



# TOWN OF PORTVILLE, NEW YORK

## Town of Portville Government Special Newsletter – March 31, 2008

### APRIL 16, 2008 PUBLIC HEARING ON ADOPTING “BUSINESS IMPROVEMENT EXEMPTION LAW”

The Town Board of the Town of Portville will hear public comment on April 16<sup>th</sup> at its monthly town board meeting which begins at 7:00PM at the Westons Mills Community Center located at 1310 Olean Portville Road, Westons Mills, NY 14788.

The hearing is being held to consider the adoption of Local Law 4 for 2008 which is referred to as “The Business Improvement Exemption Law.” This law, if adopted, is a local application of Real Property Tax Law Section 485-b which provides for partial exemption when computing your property tax.

This law is intended to provide incentives to business and commercial property owners who want to do construction, alteration, installation or improvements on their property. It also enables business and commercial property owners to slowly absorb the impact of the subsequent larger assessed value of their property as a result of the improvement. It provides for partial exemption if: a) the property is business or commercial; b) the improvement is at least \$10,000; c) the improvement was new construction, alteration or improvement, and not ordinary maintenance or repair; and d) the capital improvement commenced after this local law was adopted.

Let’s look at two difference examples of how this law would work.

Example 1: Say that the improvement is \$50,000. 50% of the \$50,000 would be exempt in Year 1 and the exemption for each of the next 9 years after that would go down by \$5,000 or 5%. Thus, in Year 10, the assessment for the improvement would be back up at \$50,000.

Example 2: If the improvement was \$10,000,000, what would happen? \$5,000,000 of the \$10,000,000 would be eligible for exemption in Year 1 and the exemption would decline by 5% or \$500,000 each year.

If you do a business improvement that you would like to see exempted using this law, do you need to apply for this exemption? Yes. There is a specific form called RP-485-b which must be filled out with the appropriate documentation to support obtaining the exemption and turned into the assessor.

Do you need to reapply each year? No. Once you have obtained the exemption, you do not need to reapply.

What happens if you are no longer the owner of the property? The exemption stays with the business property but only if it remains classified as business or commercial.

What happens if this law changes during the exemption timeline of 10 years? Your exemption would continue throughout the 10 years regardless of whether or not this local law had been repealed.

How will this exemption impact the mill rate for the community? The mill rate is the tax everyone gets charged per \$1,000 of assessed value on their property. As an example, let’s say that the town budget was \$800,000 and it never changed year over year. Let’s also say the taxable assessed value of all properties in Portville was \$140 million. And, let’s also say, there were 10 commercial or business properties that each had a \$150,000 improvement the first year. That would mean that the taxable assessed value for all properties would increase by \$750,000 the first year with a resulting mill rate decrease of \$0.0304 per \$1,000 of assessed value for each Portville property owner. Secondly, the mill rate would continue to go down \$0.0034 each year for the next 9 years.

The end objective is to provide incentive for improvements and new development, to increase the number of businesses and people living in Portville, and to encourage reduction of the mill rate to help reduce tax impact on property owners. This is one of many Initiatives that your Town Board is pursuing to revitalize the economic well-being of your community.

Terry Keeley, Supervisor  
Denny Cornell, Deputy Supervisor  
Marlin Jeffers, Councilperson  
Bill Stern, Councilperson  
Gary Woodhead, Councilperson  
Stuart Frost, Highway Superintendent

Go to our website  
**WWW.PORTVILLE-NY.COM**  
for significantly more information about what’s  
going on in your Town government.

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