

Momentive Tax Certiorari Update

SEPTEMBER 17, 2020 BOARD OF EDUCATION MEETING

Highlights of the Tax Certiorari Case

Momentive filed a tax certiorari action against the Towns of Waterford and Halfmoon, the Waterford-Halfmoon UFSD and Shenendehowa CSD, alleging that its tax assessment was too high.

The Town and School District partnered to fight the case which has been ongoing for several years.

The case was settled in August 2020, and the settlement reduced Momentive's assessed value from over \$200 million to \$95 million.

The settlement achieved:

- An assessment that was significantly higher than what Momentive was seeking.
- A tax refund that was significantly lesser than what Momentive was seeking. Note: The District will be funding this with its tax certiorari reserve to reduce any further tax burden on our community.

Communication with Residents

To ensure our taxpayers were aware of this ongoing tax certiorari case and the potential tax impact the District communicated details of the case to the community on the following occasions during the 2019-20 school year:

Newsletters (Mailed to Homes):

1. December 2018
2. September 2019
3. December 2019
4. August 2020

Board of Education Meeting Minutes:

- | | |
|---------------|----------------|
| 1. 07/11/2019 | 8. 03/05/2020 |
| 2. 08/19/2019 | 9. 03/19/2020 |
| 3. 09/19/2019 | 10. 04/02/2020 |
| 4. 10/17/2019 | 11. 05/07/2020 |
| 5. 11/07/2019 | 12. 06/18/2020 |
| 6. 01/09/2020 | 13. 07/09/2020 |
| 7. 02/12/2020 | 14. 08/06/2020 |

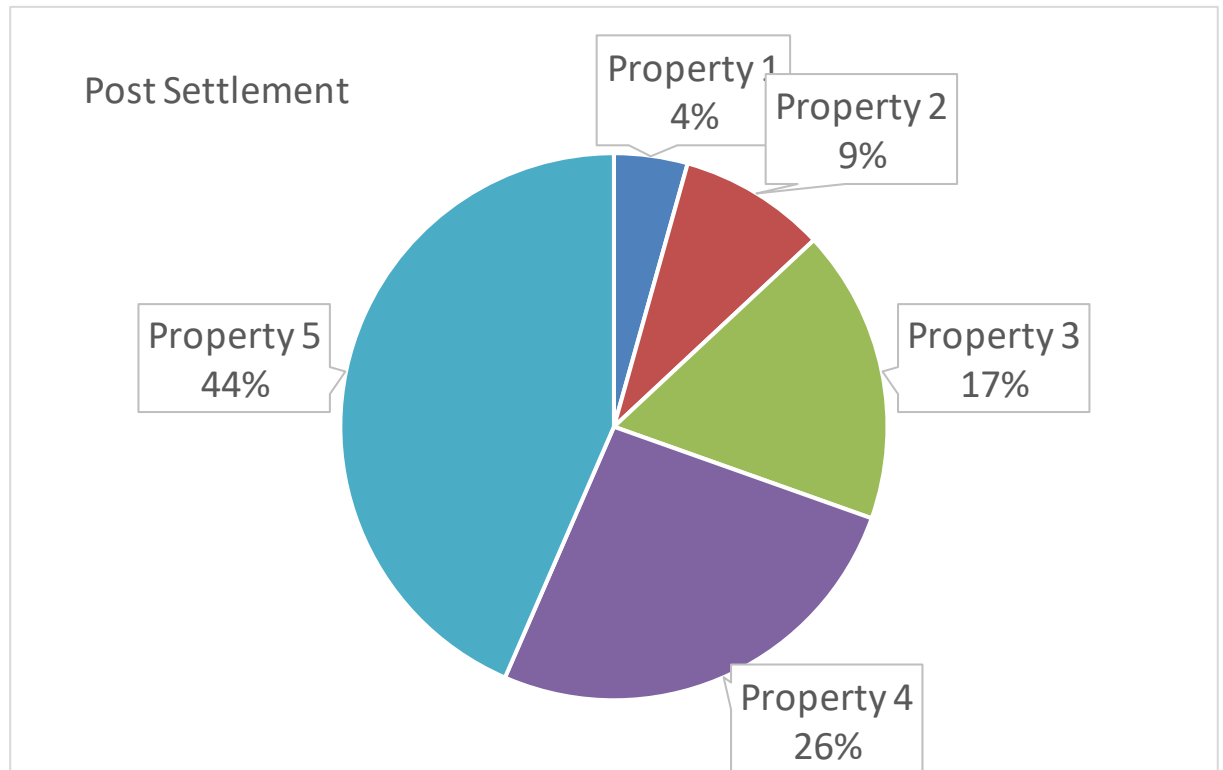
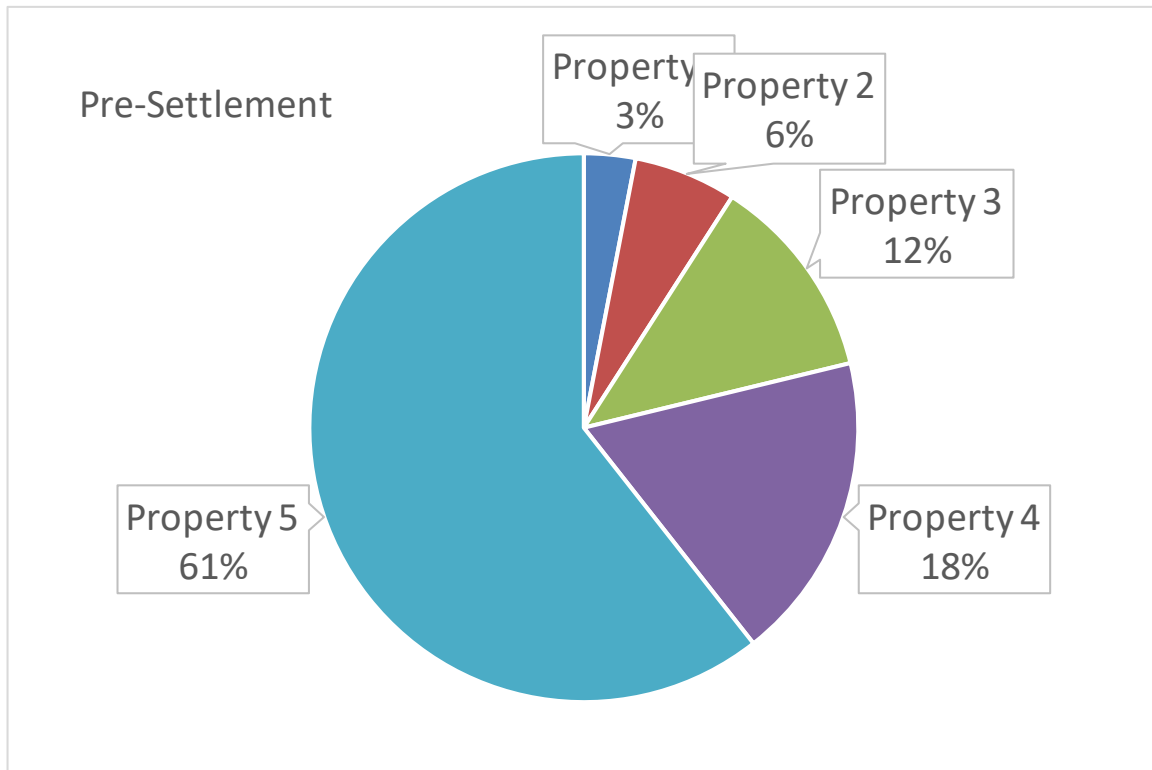
Why did my taxes go up so much?

