

**COUNTY OF ERIE, NEW YORK
OFFICE OF THE COMPTROLLER**



**COMPTROLLER'S REVIEW
OF REVENUES DERIVED FROM ERIE COUNTY'S
SALES TAX AND THE SHARING THEREOF WITH
OTHER ENTITIES**

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Comptroller’s Review of Revenues Derived from Erie County’s Sales Tax and the Sharing Thereof with other Entities

Table of Contents

| | |
|---|-----------|
| EXECUTIVE SUMMARY | 1 |
| SALES TAX AS A PORTION OF THE OVERALL COUNTY BUDGET | 2 |
| COLLECTION AND SHARING OF THE SALES TAX..... | 5 |
| 3% Sales Tax | 5 |
| 1% Sales Tax | 7 |
| 2007 Sharing of \$12,500,000 of 1% Sales Tax and ECFSA | 8 |
| Aggregate Sharing of Sales Tax Revenue | 9 |
| Potential Future Sharing or Dedication of 1% Sales Tax | 9 |
| .75% Sales Tax | 10 |
| A Significant Caveat on Sales Tax Sharing with City of Buffalo | 10 |
| CONCLUSION | 12 |
| APPENDIX..... | 13 |

EXECUTIVE SUMMARY

During the past decade, Erie County has become more reliant on revenues derived from the County's share of sales and compensating use taxes ("sales tax") as a general revenue stream for paying County expenses. This reliance on sales tax as a percentage of budgeted revenue has occurred due to annual growth in sales tax receipts (i.e. government is receiving more sales tax revenue due to greater consumer spending) as well as a policy decision by the County to decrease real property tax rates and increase the sales tax rate. The County's increasing reliance on sales tax revenues to sustain operations – revenue closely tied to the fiscal health of the country, state and local economies – has numerous implications for the County and its taxpayers.

While the County has experienced "natural" growth in sales tax revenue and has increasingly used such revenue to sustain operations, the County is also required to share a substantial amount of non-state share (or local) sales tax revenue with local governmental entities. Growth in overall tax receipts has also meant growth in transfer payments to local governments, school districts and other entities. In addition, certain legislative actions have compelled the County to remit or share additional sales tax revenue with non-County entities. As a result, nearly forty-six percent (46%) of all local share sales tax revenues are shared or dedicated to non-County governmental entities.

At the same time, certain parties seek to transfer even more sales tax revenue from the County share to non-County parties while other parties seek to dedicate proceeds from the County share of sales tax to certain dedicated County projects or initiatives. Either approach further restricts the County's financial flexibility, its ability to react to fiscal constraints and exerts pressure on the County's General Fund.

This report examines three main issues: (1) sales tax as an increasingly large component of the County's budgeted revenues; (2) the amount of revenue that the County is required to share with local governmental entities in Erie County; and (3) the 1977 sales tax revenue sharing agreement between the County and Cities of Buffalo, Lackawanna and Tonawanda governing the three percent (3.00%) sales tax.

