

FINANCE/TAX REDUCTION/MANDATE RELIEF COMMITTEE

Monday, April 22, 2024 - 10:30 AM

Steve McNally, Chairperson
Robin DeLoria, Vice-Chairperson

Vice-Chairman DeLoria called this Finance Meeting to order at 10:40 am with the following Supervisors in attendance: Clayton Barber, Matthew Brassard, Chris Clark, Robin DeLoria, Derek Doty, Shaun Gilliland, Charlie Harrington, Ken Hughes, James Monty, Cathleen Reusser, Favor Smith, Matt Stanley, Ike Tyler, Davina Thurston, Margaret Wood and Mark Wright. Steve McNally was excused. Joe Pete Wilson was absent.

Department Heads present: Laura Carson, Michael Diskin, Jim Dougan, Judy Garrison, Michael Mascarenas, Chelsea Merrihew and David Wainwright. Joe Keegan was excused.

News media: Sun News – Alana Penny

DELORIA: Okay we'll call the Finance committee to order and Chelsea, come on down.

MERRIHEW: Good morning. I submitted my reports for the month of March. We collected \$456,000 last month, sent almost \$200,000 to the Treasurer for local retention. Our land transactions have actually slowed down quite a bit but I think we're still on track to make budget this year. I included the proposed semi-annual mortgage tax report this was transmitted to the state mortgage tax unit two weeks ago, we haven't gotten the approved report back yet but should reflect what you're going to receive once that is approved. Are there any questions about the reports?

DELORIA: Any questions for Chelsea? If not, you have a resolution for us?

MERRIHEW: I do. I was hoping to set our summer hours for this year for June through August of 8 to 4.

RESOLUTION AUTHORIZING TO CHANGE THE HOURS IN THE COUNTY CLERK'S OFFICE AND DMV TO OBSERVE SUMMER HOURS OF 8:00 A.M. TO 4:00 P.M. BEGINNING JUNE 2, 2024 THROUGH AUGUST 30, 2024. Wright, Hughes

DELORIA: Any questions on that? Being none, all in favor, any opposed – carried.

MERRIHEW: That's all I had today.

THURSTON: I just wanted to let you know that recently over the last few weeks, I've had quite a few interactions with your staff at the County Clerk's office and they were all incredibly helpful, very knowledgeable, very quick to return my calls and I just wanted to commend you on that and say thank you very much.

MERRIHEW: Thank you. That's nice to hear.

DELORIA: Anything else for Chelsea? Thank you. Laura Carson.

CARSON: I will keep it short and sweet. In March we processed almost 2,000 invoices. We

noted 198 errors. We prevented about \$15,000 in overpayments and about \$6,000 in duplicate payments.

I will touch on assigned counsel really quick so far in 2023 we are at \$1.1 million. We processed almost 1300 invoices for 2023 which is up drastically from about 800 in 2022, so a really large increase there. Does anybody have any questions?

MASCARENAS: Yeah, Laura of that and I'm not putting you on the spot but I guess I kind of am. How much is that is criminal vs. family?

CARSON: I can't answer that off the top of my head but it's mostly family.

MASCARENAS: I won't hold you to it. I know it's mostly family.

CARSON: I have those numbers.

MASCARENAS: I think that's important to know.

CARSON: Probably 90%-95% is family.

MASCARENAS: Yeah, which driving that number is likely Family Court being that we don't have Public Defender, Conflict Defender doing that work they are doing all criminal work so that number is likely mostly Family Court but it would be nice to see what that is. We'll get it to you.

CARSON: Any other questions? Thank you.

DELORIA: Mr. Wainwright.

WAINWRIGHT: Good morning. My budget is in there, if there are no questions on that I've just got a couple of updates, reminders and that kind of thing. I believe you all got a copy of this. 2024 tentative rolls need to be filed at the town hall by May 1st that's the law. Change of assessment notices will go out in the next couple of weeks. Towns that are maintaining 100% this year. We've got ten of them. I think last year we were actually only at eight so this is a little bit of an improvement. We should be doing a lot more than that in my opinion.