FOR ILLUSTRATIVE PURPOSES ONLY

VALUES NOT REPRESENTATIVE OF ACTUAL VALUES IN THE WATERFORD-HALFMOON UFSD

Pre-Settlement	Assessed Value	% of Total	Share of Tax Levy
Property 1	\$ 50,000	3%	\$ 351
Property 2	\$ 100,000	6%	\$ 701
Property 3	\$ 200,000	12%	\$ 1,402
Property 4	\$ 300,000	18%	\$ 2,104
Property 5	\$ 1,000,000	61%	\$ 7,012
	\$ 1,650,000		\$ 11,570

Post-Settlement	Assessed Value	% of Total	Share of Tax Levy
Property 1	\$ 50,000	4%	\$ 503
Property 2	\$ 100,000	9%	\$ 1,006
Property 3	\$ 200,000	17%	\$ 2,012
Property 4	\$ 300,000	26%	\$ 3,018
Property 5	\$ 500,000	43%	\$ 5,030
	\$ 1,150,000		\$ 11,570



Frequently Asked Questions

Since my tax bill went up so much, does that mean Waterford-Halfmoon UFSD is getting extra tax revenue?

- No. The District's tax levy did not change from the amount included in the proposed budget. Tax bills increased to make up for the loss of assessed value from the Momentive tax certiorari settlement.

When I voted on the District's budget, the tax rate increase was only about 3%; now it's over 26%. How can it change that much after the budget vote?

- Each year, assessment rolls are tentative when school district budgets are developed. As such, any tax rates presented in the budget are tentative tax rates and are subject to changes in assessment that occur prior to the actual levy of taxes in September. This is why tax rates are presented as estimated tax rates in the budget newsletter. Additionally, this was explained during budget presentations.

Doesn't this mean that the District exceeded the NYS Tax Cap?

- No. The NYS Tax Cap applies to the District's tax levy, not the District's tax rate. The total tax levied is the same amount in the adopted budget. It increased 2.74% from the 2019-20 budget and is within the NYS tax levy limit (tax cap).

Can the District do anything to reduce its tax levy (i.e., make the "pie" smaller)?

- Unfortunately, WHUFSD, like all NYS Districts, is faced with increased costs of reopening school under the COVID-19 pandemic (i.e., PPE, additional custodial staff, etc.). Additionally, NYS has already reduced State aid to WHUFSD by 20% for certain State aid payments and may reduce State aid further in the 2020-21 fiscal year. Lastly, the Momentive tax certiorari case has not decreased the number of children educated by WHUFSD or the costs we must incur to educate those children. For these three reasons the District can not reduce the size of its tax levy.

Questions
