

# Plainview-Old Bethpage CSD School Property Tax Bills October 28, 2019



# Glossary of Property Tax Terms

**Taxable Assessed Value:** The assessed value of a parcel (or an entire assessment roll) against which the tax rate is applied to compute the tax due.

**Assessed Value:** A figure in dollars determined by an assessor which reflects a property's worth in relation to other properties on an assessment roll and which, unless exempt, is used to compute a tax dollar obligation by multiplying it by a tax rate.

**Tax Levy:** The amount of money that taxing authorities (municipal, school or special taxing districts) require to be collected through the property taxes to fund their operating budgets.

**Class 1:** Includes one, two and three-family houses and residential condominiums of three stories or less and most residential vacant land.

**Class 2:** Includes apartment buildings, residential cooperatives and residential condominiums of four stories or more.

**Class 3:** Includes all public utility equipment defined as real property in state law.

**Class 4:** Includes all properties not defined in the first three classes. This class contains primary commercial and business properties and vacant land.

**Adjusted Base Proportions:** The portion of the total tax levy paid by property owners in each of the four classes.

# The Math to Compute a Tax Bill is Easy

Assessed Value less Exemptions times Tax Rate = Property Tax Bill

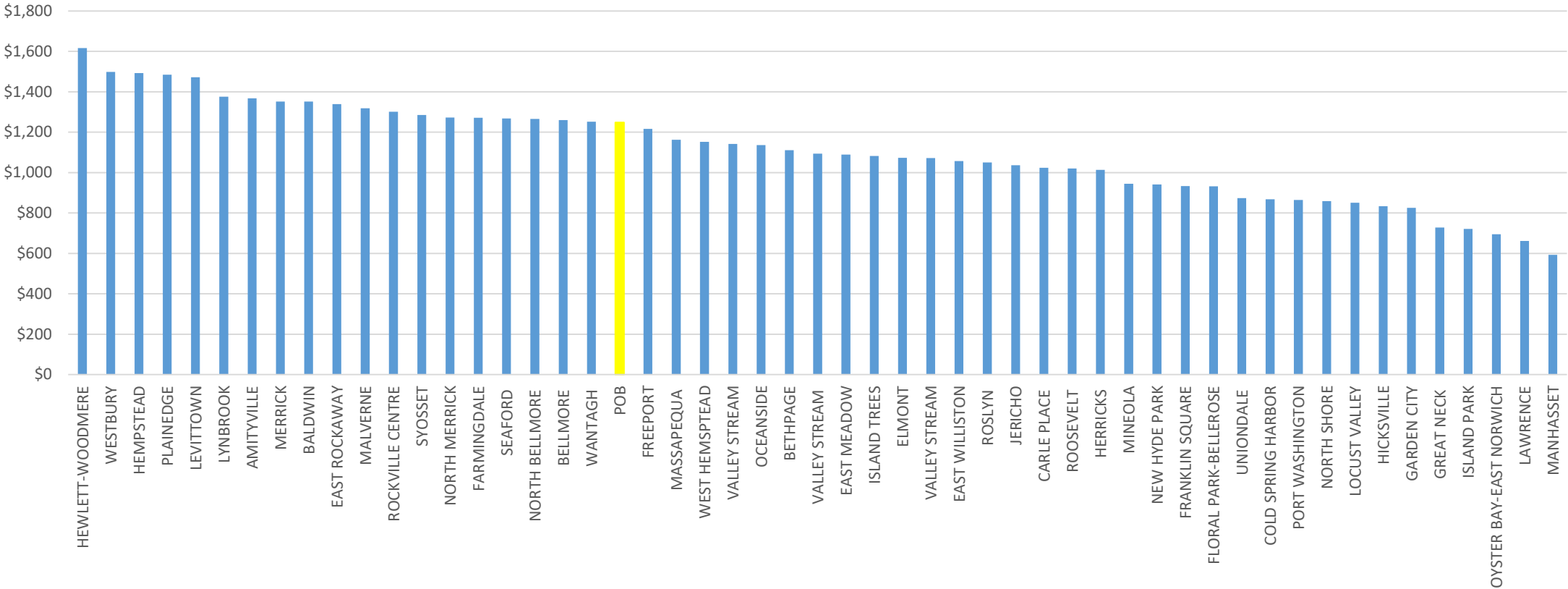
**Assessed Value** – Assigned by the Nassau County Department of Assessment.

