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TO: LAKELAND RESIDENT



Lakeland Board of Education Public Hearing
Basic Alternative Veterans' Exemption
October 15, 2015 at 7:30 pm
 Walter Panas High School Cafeteria
 300 Croton Avenue, Cortlandt Manor, NY 10567



Board of Education To Hold Basic Alternative Veterans' Exemption Public Hearing

On October 15 at 7:30 pm, the Lakeland Central School District Board of Education will hold a public hearing to consider adoption of the Basic Alternative Veterans' Exemption in the Cafeteria at Walter Panas High School.

The purpose of the hearing is to provide an opportunity for the Lakeland community to express their opinions and provide input to the Board of Education prior to any action the Board may take, since a tax exemption for veterans will require a tax increase for all other Lakeland taxpayers.

In 2013, Governor Cuomo signed a bill allowing school districts to offer property tax breaks to veterans who served during wartime, in a combat zone or have a service-related disability. Towns, villages, and counties have been able to offer the exemption for a number of years. While the State Legislature passed the Exemption, no State funding was allocated, leaving the cost of the exemption to the local school district taxpayers.

The Lakeland Board is currently examining the effects of the exemption, since it will increase the taxes for non-veteran taxpayers annually. The tax reductions realized by the veterans do not impact the overall tax levy. However, the exemption will redistribute the tax levy.

Under the law, school districts adopting a basic exemption would be allowed to offer up to a 15 percent reduction in assessed value for veterans who served during a time of war (up to a maximum of \$12,000), plus 10 percent for those who served in combat zones

(up to a maximum of \$8,000). Veterans could also receive a reduction based on their service-related disabilities (up to a maximum of \$40,000).

The Veterans' Exemption would also provide an exemption for certain family members including spouses, and un-remarried surviving spouses. "Gold Star" parents (those who lost a child who was serving in the line of duty) may also qualify. Currently, it is estimated that there are approximately 1,500 veterans' properties eligible for possible exemptions. This number is based upon information from the six towns within the school district. The town equalization rate will be applied to the exemption amount when computing tax bills. The exact rates will vary according to a property's town and county location.

The tax savings for Lakeland veterans would range from \$317 to \$1,583 annually. Non-veteran home owners would see estimated tax increases ranging from .75% to 1% depending on the amount of the exemption (see the charts below).

How much would the exemption reduce school taxes for veterans?

Exemption	Basic Exemption	Estimated Savings for Veterans
War Veteran	\$12,000	\$317
Combat Zone	Additional \$8,000	Additional \$211
Disabled Veteran	Additional \$40,000	Additional \$1055

Estimated Annual Increase to Residents

Value of home	Westchester	Putnam
\$250,000	\$56	\$56
\$350,000	\$78	\$79
\$500,000	\$111	\$113

Components of the Basic Exemption

- **Basic:** Tax exemption of 15% of the assessed value of property, up to \$12,000;
- **Combat Zone:** For veterans who are documented to have served in a combat zone, an additional tax exemption of 10% of the assessed value of the property, up to \$8,000;
- **Disabled Veterans:** For veterans with a service-related disability rating from the Veterans' Administration or the Department of Defense, an additional tax exemption equal to 50% of the disability rating, not to exceed \$40,000.

Qualifying property must be the primary resident of the veteran, spouse, or un-remarried surviving spouses. "Gold Star" parents (those who lost a child who was serving in the line of duty) may also qualify.

Questions and Answers

Q: Who is eligible for the exemption?

A: Honorably discharged veterans.

Certain family members of veterans, including:

- Spouse
- Un-remarried surviving spouse
- Gold Star Parent

Limited to veterans who served during defined periods of war or under certain conditions.

Q: What is the Alternative Property Tax Exemption?

A: RPTL 458-A was signed into law in 1984

- Based on a percentage of assessed value subject to maximum levels of exemption.
- School districts allowed to offer RPTL 458-A as of December 18, 2013.
- Any action by the school district requires a public hearing. A second hearing is required for any limit other than the base limit.
- School districts may rescind or modify the exemptions once they are approved.

Q: Would the exemption limits impact residents who are not veterans?

A: Yes. Since the tax reductions realized by the veterans do not reduce the overall tax levy, the exemption would result in increased taxes that need to be recovered from other residents ranging from .75% to 1% depending on the total exemptions.

Q: What are the next steps after the public hearing?

A: The Board of Education will consider a resolution to act upon the Basic Alternative Veterans' Exemption with dollar limits defined.

Q: What savings could veterans in the Lakeland Central School District receive?

A: Adoption of the State's basic exemption limits would result in savings of \$317 for all qualifying war veterans who live in the school district.

Additional savings are available for a qualifying veteran who served in a combat zone (\$211), and for a qualifying disabled veteran (\$1,055).

Q: How many households in Lakeland are presently eligible for the exemption?

A: Currently, there are approximately 1,500 households who would be eligible for the exemption. This number is based on current numbers of veterans from information provided by the towns and could vary in future years.

Q: How could the exemption affect the taxes of other property owners?

A: Exemptions do not affect the total amount of money a district needs to raise which is the overall tax levy. Adoption of the exemption would result in property tax increases for other property owners. If eligible veteran property owners claim their exemption, each non-eligible household would see school taxes increase.

Q: Will New York State reimburse the district for granting the exemption?

A: No. If implemented, New York State will not reimburse a school district for the Basic Alternative Veterans' Tax Exemption as it does for STAR.

Q: How can residents share their opinions about whether the Board should adopt the exemption?

A: The Board of Education has organized a public hearing to gather input prior to making a decision. The public is invited to share their thoughts on this topic.

Q: What is the deadline for decision making?

A: The Board must adopt the exemption and vote on the exemption limits no later than March 1, 2016 for it to be effective for the tax levy in the 2017-2018 school year.

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