

EAST GREENBUSH CENTRAL SCHOOL DISTRICT
PRELIMINARY PROPERTY TAX LEVY CAP CALCULATION
MARCH 2, 2016

Notes	Tax Cap Component		Calculation
(A)	Prior Year Tax Levy		\$50,327,256
(B)	Tax Base Growth Factor	X	1.0047
	Subtotal	=	\$50,563,794
(C)	PILOTS Received in 2015-2016	+	\$3,788,019
	Tort Exclusion for 2015-2016	-	\$0
(D)	Capital Levy for 2015-2016	-	\$0
	Subtotal	=	\$54,351,813
(E)	Allowable Levy Growth Factor	X	1.0012
	Subtotal	=	\$54,417,035
(F)	PILOTS Due in 2016-2017	-	\$3,186,524
(G)	Available Carryover from 2015-2016	+	\$538,159
	Total Tax Levy Limit Before Exclusions		\$51,768,670
	Tort Exclusion for 2016-2017	+	\$0
(H)	Capital Levy for 2016-2017	+	\$800,563
(I)	Pension Exclusion	+	\$0
(J)	Tax Levy Limit Plus Exclusions	=	\$52,569,233
	Levy Percent Increase Over Base Year (J – A)/(A)		4.45%

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COMPONENTS OF THE 4.45% TAX CAP:

+\$	236,538	Expected full value taxable property growth in school district
+\$	65,222	Allowable levy growth due to Consumer Price Index
+\$	601,495	Net change in PILOT revenues
+\$	538,159	Available levy carryover from prior year
+\$	800,563	Exclusion for capital spending in upcoming year
= \$	2,241,977	Total growth allowed in tax levy
	\$50,327,256	Divide by prior year tax levy
4.45%		Tax Levy Cap for 2016-17 Budget (0.08% in 2015-16, 1.21% in 2014-15)

NOTES:

- (A) The tax levy in the 2015-2016 was estimated at \$50,827,256. Due to favorable financial results for 2015-2016, the tax levy was reduced by approximately 1% or \$500,000 to a net levy of \$50,327,256.
- (B) The tax base growth factor is provided by the New York State Department of Taxation and Finance to account for changes in the full value of taxable property within the school district.
- (C) The current estimate for receipt of Payments in Lieu of Taxes (PILOTs) is \$3,788,019 for the 2015-2016 school year.
- (D) Building aid revenues projected in the current year far exceeded expenses related to capital construction and debt service. This was largely due to approximately \$2,100,000 in one-time building aid from the Bell Top Elementary School emergency soil remediation project.
- (E) The allowable levy growth factor is the lesser of 2% or the Consumer Price Index in the preceding calendar year, which was 0.12%. Note the allowable levy growth factor was 1.62% for the 2015-2016 budget and 1.46% for the 2014-2015 budget.
- (F) Payments in Lieu of Taxes (PILOTs) revenue is expected to decline by \$601,495 in 2016-2017 due to the following PILOT agreements expiring: Comfort Inn, Oak Hill Apartments, Seton Health (Mannix Road II), Rose & Kiernan, and SUNY East.
- (G) The allowable levy limit for 2015-2016 was \$50,865,415. The actual tax levy was \$50,327,256 as noted in (A) above. The difference in amounts of \$538,159 is allowable carryover into 2016-2017.
- (H) Expenses for capital and debt are expected to exceed state aid by \$800,563.
- (I) Since employer pension contribution rates to the Teachers Retirement System and Employee Retirement System are expected to decline, there is no exclusion allowable for 2016-2017.
- (J) The total tax levy limit plus exclusions compared to the 2015-2016 actual tax levy shows a property tax cap increase of 4.45%

New York's Tax Levy "Cap" Formula: How does it add up?

Although often referred to as a "2 percent tax cap," New York's tax levy "cap" law does not restrict any proposed tax levy increase to 2 percent. Pursuant to the law, each school district must follow an 8-step calculation, outlined below, to calculate its individual "tax levy limit." That limit then determines what level of voter support is required for budget approval.

