

Resolution #3 of 2012

Investment of 2% Property Tax Cap Fund Excesses

New York State Law Effective January 1, 2012 requires that the local government maintain any property tax levy increase to no more than 2% or the rate of inflation.

WHEREAS, the Town of Delhi earnestly attempted to comply with the regulations to maintain a 2% property tax cap increase;

WHEREAS, the New York State Legislature rushed this mandated law resulting in little time for the State Comptroller's Office for study and review.

WHEREAS, the Comptroller's Office indicated many municipalities throughout the state exceeded the limit.

THEREFORE, be it resolved the Delhi Town Board hereby directs the Supervisor through the bookkeeper to set aside \$7,496.00 from the 2012 budgeted funds to be placed in a reserve account to be used to offset the property tax levy in 2013.



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February 6, 2012

Mr. Peter Bracci
Supervisor
Town of Delhi
Members of the Board
5 Elm Street
Delhi, NY 13753

Report Number: 2012M-22-TC

Dear Mr. Bracci and Members of the Board:

Chapter 97 of the Laws of 2011 established a tax levy limit on all local governments in New York State, effective January 1, 2012. This law requires that local governments maintain any property tax levy increase to no more than 2 percent or the rate of inflation, whichever is less. The law does provide exemptions for certain specific costs and allows the governing board to override the tax levy limitation with a supermajority vote.

We have determined that your tax levy for 2012 exceeded the allowable limit by \$7,496, and that your governing board has not voted to override the tax levy limitation. Because you enacted a property tax levy that is higher than the allowable limit, you are required to place \$7,496 in reserve and use these funds used to offset the property tax levy in 2013. It is our understanding that you are taking the necessary steps to establish a reserve for this purpose, and to fund the reserve with the amount of the excess tax levy.

We have attached our Accounting Bulletin to provide guidance on this issue. Please contact our Binghamton Regional Office at (607) 721-8306 with any additional questions you may have.

Sincerely,


Steven J. Hancox
Deputy Comptroller