



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 (2nd Year Phase-In)*

December 15, 2016

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[.] [. . .] All expenses incurred under this chapter by the board of elections of a county outside of the city of New York shall be a charge against the county[.] [. . .] 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, this meant that municipalities in Ulster County were charged for incurred expenses (e.g. new machines, poll watchers and inspectors, storage, etc.) from 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 December 6, 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 on November 18, 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.”

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

The schedule of implementation was designed as follows, where 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.]”

Moreover, Resolution No. 404 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 direct monetary benefit assumed by each respective municipality. In the past, each locality was responsible for the cost of elections for their respective districts. In 2016, two-thirds of these costs will be assumed by the County, providing direct savings at the Town and City budgetary level. The benefit enjoyed by each municipality is tied to the costs for each district; therefore, the total dollar benefit will vary among different governments. As the proportion of costs assumed by the County increases in future years, the corresponding benefit to the Towns and the City of Kingston will also increase.

2016 Total Savings to Town and City Budgets	
Municipality	Total Budget Savings
Denning	\$8,456.30
Esopus	\$22,452.48
Gardiner	\$12,781.96
Hardenburgh	\$3,979.82
Hurley	\$14,788.46
Kingston Town	\$4,390.46
Kingston City	\$55,636.90
Lloyd	\$19,788.18
Marbletown	\$24,988.36
Marlborough	\$14,249.62
New Paltz	\$32,949.08
Olive	\$22,151.70
Plattekill	\$19,813.38
Rochester	\$19,787.54
Rosendale	\$10,612.94
Saugerties	\$40,332.66
Shandaken	\$19,292.66
Shawangunk	\$23,197.96
Ulster	\$35,051.66
Wawarsing	\$35,059.70
Woodstock	\$24,439.20

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 of the County and Town/City tax calculations on the movement of these costs from the 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” 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.

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

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 taxable 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. For more information regarding tax rates, see generally the Ulster County Real Property Data Report (available at www.ulstercounty.gov/real-property).

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 in terms of taxable value. We then took into account the assessment level reported per the NYS Department of Real Property Tax Services to provide the effect per \$100,000 in relative market value.

2016 Individual Tax Effect			
Municipality	Individual Tax Increase (Decrease) per \$100,000 in Taxable Value	2015 Assessment Level	Individual Tax Increase (Decrease) per \$100,000 in Market Value
Denning	\$ (16.33)	18.00%	\$ (2.94)
Esopus	\$ (0.16)	100.00%	\$ (0.16)
Gardiner	\$ 1.07	93.00%	\$ 0.99
Hardenburgh	\$ 0.36	62.00%	\$ 0.23
Hurley	\$ 0.83	100.00%	\$ 0.83
Kingston Town	\$ (2.95)	97.50%	\$ (2.87)
Kingston City	\$ (1.40)	100.00%	\$ (1.40)
Lloyd	\$ 0.67	100.00%	\$ 0.67
Marbletown	\$ (0.10)	100.00%	\$ (0.10)
Marlborough	\$ 0.68	100.00%	\$ 0.68
New Paltz	\$ (0.30)	101.00%	\$ (0.31)
Olive	\$ 0.77	100.00%	\$ 0.77
Plattekill	\$ (0.40)	100.00%	\$ (0.40)
Rochester	\$ 0.03	100.00%	\$ 0.03
Rosendale	\$ 0.40	100.00%	\$ 0.40
Saugerties	\$ 0.21	100.00%	\$ 0.21
Shandaken	\$ (1.40)	25.50%	\$ (0.36)
Shawangunk	\$ (0.58)	22.25%	\$ (0.13)
Ulster	\$ (0.26)	83.00%	\$ (0.21)
Wawarsing	\$ (0.63)	100.00%	\$ (0.63)
Woodstock	\$ 0.75	100.00%	\$ 0.75

Example: A Wawarsing resident with \$100,000 in MARKET value will have a tax bill that is 63 cents lower as a result of the change.

