

BOCES Tax Rate Variances

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March 31, 2011

One of the reasons I'm interested in BOCES' *Contract Analysis 2010-2011* publication is that its table of *true value tax rates* (page 144 of the PDF, or page 32 of the *Financial* section) gives me an opportunity to check my own analysis of school tax rates. I'm happy to report that *in almost all cases, my tax rates agree with the BOCES tax rates to the penny*, and my tax levy and taxable assessment amounts agree with the BOCES values to the dollar.

Unfortunately, there are four exceptions: Beacon, Millbrook, Spackenkill, and Poughkeepsie. In each of these districts, *our tax rates are not in agreement*. The BOCES rates are lower than mine by 5 percent or more in most cases. Upon further analysis, I found *each variance had a different cause*, as described in detail below.

At this point, it appears to me that *my tax rates for these four districts are correct, and the BOCES tax rates are in error*. If I am mistaken, I welcome BOCES' corrections.

Beacon

Our tax levies agree to the dollar. Our tax rates differ because our assessments differ:

Parameter	Values at Variance	
	Rubin	BOCES
Tax Rate	\$14.16	\$13.89
Assessment	\$2,171,164,130	\$2,212,165,808

The total assessment is the sum of the assessments of 3 municipal segments. For each segment, my assessment is the sum of the homestead and non-homestead amounts in the [RPTSA Tax Rate Pamphlet](#), shown in green in the table below. Each of the three BOCES municipal segment assessments is at variance with these values.

Municipal Segment	Homestead	Non-homestead	Total	BOCES
Fishkill	\$564,741,423	\$289,930,516	\$854,671,939	872,874,555
Wappinger	\$100,063,438	\$77,356,738	\$177,420,176	179,818,448
City of Beacon	\$891,638,975	\$247,433,040	\$1,139,072,015	1,159,472,805
Total	\$1,556,443,836	\$614,720,294	\$2,171,164,130	\$2,212,165,808

Millbrook

Our tax levies agree to within a dollar. Our tax rates differ because our total assessments differ. The total assessment is the sum of the assessments of 6 municipal segments. For 5 of these 6 municipal segments, our amounts agree to the dollar. However, our assessments for the Town of Washington differ, as shown below:

Parameter	Values at Variance	
	Rubin	BOCES
Tax Rate	\$11.24	\$10.46
Assessment	\$1,805,274,363	\$1,939,447,742
Assessment (Washington)	\$1,255,657,924	\$1,389,831,303

My assessment for Washington is the value in the [RPTSA Tax Rate Pamphlet](#).

Spackenkill

Our assessments agree to the dollar. Our tax rates differ because our tax levies differ:

Parameter	Values at Variance	
	Rubin	BOCES
Tax Rate	\$24.75	\$22.69
Tax Levy	\$28,588,877	\$26,211,156

My tax levy is the sum of the homestead and non-homestead levies in the [RPTSA Tax Rate Pamphlet](#): \$12,236,440 and \$16,352,437, respectively.

Poughkeepsie

Our assessments and tax levies both differ.

Parameter	Values at Variance	
	Rubin	BOCES
Tax Rate	\$12.00	\$11.41
Assessment	\$2,052,743,527	\$2,158,428,468
Tax Levy	\$24,629,184	\$24,628,500

To understand the situation, consider the Poughkeepsie entries in the [RPTSA Tax Rate Pamphlet](#), reproduced in green in the following table:

Property Class	Assessed Valuation	Tax Levy	Tax Rate
Homestead	\$1,429,478,501	\$15,670,691	\$11.18
Non-homestead	\$728,949,967	\$8,957,809	\$13.77
Total	\$2,158,428,468	\$24,628,500	\$11.41

The BOCES assessment and tax levy amounts can be seen to agree to the dollar with the sum of the homestead and non-homestead values in the Pamphlet. So they must be correct, right?

Wrong! First of all, *the data in the above table is not self-consistent*. In the homestead row, the tax rate of \$11.18 is not equal to the quotient of the tax levy with the assessed valuation. Not even close. The same is true in the non-homestead row. This means that *in each green row, at least one number is incorrect*.

How is this possible? Well, ordinarily, the Dutchess County Real Property Tax Service Agency (RPTSA) receives assessed valuation and tax levy data from every taxing authority in the County. The RPTSA then calculates the corresponding tax rates from those inputs, thus assuring that each line of the RPTSA tax rate pamphlet is self-consistent. However, in the special case of the Poughkeepsie School District, the procedure for some years has been that the school district gives the RPTSA not only the assessed values and tax levies, but also the tax rates. The RPTSA, for whatever reason, elects not to check this data for self-consistency.

And wouldn't you know, *the Poughkeepsie School District made a mistake* when it gave the RPTSA this data for 2010-11. (By the way, it did the same in 2006-07.) Ironically, *the only correct numbers in the above green rows are the tax rates – the very numbers essentially ignored by the BOCES procedure*. But who knew?

Anyway, based on personal correspondence with Poughkeepsie School District Assistant Superintendent for Business Kevin Sheldon, I derived the following corrected numbers¹ for 2010-11. The bottom row provides the corrected data.

Property Class	Assessed Valuation	Tax Levy	Tax Rate
Homestead	\$1,401,770,275	\$15,671,792	\$11.18
Non-homestead	\$650,973,252	\$8,957,392	\$13.76
Total	\$2,052,743,527	\$24,629,184	\$12.00

¹ The principal correction is to the assessed valuations. But small adjustments have been made in the tax levies. The reason is that *in the Poughkeepsie School District, tax rates expressed to the penny are set to be exact* – not rounded values as with all other jurisdictions. This is achieved using the following three-step process: First, compute the tax rate in the ordinary way (tax levy divided by assessed value). Second, round the tax rate (expressed to many significant digits) to the nearest penny. Third, *recompute the tax levy* as being the rounded tax rate times the assessed valuation.