

PROPERTY TAX ACTIVITY UPDATE – OCTOBER, 2004

Over the course of the past several months since the final 2004 revaluation has gone public and the resultant tax levies have been issued, there have been many phone calls, personal visits, and letters expressing a high level of frustration and disgust over the results and demanding that action be taken to correct these runaway conditions.

I would like to summarize some of the activity undertaken to address these points.

ANNEXATION

There are questions constantly being raised regarding the annexation of the Hague Central School and whether or not it can or should be overturned.

In 1956 a statewide plan provided for the joining of Hague Central School, Crown Point Central School, Putnam Central School and Ticonderoga Central School into a larger school district. After many meetings during the ensuing years, the merger proposal was dropped by 1970.

Five times between 1971 and 1978 voters defeated proposals to annex the Hague Central School to the Ticonderoga School District.

In September 1978, the New York State Education Department stated that the Hague Central School was not registered as, nor qualified to be, a 4 year high school and could not continue to graduate its seniors after 1979.

A sixth annexation vote was held in April 1979 and was again defeated. The Hague School Board made plans to send students in grades 7-12 to Ticonderoga on a tuition basis.

On Friday, June 29, 1979 a seventh school annexation vote was held. The vote was conducted by the New York State Education Department when the Hague School Board went on record as being unwilling to hold an additional vote. The results of the vote were: 242 Yes, 190 No. As a result of this vote, the Ticonderoga Central School Board immediately became the owner of all Hague Central School properties and the Board of Ticonderoga Central School made all the decisions about carrying out the annexation

A group of residents hired an attorney in an attempt to overturn the June 29 election. On July 24, 1979 a State Supreme Court Justice upheld the annexation. The Hague Central School District was dissolved by the NYS Department of Education.

After a referendum passed the Hague school building and property was sold to the Town of Hague for \$1.

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The annexation of the Hague Central School to the Ticonderoga School District was a result of a properly conducted election by the people of Hague some twenty – five years ago. A legal challenge was made and the annexation was upheld. There was no appeal of such holding. This issue is closed.

WITHDRAWAL FROM THE TCS DISTRICT:

Similarly, there have been questions regarding withdrawal from the TCS district.

While a process is available to form a new district, the likelihood of being able to satisfy the criteria is very small.

New York State Education Law, Sections 1501 through 1527, deals with school districts. A district superintendent may form a new district out of the territory of one or more school districts whenever educational interests of the community require it.

There is also a provision to form a joint school district. No such district may be formed, however, unless the following requirements are met:

- a. The enrollment of the municipality seeking to organize the new school district is at least 2,000 students, and is not greater than 60% of the school district from which it is to be organized.
- b. The new school district would have an actual evaluation per total wealth pupil unit at least equal to the statewide average.
- c. The remaining enrollment of the existing school district would be at least 2,000 students.
- d. A majority vote of the residents of Hague or a vote of at least two-thirds of the Town Board of Hague.
- e. A majority vote of the members of the Board of Education of the Ticonderoga Central Schools.
- f. A majority vote of the residents of Ticonderoga. This is not required if the new school district is approved by a two-thirds vote of the Ticonderoga Central School Board of Education.

Any outstanding bonded debt of the existing school district is required to be apportioned based upon the assessed valuation of the Towns involved in those districts, which, based upon present figures, would mean that the Town of Hague would have to bear approximately one-half of such debt.

While there is a process to establish a new district, the conditions precedent thereto make success highly unlikely and therefore not recommend at this time.

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EQUALIZATION RATES AND A COMMON TAXING DISTRICT:

Over the decade and a half, there have been concerns expressed over the perceived inequity in assessments and equalization rates between Hague and Ticonderoga. Several attempts have been made in the past to establish a common taxing district. While the recommendations of these efforts were well thought out and well intentioned, execution and implementation did not happen largely due to the lack of willingness of the Town Boards to cooperate in this venture.

NYS Real Property Tax Law was reviewed in an attempt to understand the process available to establish a common taxing district. Communication with our Town attorney on this matter was helpful.

