

INCORPORATED VILLAGE OF UPPER BROOKVILLE

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IMPORTANT TAX INFORMATION

January 27, 2012

Dear Resident,

I am writing to you about some recent changes made by the State Legislature that will directly affect our Village's budgeting process for fiscal year 2012-13 and to a local law that terminated the Village's status as a real property assessing unit.

Proposed Property Tax Cap Local Law

The State Legislature and the Governor recently enacted legislation that establishes a "property tax cap" on the amount that a local government's property tax levy can increase each year. This takes effect for local fiscal years beginning in 2012.

Under this state law, the growth in the property tax levy will be capped at 2% or the rate of inflation, whichever is less. There are, however, some exceptions. Local communities, by local law, have the ability to override the cap with a 60% vote by the local legislative body.

The Village may come to the conclusion, after reviewing all options, including spending and workforce reductions, that it must exceed the cap in order to continue to provide the level of essential services expected by our residents.

Under other scenarios, the Village may not necessarily decide to override the cap, but it would elect to pass the local law nonetheless. These scenarios include:

- **Precautionary Measure** - In the first year, with the many uncertainties surrounding the interpretation and implementation of this law, there is a possibility that a municipality may unintentionally exceed the 2% tax cap. Without this local law in place, at some later date, the municipality would have to set aside money in a reserve fund. This local law would "protect" the municipality if such a mistake occurs.
- **Default Budgets** - If the governing body fails to pass the budget by the deadline, the result could be an automatic enactment of a budget that includes a property tax levy in excess of the cap. If no local law to override the cap is in effect at such time, an automatic reduction in the levy to the capped amount will be necessary, thereby resulting in an out-of-balance budget.

The Village will do its best, as it does every year, to maintain Village services while adhering to this new 2% tax cap. It is important to note that the 2% tax cap is on the tax levy and not on the tax rate. Residents, in a municipality electing not to exceed the cap, may still experience an increase of more than 2% in their Village tax bills.

Non-Assessing Unit

On September 20, 2011, the Village adopted Local Law 3-2011 entitled “*Amendment to Chapter 62 – ‘Taxation’*” which terminated the Village’s status as an assessing unit, as authorized by the Village Law and the Real Property Tax Law. Although a non-assessing unit village has no assessment authority, it continues to levy a village tax and it continues to collect taxes and enforce the collection of delinquent taxes.

The Village will use the Nassau County Assessment Roll, as it has done in the past. However, the Village will no longer have the ability to make changes to the property assessment values. For fiscal year 2012-13, property assessments will be based on the final Nassau County Assessment Roll issued on or around April 2, 2012, based on market values as of January 3, 2011. The grievance period for the 2012-13 tax year for Nassau County ended on March 1, 2011.

With the termination of our assessing unit status, the Village is no longer responsible for making or defending assessments. The Village no longer has an assessor or board of assessment review and is not responsible to defend tax certiorari proceedings. **Property assessment grievances and petitions are *only* submitted to Nassau County, *not* the Village.**

On January 3, 2012, the Nassau County Department of Assessment published their tentative assessment roll for the 2013-14 tax year based on market values as of that date. **The last day to grieve the County 2013-14 assessments is March 1, 2012.**

If you filed a grievance with Nassau County protesting your 2012-13 tentative assessed value and are granted a reduction by the Nassau County Assessment Review Commission, the new value will be reflected in the final assessment roll published on or around April 2, 2012. This assessment roll will be used by the Village to calculate your 2012-13 taxes. **If you filed a grievance with Nassau County and were unsuccessful in reducing your assessed value, the last day to file for a judicial review of your assessment, including Small Claims Assessment Review, is on or around April 30, 2012.** A copy of the petition must also be submitted to the Village within 10 days of filing it with Nassau County, in order to be considered for a tax refund from the Village.

Please visit www.nassaucountyny.gov to view the assessment review process and most accurate important dates, or contact the Village Clerk, Tracy Lynch at (516) 624-7715 ext. 1 if you have additional questions.

Mayor and Members of the Board of Trustees