



Office of The Ulster County Comptroller

Ulster County Board of Elections Annual Report *The Financial Impact of the County Assuming the Costs of Elections from Localities (Final Phase-In)*

December 22, 2017

I. Applicable New York State Election Law

Under New York State Election Law, “the expenses of providing polling places, voting booths, supplies therefor, ballot boxes and other furniture for the polling place for any election, including the storage, transportation and maintenance of voting machines, appliances and equipment or ballot counting devices, and the compensation of the election officers in each election district, shall be a charge upon the county in which such election district is situated[.] [. . .] The expenses incurred by the board of elections of a county outside the city of New York may, pursuant to section 3-226 of this chapter, be apportioned among the cities and towns therein, or in the case of a village election held other than at the time of the fall primary or general election, apportioned to such villages therein.”¹

In practice, municipalities in Ulster County have been charged for incurred expenses (e.g. new machines, poll watchers and inspectors, storage, etc.) for primary, general, and special elections from 2006 to 2014. Thereafter, Ulster County authorized a three-year phase-in agreement to absorb the costs from its localities, to be discussed in greater detail below.

II. A Brief History of Resolutions by the Ulster County Legislature Regarding Local Election Costs

Pursuant to Resolution No. 410 of 2006, the Ulster County Legislature “authorize[d] charging back the towns and the City of Kingston for the expenses incurred by the Board of Elections based on the number of registered voters on the last day to register for the general election in any given year [to be billed on a pro rata basis to each municipality following a full accounting of all election expenses in any given year]” – effectively putting the fiscal onus on local governments to pay for their own elections. Town Supervisors and other locally elected officials routinely cited the financial struggles they faced when having to account for these added, un-funded mandates – compounded by additional requirements levied by the federal Help America Vote Act (HAVA) – in their yearly budgets. A multi-year effort to pass the monetary costs back to the County culminated in the passage and adoption of Resolution No. 404 of 2014, which “authoriz[ed] the County of Ulster to assume the cost of elections support from the Towns and City of Kingston pursuant to a three-year phased-in plan.”

The schedule of implementation was designed so that the County would assume: “33 percent of the total cost of the chargebacks to the Towns and City of Kingston in 2015, 66 percent [. . .] in 2016, and 100 percent [. . .] in 2017 [and beyond.]”

¹ See New York State Election Law, Article 4, Section 4-36.

Moreover, Resolution No. 404 of 2014 instructed the Ulster County Comptroller “to perform and present an annual report to the County Executive and the County Legislature on or before December 31st of each year during the period of this three-year phased-in plan, detailing the actual benefits and/or impacts that the plan has had upon the taxpayers and budgets of each of the respective Towns in Ulster County and the City of Kingston[.]” This report was completed pursuant to that directive.

III. Total Savings to Town and City Budgets

The first notable effect of the new legislation is the monetary benefit enjoyed by each municipality. In the past, each locality was responsible for the cost of elections for their respective districts. In 2017, all of these costs were assumed by the County, providing direct savings at the Town and City budgetary level. Due to the fact that the total dollar benefit received by each municipality is tied to the costs for each district, savings will vary as follows:

| 2017 Total Savings to Town and City Budgets | |
|---|----------------------|
| Municipality | Total Budget Savings |
| Denning | \$6,267.85 |
| Esopus | \$24,981.94 |
| Gardiner | \$12,676.28 |
| Hardenburgh | \$3,536.39 |
| Hurley | \$17,642.44 |
| Kingston Town | \$3,417.01 |
| Kingston City | \$61,876.73 |
| Lloyd | \$16,629.02 |
| Marbletown | \$25,709.70 |
| Marlborough | \$13,057.53 |
| New Paltz | \$29,652.09 |
| Olive | \$19,105.06 |
| Plattekill | \$20,031.99 |
| Rochester | \$14,573.99 |
| Rosendale | \$10,675.08 |
| Saugerties | \$42,532.70 |
| Shandaken | \$15,412.73 |
| Shawangunk | \$21,048.45 |
| Ulster | \$32,707.11 |
| Wawarsing | \$32,041.01 |
| Woodstock | \$22,146.77 |

IV. Direct Dollar Impact on Individual Taxpayers

The second portion of our analysis considers the impact on the individual taxpayer, which required us to determine the effect upon County and Town/City tax calculations due to the shifting of these costs from Town/City budgets to the County level.

a. Understanding the Tax Rate

The tax rates are determined for each municipality by taking the sum of the “General Charges,” or the budgeted amount to be raised by the tax levy for the year and dividing that figure by the “Total Taxable Value” (i.e. the value of all properties within that municipality). The tax rates are always expressed per \$1,000 in taxable value.