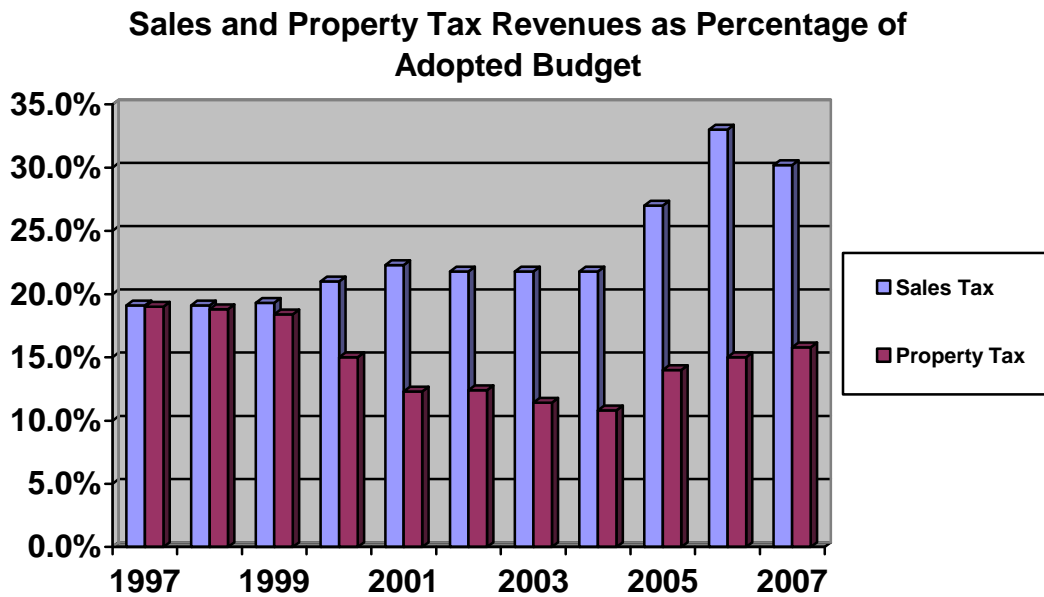
This office believes the County should initiate a substantive dialogue concerning the 1977 sales tax revenue sharing agreement. This includes analyzing the percentage of sales tax shared between the County and cities, towns, villages, and school districts, whether those percentages should be changed, the impact a covenant entered into by the State of New York on behalf of the County in regards to the Buffalo Fiscal Stability Authority has on the County, and in fact, whether the agreement should be maintained at all. Considering the significant revenue sharing that already takes place and in light of the County's financial situation, this office believes that the agreement needs to be reexamined.

SALES TAX AS A PORTION OF THE OVERALL COUNTY BUDGET

During the last ten (10) years, the sales tax has grown to become the single-largest component of County revenues.

Previously, County property taxes (not including the library property tax) constituted, as a category, the largest source of revenues supporting County operations, followed by sales taxes, federal aid, and state aid. As Figure 1 illustrates, starting in 1997 and escalating significantly in 2001 and later years, sales taxes dramatically outpaced property taxes as a percentage of total County revenues.

Figure 1



In 1997, budgeted sales tax revenues constituted 19.1% of total revenues, against property tax revenues constituting 19.0%, and that percentage generally remained constant through 1998 and 1999. The trend of County share sales tax revenues outpacing property tax revenues accelerated in 2000, corresponding with a policy decision by the County Executive and Legislature to aggressively reduce property taxes starting in fiscal year 2000. In 2000, sales taxes constituted 21.0% against property taxes of 15.0%. In 2004, sales taxes were 21.8% and property taxes 10.8%. In 2006, however, sales taxes were 33.0% of all budgeted revenues and property taxes were 15.0%.

The Adopted 2007 Budget includes total revenue generated by the sales tax of \$624,317,236. That includes \$255,100,871 that is shared with the various municipalities and school districts under the sales tax sharing agreement of 1977. In addition, the County remits \$30,350,846 to the Niagara Frontier Transportation Authority, intercepted budgeted funds for the Erie County Fiscal Stability Authority and made a one-time 2007

\$12,500,000 sales tax distribution to various municipalities due to the State legislation enabling the County to continue the additional 1.00% sales tax. Total payments to these various governmental entities are budgeted at \$285,451,717 in 2007.

\$369,216,365 of sales tax revenue is budgeted for County purposes¹ as opposed to \$355,254,231 in the Adopted 2006 Budget and significantly above Adopted 2005 Budget sales tax revenue of \$270,797,951 which did not include the 0.75% sales tax.

Figure 2 (below) describes the County's 2007 Adopted Budget local share revenue categories.

