

From the Mayor's Desk...April 4, 2013

At the next regular meeting on Monday, April 15, 2013 at 7:00 p.m., the Board of Trustees will be continuing the public hearing on the 2013/14 Village operating budget. Even though there are no major service cuts, I hope you will join the discussion. The tentative budget is posted on the Village website. Related to the budget, I would like to discuss the relatively new State law capping local tax levies.

It is the second year of the 2% NYS Tax Levy Cap Legislation. For the second straight year, the Village's tax levy is below the tax levy cap. The Tentative Budget for 2012/13 reflects a tax rate of \$281.97 or an increase of 2.25% over last year. The difference between the increase in the tax rate and the increase in the tax levy is explained by the State's tax levy cap formula.

In the calculation, the tax levy cap provides for a 2% allowable growth factor, a tax base growth factor of 1.11%, an exclusion for certain pension contributions over 2% and a carry forward of \$104,924 from last year's cap calculation. In dollars, these components amount to a tax levy limit increase of \$528,803. In comparison, the tentative budget contains a tax levy cap increase of \$352,744 or \$176,059 below the cap.

On April 15, we will also be holding a public hearing to consider the adoption of a local law allowing the Village to override the tax levy cap. With a tax levy cumulatively \$176,059 below the cap, this step would seem unnecessary. My colleagues and I have expressed concern about the loss of local control over property taxes and, thus, we will be considering an override to make a statement. We fully discuss the tax cap override at the April 15 meeting.

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