For Towns and Cities, the tax rate is calculated by taking the Total General Charges for the municipality in a given year and dividing by the Total Taxable Value.

$$\frac{\text{Town/City Total General Charges}}{\text{Town/City Total Taxable Value}} \times 1,000 = \text{Town/City Tax Rate}$$

For the County, the tax calculation is more complex. To calculate the County tax rate applicable to a given municipality, the County first apportions the total County charges to each municipality based on the equalized taxable value. The equalized apportionment value takes into consideration additional factors, including statutory equalization rates that accommodate for market value differences in property value assessments, as well as clergy and veteran exemptions that apply only to the Town Rate.

$$\text{Total County General Charges} \times \frac{\text{Town/City Equalized Taxable Value}}{\text{Total County Equalized Value}} = \$ \text{Share of County Charges}$$

The dollar share of County charges assigned to each municipality is then divided by the Town/City County Taxable Value to determine the County tax rate applicable to properties within that Town/City.

$$\frac{\$ \text{Share of County Charges}}{\text{County Taxable Value (Applicable to that Town/City)}} \times 1,000 = \text{County Tax Rate (applicable to that municipality)}$$

The tax calculation for any municipality is complex and involves a number of factors not relevant to our analysis here.²

For the purposes of our assessment, we used the same general tax equations but only applied the Board of Elections (BOE) costs to determine the effect of the legislation on each municipality. Next, we applied the total election cost for each municipality to both the County and the Town/City tax calculation to determine the effect on the individual taxpayer in terms of taxable value. Finally, we took into account the assessment level reported by the NYS Office of Real Property Tax Services to show the financial effect per \$100,000 in relative market value.

² See *gen* Ulster County Real Property Tax Service Agency Annual Data Reports for more information regarding tax rates. Available at <http://ulstercountyny.gov/real-property/tax-info>

| 2017 Individual Tax Effect | | | |
|----------------------------|---|-----------------------|--|
| Municipality | Individual Tax Increase (Decrease) per \$100,000 in Taxable Value | 2016 Assessment Level | Individual Tax Increase (Decrease) per \$100,000 in Market Value |
| Denning | \$ (8.23) | 17% | \$ (1.40) |
| Esopus | \$ (0.61) | 100% | \$ (0.61) |
| Gardiner | \$ 0.97 | 93% | \$ 0.90 |
| Hardenburgh | \$ 0.61 | 62% | \$ 0.38 |
| Hurley | \$ 0.36 | 100% | \$ 0.36 |
| Kingston Town | \$ (1.69) | 93% | \$ (1.57) |
| Kingston City | \$ (1.93) | 100% | \$ (1.93) |
| Lloyd | \$ 0.88 | 100% | \$ 0.88 |
| Marbletown | \$ (0.28) | 100% | \$ (0.28) |
| Marlborough | \$ 0.73 | 100% | \$ 0.73 |
| New Paltz | \$ (0.09) | 100% | \$ (0.09) |
| Olive | \$ 0.91 | 100% | \$ 0.91 |
| Plattekill | \$ (0.56) | 100% | \$ (0.56) |
| Rochester | \$ 0.61 | 100% | \$ 0.61 |
| Rosendale | \$ 0.26 | 100% | \$ 0.26 |
| Saugerties | \$ (0.01) | 100% | \$ (0.01) |
| Shandaken | \$ 0.51 | 26% | \$ 0.13 |
| Shawangunk | \$ (0.07) | 23% | \$ (0.02) |
| Ulster | \$ (0.14) | 82% | \$ (0.11) |
| Wawarsing | \$ (0.51) | 111% | \$ (0.57) |
| Woodstock | \$ 0.83 | 100% | \$ 0.83 |

Example: A Plattekill resident with property worth \$100,000 in MARKET value will have a tax bill that is 56 cents lower as a result of the full County takeover.

As illustrated in the chart above, the assumption of costs by the County has differing effects amongst the municipalities. While each municipality’s budget is clearly assisted by the direct cost savings, individual taxpayers may experience either an increase or decrease based on the movement of these costs from the Town/City to the County budget. Municipalities are affected by the legislation differently due to differences in BOE costs in relation to the individual municipality’s taxable value. For information regarding the Board of Election costs associated with each municipality and taxable and equalized values, please see **Exhibit A**.

For example, in the Town of Plattekill prior to the new legislation, the entire cost of elections in 2017 would be allocated among the taxable property values in Plattekill as follows:

$$\begin{array}{l}
 \text{2017 Election Costs:} \\
 \text{Plattekill Taxable Value:}
 \end{array}
 \begin{array}{r}
 \underline{\$20,031.99} \\
 \$646,530,559
 \end{array}
 \times \$100,000 = \$3.10$$

For every \$100k in taxable value, the Plattekill property owner would pay \$3.10 to cover election costs using the previous model.

\$3.10 per \$100,000 in taxable value

In 2017, the election costs will be applied to the individual taxpayer at the County level, as opposed to being applied using the town tax equation, resulting in minimal differences for the individual taxpayer. For all future years, 100% of election costs for all municipalities will be taxed at the County tax rate.