Section 1314

Real Property Tax Law (RPTL), entitled “Equalization in school districts located in more than one city or town”, describes a manner in which a school district consisting of more than one town can establish a process in which taxes can be apportioned utilizing one taxing process. Cooperation from both towns, however, is required to complete a revaluation using the same principles of assessment and completed at the same time.

Section 1314 – 1. (a)

RPTL defines the methodology used to determine the full valuation. The school authorities are required to secure the latest final completed assessment rolls for each town and deliver them to the district superintendent.

The district superintendent then secures from the state board the equalization rates and determines the full valuation of real property by dividing the assessed value by the state provided equalization rate.

Section 1314 – 2.

If it is made to appear to the state board, by the assessor of the town, that the state equalization rate is inequitable as applied to real property within the town in the school district, the State Board of Real Property Services shall determine a special equalization rate to be supplied to the school superintendent for the purpose of establishing full value of real property.

The Town, therefore, has a process to challenge any inequities in equalization rates provided there is data to support the challenge.

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Several attempts have been made in the past to establish a common taxing district between Hague and Ticonderoga. This requires the cooperative effort of both Towns to use the same principles of assessment, completing the process at the same time. Requests have been made to the Ticonderoga Town Supervisor by Dan Belden to establish such a process. The Ticonderoga Supervisor and Town Board have refused to agree to do so. Work will continue to insure that common assessment principles are used in both Towns. Discrepancies will be brought to the attention of County ORPS for reconciliation.

TAXATION WITHOUT REPRESENTATION

This lack of representation has been an issue for many years. The following opinion of Dominick Viscardi - Hague Town Attorney, in response to a letter written by R. G. Gladu on January 16, 2004, puts voting qualifications in perspective.

“Qualifications of Voters at District Meetings, 2012 of the Education Law.

1. A US Citizen
2. 18 Years of Age
3. A resident within the school district for 30 days
4. Not otherwise disqualified. See provisions of section 5-106 of the Election Law – prior criminal record.

“ For the definition of resident, refer to s1-104 of the Election law under definitions, paragraph 22 – The term ‘residence’ shall be deemed to mean that place where a person maintains a fixed, permanent, and principle home and to which he, wherever temporarily located, always intends to return.

“You cannot separate your right to vote, claiming one residence for voting, and another for other purposes.

“Case law supports the denial of a voter to register for failing to supply that he filed a New York State tax return.”

As a result, property owners whose primary residents are out of town or out of state must find other ways to express their opinions on issues facing the Town of Hague.

Seasonal residents should consider the option of declaring their primary residence in Hague. This option is more feasible for those residents who already reside in New York State. Out of state seasonal residents should continue to make their feelings known to Hague town officials and State legislators.

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TICONDEROGA CENTRAL SCHOOL BOARD / BUDGET PROCESS:

As an integral part of its 2004 monthly agenda, the Hague Town Board has established a School committee which provides a vehicle to report and act on key school and budget related activity.

Attendance by the residents of Hague at the monthly TCS Board has been minimal. Regular meetings with the TCS superintendent initiated during the critical budget process.

Budget details for the 2004 – 2005 have been received. The intent is to establish a review team to look into the details of the budget in preparation for the 2005 – 2006 budget discussions.

Residents of the Town of Hague should be encouraged to actively participate in TCS School Board activity. Three seats on the 7 member School Board for the 2005 -2006 term will be opening up. We must bring forward qualified local candidates for these positions. Securing any of these seats would strengthen our formal input in the decision making process.

Participation in monthly TCS Board meetings provides a forum for our comments and concerns to be heard as well. Attendance from Hague has to be improved.

Residents should become actively involved in the upcoming 2005 – 2006 budget process, and make known their position on spending increases, areas of potential spending reductions, or any other ideas that could improve the overall efficiency of the TCS district.

SCHOOL FUNDING REFORM:

Meetings held earlier this year with Assemblywoman Sayward and Senator Little again reiterated the need for a new approach to funding of schools other than the significant reliance upon property taxes.

In a landmark decision, the New York Court of Appeals ruled in favor of the Campaign for Fiscal Equity that every public school student is entitled to the opportunity for a meaningful high school education.

