

**Homer Central School District
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**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 Levy Limit-BOE Approval
Date: February 28, 2017

As per our February 14, 2017 BOE Meeting, the Tax Levy Limit for Homer CSD was calculated at 1.85% (An Increase of \$295,143). Voter approval of a Tax Levy Limit at or below 1.85% would require a 50% + 1 vote. Anything over that amount would require a Super Majority Vote (approval of 60% or more).

A proposal above “tax levy limit” requires Super Majority approval.

A district may, however, present voters with a budget proposal that carries a tax levy that exceeds its tax levy limit (including exclusions). In such a case, budget passage requires approval by a Super Majority of voters (60 percent or more). If a district fails to obtain a Super Majority for a proposal that exceeds the tax levy limit, the same rules for a budget defeat apply.

What happens if the Annual Budget is voted down?

With New York’s new tax levy “cap” law in effect, the rules for contingent budgets have changed. No longer is there a spending cap on contingent budgets. Instead, there is now a 0 percent cap on the tax levy increase. In other words, a district that adopts a contingent budget would have to levy the same amount of taxes as in the current year or less—without any adjustments for state pension rate increases, contractual obligations or any other costs, mandated or not. Other aspects of the contingent budget rules have stayed the same. If voters defeat their school district budget on May 16th, a district has two options: resubmit the same proposal or a revised one for a revote on June 20th, or adopt a contingent budget. If residents vote down the budget a second time, the district MUST adopt a contingent budget.

The BOE must determine their Tax Levy Limit/Allowable Increase for 2016-17 by March 1st. Please note, that the BOE still has the ability to set the Tax Levy lower or higher than the Tax Levy Limit/Allowable Increase after March 1st.