

EAST ROCKAWAY SCHOOL DISTRICT

VETERAN'S EXEMPTION HEARING 7:00

Gold Star Parents Hearing 7:15

MARCH 4, 2014



BACKGROUND

- Real Property Tax Law--Section 458-a, commonly referred to as the Alternative Veteran's Exemption, grants a taxing authority the ability to exempt a portion of the taxable assessed value of the primary residence of certain veterans. In the past, only Counties, Cities, Villages, and Towns were allowed to exempt veterans.
- Under new state law signed by Governor Andrew Cuomo in December, school districts were given the ability to authorize partial property tax exemptions for military veterans.
- The State left it up to the school board whether or not to adopt resolutions to provide said exemptions.

Veteran's Eligibility Criteria



- Honorable Discharge from Service
- Active Duty during Wartime (Persian Gulf Conflict, Vietnam War, Korean War, World War II) for dates specified in the law
- Veteran's receiving Expeditionary Medals or who qualify under the alternatives to "period of war" service may also qualify
- Generally, reservists are not eligible
- Certain family members of veterans may be eligible
- Generally, if you currently qualify for the Veteran's exemption in Nassau County you would qualify for this exemption
- Criteria is service-based, not income-based like some other exemptions

Tax Exemption



- Limited to Primary Residence
- Based on a percentage of assessed value subject to maximum levels of exemption
 - Basic Exemption: Exemptions of 15% of assessed property value, not to exceed \$12,000.
 - Combat Zone: An additional exemption of 10%, not to exceed \$8,000 (Dollar limitation for the two exemptions, \$20,000).
 - Disabled Veteran's: In addition to Basic and Combat Zone, an exemption to the extent of the product of the assessed value multiplied by 50% of the veteran's disability rating, subject to a combined maximum of \$40,000.
 - Gold Star Parents are eligible for the first two exemptions, thus a maximum of \$20,000.

Veterans' Exemption

Resolution:

Whereas, a public hearing was held on March 4, 2014 in East Rockaway, New York, and

Where as the Board of Education wishes to extend real property tax exemptions to eligible and qualified property owners pursuant to Real Property Tax law, section 485a(2) **now, therefore**

Be it resolved that the Board of Education in the East Rockaway Union Free School District, hereby adopts the definitions of “qualified owner”, “qualifying residential real property” and “veteran” as provided in the Real Property Tax Law, section 485-a (1)(c), (d) and (e), respectively, and

Be it further resolved that eligible recipients shall be entitled to the exemptions provided in the Real Property Tax Law, section 485-a(2)a,(b) and (c) to a maximum of twelve thousand dollars, eight thousand dollars, and forty thousand dollars respectively, and

Be it further resolved that tenant-stockholders of eligible co-operative corporations, shall be eligible to receive such exemptions as provided in Real Property Tax Law 485-a(6) and

Be it further resolved that recipients of these exemptions shall be permitted to transfer, on a pro-rata basis, the exemption to another home purchased within the East Rockaway Union Free School District as provided in Real Property tax Law 485-a(8)

Gold Star Parent Exemption

Resolution:

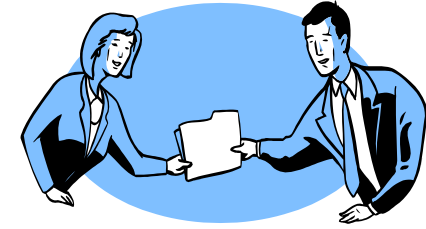
Whereas, a public hearing was held on March 4, 2014 in East Rockaway, New York, and

Whereas the Board of Education wishes to extend a real property tax exemption to the parent(s) of a child who died in the line of duty while serving in the United States armed forces during a period of war as permitted by Real Property Tax Law, section 485-a (7), **now therefore**

Be it resolved that the Board of Education of the East Rockaway Union Free School District, hereby adopts the definitions of “Gold Star Parent” as provided in the Real Property Tax Law, section 485-a(7)(a), and

Be it further resolved that such a Gold Star Parent shall be entitled to the exemptions provided pursuant to Real Property Tax Law, section 485-a(7), to a combined maximum of twenty thousand dollars, and as limited by Real Property Tax Law, section 485-a(7)(c).