**Exemptions** – Calculated by legislation at the state or county level. Some exemptions need to be recognized by the Board of Education.

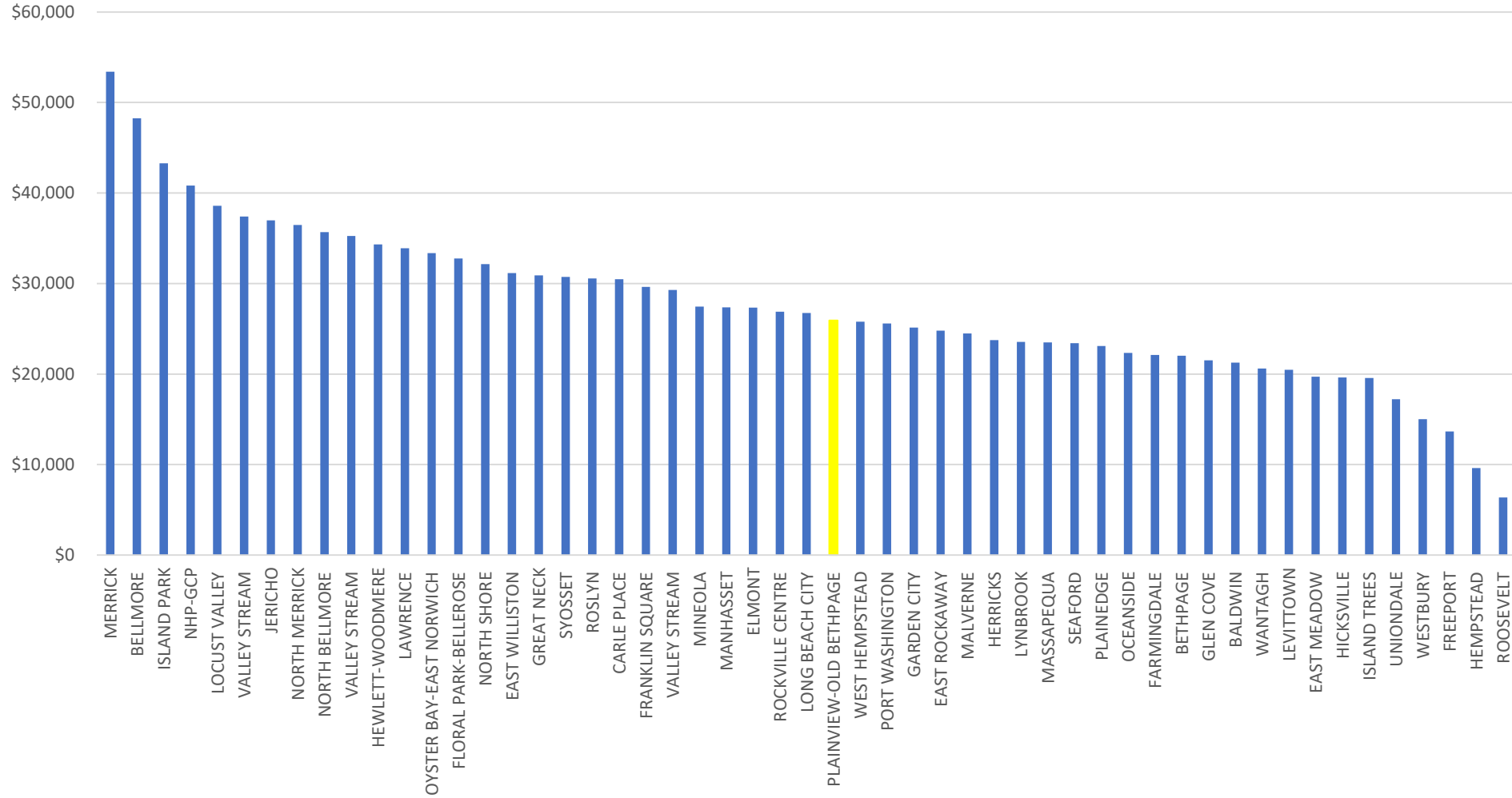
**Tax Rate** – Calculated by dividing the tax levy by the sum of taxable assessed values times in each tax class. The tax levy is apportioned to each tax class through county legislation (the adjusted base proportions).

