

## **A Resolution to Revise Town of Enfield Procedures for the Receipt of Sales Tax Revenue**

RESOLUTION #2023-\_\_\_\_\_

**WHEREAS**, by Resolution #2010 -35, the Enfield Town Board in 2010 resolved to take its assigned portion of Tompkins County sales tax as a Tax Warrant Credit, said money applied to reduce the County's Property Tax rate, rather than to be taken as a direct payment to assist this Town in meeting its own budgetary obligations; and

**Whereas**, sales tax receipts in Tompkins County continue to grow dramatically and now comprise the second-largest source of revenue for Tompkins County, sales taxes falling behind only property taxes; and with sales taxes projected to raise \$47.5 Million dollars for Tompkins County in 2024, up \$6.9 Million from 2023, according to recently-released estimates by Tompkins County officials; and

**Whereas**, local municipalities, including the Town of Enfield, stand entitled to receive a portion of the county's four per cent (4%) local share of sales tax revenue, that local share apportioned outside the City of Ithaca on the basis of population under terms of a two-tiered Sales Tax Distribution Agreement adopted by the County and City of Ithaca in 1998, and still in effect; and

**Whereas**, on May 11, 2022, the Enfield Town Board considered, but then postponed action on a proposed rescission in the afore-referenced Resolution #2010 – 35, the Town Board voting to refer the matter of its Finance Committee for the purpose of further consideration; and

**Whereas**, during the ensuing year, this Town Board and Enfield residents have observed a troubling and inequitable imbalance in the burdens imposed through the Town Tax, versus the County tax, Tompkins County drawing upon its substantial fund balances to hold its own levy increase to zero, while this Town Board has found it necessary to raise the Town Tax levy by double-digit percentages to cover necessary expenses without having the valuable benefit of higher, otherwise-available sales tax revenue; and

**Whereas**, this Town Board believes that the circumstances underlying the decision of 2010 are no longer applicable, and that fairness and equity dictate a change; and

**Whereas**, any minor financial benefit that the current practice may accrue to Enfield taxpayers through the apportionment of Payment in Lieu of Tax (PILOT) revenues fails to override the broader principle that the Town of Enfield should receive the sales tax revenue it rightly deserves; therefore be it

**RESOLVED**, that the Town of Enfield hereby RESCINDS afore-referenced Resolution #2010 – 35, and states that the Town of Enfield no longer chooses to use Sales Tax revenues to offset the County Tax Warrant, but rather directs its Supervisor to request that the Town of Enfield's municipal share of Sales Tax revenues be paid directly to the Town, beginning with the budget year that commences on January 1, 2024; and be in further

**RESOLVED**, that the Enfield Town Clerk will provide the Tompkins County Administrator, the Tompkins County Director of Finance, the Director of Assessment, and any other parties involved in sales tax distribution matters a copy of this resolution as approved by the Enfield Town Board; and be it further

**RESOLVED**, that the Enfield Town Clerk or Supervisor shall include an explanation of the impact of this change as it affects residents' Town and County property taxes as an enclosure to residents' 2024 tax bills, to whatever extent the law permits.