Figure 2

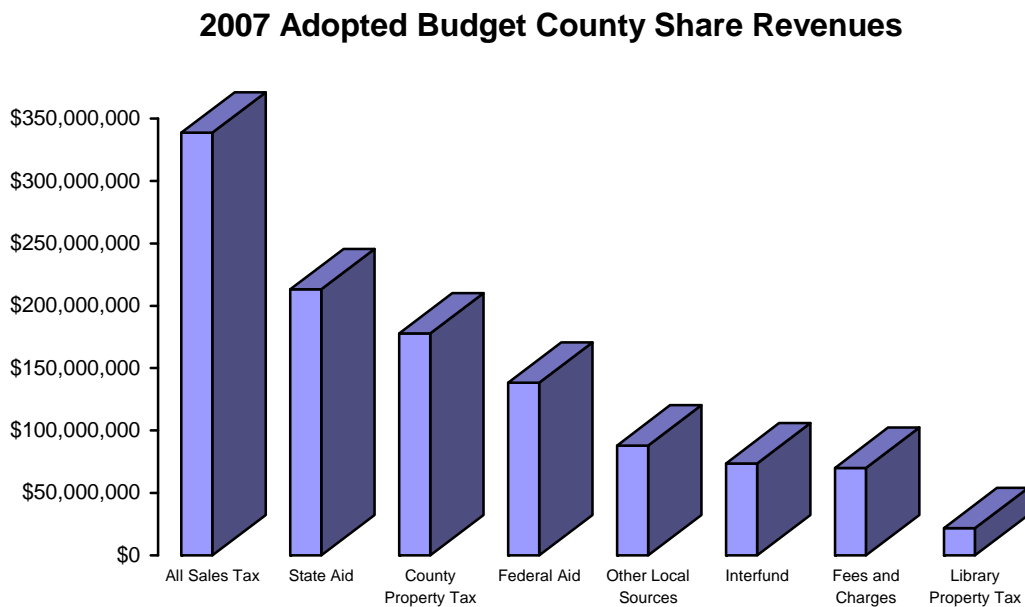
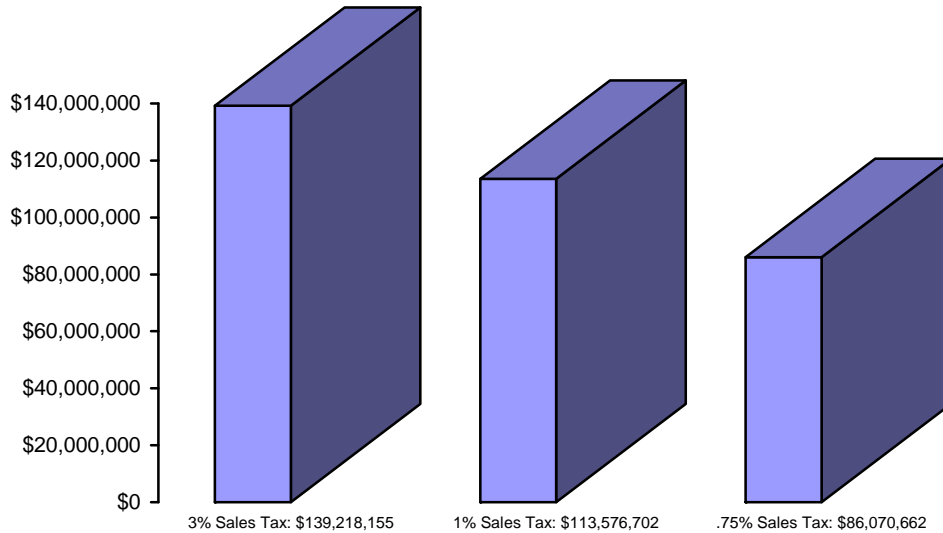


Figure 3 (below) details the 2007 Adopted Budget County share sales tax revenues by the three distinct categories: 3.00% sales tax; 1.00% sales tax; and 0.75% sales tax.