# Nassau County Tax Rates

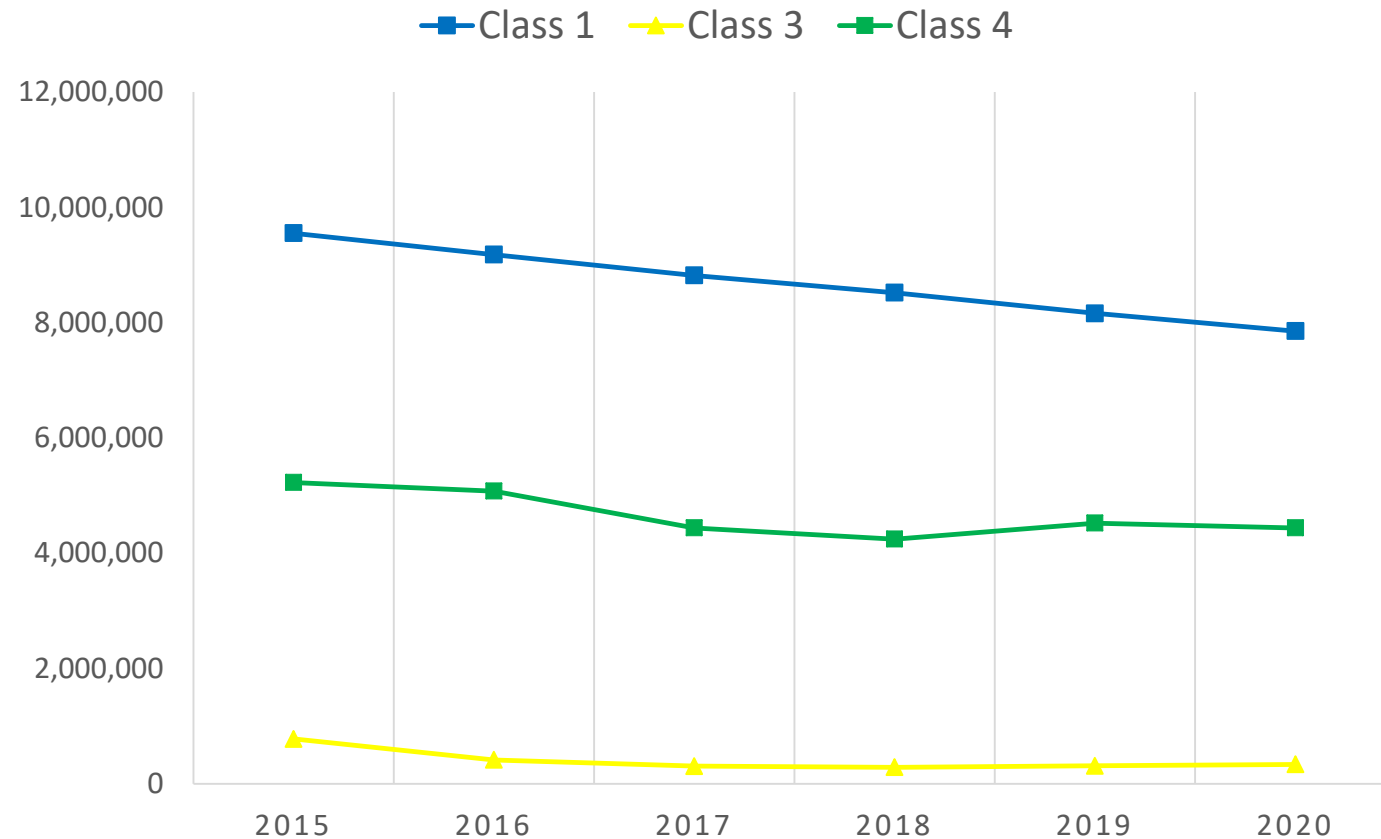
2019 - 20 School Tax Rates



# Tax Levy per Pupil

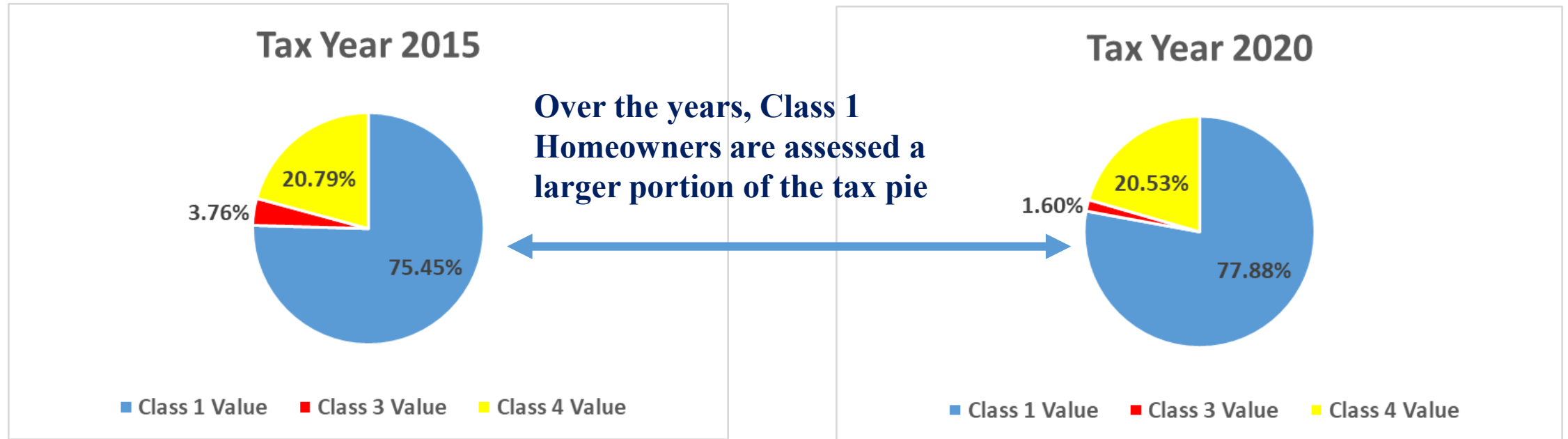


# Taxable Assessed Value



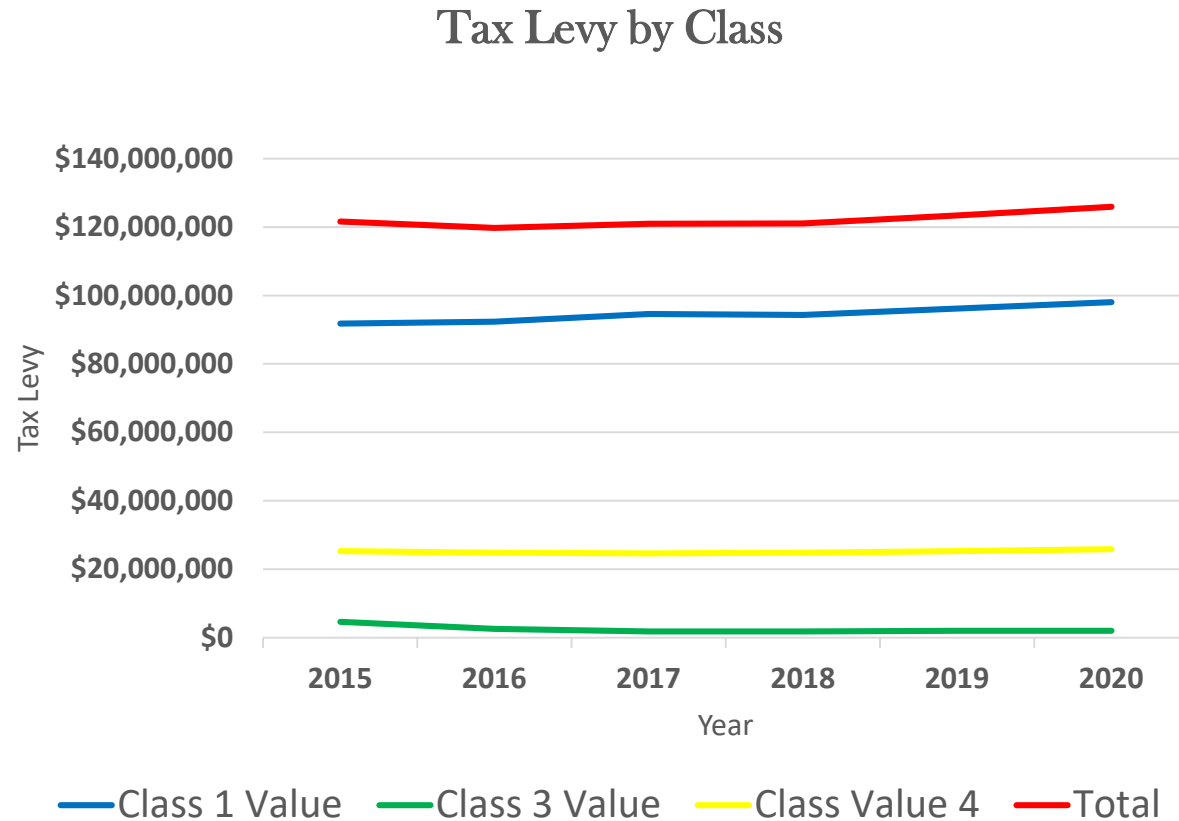
Assessed values are set by the Nassau County Department of Assessment. Total taxable assessed values in Plainview-Old Bethpage decreased by 2.81%. While Class 3 taxable assessed values increased slightly for the second straight year. Class 4 assessed values decreased for the fourth time in five years. Class 1 taxable assessed values continue the long-term downward trend.

# Adjusted Base Proportions



The Nassau County Legislature sets “Base Proportions” annually. Base Proportions distribute the tax burden among the four tax classes. Continuing the trend of the past several years, since the Class 1 share is essentially unchanged, and the Class 1 taxable assessed value decreased, the Class 1 tax rate and share of the tax burden went up.

