

Proposal for city status for Village of Wellsville

How we organize to provide services and serve citizens will vary overtime with changes in the population, employment, technology and other factors. Communities and Counties continue to experience a variety of changes. Population size and composition, employment opportunities, and many other local factors have a significant impact on our local economics. Local governments are influenced by these broader changes in the community. Adjustments in the structure of local government and their financial resources are needed overtime to better serve changing communities.

County policy regarding the sharing of sales taxes can have important impacts on local economic health. Villages like Wellsville are centers with key public services and infrastructure and are the location of employment generating industrial and commercial property. County sales tax sharing with Cities, towns and villages will help hold down the tax burden on property that serves as an employment base for the County and that stimulates activity in other sectors of the local economy. The sharing of sales taxes with such local governments can also serve to help balance the extra public service load shouldered by these communities in Allegany County.

Therefore, we as the Village Board of Wellsville make the following proposal:

The Allegany County Board of Legislators does hereby offer its support to the Village of Wellsville in becoming a city and seeking approval of a city charter by the State Legislature, with the following provisions:

- Wellsville's City Charter mitigates any negative impact on Allegany County residents that might result from allocating sales tax revenues to all municipalities in the County.
- The County will keep all sales tax revenues up to what ever the total amount of sales tax is in the year that Wellsville becomes a City.
- The County will begin sharing sales tax, with the City of Wellsville, on anything over the set amount, at a rate of 1.5% of the Counties share of sales tax(1.5 cents or 37.5%) of sales tax generated within the City of Wellsville.
- The sales tax that is generated outside the city has to be shared with all Towns and Villages in the County as per State law. It could be shared at a rate of 1.5% of the Counties share of sales tax (1.5 cents or 37.5%) This is negotiated with towns and villages based on their taxable assessed valuation or by population or a combination of both.
- **Example;** Wellsville becomes a city sometime in 2006, total sales tax revenues taken in by the county is \$14,000,000.00 for year 2006. The County will keep the first 14 million - all of it. In 2007, the County will begin sharing sales tax on anything over the 14 million at a rate of 1.5% of the 4% (1.5 cents of 4 cents or 37.5%) of sales tax generated within the City of Wellsville as required by state law. Total sales tax revenue for 2007 is 15 million. Of the 1 million-increase revenue, we will say that the portion of sales tax generated in the City is \$500,000.00. Wellsville would receive \$187,500.00, all other towns / villages would share \$187,500.00 based on their taxable assessed valuation (this could be

negotiated with towns and villages), and the county would keep \$625,000.00 (Total sales tax revenue for County in 2007 is \$14,625,000).

- All bridges in the City, that are currently the Town of Wellsville and County's responsibility, will now be the responsibility of the City only. As required by State law.

We are sure that the Allegany County Board of Legislators is interested in promoting economic growth and development throughout the county, but the high property tax rates that exist in many municipalities have a detrimental effect on such growth and development. By becoming a City, the Village of Wellsville would reduce our combined tax rate through increased state aid, and no longer paying town taxes. Such a reduction of the property tax rate would stimulate investment in the community, thereby increasing both the property tax base and the sales tax revenue. It is predictable that increased property value and increased sales tax revenues that could result from such growth and development will benefit all residents of Allegany County.

Attached to this proposal is a spreadsheet that shows how every community will benefit. The County will continue to get the all the sales tax revenues that they currently receive. The County also will get the majority of new sales tax revenues. The tax rate for Allegany County will not increase because no current sales tax revenues will have be shared. Only new sales tax revenues that are realized will have to be shared. This is a win-win plan for all of Allegany County.