¹ This includes, however, \$30,350,846 remitted to the NFTA, ECFSA and the revenue sharing with local governments in 2007. That is included in this depiction to allow a true year-to-year comparison against prior years when the State Comptroller did not maintain a new 2007 accounting prescription requiring counties to record all sharing as expenditures. NFTA and ECFSA sales tax remittances were included in the 2006 Adopted Budget. Factoring out the one-time \$12.5 million of revenue sharing with local municipalities in 2007, 2007 County share sales tax would be \$349,716,365, a slight decrease from 2006.

Figure 3

2007 Adopted Budget County Share Sales Tax Revenues



In July 2007, New York State Comptroller Thomas P. DiNapoli issued a financial report on counties for fiscal years ended 2005.² That report found that in 2005, for all counties, sales tax revenue accounted for more total county revenue than property taxes. In his press release issuing the report, Comptroller DiNapoli cautioned:

There's been a shift in New York State. Counties are relying more heavily on sales taxes than property taxes. Keeping property tax increases under control is a good thing. But county and local governments should understand that sales tax revenues are tied to the health of the economy. If the economy turns downward, counties won't generate the sales tax revenues they're counting on.

The DiNapoli report notes that growth in county sales tax revenues as a percentage of total revenues have been driven in part by increases in the base local sales tax rate, such as Erie County's imposing of an additional 0.75% sales tax in 2005-2006. However, our office notes that the County was clearly experiencing growth in sales tax revenues between 1997 and 2005 – prior to the institution of the new 0.75% sales tax. In 1997, budgeted County share sales tax was \$203,545,924 and in 2005, budgeted sales tax was \$270,797,951 – a 33% increase.

² Office of New York State Comptroller, Division of Local Government and School Accountability, *Financial Report on Counties, Fiscal Years Ended 2005*, July 2007.

COLLECTION AND SHARING OF THE SALES TAX

Erie County is granted the right to levy and collect a sales tax by the State of New York. The County cannot unilaterally act on the sales tax without formal approval by the State Legislature and Governor. As will be described in greater detail below, the sales tax in Erie County is 8.75%, of which the state share is 4.00%. For every dollar spent on a taxable purchase, the state retains four cents (\$0.04). The local share of the sales tax is 4.75%, which is levied in three distinct categories: (a) 3.00% sales tax; (b) 1.00% sales tax; and (c) 0.75% sales tax.

3% Sales Tax

All counties in New York State are authorized under State law to levy and impose a local share three percent (3.00%) sales tax without restriction or renewal. In Erie County, the local share 3.00% sales tax is not retained exclusively by the County, but rather is shared, divided and allocated to local governments and school districts in the County under a 30-year-old formula pursuant to a December 30, 1977 Agreement of Sales Tax Revenue Distribution (“1977 Agreement”). The legal parties to the 1977 Agreement are Erie County and the Cities of Buffalo, Lackawanna and Tonawanda. Under the 1977 Agreement, the 3.00% is divided as follows:

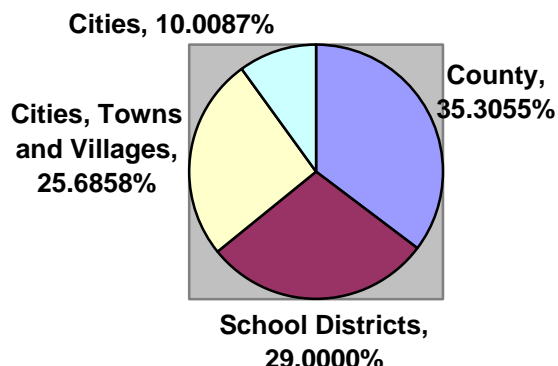
- The County retains 35.3055%.
- 10.0087% is allocated to the Cities of Buffalo, Lackawanna and Tonawanda on the basis of population.³
- 25.6858% is divided among the Cities of Buffalo, Lackawanna, Tonawanda and the towns and villages on the basis of population/full value.⁴
- 29.0% is divided among all the school districts with territory in the County on the basis of the average daily attendance of public school pupils who are residents of the County.⁵

³ Population figures are obtained from the Federal Decennial Census.

