2%?? What does that mean??

Q: Does the tax cap mean my annual property tax can’t increase more than 2 percent?

A: Not necessarily. New York’s property tax cap law establishes a tax levy limit for each school district. The tax levy limit allows school districts to increase their property tax levy from one year to the next by 2 percent or the rate of inflation, whichever is less, based on a multi-step formula. School districts are then allowed to take certain exemptions that may boost their tax levy limits to more than 2 percent or the inflation rate.

If a school district’s proposed tax levy increase is within its limit, a simple majority of voters is needed for budget approval. If a school district’s proposed tax levy increase exceeds the tax levy limit, a supermajority of voters – 60 percent or more – would be required for budget passage.

Q: Does the tax levy indicate how much my taxes will rise?

A: No. The tax levy is the amount of money the school district can raise through property taxes. The amount an individual will pay to contribute to the levied amount is the tax rate. Tax rates paid by individual taxpayers may differ greatly from one household to another, based on such things as equalization rates and assessed property values, and may exceed 2 percent.
**Tax Levy Limit Formula**

**Base Formula**

\[
\text{Tax Levy Limit} = \left( \left( \text{Total taxes levied for prior fiscal year} + \text{Prior year reserve offset} \right) - \text{Reserve amount (including interest earned)} \right) \times \text{Tax base growth factor} \times \text{PILOT received in the prior fiscal year} - \text{Capital tax levy exclusion, prior fiscal year} - \text{Tort exclusion, prior fiscal year} \times \text{Allowable levy growth factor (1.00 to 1.02)} + \text{PILOT's receivable in coming fiscal year} + \text{Available carryover, if any}.
\]

**Exclusions**

- Tax levy necessary for expenditures resulting from court orders/judgments
- Tax levy necessary to pay for increases to the system average actuarial contribution rate (ERS) or normal contribution rate (TRS) of pension funds over 2 percentage points

1. Tax base growth factor: Based on Tax and Finance determination of “quantity change,” such as new construction, newly taxable status of existing property, or measurable improvements to taxable property within the boundaries of the local government or school district.
2. Allowable levy growth factor: Lower of 1.02 or inflation factor (percent change in CPI for the 12-month period ending 6 months before the start of the coming fiscal year over the prior 12-month period), but never lower than 1.00.
3. If school districts propose to exceed this, they must get 50% voter approval for an override.
| Tax Levy Calculation - Recommended |