Reminders – board of assessment review training is going to be held May 9th I know we already mentioned this but from 1:30 to 4:30 right here in this room. So far we've got 14 that are mandatory that are coming and about 6 extras at this point sometimes more people will come later on. A little bit of information about the Board of Assessment review. They are assigned to a five year term. These terms are set by the State. They are not set by the town clerk or the town board. Nobody has any say in when these five year terms begin and end but they've got to be staggered and if a member resigns before the end of their term and somebody new comes on they are only a member for the remainder of that existing person's term and then they need to be reappointed and the training has got to be done for the newly appointed members as well as those members that are reappointed for a new five year term.

Grievance Day this year is the fourth Tuesday in May is a standard date. This year it's on Tuesday, May 28th unless the town's assessor has multiple towns it can be after that but it cannot be before and it cannot be any later than June 11th this year that's always the second Tuesday in June as the last day for grievance day.

DELORIA: Dave, do you track the terms of the BAR members throughout the county?

WAINWRIGHT: We have a record of them but we get that record from the State every year. The State offers it to real property tax service as a training division so they give us the reports every year and tell us who is due and who is not.

DELORIA: Okay so everybody is on track as far as the town's and whatnot?

WAINWRIGHT: Right. That's all I've got.

CLARK: I've got two, I just filled the positions recently, new ones that I haven't sent any email two new for training that will be here on the schedule.

WAINWRIGHT: And I'm assuming the town clerk is aware of that and probably sent our office notification in which case we would notify the state and we'll go from there but I'll double check on those.

CLARK: It was Thursday night when we finished this up.

WAINWRIGHT: Oh so it's just recent? Okay. Yeah, so if the town clerk can get that information to our office as soon as possible we'll get them manuals printed up and we'll get them trained.

DELORIA: There's no cap on the attendance of that training is there?

WAINWRIGHT: No everybody that can fit in this room.

REUSSER: How is maintaining 100% what does that mean?

WAINWRIGHT: It means that the Assessor is assessing the town, each parcel at 100% of market value. So when your town falls below 100% say you're at 80% that means your assessor is applying only 80% of the market value to each assessment therefore the town is going to get an equalization rate and if it is your town for example, you may end up having to pay and you will end up having to pay a higher equalization rate means a higher tax rate, I'm sorry a low equalization rate equates to a higher tax rate so if your eq rate falls down to 80% you may see the county and the school tax rate in Elizabethtown go up whereas Lewis if they were maintaining 100% there's would not go up.

MASCAREANS: Yeah, you saw a really good example of that in the county budget is typically where you see it shake out locally you may not see it as much but Mr. Monty was all over me there in the fall about it so I think we ended up with like a \$2.99 tax rate for Essex County but it was in those towns that were at 100% equalization rate. The town that did not meet the 100% assessment paid a higher rate because of that so you'll see, did you get the book from Dave? 2024 Real Property it's a really nice book he puts together and you'll actually see that in there what those rates were in those towns because then people say I have a higher rate so if I do a presentation to the board and say our tax rate is going to be \$2.99, well, in Moriah it's \$3.14, well, yeah because you're assessed at 80% if you were at 100% it would be \$2.99.

BRASSARD: I wish we were at 80%.

MASCARENAS: True but that's where you run into some of those issues.

REUSSER: Is there a downside to, so essentially if you are at 100% it is advantageous for the

town.

WAINWRIGHT: It is advantageous for a few reasons. I'll send you some information on that. As a matter of fact I might as well send it to everybody because we do have some new supervisors here. The number one issue is it's clear to the tax payer what their assessment is, what their market value is. When you tell people they are being assessed at \$150,000 but your market value is \$175,000, then you have to explain to them everything about an equalization rate and how it applies and how you do the math to get it up to full market value it's confusing, it makes people I think trust the assessment process a little bit less because it almost looks like smoke and mirrors to a lot of people. The second biggest reason is if you've got a descent amount of state owned on your property or forest land and stuff they'll freeze your state land values from the last time you did maintain 100% so if you've gone two years less than 100% you're missing out on quite a bit of taxable value. Minerva for example, their taxable state owned land is \$97 million but then you get what they call an aggregate assessment which is for towns within the Adirondack Park and Minerva is like \$157 million dollars so the state really, if you maintain 100% really does chip in. I know a lot of people feel the state is getting a break all the time on their land but I don't know, they value their land a little bit different than the assessor would. The other thing is your STAR exemption amount will start to go down every year that's something that people feel. Your agricultural exemptions change, your town's bond rating can go down, the apportionment of the tax sales tax revenue will change because now you've got an equalization rate of less than 100% so you would probably get less of that. There are quite a few, small things kind of behind the scenes but it all adds up.