THE BASE FORMULA

The "quantity change factor," determined by the Dept. of Taxation and Finance for each district by Feb. 1. It's the year-to-year increase in the full value of taxable real property in a school district due to physical or quantity change (e.g., new construction). Increases in full value due solely to assessment changes are not included. This factor will not be less than 1.000, even if a district sees a decrease in its full property value. *The commissioner of taxation and finance is authorized to make rules/regulations that may adjust the calculation based on development on tax exempt land.*

The amount of the school district's current-year tax levy necessary to pay for court orders or judgments arising out of tort actions. Applies, only to the portion that exceeds 5% of the school district's total prior-year tax levy. Tax certioraries do not qualify.

This factor, which accounts for inflationary change, is limited to the lesser of 2% or the change in the consumer price index.

The highest allowable tax levy (before exclusions; see below) that a school district can propose as part of its annual budget and need only a simple majority of voters (50% + 1) to pass the budget. Each school district will calculate and report its own tax levy limit.

**PRIOR SCHOOL-YEAR
TAX LEVY**

×

**TAX BASE
GROWTH FACTOR**

+

**PILOTS RECEIVED IN
PRIOR SCHOOL YEAR**

—

**TAX LEVY TO PAY FOR SOME
COURT ORDERS/JUDGMENTS**

—

**TAX LEVY TO PAY FOR
LOCAL CAPITAL COSTS**

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**ALLOWABLE LEVY
GROWTH FACTOR**

—

**PILOTS RECEIVABLE IN
COMING SCHOOL YEAR**

+

**AVAILABLE CARRYOVER
(IF ANY)**

=

TAX LEVY LIMIT

The total amount of property tax revenue levied by the district for the current school year, adjusted for any excess tax levy that was identified for a previous year, including any interest earned.

The amount of revenue receivable by the school district in the current school year from payments in lieu of taxes, known as PILOTS. Certain commercial property owners (usually large corporations) enter into PILOT agreements to make annual payments instead of paying property taxes for a negotiated period of time.

The amount of the school district's current-year tax levy necessary to pay for construction/renovation of capital facilities/equipment (including debt service and lease expenditures) and transportation capital debt service (e.g., bus lease/purchase). Refers only to the portion paid with local tax dollars and does not include state building or transportation aid received. **The commissioner is authorized to make rules/regulations that may provide for adjustments based on a district's share of additional budgeted capital expenditures made by a BOCES.*

The amount of revenue the school district expects to receive in the coming school year from payments in lieu of taxes, or PILOTS.

If a district's current year tax levy was less than its tax levy limit, it must increase the coming year's tax levy limit by that amount or 1.5% of the current year's tax levy limit, whichever is less.

EXCLUSIONS TO BE ADDED

The law excludes certain portions of a school district's tax levy from the calculation above. A district can add these exclusions (described below) to its tax levy limit, increasing the amount of taxes the district is allowed to levy while still needing only a simple majority of voters for budget approval.

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TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS

Applies only when the employer contribution rates set by the statewide pension systems (TRS and ERS) increase by more than 2 percentage points from one year to the next. Even with this exclusion, most—if not all—pension costs must be funded within a school district's tax levy limit.

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TAX LEVY TO PAY FOR SOME COURT ORDERS/JUDGMENTS

The amount of the school district's coming-year tax levy necessary to pay for court orders or judgments arising out of tort actions. Only the amount that exceeds 5% of the school district's prior-year total tax levy can be excluded from the tax levy limit. Tax certioraries cannot be excluded.

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TAX LEVY TO PAY FOR SOME LOCAL CAPITAL COSTS

The amount of the school district's coming-year tax levy necessary to pay for construction/renovation of capital facilities or equipment (including debt service and lease expenditures) and transportation capital debt service. This exclusion refers only to the portion paid with local tax dollars (i.e., does not include state building or transportation aid received).*

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MAXIMUM ALLOWABLE TAX LEVY

The tax levy limit plus exclusions. This is the highest total tax levy that a school district can propose as part of its annual budget for which only the approval of a simple majority of voters (50% + 1) is required.