⁴ The amount belonging to the towns is divided on an alternating basis of full value and population. Full value is used to distribute the receipts for the quarters beginning January 1 and July 1, and population is used for the quarters beginning October 1 and April 1. Villages receive a portion of the town amount based on the ratios that the full valuation of real property in such village or portion thereof within the town and the full valuation of real property in the portion of the town outside of such village or villages, respectively bear to the aggregate full valuation of the entire town. Property full valuation figures are obtained annually from the Erie County Director of Real Property. These are the same values used to assess the annual Erie County tax levy.

⁵ Average daily attendance figures are obtained annually from each respective school district.

3% Sales Tax Allocations



The 1977 Agreement allows the County and the three cities to terminate the agreement at any point by any party giving one year prior written notice.

Of the 3.00% local sales tax, local governments and school districts receive 64.6945%. In Erie County's Adopted 2007 Budget, that revenue is budgeted at \$255,100,871. Of the 3.00% local sales tax, the County retains 35.3055% of total receipts. In Erie County's Adopted 2007 Budget, that revenue is budgeted at \$139,218,155.

At various times in the past 30 years, local governments have expressed opposition to the current 3.00% sharing formula. However, without exception, those officials have desired a greater percentage of revenue sharing with their respective governments, and less revenue retained by the County. For example, in 2006, three members of the Erie County Legislature representing suburban communities argued that the 1977 Agreement should be revisited and the formula changed to provide more revenue to the suburban towns, and reduce the percentage remitted to the three cities. In August 2007, two of those three suburban members of the Erie County Legislature advocated for the allocation of \$12.5 million from the 1.00% sales tax to establish a dedicated source of funding for suburban road, highway and bridge projects.

Additionally, other members of the County Legislature representing parts of the three cities have called for a greater sharing of the 1.00% sales tax with the cities, including particularly, the City of Buffalo. In 2006, at the request of Buffalo Mayor Byron W. Brown, the Erie County Association of Governments adopted a resolution calling on the County to share more sales tax revenue with the cities, towns and villages. In short, for very different reasons, Erie County Legislators as well as officials from local governmental entities have often called for the reexamination and discussion of the 1977 Agreement. While the issue has been discussed in the past, little has been accomplished.

For example, in 2006 the Erie County Legislature created a nine-member task force to examine the 1977 Agreement and the entire sales tax revenue sharing issue. While members of this commission were named, our office is not aware of any findings or reports being issued from that group, or for that matter, that any meetings or

discussions were held by that group. We welcome and encourage that an earnest, spirited conversation begin immediately.

In addition to the formula described above, a formula-driven amount equivalent to approximately 1/8 of 1% of sales tax (budgeted at \$16,424,546 in 2007) is remitted to the Niagara Frontier Transportation Authority (“NFTA”) under a 1990 agreement between the NFTA and the County. While the County may use any revenue source to pay the NFTA this sum, because the amount is determined by the sales tax it should be included in any examination of sales tax amounts shared by the County.

It is important to note that prior to their distribution to the County from the New York State Department of Taxation and Finance, all local sales tax revenues are intercepted by the Erie County Fiscal Stability Authority (“ECFSA”) and/or the Buffalo Fiscal Stability Authority (“BFSA”). In the case of the County share of the 3.00% sales tax, ECFSA intercepts County revenues and then remits the revenue to the County after deducting an amount for their operations and expenses. In the case of the City of Buffalo share of the 3.00% sales tax, BFSA intercepts the City revenues, including the percentage allocated for the Buffalo Public Schools. As is described in the section entitled “A Significant Caveat on Sales Tax Sharing with City of Buffalo,” because BFSA has issued debt on behalf of the City, and sales tax revenues shared with the City are partially guaranteeing BFSA’s debt, any actions vis a vis terminating the 1977 Agreement and/or reducing or altering the City’s share of local sales tax would require careful analysis and review with legal counsel and the State.