Town Portion of Election Costs:

None in 2017

County Portion of Election Costs:

Dollar Share of County Assumed BOE Costs*: $\frac{\$16,308.57}{\$642,742,761} \times \$100,000 = \2.54
Plattekill County Taxable Value:

\$2.54 per \$100,000 in taxable value

*The Dollar Share of BOE costs apportioned to Plattekill is determined by taking the total BOE costs assumed by the County in 2017 (\$445,721.87) and multiplying it by the proportion of Plattekill's equalized value in relation to the total County equalized value (\$659,166,994/ \$18,015,386,964).

Total 2017 Election Costs:

Town/City + County = Total

For every \$100k in taxable value, the Plattekill property owner will now pay \$2.54 to cover election costs as a result of the new legislation.

\$0 + \$2.54 = \$2.54 in BOE costs per \$100,000 in taxable value

With this legislation, a resident from Plattekill will be subject to only \$2.54 in BOE costs per \$100,000 in market value as opposed to \$3.10, resulting in a 56 cent savings per \$100,000 in market value for Plattekill residents in 2017.

Please note the 2016 assessment level for the Town of Plattekill is 100% per the NYS Office of Real Property Tax Services, meaning there is no difference between the taxable and market values.

The data contained herein has been provided to us by the Ulster County Board of Elections and the Ulster County Real Property Tax Service Agency. For more information regarding the effect of this legislation in 2015 and 2016, please see the Comptroller's prior "Ulster County Board of Elections Annual Reports" from December 2015 and 2016, which are available at <http://ulstercountyny.gov/comptroller/audits-and-reports-0>.

Exhibit A

2017 Board of Election Cost and Taxable Value

| 2017 BOE Costs and Taxable Value | | | | |
|----------------------------------|--------------------------|--------------------------|--------------------------|-----------------------|
| Municipality | Town/City Taxable Value | County Taxable Value | Equalized Value | 2017 BOE Actual Costs |
| Denning | \$ 27,457,927 | \$ 27,310,146 | \$ 161,166,247 | \$ 6,268 |
| Esopus | \$ 798,649,734 | \$ 789,971,903 | \$ 803,773,189 | \$ 24,982 |
| Gardiner | \$ 737,036,800 | \$ 734,399,007 | \$ 798,637,983 | \$ 12,676 |
| Hardenburgh | \$ 104,556,043 | \$ 104,318,349 | \$ 168,499,908 | \$ 3,536 |
| Hurley | \$ 817,093,504 | \$ 803,934,536 | \$ 818,707,995 | \$ 17,642 |
| Kingston Town | \$ 77,562,778 | \$ 76,759,576 | \$ 84,107,284 | \$ 3,417 |
| Kingston City | \$ 1,392,117,447 | \$ 1,382,417,451 | \$ 1,402,880,315 | \$ 61,877 |
| Lloyd | \$ 1,014,986,465 | \$ 1,014,209,926 | \$ 1,030,727,422 | \$ 16,629 |
| Marbletown | \$ 921,930,267 | \$ 919,597,182 | \$ 931,440,782 | \$ 25,710 |
| Marlborough | \$ 723,194,974 | \$ 716,134,207 | \$ 734,249,834 | \$ 13,058 |
| New Paltz | \$ 1,140,736,075 | \$ 1,137,545,286 | \$ 1,151,565,622 | \$ 29,652 |
| Olive | \$ 1,207,814,441 | \$ 1,200,958,366 | \$ 1,210,198,112 | \$ 19,105 |
| Plattekill | \$ 646,530,559 | \$ 642,742,761 | \$ 659,166,994 | \$ 20,032 |
| Rochester | \$ 770,032,319 | \$ 768,918,006 | \$ 779,042,149 | \$ 14,574 |
| Rosendale | \$ 472,993,618 | \$ 472,993,618 | \$ 482,127,392 | \$ 10,675 |
| Saugerties | \$ 1,673,110,328 | \$ 1,660,121,874 | \$ 1,696,480,589 | \$ 42,533 |
| Shandaken | \$ 166,308,333 | \$ 165,781,840 | \$ 654,996,184 | \$ 15,413 |
| Shawangunk | \$ 184,899,266 | \$ 180,134,450 | \$ 824,069,858 | \$ 21,048 |
| Ulster | \$ 1,017,705,123 | \$ 1,008,695,494 | \$ 1,253,934,453 | \$ 32,707 |
| Wawarsing | \$ 1,156,629,597 | \$ 1,139,889,246 | \$ 1,037,095,388 | \$ 32,041 |
| Woodstock | \$ 1,326,920,112 | \$ 1,321,677,885 | \$ 1,332,519,264 | \$ 22,147 |
| Total | \$ 16,378,265,710 | \$ 16,268,511,109 | \$ 18,015,386,964 | \$ 445,722 |