

HORSEHEADS CENTRAL SCHOOL DISTRICT

January 2, 2015

TO: Board of Education

FROM: Conrad R. Wolan, Esq., School Attorney

SUBJECT: Settlement of Wal-Mart Real Estate Business Trust v. The Board of Assessment Review for the Town of Horseheads, the Assessor of the Town of Horseheads, and the Town of Horseheads, New York (Tax Certiorari).

Pertinent Information

Wal-Mart Real Estate Business Trust ("Wal-Mart") initiated a tax certiorari proceeding earlier this year in Chemung County Supreme Court contesting the assessment on its parcel located in the Town of Horseheads (Chemung County Index No. 2014-1716). The parcel is located at 1400 County Route 64, Horseheads (SBL # 58.04-1-17.12). While the proceeding is formally against the assessor and the municipality, the District did receive notice, as required by law, and filed a notice of intention to intervene in order to establish standing in the proceeding. A tentative negotiated settlement has been reached between the taxpayer and the municipality. The District will be required to refund some taxes previously paid. The District's consent has been requested.

Evaluation/Analysis

Wal-Mart has requested that its assessment of \$13,085,000.00 be reduced to \$5,475,375.00. After negotiations, the Town of Horseheads tentatively has agreed to reduce the assessment to \$11,100,000.00 for the years 2014-2015 through 2016-2017. The District's primary concern is the need for a refund to the taxpayer for the school tax payment it made in September, 2014, in light of the tentative agreement to reduce the assessment for the subject tax years. The Business Office has calculated that the reduced assessment would generate a refund of \$30,454.56 with respect to the September, 2014 school tax payment. Wal-Mart has agreed to waive 50% of that refund amount so long as the other 50% (\$15,227.28) is paid within 60 days of the filing and service of the requisite settlement documents, or credit the full \$30,454.56 against the amount it will owe in September, 2015. The District's tax certiorari reserve fund has sufficient assets to pay a refund of \$15,227.28. Based on a review by the School Attorney, the District has no reason to object to the settlement reached between the taxpayer and the municipality, while payment of the \$15,227.28 represents the preferable refund payment option.

Recommendation

That the Board of Education hereby authorizes settlement of the above-referenced tax certiorari proceeding on the terms outlined above; authorizes a refund as required by law; authorizes the appropriation of sufficient funds from the District's tax certiorari reserve account; and authorizes and directs the Board President, Superintendent, and School Attorney to take all actions necessary to effectuate the foregoing resolutions.

**Wal-Mart
2014-15 Certiorari Settlement**

Total Value Prior to Adjustments: \$13,085,000
Overall Settlement: \$11,100,000

10-year exemption beginning in 2008-09
Exemption reduces building taxable value
Year 1 = 50%, Year 2 = 45%, Year 3 = 40%, Year 4 = 35%, Year 5 = 30%

Tax Rate	Building Value	Exemption Amount	Building Taxable Value	Land Taxable Value	Total Taxable Value	Adjusted Tax Bill	Tax Paid	Refund Due (at 100%)	Refund Due (at 50%)
19.177939	\$ 6,594,000	\$ 1,318,800	\$ 5,275,200	\$ 4,506,000	\$ 9,781,200	\$ 187,583.26	\$ 218,037.82	\$ 30,454.56	\$ 15,227.28