**CORTLAND CITY SCHOOL DISTRICT**

<table>
<thead>
<tr>
<th>Tax Levy Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESTIMATED</strong></td>
</tr>
<tr>
<td><strong>2023-2024</strong></td>
</tr>
<tr>
<td><strong>2022-2023</strong></td>
</tr>
<tr>
<td><strong>2021-2022</strong></td>
</tr>
<tr>
<td><strong>2020-2021</strong></td>
</tr>
<tr>
<td><strong>2019-2020</strong></td>
</tr>
<tr>
<td><strong>2018-2019</strong></td>
</tr>
<tr>
<td><strong>2017-2018</strong></td>
</tr>
<tr>
<td><strong>2016-2017</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Base Growth Factor</th>
<th>1.0000</th>
<th>1.0000</th>
<th>1.0000</th>
<th>1.0021</th>
<th>1.0022</th>
<th>1.0027</th>
<th>1.0026</th>
<th>1.0064</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable Levy Growth Factor (lesser of 2% or CPI)</td>
<td>0.0123</td>
<td>0.0123</td>
<td>0.0123</td>
<td>0.0181</td>
<td>0.0200</td>
<td>0.0200</td>
<td>0.0126</td>
<td>0.0012</td>
</tr>
<tr>
<td>Prior Year Tax Levy (actual tax levy from prior year)</td>
<td>18,373,148</td>
<td>18,107,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Prior Year Adjusted Tax Levy (calculation)</td>
<td>18,373,148</td>
<td>18,107,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Prior Year Adjusted Levy &amp; Tax Base Growth Factor (calculation)</td>
<td>18,373,148</td>
<td>18,107,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Add Pilots Receivable in 2020 - 2021 (PILOTS estimated last year)</td>
<td>149,500</td>
<td>149,500</td>
<td>141,000</td>
<td>145,000</td>
<td>120,000</td>
<td>150,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>2020-2021 Local Capital Levy Share From last years tax cap calc</td>
<td>798,854</td>
<td>748,528</td>
<td>596,206</td>
<td>753,047</td>
<td>745,625</td>
<td>885,883</td>
<td>1,180,073</td>
<td>1,250,382</td>
</tr>
<tr>
<td>Adjusted Prior Year Tax Levy (calculation)</td>
<td>17,724,093</td>
<td>17,508,726</td>
<td>17,295,095</td>
<td>16,988,507</td>
<td>16,652,621</td>
<td>16,208,958</td>
<td>15,901,077</td>
<td>15,985,394</td>
</tr>
<tr>
<td>Adjusted Tax Levy &amp; Allowable Levy Growth Factor (2% or CPI) (calculation)</td>
<td>17,942,100</td>
<td>17,734,083</td>
<td>17,508,735</td>
<td>17,285,199</td>
<td>16,985,673</td>
<td>16,614,747</td>
<td>16,243,195</td>
<td>16,004,577</td>
</tr>
<tr>
<td>Remove Pilots Receivable in 2021/22 (anticipated upcoming PILOTS)</td>
<td>149,500</td>
<td>149,500</td>
<td>141,000</td>
<td>145,000</td>
<td>120,000</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax Levy Limit (calculation)</strong></td>
<td>17,792,500</td>
<td>17,547,493</td>
<td>17,355,136</td>
<td>17,154,999</td>
<td>16,840,673</td>
<td>16,467,747</td>
<td>16,123,195</td>
<td>15,854,577</td>
</tr>
<tr>
<td><strong>Add Current Year Exemptions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 - 2022 Local Capital Levy Share</td>
<td>889,714</td>
<td>798,054</td>
<td>748,528</td>
<td>596,206</td>
<td>753,047</td>
<td>745,625</td>
<td>885,883</td>
<td>1,180,073</td>
</tr>
<tr>
<td><strong>Tax Levy Threshold (calculation)</strong></td>
<td>$ 18,482,214</td>
<td>$ 18,373,148</td>
<td>$ 18,107,664</td>
<td>$ 17,751,200</td>
<td>$ 17,559,679</td>
<td>$ 17,215,372</td>
<td>$ 17,006,932</td>
<td>$ 17,014,659</td>
</tr>
<tr>
<td>Allowable Increase in Dollars (calculation)</td>
<td>$ 109,066</td>
<td>$ 265,483</td>
<td>$ 356,464</td>
<td>$ 191,525</td>
<td>$ 378,348</td>
<td>$ 208,440</td>
<td>$ 146</td>
<td>$ 7,718</td>
</tr>
<tr>
<td>Allowable Increase in % (calculation)</td>
<td>0.59%</td>
<td>1.47%</td>
<td>2.01%</td>
<td>1.09%</td>
<td>2.20%</td>
<td>1.23%</td>
<td>0.0009%</td>
<td>0.0454%</td>
</tr>
<tr>
<td><strong>2021 - 2022 PROPOSED LEVY (what you are ACTUALLY going to levy)</strong></td>
<td>$ 18,482,214</td>
<td>$ 18,373,148</td>
<td>$ 18,107,664</td>
<td>$ 17,751,200</td>
<td>$ 17,559,679</td>
<td>$ 17,215,372</td>
<td>$ 17,006,932</td>
<td>$ 17,006,932</td>
</tr>
<tr>
<td>Actual Increase in Dollars (calculation)</td>
<td>$ 109,066</td>
<td>$ 265,483</td>
<td>$ 356,464</td>
<td>$ 191,525</td>
<td>$ 378,348</td>
<td>$ 208,440</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actual Increase in % (calculation)</td>
<td>0.59%</td>
<td>1.47%</td>
<td>2.01%</td>
<td>1.09%</td>
<td>2.20%</td>
<td>1.23%</td>
<td>0.0009%</td>
<td>0.0454%</td>
</tr>
<tr>
<td>Difference between Allowable and Actual (calculation)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$(94)</td>
<td>$(34,041)</td>
<td>$0</td>
<td>$(546)</td>
<td>$(57,718)</td>
</tr>
</tbody>
</table>

