

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 Installment Plan

Date: March 5, 2014

As per the Budget and Finance Committee's request, I have attached information regarding the implementation of a School Tax Installment Plan at Homer CSD. I would be happy to answer questions that you may have concerning this contract.

School Tax Installment Plan

Currently in Homer, we do not utilize an installment plan for School Taxes. Taxpayers pay their School Taxes at Key Bank in Homer, NY and have the option to pay within the first 30 days without penalty or after the 30 days with a 2% penalty assessed. If a Taxpayer does not pay their School Taxes after 60 days, they are turned over to collection through their county of residence.

The School Tax installment plan is a bit more restrictive than the installment plan for Village/County Taxes. The School Tax Installment period still falls within 60 days for payment, unlike the Village/County Tax Installment period that may span four months.

School District Installment Payments Chapter 551 (S.3110) ▪ RPTL § 1326-a(1)

Chapter 551 gives non-city school districts additional flexibility in structuring an installment payment program. Previously, where the program was offered (it is a local option), the installment schedule consisted of three payments, with the first being at least 50% of the total tax due, the second being at least 50% of the balance due plus interest, and the third being the amount remaining due plus interest. Chapter 551 preserves the three-payment structure while allowing each school district to set its own minimums for the first and second installment payments. If a school district that offers installment payments does not set its own minimums, the statutory minimums apply. In either case, the payment due dates remain the same as before.

Collection Officer

The Homer Central School District would not be able to use Key Bank as their collection point. Under RPTL (Real Property Tax Law) 972, Homer would have to name Cortland County as the Collection Agency.

BOE Resolution

In order to move to an Installment Plan, the BOE would have to pass a resolution. (See Sample)

Request for Approval of Installment Payment of Taxes

Recommendation – that that the Board of Education of the Homer Central School District does hereby approve the following resolution:

WHEREAS, Section 1326-a of the Real Property Tax Law (RPTL) permits a board of education to authorize the payment of taxes in excess of \$50 in three installments, the first being at least 50% of the total tax due, the second being at least 50% of the remainder plus interest and the third being the remainder plus interest; and

WHEREAS, the Board of Education of the Homer Central School District wishes to provide its taxpayers with the opportunity to pay school taxes in installments in accordance with the provisions of Section 1326-a RPTL;

THEREFORE, BE IT RESOLVED, that the Board of Education hereby authorizes giving School District taxpayers the option of paying school taxes in three installments pursuant to Section 1326-a RPTL, with the first installment of 50% of tax due in September not later than the last day of the penalty-free period, the second installment of 50% of the remaining tax due plus 2% interest on October 15th and the third installment of the remaining taxes due plus 3% interest on October 31st; and

BE IT FURTHER RESOLVED that the School Tax Collector develop appropriate procedures to implement the collection of school taxes in three installments.