



Plainview-Old Bethpage Central School District

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January 5, 2022

The Honorable Kathy Hochul
Governor of New York State
NYS Capital Building
Albany, NY 12224

Dear Governor Hochul,

We, the members of the Plainview-Old Bethpage Board of Education write to you to highlight an issue we feel requires your immediate attention and we hope for your timely support in addressing our concerns. We are asking you to revisit the Home Improvement/New Construction exemption. When this new exemption came to light and the amounts applied to Country Point homes became public information, many existing homeowners in our community expressed outrage over the situation. This is understandable, as many of the homeowners in Country Point are seeing their taxes reduced to under \$5,000 a year for a home valued at \$1 Million dollars or more. Surely this was not the intent of the legislation you brought forward and passed.

For the purpose of this illustration, we are setting aside the issue of when a home goes on the tax rolls by focusing on this total tax savings over the 8-year period provided for in the exemption, regardless of when they are brought on the tax rolls.

By way of example, as illustrated in the chart provided, homes in Country Point worth over \$750,000 receive a savings of approximately \$19,000 as a result of the exemption being at 100% for the first year. The following years, these homes receive 12.5% less exemption credit each year over the period of 8 years.

Year	Phase In	\$19,000
1	100.00%	\$19,000
2	87.50%	\$16,625
3	75.00%	\$14,250
4	62.50%	\$11,875
5	50.00%	\$9,500
6	37.50%	\$7,125
7	25.00%	\$4,750
8	12.50%	\$2,375
9	0.00%	\$0
	Total	\$85,000

The total value of the initial \$19,000 exemption is approximately \$85,500.00 cumulatively, over the 8 years. Some people will get less, while some others could see over \$100,000.000. Please note that it takes 9 years until full value of each property is on the tax rolls.

The remainder of the community is obligated to make up the missing revenue, with community members essentially financing the savings through their payments of additional taxes. The issue is compounded, because not only will the homes receiving the exemption pay lower taxes but also values of these homes will increase as a result.

For every dollar the homeowners in Country Point do not pay, the remaining 10,000 homes and families in the Plainview-Old Bethpage community must make up. With over 600 units this may result in total impact over eight years of \$50 million in taxes that the existing homeowners have to pay. If the annual savings to Country Point homeowners is \$6 million, the rest of the community will pay an additional \$600 each year. Which adds up to an average of \$5,000 in additional taxes that will fall on the remaining 10,000 homeowners in Plainview-Old Bethpage over the next 8 to 10 years.

We are asking our County and State elected officials to work together, reconsider the legislation, and provide a meaningful and more equitable solution. If, upon reconsideration, no modification is necessary or if it is unlikely any change will occur, we ask you to explain the reasoning behind the legislation, including specifically the decision to include an 8-year phase in, and the \$750,000 threshold.

Thank you.

Respectfully,

The Board of Education of the Plainview-Old Bethpage Central School District