Tax Exemption Impact



- Tax exemptions cause a redistribution of taxes among taxpayers, thus there is a tax shift among the taxpayers of the school district
- Once an exemption is given, the total assessed value of the school district would decrease
- Thus, the tax rate per \$100 of Assessed Value will increase for all taxpayers to generate the same amount of taxes for the school district
- There is no impact on the tax levy of the school district or on the tax cap of the school district

East Rockaway Impact

| EAST ROCKAWAY VETERANS' EXEMPTION ESTIMATES - 2015 | | | | | |
|--|-----------------|------------------|--------------------|------------------------|--|
| CLASS I PROPERTIES - HOMEOWNERS | | | | | |
| DESCRIPTION | EXEMPTION COUNT | Statutory Ex A/V | Total Exemption AV | Statutory Exemption \$ | |
| 1 Alternative Veterans - Non-Combat | 162 | \$30 | \$4,860 | \$45,733 | |
| 2 Alternative Veterans - Disability | 19 | \$150 | \$2,850 | \$26,819 | |
| 3 Alternative Veterans - Combat | 142 | \$50 | \$7,100 | \$66,811 | |
| TOTAL | 323 | | \$14,810 | \$139,362 | |
| CLASS II PROPERTIES - CO-OPS AND CONDOS | | | | | |
| DESCRIPTION | EXEMPTION COUNT | Statutory Ex A/V | | | |
| 1 Alternative Veterans - Non-Combat | 19 | \$30 | \$570 | \$2,974 | |
| 2 Alternative Veterans - Disability | 1 | \$150 | \$150 | \$783 | |
| 3 Alternative Veterans - Combat | 6 | \$50 | \$300 | \$1,565 | |
| TOTAL | 26 | | \$1,020 | \$5,321.34 | |
| CLASS I AND CLASS II | 349 | | | \$144,683 | |

East Rockaway Impact

| | | | Total Assessment | Total Exemption AV | Percentage | Tax Rate Incr |
|--------------------------------------|----------|--|-----------------------|-----------------------|--------------------|---------------|
| Percentage of Assessment by Class | Class I | | \$ 2,192,542 | \$14,810 | 0.675% | \$ 6.36 |
| | Class II | | \$ 406,372 | \$1,020 | 0.251% | \$ 1.31 |
| | | | | | | |
| | | | | New tax rate | | |
| | | | Average Assessment | per \$100 | Amount of increase | |
| | Class I | | 773 | \$ 947.36 | 49.13 | |
| | | | | | | |

Questions about Rescission of the Resolution

- Currently, the legislation does not provide a school district with the option to rescind the resolution in the future.
- It is possible that if a school district attempted to rescind the resolution in the future, a veteran in the school district may have the ability to challenge that decision since the current language in the law does not have a provision to rescind.
- The legislation's sponsors are going to introduce a bill that would amend it because it was clearly not their intention to prevent a school district from rescinding their resolution.
- Legislation may be introduced as early as next week to clarify this element of Chapter 458a of the Laws of NYS.
- NYSASBO recommends holding off adoption of the resolution until there is clarification on this issue.

Next Steps

- Board of Education determines whether to offer:
 - Alternate Veteran's Exemption
 - Gold Star Parent's Exemption
- Board Resolutions may be placed on March 11, 2014 agenda
- Resolutions must be filed with Nassau County by March 15, 2014 in order to be effective for the 2014-15 tax levy
- Resolutions passed after March 15, 2014 would become effective in the 2015-16 tax levy
- Veteran's with already approved exemptions on file with Nassau County **DO NOT** need to apply for the school tax exemption