

Effects of Dissolution on Williamsville Village Property Taxes

Village of Williamsville Citizens Study Group

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Introduction

A referendum for the dissolution of the Village of Williamsville is scheduled to be held on Tuesday, August 17th, 2010. This referendum is arguably the most important vote in the history of the Village of Williamsville.

The Village of Williamsville Citizen's Group is dedicated to providing factual information about the costs and benefits associated with the Village of Williamsville Government and impact that Village dissolution will have on residents, so that residents can make an informed decision when the vote takes place.

There is a common misconception that Williamsville Village residents are either "double taxed" or pay a Village tax in addition to a full town tax. In fact, a group, "Citizens to Strengthen the Village of Williamsville", has recently distributed flyers throughout the Village stating "Village Residents Pay \$932.21 More Every Year" [than Town residents for a home valued at \$150,000]. This statement is **extremely misleading** because it is based a study that **DID NOT** include the Town's Special District fees for things such as water, sewer infrastructure, drainage, fire protection, garbage collection and highway maintenance that are all included in the Village Tax bill. Village residents are not "double taxed" and, in fact, do not pay Town Special District Fees. In order for the property taxes to be fairly compared between Village and Amherst properties, the Town's special district fees therefore must also be considered.

Comparative Analysis

The following analysis provides Williamsville Village residents with an understanding of how their tax bills may change with Village Dissolution. **Results suggest that the property tax for a \$150,000 single family residence could actually increase as a result of Village dissolution (Figure 1).**

Figure 1. A comparative analysis of property taxes for a \$150,000 single family household shows one dissolution scenario in which property taxes/fees increase by \$86 when the Town's Special District fees are considered.

Current Village		Dissolved Village	
<u>Property Taxes and Special District Fees</u>		<u>Property Taxes and Special District Fees</u>	
Village	\$ 608.48	Village	\$ 0
Village Sewer	\$ 148.50	Village Sewer	\$ 0
General Town	\$ 708.74	General Town	\$ 469.80
Library	\$ 71.51	Library	\$ 71.51
Com. College	\$ 13.46	Com. College	\$ 13.46
Central Alarm	\$ 16.95	Central Alarm	\$ 16.95
NYS Man. Program	\$ 704.67	NYS Man. Program	\$ 704.67
TC Highway	\$ 0	TC Highway	\$ 139.79
SD Water	\$ 0	SD Water	\$ 80.55
SD Sewer	\$ 0	SD Sewer	\$ 638.67
SD Drainage	\$ 0	SD Drainage	\$ 31.22
SD Fire	\$ 0	SD Fire	\$ 156.09
SD Garbage	\$ 0	SD Garbage	\$ 229.71
SD LD 2003 Merger	\$ 0	SD LD 2003 Merger	\$ 135.16
Adjustment for Sewer Water Usage (120k gal)	\$ 328.80	Adjustment for Sewer Water Usage (120k gal)	\$ 0
Total Tax & Fees: \$ 2601.11		Total Taxes and Fees: \$ 2687.58	

Methods Used in the Calculations

An attempt was made to provide a valid comparison of property taxes for a \$150,000 single-family home in the current Village as compared to the same home under a likely dissolution scenario.

Town property tax information (e.g., tax rates for special districts and general town taxes) was obtained from the Town of Amherst Comprehensive Property Information System, a web-based information system that allows individuals to view properties and provides information about each property's characteristics, value and taxes. The system can be accessed via the Town's official website (www.amherst.ny.us). Village tax information

was obtained via the Village 2010-2011 adopted budget, which can be accessed via the Village's official website (<http://village.williamsville.ny.us/>).

Adjustments were made to line items to help make the property taxes to as comparable as possible. Amherst's special district sewer fees/taxes account for services that are based on the rates of water usage that are not accounted for in the Village sewer fees, and therefore \$328.80 was added to the Village property tax based on an estimated \$120,000 gallons of water usage and the Village rate for sewer water use. Exemptions and school taxes were not included in the analysis.

In order to fairly include the Special District fees, assumptions had to be made about whether the Village would be incorporated into an existing Town Special District or if it would be designated as a unique Special District. The assumptions included:

TC Highway: This is the same for the entire town and would apply to the Village.

SD-Water (New) – A unique SD with a \$3 million debt on a 20-year loan at 3% fixed interest for improvements were assumed to be required by Erie County for taking control of the water service. Both Erie County and Town Officials have indicated that significant infrastructure improvements will be required if Erie County is to provide the same service to the Village as it currently provides to the Town. \$3 million is a rough approximation of what major improvements might cost.

SD Sewer –District 1: This is the sewer district for the Snyder area. Williamsville Village sewer infrastructure and debt related to sewer improvements was thought to most closely resemble Snyder's.

SD Storm Drainage-District 16: The Village is almost fully surrounded by SD Storm Drainage District 16 and therefore it is likely that it would become part of this district. Rates were based on a \$150k property having a lot size of 65x120'.

SD Fire –District 16: This is the current Williamsville Fire District.

SD Garbage – This is the same fee per residence throughout the town and would apply to the Village.

SD LD 2003 (Lighting) – This is the same rate for the entire town and would apply to the Village.

2010 rates for SD fees were used in the calculations. The following equations were used to estimate the adjusted property taxes:

Current Village adjusted property tax = Town & County Taxes & Fees + Village + Village Sewer + Mean Sewer Water Usage (120 k gallons) Water Sewer rate per k gallon (\$2.74)*

Dissolved Village adjusted property Tax = Town & County Taxes & Fees + Estimated Special District Fees

Results show that a \$150k single-family property may require an additional \$86 in taxes/fees under this dissolution and special districting scenario. It should be noted that even without a unique special district for Village water system repairs and infrastructure, a modest increase in property taxes still remains under the assumed remaining special districting scenarios.

A detailed study and comprehensive plan for dissolution is needed for an exact measure of the impact of dissolution on Village property taxes. In absence of such a study, this report provides one attempt to estimate, with reasonable assumptions, the impact of dissolution on Village property taxes.