The Court of Appeals called for a three part remedy: “Find out what a decent education really costs; require the state funding systems to provide the necessary amount of resources to every school; and follow through with sound accountability measures that will insure the money is used in ways that will directly result in improved student achievement.”

The result was an order to reform the current state aid education funding formula. Steven Sanders, Chairman of the Committee of Education has held hearings across the State

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aimed at soliciting comments and ideas on implementation of a revised plan. The court inflicted deadline of June 2004 for proposals to reform and revamp the system so as to affect the 2004 – 2005 school year came and went. It has been 16 months since the decision. The court has established a three person panel to devise a solution. There is a high probability that this panel will limit its scope to New York City schools, leaving upstate schools unaddressed. The New York State School Boards Association will likely fight this to protect the interests of the upstate schools.

School funding options were discussed at an early March 2004 meeting with Assemblywoman T. Sayward and Minority Council Henry Meyers. The feeling that prevailed was that the current system of funding education is seriously flawed and that action must be pursued to reduce the dependency on property taxes as well as to control spending. Significant State and Federal mandates must be challenged. There was also a discussion of establishing a foundation system that would establish the cost to educate a student regionally adjusted for local needs.

The significant demand of unfunded State and Federal mandates, contractual commitments to teachers and staff, increased contributions to retirement funds, increased healthcare costs taken together have driven large budget increases as well as limit the level of local control. Our legislators understand these concerns; however the sheer magnitude of effort required enacting any changes has resulted in slow and limited progress. We must continue to express our concerns at any opportunity.

TAX RELIEF ACTIVITY:

In September of 2004, working with concerned taxpayers in the three counties surrounding Lake George, the **Tri-county Committee for Property Tax Relief** was formed.

Introduction

The Tri-County Committee for Property Tax Relief is an action-oriented group of citizens and community leaders in the North Country who are deeply concerned about the burdens and inequities of New York State's local property tax system -- a situation spiraling out of control.

Over the last several years the State's taxation and fiscal policies have led to an ever increasing overdependence on the antiquated, unfair property tax. The state continues to legislate benefits and programs that are among the most generous in the country, but pushes more and more of the cost down to local governments and school districts. As a result, studies show that while state-level taxes are in the mid-range nationwide, local taxes are as much as 97% above average. Exacerbated by pockets of explosive growth in property values and assessments -- which do nothing to increase an individual owner's taxpaying capability -- tax burdens are reaching unaffordable levels for many long time homeowners, especially those on fixed incomes.

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We must look at ways to consolidate services at the local level, – and at the governments level where possible – is a necessary part of our future. Similarly, as residents we must all face the economic and fiscal realities of the 21st century and develop more restrictive views as to what public expenditures are in fact “essential” (and at what levels), and convey those views forcefully to our elected officials and future candidates.

Steering Committee Members

Bert Windle	Putnam
Arthur Borin	Huletts Landing
Eugene Frost	Dresden
Robert Krakes	Port Henry
Charles Gerwig	Putnam
Dick Gladu	Hague
John Hodgkins	Queensbury
Bob Rudt	Putnam Station
Paul Ryan	Fort Ann
John Whitely	Ticonderoga

Mission

Our mission is to enhance communication between citizens and their legislators to promote and accomplish property tax reform and relief. We will research the statistical data, identify the causes of this ever increasing burden, and make recommendations for legislative, policy and constitutional changes to alleviate the burden. Our overriding goal is to reduce the threat to all homeowners, especially permanent residents on fixed incomes, who face the forced sale of their homes because of the escalating property tax burden over which they have no meaningful control.

Legislator Discussions:

On October 20, 2004 members of the steering committee met separately with Assembly-woman Teresa Sayward and her opponent for the State Assembly for the 113th District, Dennis Tarantino.

Assembly-woman Sayward agreed that the top issue was increased assessed values and rising property taxes. She clearly recognizes the problem, including the need for immediate short term relief for residents on fixed incomes as well as the need for long term solutions that will benefit all property owners.

Mr. Dennis Tarantino emphasized the need for procedural reform prior to getting any meaningful legislative changes through.

