

# Warren County Board of Supervisors

SPECIAL BOARD MEETING  
THURSDAY, JANUARY 31, 2019



## NOTICE OF SPECIAL MEETING

### **TO THE MEMBERS OF THE BOARD OF SUPERVISORS OF WARREN COUNTY:**

You are hereby notified that I, RONALD F. CONOVER, Chairman of the Board of Supervisors of the County of Warren, pursuant to the power vested in me by Rule A.3 of the Rules of the Board of Supervisors, hereby call and convene a special meeting of the Board of Supervisors of Warren County to be held in the Supervisors' Room in the Warren County Municipal Center, Town of Queensbury, New York, on **JANUARY 31, 2019 AT 9:30 A.M.**, for the purpose of:

1. Public Hearing for proposed Warren County Local Law No. 2 of 2019, Introducing Proposed Local Law No. 2 of 2019 "A Local Law Imposing an Additional Mortgage Recording Tax in Warren County", and
2. To conduct such other business as may properly come before the Board of Supervisors.

The Clerk of the Board of Supervisors is hereby directed to call for the meeting and give written notice to all members of the Board of Supervisors of such meeting.

Dated: January 10, 2019

RONALD F. CONOVER, CHAIRMAN  
Warren County Board of Supervisors

To the Members of the Board of Supervisors: At the direction of the Chairman of the Board, I am notifying you of the Special Meeting called for the time, place and purposes set forth above.

AMANDA ALLEN, CLERK  
Warren County Board of Supervisors

The Board of Supervisors of the County of Warren convened at the Supervisors' Room in the Warren County Municipal Center, Lake George, New York, at 9:33 a.m.

Mr. Ronald F. Conover presiding.

Salute to the flag was led by Supervisor Leggett.

Roll called, the following members present:

Supervisors Leggett, McDevitt, Braymer, Loeb, Driscoll, Simpson, Merlino, Wild, Beaty, Magowan, Sokol, Thomas, Hyde and Conover- 14; Supervisors Diamond, Frasier, Hogan, Dickinson, Strough and Geraghty

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Commencing the Agenda review, Chairman Conover declared the Public Hearing on proposed Warren County Local Law No. 2 of 2019, A Local Law Imposing an Additional Mortgage Recording Tax in Warren County, open at 9:34 a.m. and he requested that Amanda Allen, *Clerk of the Board*, read aloud the Notice of Public Hearing, which she proceeded to do. Chairman Conover then called for any public comment.

Supervisor Frasier entered the meeting at 9:35 a.m.

Nathan Dunn, *City of Glens Falls Resident, Acting Chair, Libertarian Party of Warren County*, apprised Libertarians tended to believe taxation was theft, but he felt it was extortion to which individuals tended to acquiesce. He mentioned he had been working on a rubric that he would like to use for evaluating the proposed tax. He apprised he had five questions and a few sub-questions, the first of which was the most important thing regarding what the tax was being used for. He said in this case the tax was being allocated to the General Fund which he felt was the most inappropriate answer since there was no specific purpose for that tax. The sub-questions pertaining to what it was used for were as follows: was what they were trying to do the proper role of government; and would the tax be effective. He said neither of these questions could be answered if the funds were only being allocated to the General Fund. He continued, inquiring who was paying the tax, pointing out in this case it was the lenders. Next, He asked how much the levy was, apprising it was a quarter of a percent of the amount of the mortgage. He informed the total amount of revenue received from this tax on an annual basis was slightly less than \$1 million. With regard to what the amount was based on, Mr. Dunn indicated it was grounded on what the mortgage lenders were willing to pay. He stated his fourth question concerned how voluntary the tax was, meaning were there ways to opt out of that tax similar to sales tax where individuals had the option to shop in another County if they did not like what the County was doing with the funds or agree to the amount unlike property tax which property owners were required to pay since their property was located here. He apprised in this case it appeared that mortgage lenders had it built into their cost of doing business and it had been suggested that they pass this cost on to borrowers, but he had no evidence to support whether an individuals mortgage would be higher or lower whether that tax was in place. In regards to whether there were other practical ways to raise the money, Mr. Dunn advised it had been suggested that this tax lowers the overall property tax levy in the County, but the loss of revenue was factored into the 2019 County Budget and while the tax levy increased 2.5%, it was lower than the 2.7% tax cap that was permitted by State law. He added the 2019 County Budget had also included increased spending which he did not believe would have been significantly different if this tax had been taken into account. He remarked overall this felt like a questionable way to garner revenue from people who were willing to provide it to the tune of an extra several hundred thousand dollars a year and mortgage lenders had just resigned it to be the cost of doing business and would just pay the tax; therefore, he said, why would the County not collect this tax. He mentioned even though it was a low coercion tax and the mortgage lenders were willing to pay it he was opposed to it since there was no purpose for it.

Chairman Conover once again called for any public comment; there being no response he declared the Public Hearing closed at 9:38 a.m.

Supervisor Merlino informed for clarification purposes that this was not a new tax, apprising it had been around for about six years and was being rolled over because it has to be renewed every two years.

