

**GENESEE COUNTY SALES TAX  
DISCUSSION W/ TOWNS & VILLAGES**

July 7, 2021

# AGENDA

- Update on enabling State legislation
- Genesee County's solution
  - Option before the Towns/Villages
  - Timeline
  - Sales tax restart & revenue distribution process for 2021 and later
- Water/sales tax stats to review
- Questions/Answers

# ENABLING STATE LEGISLATION UPDATE

- New York State Assembly and Senate majority parties rejected Genesee County's proposed enabling legislation
  - Didn't like the precedent getting set (loss of State control)
  - Figured we could fix our problem without State legislation
- Without the legislation Towns with Villages will be forced to raise significant taxes on property owners outside of the Village, resulting in unbalanced property taxation
- Genesee County Legislators agree that unbalanced taxation can not continue on rural property taxpayers

# GENESEE COUNTY'S SOLUTION

- Amend the 40 year (38 years remaining) sales tax agreement with the City of Batavia
  - The City Council and County Legislature have both met privately and are agreeable in principle to the amendment
  - The County Legislature is willing to add back into the agreement \$10 million in annual sales tax distributions to Towns and Villages WITH ALL MUNICIPALITIES providing signed updated water supply agreements, received by the County by Friday, August 13<sup>th</sup>
  - Without universal updated water supply agreements, the County will add in \$7 million in annual sales tax distributions to Towns and Villages and pass annual revenue distribution resolutions for another \$3 million, to allow for the equalization of water surcharge revenue
- County estimates show that an annual \$7 million sales tax distribution fixes the accounting treatment problem in 3 of the 6 Towns with Villages, while a \$10 million distribution fixes the problem in 5 of the 6 Towns with Villages

# TIMELINE

- 7/7/21 Notify Towns and Villages of sales tax agreement amendment
- 7/19/21 Draft amended sales tax agreement sent to NYS Comptroller for review
  - City Council and the County Legislature have agreed in principle to the amendment, but the wording is still being drafted for both bodies to agree to before submission to the Comptroller. The Comptroller will give the wording a review to ensure there are not obvious violations of the law in language.
- 7/21/21 Resolution to cancel the remaining revenue dist. payments for 2021 taken to WM
  - Remaining \$5 million in planned voluntary revenue distribution payments will instead be made via sales tax route starting with 3rd quarter distribution in late October, thus allowing for ½ year of proper treatment of Town Outside B fund revenue
- 7/28/21 Resolution to cancel the remaining revenue dist. payments for 2021 taken to the Legislature
- 8/13/21 Deadline to receive signed Town/Village updated water supply agreements
- 8/18/21 Amended sales tax agreement taken to Ways and Means
- 8/25/21 Amended sales tax agreement taken to Legislature meeting
- 9/13/21 City of Batavia adopts resolution amending sales tax agreement
- 9/14/21 Amended signed sales tax agreement sent to Compt. for formal approval (60-90 days)

## WHAT'S NEXT FOR SALES TAX & VOLUNTARY REVENUE DISTRIBUTION

- Proposed amended sales tax agreement between County and City would be dated 7/1/21 to limit the exposure of Towns with Villages accounting for voluntary revenue distributions incorrectly in their B funds
  - Revenue distributions would be finished for 2021 (\$5 million distributed through 6/30)
  - Two quarterly sales tax payments totaling \$5 million will be made in 2021 (3<sup>rd</sup> and 4<sup>th</sup> qtrs.)
  - Starting in 2022, quarterly payments totaling either \$10 or \$7 million will be made
    - If \$7 million is paid, then \$3 million in voluntary revenue distribution payments will be made
  - Once the County and City amend the sales tax agreement there will be no further amendments later
  - Sales tax distributions will be based on taxable assessed value

