based on median New York State property tax bill of $4,090 increasing at 2.0 percent instead of the 10-year average annual growth rate of 5.4 percent.

[11] Notes for Table 6 are the same as Table 5, found above in Endnote 9.* The proposed levy of 0.2 percent for Central NY reflects the 52 percent decrease in the Oswego CSD tax levy due to a PILOT agreement.

[12] Those school districts and local governments that elected to override the Cap had an average rate of proposed growth of 5.3 percent. This is lower than the average annual rate of growth for school districts and local governments over the past 10 years, 5.4 percent, and over the past 30 years, 5.7 percent.

[13] *State and Local Tax Revenue as a Percentage of Personal Income.* The Urban Institute-Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1977-2009).

Appendix:

Appendix:

Local Governments and School Districts within the Tax Cap

	Reported a Levy	Levy within the Tax Cap	Percentage
Total – School & Local Gov't	**3,077**	**2,586**	**84.0%**
School District	**678**	**642**	**94.7%**
Total – Local Government	**2,399**	**1,944**	**81.0%**
County	56	47	83.9%
City	54	47	87.0%
Town	797	662	83.1%
Village	458	378	82.5%
Fire District	730	599	82.1%
Library	269	183	68.0%
Other Special District	35	28	80.0%

Note: Analysis of OSC Tax Cap Data as of July 5, 2012 and SED Property Tax Report Card Data and Budget Vote Results. Actual growth for local governments is not analyzed as data is not yet available. Reporting proposed levy was not mandatory for local governments. As such, a number of local governments reporting did not report a proposed levy.

CAP
NY PROPERTY
TAXES