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 Wawarsing prior to the new legislation, the entire cost of elections in 2016 would be allocated among the taxable property values in Wawarsing as follows:

2016 Election Costs: $\frac{\$52,589.56}{\$1,171,463,076} \times \$100,000 = \4.49
Wawarsing Taxable Value:

For every \$100k in taxable value, the Wawarsing property owner would pay \$4.49 to cover election costs using the previous model.

\$4.49 per \$100,000 in taxable value

In 2016, the election costs will be applied to the individual taxpayer in two components: (1) the Town portion representing one-third of the Wawarsing election costs, and (2) the County portion representing the remaining total of election costs assumed by the County.

The portion of election costs still being paid by Wawarsing (1/3) will be applied at the Wawarsing Town taxable value, while the portion assumed by the County (2/3) will be applied to all County residents, using the county taxable value for Wawarsing.

Town Portion of Election Costs:

2016 (Year 2) Election Costs Paid by Wawarsing (1/3): $\frac{\$17,529.85}{\$1,171,463,076} \times \$100,000 = \1.50
 Wawarsing Taxable Value:

\$1.50 per \$100,000 in taxable value

County Portion of Election Costs:

Dollar Share of County Assumed BOE Costs*: $\frac{\$27,233.14}{\$1,155,446,218} \times \$100,000 = \2.36
 Wawarsing County Taxable Value:

\$2.36 per \$100,000 in taxable value

*The Dollar Share of BOE costs apportioned to Wawarsing is determined by taking the total BOE costs assumed by the County in 2016 (\$464,201.02) and multiplying it by the proportion of Wawarsing's equalized value in relation to the total County equalized value (\$1,051,268,020.42/ \$17,919,334,296.02).

For every \$100k in taxable value, the Wawarsing property owner will now pay \$3.86 to cover election costs as a result of the new legislation.

Total 2016 Election Costs:

Town/City + County = Total

\$1.50 + \$2.36 = \$3.86 in BOE costs per \$100,000 in taxable value

With this legislation, a resident from Wawarsing will be subject to only \$3.86 in BOE costs per \$100,000 in market value as opposed to \$4.49, resulting in a 63 cent savings per \$100,000 in market value for Wawarsing residents.

Please note the 2015 assessment level for Wawarsing is 100% per the NYS Department of Real Property Tax Services, meaning there is no difference between the taxable and market values.

V. Estimating Future Effects

In an effort to estimate the future financial impacts resulting from this policy, we completed our analysis for 2017 and future years using base year figures to illustrate the effect of the increasing absorption of costs by the County. With the arching consideration that election expenses are affected by a number of different factors, including significant annual variance due to the magnitude and frequency of certain elections being held in a given year that may affect voter turnout, our estimates on the future impacts of this legislation are subject to change.

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 specific information regarding the effect of this legislation in 2015, please see the Comptroller's prior report, BOE Election Costs Report from December 2015 available at <http://ulstercountyny.gov/comptroller/sites/default/files/BOE%20Election%20Costs%20Report.Year%201.December%202015.pdf>

