

Nassau County  
Disputed Assessment Fund  
~UPDATE~

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Class 4 Properties

# 2018/19

## Disputed Assessment Fund (“DAF”)

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- July 2018
  - Disputed Assessment Fund (“DAF”) Law modified
- October 2018
  - First half 2018/19 School tax bills issued
  - No DAF charge
- January 2019
  - 2019 General tax bill issued
  - DAF charge line item

# 2018/19

## DAF

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- Changes to DAF Law:
  - No DAF charge/reduction on School tax bill
  - DAF charge to be “calculated, levied, collected and administered in the same manner as Nassau County real property taxes”
  - Amount of levy “shall be not more than ten percent of class four levies on the county tax roll for county, town, special district and school district property taxes and other levies”
  - DAF charge will be a line item on General tax bill

# 2018/19 DAF

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- Possible Effects:
  - Lower tax rates
  - Lower total gross School tax bill
  - TBD for impact on General tax bill

# 2018/19 DAF

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- Example:
  - Go to: <https://lrv.nassaucountyny.gov/>
  - Type in SBL of property, click box for “I am not a robot”, & search
  - Below photos, click “General and School Taxes” tab
  - Compare
    - 2019 Tax Rate Per \$100 & Combined School Taxes Tax Dollar Amount
    - 2018 Tax Rate Per \$100 & Combined School Taxes Tax Dollar Amount
    - 2017 Tax Rate Per \$100 & Combined School Taxes Tax Dollar Amount

# 2018/19 DAF

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- Reasons:
  - 2016/17 & 2017/18 tax rates calculated pursuant to the old DAF law on lower total assessments resulting in higher tax rates
  - 2016/17 & 2017/18 School DAF amounts subtracted from School bill
  - 2016/17 & 2017/18 Total School and General DAF amounts added to General bill

# 2018/19 DAF

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- 2018/19 DAF Charge:
  - Applies to all Class 4 property owners
  - School tax bill-October
    - Likely that taxes are based on the typical tax rate calculation
    - No DAF “charge” on this bill
  - General tax bill-January
    - Likely that taxes are based on the typical tax rate calculation
    - Will have a DAF “charge” as a line item on this bill
      - TBD on how it is calculated and applied

# 2016/17 & 2017/18 DAF

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- 2016/17 & 2017/18 DAF Charge:
  - Applied only to Class 4 property owners that grieved
  - School tax bill-October
    - Taxes were based on the modified assessment and higher tax rate (e.g. 90%)
    - Did not have DAF “charge” on this bill
  - General tax bill-January
    - Taxes were based on the modified assessment and higher tax rate(e.g. 90%)
    - Had DAF “charge” for all taxing jurisdictions (i.e. School and General) (e.g. 10%)



# 2016/17 & 2017/18 DAF

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- 2016/17 & 2017/18 DAF Charge:
  - Class 4 property owners who did not grieve paid a larger share of taxes due to high tax rates
  - Taxing jurisdictions receive a windfall
    - Excess DAF fund money is to be distributed pro rata to taxing jurisdictions that already received all their budgetary requirements for those years
  - HKCC is challenging the legality

# 2016/17 & 2017/18 DAF

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- Tax Rate Calculation:
  - Typical & 2018/19 DAF
    - $\text{Total Budget} / \text{Total Assessment} = \text{Tax Rate}$
  - 2016/17 & 2017/18 DAF
    - $\text{Total Budget} / \text{Total Modified Assessment} = \text{Tax Rate (higher)}$
    - Please note, this is our best estimate as we do not know how the tax rates were actually calculated for the 2016/17 and 2017/18 tax years

# 2016/17 & 2017/18 DAF

## Typical & 2018/19 DAF

| Budget    | Assessment                       | Tax Rate |
|-----------|----------------------------------|----------|
| \$100,000 | 20,000                           | 5        |
|           | 2 properties-<br>10,000 & 10,000 |          |

## 2016/17 & 2017/18 DAF

| Budget    | Modified Assessment             | Tax Rate |
|-----------|---------------------------------|----------|
| \$100,000 | 19,000                          | 5.26     |
|           | 2 properties-<br>10,000 & 9,000 |          |

# Next Steps

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- 2016/17 & 2017/18 DAF
  - HKC&C is challenging the legality of this law
- 2018/19 DAF
  - Wait to see impact on 2019 General bill in January