In addition, because ECFSA has attained credit ratings to issue debt based on their interception of County sales taxes, it is possible that any change to the 1977 Agreement resulting in less sales tax revenues to the County might also have an effect on the ECFSA and their ability to guarantee or issue debt on behalf of the County.

While our office agrees that the sharing arrangement proposed in the 1977 Agreement needs to be revisited, given the County’s financial situation and related issues, we disagree that additional sales tax revenues can or should be shared with the cities, towns, villages and school districts. Due to the County’s fiscal situation and constraints on the General Fund, we also caution against any dedication of sales tax revenues to a specific purpose at this time.

1% Sales Tax

As a direct result of an earlier County budget crisis, in 1985 the County requested and received authority from the State to impose an additional one percent (1.00%) sales tax on an annual basis. Until January 2006, the County annually requested of the State Legislature and Governor and received the authority to continue to impose the 1.00% sales tax. In February 2006, the County requested and the State granted authority to extend the 1.00% sales tax until February 29, 2008. However, State legislators made that reauthorization contingent on the County sharing \$12,500,000 of revenue from the 1.00% sales tax with cities, towns and villages in Erie County in 2007.

In late 2004 and early 2005 the issue of the reauthorization of the 1.00% sales tax was a tumultuous, painful affair – one that ultimately helped lead to a severe budget crisis, the 2005 deletion of approximately 1,500 budgeted positions from the County, service cutbacks and significant public criticism and skepticism of County government. More to the point, it reflected a major recurring problem facing the County since 1985: the annual process by which (1) the County Executive requests the extension of the 1.00% sales tax; (2) at least two-thirds (2/3) of the members of the County Legislature must agree to vote for the extension of the sales tax (three votes being required); (3) the State Assembly and State Senate must each separately introduce and approve enabling legislation; (4) the Governor must sign said legislation into law; and (5) the State Department of Taxation and Finance must administratively implement said tax.

New York State has sixty two (62) counties. According to the New York State Department of Taxation and Finance, as of September 1, 2007, 37 counties maintain 4.00% local sales taxes. Only 5 counties maintain a local sales tax of 3.00%: Hamilton, St. Lawrence, Saratoga, Warren and Washington. Six counties have local sales taxes over 3.00% but less than 4.00%. Fourteen (14) counties including Erie County maintain local sales taxes of more than 4.00%: Allegany, Dutchess, Erie, Nassau, Bronx, Kings, New York, Queens, Richmond, Oneida, Orange, Putnam, Rockland, and Suffolk. In short, annually (or bi-annually), 57 of those 62 counties are required to engage in the above-mentioned five-step process to renew their local sales taxes and help balance their budgets.

Unless the sharing relationship for the 3.00% portion of the sales tax is altered such that the County is given a larger share of the total proceeds received (i.e., amend or terminate the 1977 Agreement), our office believes that a discussion should be initiated within the County and with the local delegation of the State Legislature concerning statutory authority to make the 1.00% sales tax permanent (which action would require changes to state law applying to all counties across the state). As Erie County's chief fiscal officer it is clear to this office that so long as the County is required to share revenues from the 3.00% sales tax and remit revenues to satisfy other agreements, the County requires the 1.00% as a dedicated source of revenue to sustain operations. It is equally clear that the annual dynamic since 1985 surrounding the reauthorization of what is in effect a permanent tax and revenue that financially the County very much requires only serves to encourage grandstanding, pandering, and hysteria. A new approach is needed.