The Committee Members, present for these discussions, endorsed the re-election of Assembly-woman Sayward looking forward to working with her to solve these issues.

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The following is quoted from the October 27, 2004 edition of the Post Star:

“Name: Teresa R. Sayward

Ballot party line(s): Republican, Conservative and Independence

Address: 127 Middle Road, Willsboro

Occupation: Member of the Assembly

Education: High school

Age: 59

Current public offices held: Member of the Assembly

Past public offices held: Willsboro town supervisor, 11 years, Essex County Board of Supervisors, 11 years, chairman of Essex County Board of Supervisors, two years

Credentials for office: Married for 42 years, mother of four and grandmother of 10; owner and operator of small business 20-plus years, chairman of zoning board for eight years; supervisor of town of Willsboro for 11 years; Essex County supervisor for 11 years; chairman of Essex County Board of Supervisors for two years; chairman of Governmental Affairs Committee, New York State Association of Counties; chairman of North Country Advisory Council to the state Division for Women.

Top issues in this campaign: The top issue is increased assessed values and rising property taxes. People moving into our area and paying increased amounts for the property, causing property values to rise. Many on fixed incomes are facing higher and higher property taxes. Some have been forced to sell their homes. Less spending on all levels is necessary. Alternative ways to fund schools and changes in the way the state values properties could help solve this problem.

What I'd do if elected: I have committed to working with local taxpayers' groups to help develop recommendations regarding the issue of escalating property assessments and rising taxes. Through the Assembly Education Committee, I will continue to work on alternative ways to fund education that will be fair for schools and maintain a quality education for all students in the state. “

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“Name: Dennis Tarantino

Ballot party line: Democratic

Address: 277 Butler Pond, Queensbury

Occupation: Partner in Kenneally & Tarantino law firm and Maple Abstract and Realty Corp.

Education: St. Mary's Academy (high school), Siena College, Albany Law School

Age: 55

Current public office held: None

Past public office held: Moreau deputy town attorney, 1979-'85

Credentials for office: Thirty years of problem-solving for the middle class representing individuals, families and small business; significant involvement with senior citizens on issues such as estate planning and administration and Medicaid; extensive experience with state agencies on behalf of clients.

Top issues in this campaign: Radical reform of the legislative system is a critical priority. Analysis of incumbent versus challenger on mainstream issues including safe workplace, living wage and outsourcing jobs. Determination as to credentials for next Assembly member to challenge leadership at all cost, including political damage.

What I'd do if elected: Immediately access Assembly speaker to determine genuineness of reform proposals with allies in Assembly and Senate. Maintain lines of communication between legislative offices and all constituents on a year-round basis. Monitor controversial local issues to benefit of communities represented”

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IN CONCLUSION:

While there was no magic solution, a number of on going activities have been identified which must be followed over the next years. It is clear that we in Hague cannot solve the problem of escalating taxes, and inadequate state aid funding formulas.

We can however participate in activities aimed at addressing these problems. It is clear that we must establish equitable relationships with our school district and the Town of Ticonderoga. This is especially key as more industries and business negotiate for reduced assessments and subsequent tax reductions.

It is also clear that we must continue to build upon the relationship being developed with those Towns surrounding Lake George and develop a common set of recommendations to our legislators to address the problems associated with escalating property values and the resultant increases in property taxes. We must take every chance we can to communicate with our legislators on the problems we face, and demand action at their level.

We must also establish a mechanism to allow our seasonal residents to air their feelings on key Town and School District issues. The web site, currently released by the Town of Hague, (www.townofhague.org) will provide an important step.

We must be involved in the spending side of the equation as well. It is important to become more proactive in the budget process as it applies to our TCS District. It is also imperative to support our Town Supervisor in his role to manage County budgets.

We must also keep an open mind and advocate the growth of businesses in the Hague / Ticonderoga area consistent with our Comprehensive Plan. This can create an opportunity to add more value to the assessment side of the equation thereby spreading the tax levy amongst a larger base.

**Richard G. Gladu, (rgladu@nycap.rr.com)
October 27, 2004**