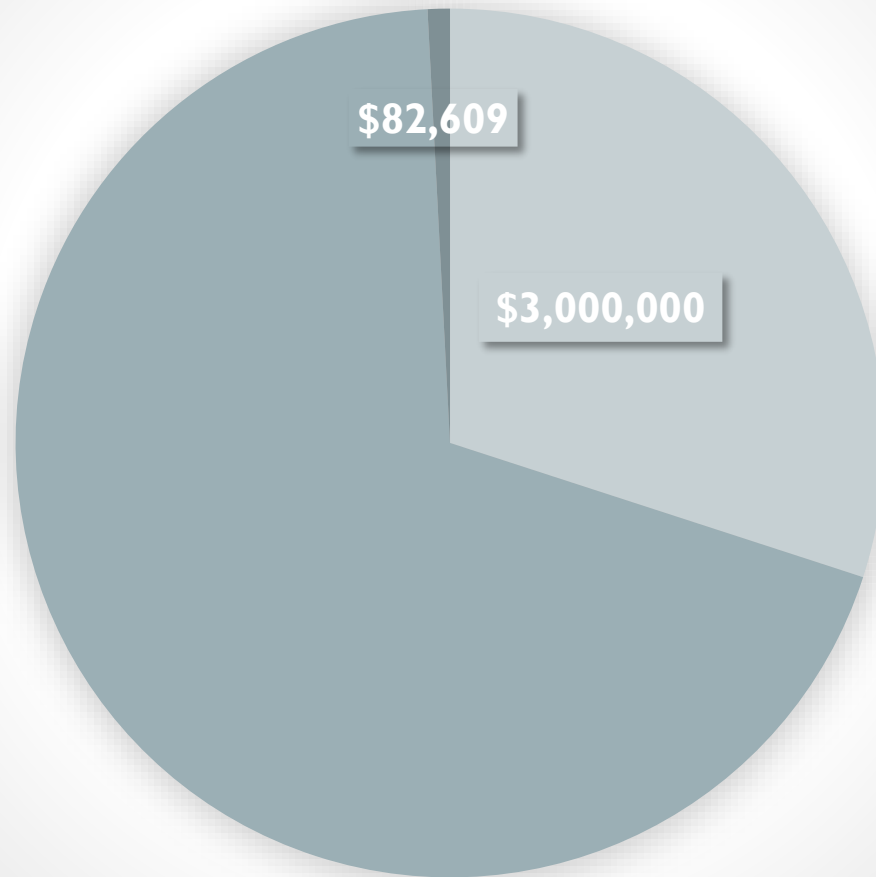
# SALES TAX DISTRIBUTION COMPARISONS

Municipality	\$10 Million	\$7 Million	Difference
Town of Alabama	\$407,659	\$285,361	\$122,298
Village of Alexander	\$71,006	\$49,704	\$21,302
Town of Alexander	\$398,581	\$279,007	\$119,574
Village of Attica	\$28,333	\$19,834	\$8,499
Town of Batavia	\$1,687,937	\$1,181,556	\$506,381
Village of Bergen	\$198,962	\$139,273	\$59,689
Town of Bergen	\$508,589	\$356,012	\$152,577
Town of Bethany	\$408,961	\$286,273	\$122,688
Town of Byron	\$461,621	\$323,135	\$138,486
Village of Corfu	\$137,653	\$96,357	\$41,296
Town of Darien	\$970,992	\$679,694	\$291,298
Village of Elba	\$106,620	\$74,634	\$31,986
Town of Elba	\$360,317	\$252,222	\$108,095
Village of LeRoy	\$718,277	\$502,794	\$215,483
Town of LeRoy	\$822,270	\$575,589	\$246,681
Village of Oakfield	\$199,387	\$139,571	\$59,816
Town of Oakfield	\$299,202	\$209,441	\$89,761
Town of Pavilion	\$543,151	\$380,206	\$162,945
Town of Pembroke	\$1,020,483	\$714,338	\$306,145
Town of Stafford	\$649,999	\$454,999	\$195,000
<b>TOTALS</b>	<b>\$10,000,000</b>	<b>\$7,000,000</b>	<b>\$3,000,000</b>

# COMPARISON BETWEEN WATER SURCHARGE IN QUESTION VS \$3 MILLION IN SALES TAX

Total Pie Graph = \$10 Million

~ \$82,609 = 2019 water consumption x \$.60





## QUESTIONS?

- The County Manager's Office will meet with Town and Village officials individually or with entire Boards to discuss the plan and answer any questions that may arise over the next few weeks