Savings in 2017 & Future Years - Estimated based on Actual 2016 Expenditures				
Municipality	Total Budget Savings	Individual Tax Increase (Decrease) per \$100,000 taxable value	Assessment level*	Individual Tax Increase (Decrease) per \$100,000 Market Value
Denning	\$12,684.45	(\$24.50)	18%	(\$4.41)
Esopus	\$33,678.72	(\$0.24)	100%	(\$0.24)
Gardiner	\$19,172.94	\$1.60	93%	\$1.49
Hardenburgh	\$5,969.73	\$0.55	62%	\$0.34
Hurley	\$22,182.69	\$1.24	100%	\$1.24
Kingston Town	\$6,585.69	(\$4.42)	98%	(\$4.31)
Kingston City	\$83,455.35	(\$2.10)	100%	(\$2.10)
Lloyd	\$29,682.27	\$1.01	100%	\$1.01
Marbletown	\$37,482.54	(\$0.14)	100%	(\$0.14)
Marlborough	\$21,374.43	\$1.02	100%	\$1.02
New Paltz	\$49,423.62	(\$0.46)	101%	(\$0.46)
Olive	\$33,227.55	\$1.15	100%	\$1.15
Plattekill	\$29,720.07	(\$0.59)	100%	(\$0.59)
Rochester	\$29,681.31	\$0.05	100%	\$0.05
Rosendale	\$15,919.41	\$0.61	100%	\$0.61
Saugerties	\$60,498.99	\$0.31	100%	\$0.31
Shandaken	\$28,938.99	(\$2.11)	26%	(\$0.54)
Shawangunk	\$34,796.94	(\$0.86)	22%	(\$0.19)
Ulster	\$52,577.49	(\$0.39)	83%	(\$0.32)
Wawarsing	\$52,589.55	(\$0.94)	100%	(\$0.94)
Woodstock	\$36,658.80	\$1.13	100%	\$1.13

*Per NYS Office of Real Property Tax Services

Exhibit A

2016 Board of Election Cost and Taxable Value

2016 BOE Costs and Taxable Value				
Municipality	Town/City Taxable Value	County Taxable Value	Equalized Value	2016 BOE Actual Costs
Denning	\$ 27,480,225	\$ 27,293,837	\$ 152,162,817	\$ 12,684
Esopus	\$ 802,012,322	\$ 793,241,707	\$ 807,307,089	\$ 33,679
Gardiner	\$ 730,024,044	\$ 727,196,000	\$ 790,915,172	\$ 19,173
Hardenburgh	\$ 104,163,467	\$ 103,949,027	\$ 167,904,221	\$ 5,970
Hurley	\$ 815,731,185	\$ 802,066,105	\$ 816,971,829	\$ 22,183
Kingston Town	\$ 77,691,943	\$ 77,173,347	\$ 80,555,869	\$ 6,586
Kingston City	\$ 1,380,129,553	\$ 1,371,478,777	\$ 1,392,015,431	\$ 83,455
Lloyd	\$ 1,009,592,633	\$ 1,008,800,818	\$ 1,025,399,681	\$ 29,682
Marbletown	\$ 918,450,359	\$ 916,063,663	\$ 928,148,338	\$ 37,483
Marlborough	\$ 720,520,752	\$ 713,959,956	\$ 732,060,360	\$ 21,374
New Paltz	\$ 1,135,031,129	\$ 1,131,746,085	\$ 1,135,248,717	\$ 49,424
Olive	\$ 1,199,321,050	\$ 1,192,362,478	\$ 1,202,275,719	\$ 33,228
Plattekill	\$ 650,183,460	\$ 646,884,769	\$ 662,237,077	\$ 29,720
Rochester	\$ 763,741,638	\$ 762,653,107	\$ 773,046,418	\$ 29,681
Rosendale	\$ 474,611,454	\$ 474,611,454	\$ 483,856,808	\$ 15,919
Saugerties	\$ 1,650,667,457	\$ 1,637,652,988	\$ 1,674,699,971	\$ 60,499
Shandaken	\$ 165,810,382	\$ 165,299,264	\$ 652,902,282	\$ 28,939
Shawangunk	\$ 184,768,925	\$ 179,981,330	\$ 832,318,751	\$ 34,797
Ulster	\$ 1,025,030,533	\$ 1,014,998,516	\$ 1,238,982,914	\$ 52,577
Wawarsing	\$ 1,171,463,076	\$ 1,155,446,218	\$ 1,051,268,020	\$ 52,590
Woodstock	\$ 1,312,494,829	\$ 1,307,653,738	\$ 1,319,056,812	\$ 36,659
Total	\$ 16,318,920,416	\$ 16,210,513,184	\$ 17,919,334,296	\$ 696,302