Supervisor Braymer requested that Pam Vogel, *County Clerk*, address some of the points made by Mr. Dunn.

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Ms. Vogel stated one of the points noted by Mr. Dunn was that the tax was paid by the lender; however, she advised, the mortgage tax was established by the State and required a quarter of it to be paid by the lender and the balance was paid by the borrower. She mentioned there was also a comment regarding developing the estimated revenue loss based on the entire year, but her recollection from the budget process was that they had used the first quarter of the year as the basis to determine this figure because it was considered to be the “safe zone”. She remarked she believed their estimate was accurate based on those projections, but she wanted to ensure they were aware this was not based on the entire year of almost \$1 million. She apprised for point of record as of this morning for December and January they had lost about \$140,000 in revenue and she was anticipating the loss in February to be around \$60,000. She added she felt the projected revenue loss would be on target for what they had budgeted for.

Supervisor Loeb remarked Mr. Dunn’s comments were very clear and organized and he encouraged him to become more involved with City of Glens Falls and County.

Supervisor Leggett stated he would like to clarify the point Mr. Dunn had made about the use of the tax, as he believed there was a reason the tax was originally instituted and he asked whether the County had a record of that. Ryan Moore, *County Administrator*, responded he believed during the time when the tax was first instituted there was a debate regarding whether the Board wanted to do this or another option, but he was unsure of what the other option was. He mentioned he thought there was around \$800,000 budgeted for the tax in the 2019 County Budget. With regards to the funds being allocated to the General Fund, he informed if these funds were not received through the tax than property taxes would be raised because there were expenses the County had to cover, such as those realized through the Collective Bargaining Agreement, and there were only certain areas in the budget where cuts could be made by the Budget Officer. Chairman Conover apprised he felt this fell into a discussion regarding revenue because if there was no mortgage tax than they would need to either increase property or sales tax, as well as to consider cutting back expenses.

Supervisor McDevitt mentioned Warren, Washington and Saratoga Counties were the only counties in the State with a 7% sales tax rate, as all other Counties rates were greater. He said in the order of taxation and priority he felt it was imperative for the County to maintain the sales tax rate at 7% and if given the choice between increasing the mortgage or sales tax he would vote in favor of the mortgage tax because the 7% sales tax rate created an incentive for individuals from Albany, Essex and Clinton Counties to shop here. With regards to the argument that the tax should be voluntary, Supervisor McDevitt pointed out the Federal and State income taxes were not voluntary, adding it was not practical for this tax to be voluntary.

Supervisor Dickinson entered the meeting at 9:44 a.m.

Supervisor Loeb apprised about four years ago there was an extensive and passionate discussion regarding whether the sales tax rate should be increased and he suspected Washington and Saratoga Counties, whose sales tax rate was also 7%, would have followed suit and increased their rate had the County moved forward with the increase. He remarked he felt the sales tax rate had remained the same due to the leadership of the Board.

Supervisor Braymer pointed out the mortgage tax was only applicable when individuals were getting a mortgage, adding people made a choice to borrow money to purchase a home. Supervisor Braymer asked for confirmation that the revenue received from the tax was allocated to the General Fund and Mr. Moore replied affirmatively, adding the General Fund was used to assist with offsetting costs associated with the County Clerk’s Office. Supervisor Braymer stated the funds were not being set aside

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for any specific purpose, but rather was being used to pay bills and she thanked Mr. Dunn for attending the meeting today and voicing his opinion.

Proceeding with the Agenda review, Chairman Conover called for the reading of resolutions. Mrs. Allen announced that a motion was needed to bring proposed Resolution No. 22 to the floor. The motion was made Supervisor Dickinson, seconded by Supervisor Thomas and carried unanimously.

Chairman Conover called for a vote on resolutions, following which Resolution No. 22 was approved, as presented.

Chairman Conover called for public comments from anyone wishing to address the Board on any matter, but no response was given.

Chairman Conover called for announcements.

Supervisor Braymer advised the Pond Hockey Tournament was scheduled for this weekend in Crandall Park and she encouraged all to attend, apprising there would be a heated area in the pavilion and vendors.

Supervisor Dickinson announced the Lake George Winter Carnival was scheduled to begin this Saturday, with a number of events going on and he encouraged all to attend.

Supervisor Driscoll informed Cornell Cooperative Extension, as well as the Tri County United Way had commenced with the VITA (*Voluntary Income Tax Assistance*) Program, apprising volunteers would be traveling to a number of outreach locations throughout the County from now until March to assist households who earned under \$55,000 in their income tax preparation. He mentioned this program was a wonderful way for families to save a substantial amount of money on their tax preparation.

Supervisor Merlino apprised the Town of Lake Luzerne was holding its third annual snowmobile race on their lake this Saturday. He said the race was not based on speed, but rather time. Chairman Conover asked what time the race was scheduled for and Supervisor Merlino replied registration commenced at 8:00 a.m. and the race began at 9:00 a.m.

There being no further business to come before the Board of Supervisors, on motion made by Supervisor Simpson and seconded by Supervisor Braymer, Chairman adjourned the meeting at 9:51 a.m.