

# Office of the New York State Comptroller

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## Property Tax Cap

### Overview of the Role of the Office of the State Comptroller

The State's property tax cap limits the amount of property taxes that local governments and school districts can levy. These are some of the State Comptroller's responsibilities under this law.<sup>1</sup>

#### **Determines How Local Governments Report Tax Cap Information**

Local governments and school districts are required to submit any information necessary to calculate their property tax caps to the State Comptroller for the coming fiscal or school year, before annual budgets are passed. The State Comptroller determines the form and manner of this report.

#### **Prescribes Requirements for Excess Funds to Be Placed in Reserve**

The Comptroller requires excess tax funds be placed in a reserve fund if a local government:

- exceeds the tax cap due to clerical or technical errors; or
- exceeds the tax cap without complying with cap override rules.

Reserve funds are then applied to the next year's budget.

#### **Determines Costs and Savings When Local Governments Transfer Services**

When a local government transfers a service or function, such as the administration of a municipal justice court, municipal snowplowing or the centralization of back-office operations to another local government, the State Comptroller determines the costs and savings of the transfer for the next fiscal year. Local governments then adjust their property tax cap according to the Comptroller's information.

#### **Determines New Tax Cap when Local Governments Consolidate or Dissolve**

When local governments consolidate or dissolve, the Comptroller determines the tax cap for the consolidated or surviving local governments for the next fiscal year.

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<sup>1</sup> The information provided below is intended for general discussion purposes only. To view the actual legislation, click here [www.osc.state.ny.us/localgov/realprop/pdf/parta-chapter97.pdf](http://www.osc.state.ny.us/localgov/realprop/pdf/parta-chapter97.pdf)