

APPENDIX

Citizen Empowerment Tax Credit Change

New York State provides municipalities financial incentives for successfully consolidating structures under the Citizen Empowerment Tax Credit (CETC) program. Per Section 54 of State Finance Law, CETC benefits consist of annual additional apportionments of state aid equal to 15 percent of the combined amount of real property taxes levied by all of the municipalities participating in a consolidation or dissolution. The incentive is capped at one million dollars.

Prior to 2012, the CETC benefit was only available in cases of consolidation or village dissolution. As such, the consolidation / dissolution models presented in this report assume receipt of that incentive funding. (NB: Those models are also presented *without* the incentive funding, to offer a clearer picture of the true fiscal impact of restructuring.)

However, in August 2012 the law was amended to *also* provide CETC benefits in cases of “consolidation” achieved through creation of coterminous town-village government structures. This would theoretically enable the creation of a coterminous Town-Village of Ossining to become CETC-eligible.

The coterminous fiscal impact models presented in this report *do not* contain CETC benefit impacts for two reasons. First, the models were developed in advance of the statutory change in the CETC law. Second, and more importantly, the New York Department of State has indicated that it is not yet in a position to provide guidance on the application of CETC benefits in instances of coterminous restructurings, particularly any which *may* involve creation of multiple coterminous entities (*e.g.* Ossining and Briarcliff Manor). Pursuant to the new law, that decision is subject to the Secretary of State and a determination of cost savings realized by the restructuring.