REUSSER: Thank you for the explanation.

DELORIA: What about AIM funding is that affected in a situation like that?

WAINWRIGHT: There is, well, there is school funding that is affected. I don't know, I'm not familiar with the AIM.

DELORIA: Aid and incentive for municipalities we all get it and a couple years ago the state cut just about everybody out.

MASCARENAS: They took our money and gave it to you.

DELORIA: Oh, that's right.

MASCARENAS: Yeah, they took it from the counties and gave it to the towns.

DELORIA: That's right they did. Thank you by the way for using Minerva instead of Newcomb on that. Anybody else?

STANLEY: I'm not on this committee but Dave can you send out something especially for the new supervisors, what that 100% equalization rate does mean. I know at one of my town board meetings I tried to explain the assessed value of our town went up actually trying to give the benefits of why it is going up. Our tax rate has been going down the entire time in office so being able to explain that but explaining what benefits we get by staying at 100%. Like, it's an investment in your property, it's an investment in your asset and if you actually look at your taxes over time they're only really going up that percentage of what the budget goes up here at the county and at the town even though your assessment is going up your tax rate is going down.

Ausable Valley is a really good example. We have five towns in that school district and for a while the Town of Ausable was not at 100% their tax rate is over \$18 where the Town of Jay was under \$13 but our value of town side which we were at 100% so those things really and it's a big education piece because everybody goes, the tax assessor well, no, it's the assessor of the property how the taxes are based are totally independent on what the assessment is. So it's a good thing like even a one sheet we can hand out to tell people and explain assessment education is the biggest piece.

WAINWRIGHT: Yes, will do.

MONTY: That was going to be my question. That's a great ask Matt but that also includes Veteran's exemptions, Senior Citizen's exemptions every exemption that's offered to your constituents can be affected am I correct Dave?

WAINWRIGHT: The majority of them, yes.

MONTY: And that's huge and they don't understand that. It's all well and good until it hit your wallet.

MASCARENAS: And the bottom line is the sales are far exceeding our assessed values right now. Every town you look in that properties are selling for way more than they are assessed for and that's what's driving the issue.

MONTY: But the state has promised us when it goes down ours will too.

MASCARENAS: Yeah, right.

STANLEY: Mr. Hughes just brought up a good point to me. Our assessors are doing their work but they're not fully to blame for the assessment going up in your town. They get numbers together to go to New York State Real Property and Real Property says you're at 100% or not you need to do this work so as much as your assessor is trying to make stuff fair in your town they still have to answer to New York State and sometimes New York State is like, no, that's not good enough raise it some more.

HUGHES: He said what I was going to say.

DELORIA: Anything else for Mr. Wainwright? Being none, thank you Dave. You're excused. Good report. Mr. Diskin.

DISKIN: Good morning. Hopefully you got that all out of your system so you won't be asking me any questions. I'll start with sales tax. The sales tax you'll see is in red this month. It went down. That is something that happened all around the state. It's not just common to Essex County but many of the counties around the state saw a drop in sales tax last month. I'm not sure exactly why other than this time of year.

DELORIA: How do you think that eclipse is going to react to that?