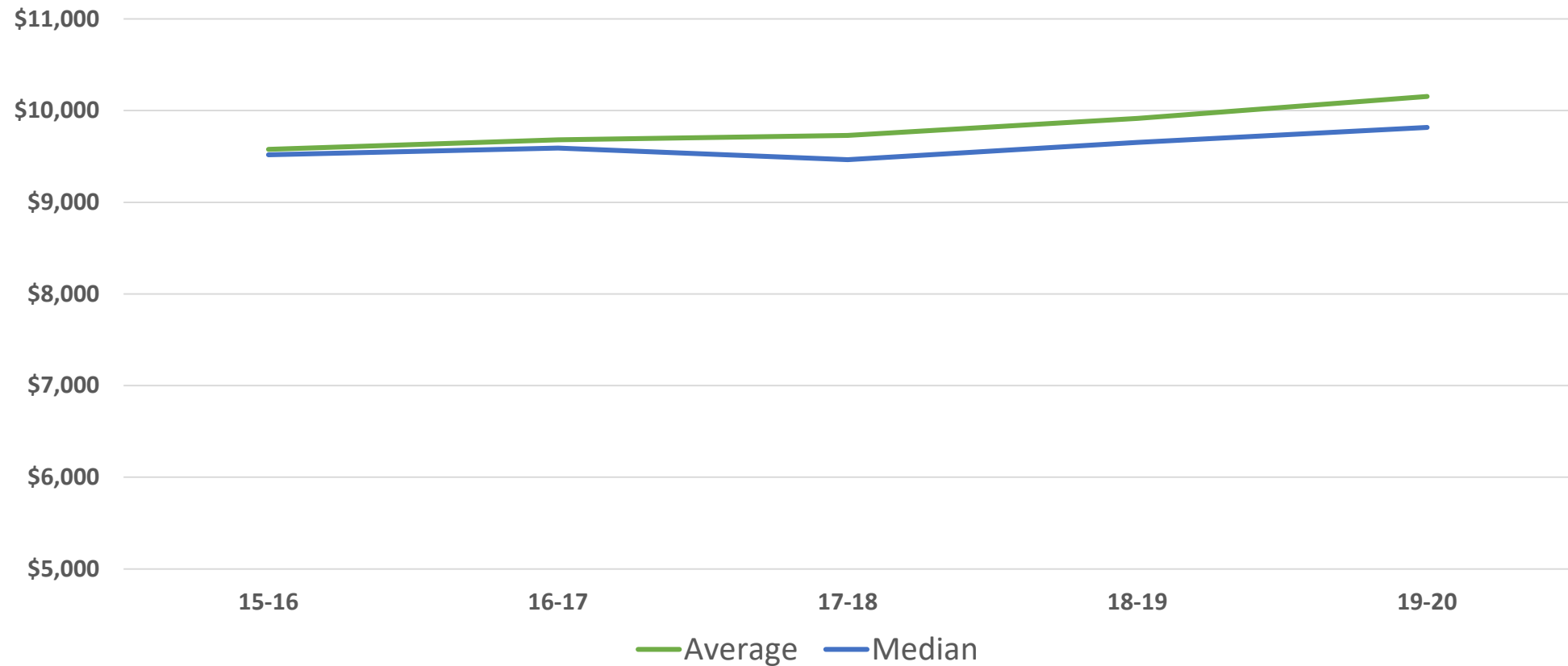
# Real Property Tax Used to Compute Tax Rate



The school district tax levy increased by 1.99% from 18-19 to 19-20. Although Class 1 taxable assessed values decreased, the share of the Class 1 tax levy increased by 1.97%.



# Average and Median Tax Bill History



There is a growing gap between the average tax bill and the median tax bill. This skew indicates that there is a growing number of Class 1 properties that have much greater assessed values than the median assessment. The median tax bill has increased 1.67% while the average tax bill increased 2.41% from 18-19 to 19-20.

# Summary

- ✓ The total District tax levy increased by \$2.4M and was almost \$1.8M below the 2% tax cap.
- ✓ Due to declining taxable assessed values, the median tax bill in Plainview-Old Bethpage increased by 1.7% from 18-19 to 19-20.
- ✓ Corrections to assessed valuations and an active tax grievance process make it impossible to give a general statement about the correlation between the school tax levy and an individual's experience with their property tax bill.