*Utilize Debt Service to level out/stabilize our tax levy
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt service payments (principal + interest)</td>
<td>$4,673,783</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$100,000</td>
</tr>
<tr>
<td>RAN Payments</td>
<td>$61,000</td>
</tr>
<tr>
<td>School Bus purchases</td>
<td>$398,304</td>
</tr>
<tr>
<td>BOCES Rent and Capital Expenses</td>
<td>$117,769</td>
</tr>
<tr>
<td>Lease payments on school buses</td>
<td>$</td>
</tr>
<tr>
<td>Energy Performance Contract payments</td>
<td>$</td>
</tr>
<tr>
<td>Lease payments on school facilities</td>
<td>$</td>
</tr>
<tr>
<td>Interfund transfers to Debt Service Fund to make debt payments related to capital projects</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$5,350,356</strong></td>
</tr>
<tr>
<td>Minus:</td>
<td></td>
</tr>
<tr>
<td>Building aid on capital projects to be received for the year</td>
<td>$3,829,122</td>
</tr>
<tr>
<td>Transportation Aid on capital transportation purchases to be received for the year</td>
<td>$421,933</td>
</tr>
<tr>
<td>Bus Purchases paid for with funds held in a capital reserve or insurance proceeds</td>
<td>$</td>
</tr>
<tr>
<td>Aid on BOCES Rent and Capital Expenses</td>
<td>$88,773</td>
</tr>
<tr>
<td>Capital project expenses paid for with funds held in a capital reserve</td>
<td>$</td>
</tr>
<tr>
<td>Capital project expenses paid for with EXCEL Funds</td>
<td>$</td>
</tr>
<tr>
<td>Transfers from the Debt Service Fund to the General Fund to make debt payments</td>
<td>$262,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$4,601,828</strong></td>
</tr>
<tr>
<td><strong>Local Capital Levy Exclusion Amount</strong></td>
<td><strong>$748,528</strong></td>
</tr>
</tbody>
</table>
# Tax Levy Calculation - Without Using Debt Service

## Cortland City School District

### Local Capital Levy Exclusion Calculation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund:</strong></td>
<td></td>
</tr>
<tr>
<td>Debt service payments (principal + interest)</td>
<td>$ 4,673,783</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>RAN Payments</td>
<td>$ 61,000</td>
</tr>
<tr>
<td>School Bus purchases</td>
<td>$ 398,304</td>
</tr>
<tr>
<td>BOCES Rent and Capital Expenses</td>
<td>$ 117,269</td>
</tr>
<tr>
<td>Lease payments on school buses</td>
<td>$ -</td>
</tr>
<tr>
<td>Energy Performance Contract payments</td>
<td>$ -</td>
</tr>
<tr>
<td>Lease payments on school facilities</td>
<td>$ -</td>
</tr>
<tr>
<td>Interfund transfers to Debt Service Fund to make debt payments related to</td>
<td></td>
</tr>
<tr>
<td>capital projects</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$ 5,350,356</strong></td>
</tr>
</tbody>
</table>

**Minus:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building aid on capital projects to be received for the year</td>
<td>$ 3,829,122</td>
</tr>
<tr>
<td>Transportation Aid on capital transportation purchases to be received</td>
<td>$ 421,933</td>
</tr>
<tr>
<td>for the year</td>
<td></td>
</tr>
<tr>
<td>Bus Purchases paid for with funds held in a capital reserve or insurance</td>
<td>$ -</td>
</tr>
<tr>
<td>proceeds</td>
<td></td>
</tr>
<tr>
<td>Aid on BOCES Rent and Capital Expenses</td>
<td>$ 88,773</td>
</tr>
<tr>
<td>Capital project expenses paid for with funds held in a capital reserve</td>
<td>$ -</td>
</tr>
<tr>
<td>Capital project expenses paid for with EXCEL Funds</td>
<td>$ -</td>
</tr>
<tr>
<td>Transfers from the Debt Service Fund to the General Fund to make debt</td>
<td></td>
</tr>
<tr>
<td>payments</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$ 4,339,828</strong></td>
</tr>
</tbody>
</table>

