

**Homer Central School District
PO Box 500
Homer, New York 13077-0500**

**(607) 749-7241
(607) 749-2312 FAX**

**Michael J. Falls
Director of Business and Finance**

MEMORANDUM

To: BOE/Kelli Yacavone, District Clerk
From: Michael J. Falls, Director of Business and Finance
Re: Tax Certiorari Reserve Recommendation and Resolutions
Date: August 22, 2013

The District has paid \$11,013 in Tax Refunds during the 12-13 fiscal year. There is an additional \$20,081 in refund claims pending specifically for the 13-14 tax year, \$14,903 for 12-13, and \$112,259 worth of pending claims for years prior to 2012-13.

Of the \$112,259 in claims, a very large claim of \$73,529 is likely to be dismissed for non-action according to District records. That leaves \$38,730 in likely pending claims for prior years.

According to Education Law Section (3651 (1-a)), the funds in Tax Certiorari Reserve must be returned to the General Fund within four years if not used to pay claims. The Board of Education may return the funds to General Fund at any time before the end of the fourth year as well. This makes this reserve a very safe reserve for school districts because the Board of Education can hold the funds for anticipated needs but can also access the funds if needed for another purpose, by returning them to the General Fund by resolution.

Therefore, it is my recommendation that the Board of Education returns a portion of the existing reserve to the General Fund and then subsequently creates a new Tax Certiorari for 2013-14 using the same monies thereby rolling the funds from one reserve into another. Ideally, the District will create a Tax Certiorari Reserve fund for each year of the statutorily allowed four year period rolling some amount from year to year, while also paying some amount of claims and adding to the reserve over time.

RESOLUTION ONE

Whereas, the Board of Education of the Homer Central School District created a 2012 Tax Certiorari Reserve Fund which, at that time, the Board of Education deemed might be necessary to anticipated judgments and claims arising out of tax certiorari proceedings; and Whereas funds must be returned to the General Fund if they are not used for tax certiorari proceedings for the tax roll in the specific year they were deposited and/or will not reasonably be required to pay a tax certiorari refund related to such proceedings; and Whereas, the remaining balance of the 2012 Tax Certiorari Reserve Fund is Two Hundred Thirty-Nine Thousand Dollars (\$239,000); and Whereas Two Hundred Thirty-Nine Thousand Dollars (\$239,000) in the 2012 Tax Certiorari Reserve Fund were not used for tax certiorari proceedings for the 2012 tax roll, the specific year they were deposited, and/or will not reasonably be required to pay a tax certiorari refund related to such proceedings; Now therefore be it resolved that Two Hundred Thirty-Nine Thousand Dollars (\$239,000) from the 2012 Tax Certiorari Reserve Fund shall be returned to the General Fund.

RESOLUTION TWO

Whereas the Homer Central School District Board of Education is authorized to create a tax certiorari reserve fund to pay for judgments and claims resulting from tax certiorari proceedings under Article 7 of the Real Property Tax Law; and Whereas, the Homer Central School District Board of Education deems that Two Hundred Thousand Dollars (\$200,000) may be necessary to anticipated judgments and claims arising out of tax certiorari proceedings; Now, therefore, be it resolved that the Homer Central School District Board of Education authorizes the creation of a 2013 Tax Certiorari Reserve Fund in the amount of Two Hundred Thousand Dollars (\$200,000), the amount the Board of Education deems might be necessary to anticipated judgments and claims arising out of tax certiorari proceedings.