# Plainview-Old Bethpage Tax Levy History Since the Inception of the Tax Cap

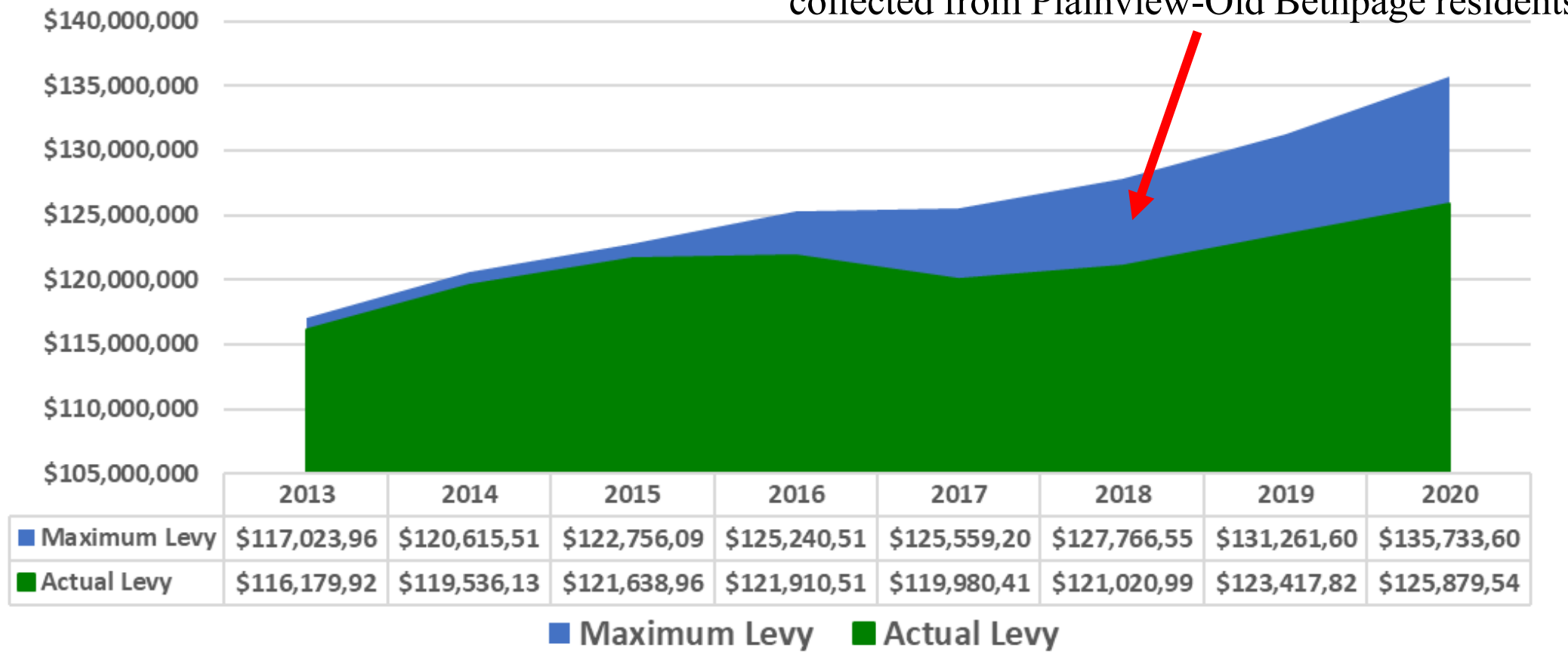


# Tax Levy History in the Tax Cap Era

- Since the inception of the NYS Tax Cap, Plainview-Old Bethpage has never levied the maximum allowable property tax.
- This decision saves residents money and those savings continue to grow over time.
- Since 2013, due to financial decisions made by the Board of Education, a total of \$36.4 Million has accumulated in unassessed tax revenue has helped moderate the growth of individual property tax bills.
- Unassessed tax revenue is the cumulative difference between the maximum allowable tax levy that the could have been levied every year and the actual tax levy set by the Board of Education.

# Maximum Allowable Tax Levy vs. Actual Tax Levy

The blue area represents the cumulative difference between the actual tax levy and what could have been levied. The difference represents \$36.4 million in property taxes that will never be collected from Plainview-Old Bethpage residents.





**A Smart Investment**  
**THANK YOU!**