### Local Capital Levy Exclusion Amount

$ 1,010,528

---

No use of Debt Service
# Tax Levy Calculation - Without Using Debt Service

## Cortland City School District

### Tax Levy Calculation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Base Growth Factor (get from OSC website - see link)</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0021</td>
<td>1.0022</td>
<td>1.0027</td>
<td>1.0026</td>
<td>1.0664</td>
</tr>
<tr>
<td>Allowable Levy Growth Factor (lesser of 2% or CPI) (get from OSC website - see link)</td>
<td>0.0123</td>
<td>0.0123</td>
<td>0.0123</td>
<td>0.0181</td>
<td>0.0200</td>
<td>0.0200</td>
<td>0.0126</td>
<td>0.0012</td>
</tr>
<tr>
<td>Prior Year Tax Levy (actual tax levy from prior year)</td>
<td>18,373,148</td>
<td>18,369,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Prior Year Adjusted Tax Levy (calculation)</td>
<td>18,373,148</td>
<td>18,369,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Prior Year Adjusted Levy x Tax Base Growth Factor (calculation)</td>
<td>18,373,148</td>
<td>18,369,664</td>
<td>17,751,200</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Add PILOTS Receivable in 2020-2021 (PILOTS estimated last year)</td>
<td>149,000</td>
<td>149,000</td>
<td>141,000</td>
<td>145,000</td>
<td>145,000</td>
<td>120,000</td>
<td>150,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2020-2021 Local Capital Levy Share From last years tax cap calc</td>
<td>7,986,654</td>
<td>1,010,528</td>
<td>596,205</td>
<td>753,047</td>
<td>745,625</td>
<td>883,883</td>
<td>1,160,073</td>
<td>1,250,332</td>
</tr>
<tr>
<td>Adjusted Prior Year Tax Levy (calculation)</td>
<td>17,724,093</td>
<td>17,508,736</td>
<td>17,295,995</td>
<td>16,880,567</td>
<td>16,652,621</td>
<td>16,280,968</td>
<td>16,041,077</td>
<td>15,885,394</td>
</tr>
<tr>
<td>Adjusted Tax Levy x Allowable Levy Growth Factor (2% or CPI) (calculation)</td>
<td>17,942,100</td>
<td>17,724,093</td>
<td>17,508,736</td>
<td>17,295,995</td>
<td>16,880,567</td>
<td>16,652,621</td>
<td>16,280,968</td>
<td>16,041,077</td>
</tr>
<tr>
<td>Remove PILOTS Receivable in 2021-22 (anticipated upcoming PILOTS)</td>
<td>149,000</td>
<td>149,000</td>
<td>141,000</td>
<td>145,000</td>
<td>145,000</td>
<td>120,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Tax Levy Limit (calculation)</td>
<td>17,792,500</td>
<td>17,574,493</td>
<td>17,359,330</td>
<td>17,154,999</td>
<td>16,840,073</td>
<td>16,646,747</td>
<td>16,123,195</td>
<td>15,854,577</td>
</tr>
<tr>
<td>Add Current Year Exemptions: 2021-2022 Local Capital Levy Share from capital exclusion sheet in this workbook</td>
<td>689,714</td>
<td>798,654</td>
<td>1,010,528</td>
<td>596,205</td>
<td>753,047</td>
<td>745,625</td>
<td>883,883</td>
<td>1,160,073</td>
</tr>
<tr>
<td>Tax Levy Threshold (calculation)</td>
<td>$18,492,314</td>
<td>$18,373,146</td>
<td>$18,369,664</td>
<td>$17,751,204</td>
<td>$17,559,679</td>
<td>$17,215,372</td>
<td>$17,006,932</td>
<td>$17,006,932</td>
</tr>
<tr>
<td>Allowable Increase in Dollars (calculation)</td>
<td>$109,066</td>
<td>$3,483</td>
<td>$618,464</td>
<td>$191,525</td>
<td>$378,548</td>
<td>$208,440</td>
<td>$146</td>
<td>$7,718</td>
</tr>
<tr>
<td>Allowable Increase in % (calculation)</td>
<td>0.59%</td>
<td>0.02%</td>
<td>3.48%</td>
<td>1.09%</td>
<td>2.26%</td>
<td>1.23%</td>
<td>0.008%</td>
<td>0.004%</td>
</tr>
<tr>
<td>2021-2022 PROPOSED LEVY (what you are ACTUALLY going to levy)</td>
<td>18,482,314</td>
<td>18,373,146</td>
<td>18,369,664</td>
<td>17,751,204</td>
<td>17,559,679</td>
<td>17,215,372</td>
<td>17,006,932</td>
<td>17,006,932</td>
</tr>
<tr>
<td>Actual Increase In Dollars (calculation)</td>
<td>109,066</td>
<td>3,483</td>
<td>618,464</td>
<td>191,525</td>
<td>346,057</td>
<td>208,440</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actual Increase in % (calculation)</td>
<td>0.59%</td>
<td>0.02%</td>
<td>3.48%</td>
<td>1.09%</td>
<td>2.06%</td>
<td>1.23%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Difference between Allowable and Actual (calculation)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>($5)</td>
<td>($33,541)</td>
<td>$0</td>
<td>($146)</td>
<td>($7,718)</td>
</tr>
</tbody>
</table>
Tax Levy Video

Here is a video about the tax levy…
Next steps

- Continue to review staffing information as it becomes available
- Health insurance rates will be known in March
- Benefit rates to be recalculated as staffing becomes known
- Finalize Tax Cap Calculation
- Put together a budget projection
Thank you for taking the time to view this presentation!