2004 taxable Assessments / Sales Tax Sharing Spread Sheet

Towns

Towns	Total Taxable Assessment	Percentage of sales tax sharing that town/village will receive	Dollar amount of sales tax sharing that town/village will receive for every \$100,000 over set amount in sales tax collected by County	Dollar amount of sales tax sharing that town/village will receive for every \$1Mover set amount in sales tax collected by County
Alfred	\$ 42,434,637.00	3.93935199725991%	\$ 738.63	\$ 7,386.28
Allen	\$ 16,508,953.00	1.53258238012546%	\$ 287.36	\$ 2,873.59
Alma	\$ 24,382,862.00	2.26354419194426%	\$ 424.41	\$ 4,244.15
Almond	\$ 38,836,373.00	3.60531288494069%	\$ 676.00	\$ 6,759.96
Amity	\$ 25,597,604.00	2.37631283242669%	\$ 445.56	\$ 4,455.59
Andover	\$ 23,909,158.00	2.21956863493620%	\$ 416.17	\$ 4,161.69
Angelica	\$ 21,223,343.00	1.97023527350033%	\$ 369.42	\$ 3,694.19
Belfast	\$ 34,371,957.00	3.19086593005807%	\$ 598.29	\$ 5,982.87
Birdsall	\$ 12,167,514.00	1.12955179933760%	\$ 211.79	\$ 2,117.91
Bolivar	\$ 22,233,196.00	2.06398336971920%	\$ 387.00	\$ 3,869.97
Burns	\$ 19,233,368.00	1.78549911113497%	\$ 334.78	\$ 3,347.81
Caneadea	\$ 53,002,466.00	4.92039958529162%	\$ 922.57	\$ 9,225.75
Centerville	\$ 20,229,978.00	1.87801781452317%	\$ 352.13	\$ 3,521.28
Clarksville	\$ 27,667,701.00	2.56848699315939%	\$ 481.59	\$ 4,815.91
Cuba	\$ 66,906,126.00	6.21112373571202%	\$ 1,164.59	\$ 11,645.86
Friendship	\$ 34,085,511.00	3.16427417148578%	\$ 593.30	\$ 5,933.01
Genesee	\$ 35,637,922.00	3.30838977623146%	\$ 620.32	\$ 6,203.23
Granger	\$ 15,256,008.00	1.41626722493262%	\$ 265.55	\$ 2,655.50
Grove	\$ 26,644,711.00	2.47351934445117%	\$ 463.78	\$ 4,637.85
Hume	\$ 42,720,777.00	3.96591534880917%	\$ 743.61	\$ 7,436.09
Independance	\$ 20,809,790.00	1.93184373885558%	\$ 362.22	\$ 3,622.21
New Hudson	\$ 21,535,641.00	1.99922696135288%	\$ 374.86	\$ 3,748.55
Rushford	\$ 71,529,940.00	6.64036815026560%	\$ 1,245.07	\$ 12,450.69
Scio	\$ 36,138,023.00	3.35481585672748%	\$ 629.03	\$ 6,290.28
Ward	\$ 13,732,965.00	1.27487795173199%	\$ 239.04	\$ 2,390.40
Wellsville	\$ 84,905,164.00	7.88203578555604%	\$ 1,477.88	\$ 14,778.82
West Almond	\$ 15,928,052.00	1.47865536021105%	\$ 277.25	\$ 2,772.48
Willing	\$ 38,131,785.00	3.53990357921138%	\$ 663.73	\$ 6,637.32
Wirt	\$ 22,379,655.00	2.07757965791572%	\$ 389.55	\$ 3,895.46
Alfred	\$ 31,506,500.00	2.92485578942667%	\$ 548.41	\$ 5,484.10
Almond	\$ 7,772,378.00	0.72153634300581%	\$ 135.29	\$ 1,352.88
Andover	\$ 16,754,820.00	1.55540705180842%	\$ 291.64	\$ 2,916.39
Angelica	\$ 14,510,763.00	1.34708359130810%	\$ 252.58	\$ 2,525.78
Belmont	\$ 15,153,224.00	1.40672543585861%	\$ 263.76	\$ 2,637.61
Bolivar	\$ 16,161,034.00	1.50028387342362%	\$ 281.30	\$ 2,813.03
Canaseraga	\$ 7,942,418.00	0.73732173581155%	\$ 138.25	\$ 1,382.48
Cuba	\$ 34,062,616.00	3.16214875059488%	\$ 592.90	\$ 5,929.03
Richburg	\$ 5,193,475.00	0.48212798695484%	\$ 90.40	\$ 903.99
TOTAL Without Village of Wellsville	\$ 1,077,198,408.00			
Wellsville	\$ 113,054,200.00		\$ 18,750.00	\$ 187,500.00
Allegany County	\$ 1,189,104,408.00		\$ 62,500.00	\$ 625,000.00