DISKIN: Hopefully we'll see that in the May figures it's going to be rolling in so hopefully we'll see an upsurge in that in most of the county. Occupancy actually wasn't bad considering with the sales tax drop but we did drop in occupancy

by a little over \$31,000 so that kind of correlates a little bit with the sales tax as well and then I have my budget with you and expenses and revenues. That's pretty much it but I did want quickly let you know, most of you know the budget was passed over the weekend with that was the information on the interim tax foreclosure changes. In the coming days I'm going to sit down with Mr. Manning digest those and hopefully get them out to you but some of the highlights of them are we are going to be able increase what we can deduct as costs. It used to be \$150 we could charge now it's \$250 or 2% of the taxes that are owed whichever is greater. That's going to increase the amount we can hold back as expenses, administrator expenses. It can include things like mailing, the cost of publication also the cost of record or filing any legal documents. I'm just giving you a quick digest of this. The bill does take effect immediately. The nice part about it it's not really retroactive beyond May 2023, when the Hennepin case was passed in the Supreme Court. The only one that would be in there if someone filed an Article 78 proceeding within four months of the sale which is long past gone so unless somebody did those they are not going to be able to go back retroactive and collect. So you won't hear from people three, four, five property tax auctions ago that now they want their money back.

The other part of it is that lien holders are going to be included as far as the surplus what I'm reading quickly there and in looking at it, it's going to be similar to a mortgage foreclosure where lien holders come in first before the property owners. Anybody that had a lien, we are going to be notifying them that there is a surplus including the owners. There is going to be an application process to the court it won't be coming through the County Treasurer, the Clerk of the Board or anybody it goes through court they put an application in the court decides who gets what and lets us know only after those lien holders if the lien holders apply for that they have priority so owners will only get their money when there is no lienholders ahead of them or there is some left over if there is money left over there is a three year waiting period we have to hold that money in case they step forward within that three year period but after that three year period the county can keep the money. It doesn't go to the state. It doesn't go to unclaimed funds, the county can keep the money but with the caveat that the excess has to be applied to reduce taxes. You can't use it for other expenses it has to be applied to your tax bill.

There is something called Homeowners Bill of Rights that's going to be written up that we are going to have to mail out so there's tax notices and foreclosure notices will be a lot more extensive now.

DELORIA: How would the land bank factor into this?

DISKIN: I didn't read a lot on that. There some provisions in there to protect the land banks. I didn't see it in the actual interim foreclosure but that's in a separate part of the budget. I'm not sure.

DELORIA: I was just curious.

MASCARENAS: We know it's there.

MONTY: There's some language that's there but it's not really the official language. I haven't seen the actual document for that but it looks good. It looks better than what we had but I'm not sure. I'll know more Thursday we have our statewide land bank meeting and their attorney would have looked at it and let us know.

DISKIN: This was a summary that I just got from NYSAC that I just read to you. The actual meat of the bill I haven't seen the full content of it but I know in the bill before it was passed it addresses what counties could do with county owned properties as far as giving it to other municipalities or

the land banks and that was addressed in that old bill so there is language in there talking about those properties to be able to handle them that way.

The only other thing I wanted to point out to you is that there was a proposal in the state to require short term rentals to charge sales tax that did not pass. So you won't see that happening unless it's brought up again somewhere separate from the budget. It was not in the budget that short term rentals would be liable for sales tax. That's all I had. Any questions?

DELORIA: Does anybody have anything for Mike? If not, thank you sir.

MASCARENAS: Yeah, so I didn't submit a report. A little reminder for all of you that if you haven't done your ARPA reporting you need to get that done. I talked to some of you that have needed some help on figuring all that out but make sure you get that done. I'll be getting that done this week and then I'll be bringing you an ARPA amendment here real soon. I'm still waiting on a price on a phone system so that I can do those final amendments. With the passing of the budget, our next department head meeting I'll be meeting with departments and seeing how we did with our own budget so what happens to us every year is we make a certain amount of assumptions when we pass our budget and that begins in January. That assumes we are going to get a certain amount of money from the State based on priority or actuals and last year we did that and we lost about \$700,000 when they came out with the new attorney fees for Indigent and right off the bat so hopefully there's no big surprises there but we'll see what happens in terms of that. Any questions?

DELORIA: Okay thank you Mike. Anything else to come before this committee? If not, thank you we stand adjourned.

As there was no further discussion to come before this Finance meeting it was adjourned at 11:05 a.m.

Respectfully submitted,

Judith Garrison, Clerk
Board of Supervisors