2007 Sharing of \$12,500,000 of 1% Sales Tax and ECFA

As previously mentioned, pursuant to the latest 1.00% sales tax reauthorization, \$12,500,000 of the County's 1.00% sales tax has been shared with the cities, towns and villages pursuant to the 3.00% formula for those entities.⁶ That \$12,500,000 represents 11% of the County's 1.00% sales tax revenues in 2007. My office remitted payments to

⁶ The \$12,500,000 of sales tax revenue was not shared, as per the terms of the legislation, with school districts.

the local governments of this \$12.5 million on March 30, 2007. Of that \$12.5 million, the City of Buffalo received the largest portion, \$5.9 million.

In the County's Adopted 2007 Budget, \$1,426,300 is allocated for appropriation to the Erie County Fiscal Stability Authority ("ECFSA") for their spending through their intercept of sales tax receipts from the New York State Department and Taxation and Finance.⁷ The County is required to budget for ECFSA spending and the authority intercepts the revenues and retains the budgeted portion for their operational needs. The County has no discretion in this regard.

Aggregate Sharing of Sales Tax Revenue

Of \$624,317,236 of the local share 4.75% sales tax revenue budgeted to be collected in 2007, \$255,100,871 will be provided to cities, towns, villages and school districts. An additional \$30,350,846, which includes \$12.5 million of the 1.00% sales tax, is budgeted for appropriation to the local municipalities, NFTA, and ECFSA. The total of these payments comprises 45.7% of all local share sales taxes.

The County is in effect subsidizing local governments and school districts in Erie County. These remittances of sales tax revenue allow these entities to avoid raising their property taxes higher than they already do. There is no incentive for these governments to dramatically reduce expenditures because they are guaranteed a certain amount of revenues from the local sales tax annually. The County is consistently criticized for having one of the highest sales tax rates in the state but it is clearly the case that the County could easily reduce its rate if it did not share nearly forty-six percent (46%) of its sales tax revenues with others.

In 2006, the County shared \$245,951,443.92 in sales tax revenue with the cities, towns, villages and school districts. The County provided \$15,916,787.82 to the NFTA and \$842,014.11 to ECFSA. For details on the specific amounts remitted to each city, town, village and school district in 2006, please see the Appendix.

Potential Future Sharing or Dedication of 1% Sales Tax

In a letter dated April 25, 2007 to the members of the Association of Erie County Governments, Buffalo Mayor Byron W. Brown, Lackawanna Mayor Norman L. Polanski and Tonawanda Mayor Ronald J. Pillozzi jointly expressed the three cities' desire to not only continue revenue sharing with the County through the 1.00% sales tax, but to request and lobby for a doubling of the special 2007 revenue sharing from \$12.5 million to \$25 million in 2008. This request raises potential serious financial issues for the County. Any future extension of the revenue sharing with the cities, towns and villages from the 1.00% sales tax, not to mention a doubling of the amount, would require approval by the Erie County Legislature, as well as the New York State Legislature as part of the reauthorization of the County's 1.00% sales tax (which expires on February 29, 2008).

⁷ After adoption of the County's 2007 Budget, the authority adopted a 2007 budget of \$1,284,336.

Due to the financial impact on the County, any continued or future sharing of the 1.00% sales tax with local governments must be carefully weighed and analyzed. In particular, any increase in the sharing, such as the doubling to \$25 million, will have a dramatically negative impact on the County and would only add further strain to the County's Four Year Financial Plan. At a time when the existing Financial Plan states the County should initiate reductions in spending through managed attrition and, for instance, a 33% reduction in the Sheriff Division's patrol services starting in 2008, any further loss of revenue to the County will only create additional and significant fiscal pressure. Additional revenue sharing also sets a dangerous precedent in the County's relationship with local governments. Our office urges County policymakers to reject any proposals that propose to share additional revenue or dedicate sales tax revenues to specific purposes.

.75% Sales Tax

The 0.75% sales tax, which fully came into effect on January 15, 2006 as a response to the County's inability to balance expenditures by revenues does not include any provision for revenue sharing. In the Adopted 2007 Budget, this tax generates \$86,070,662 in County share revenue. This sales tax was reauthorized by the County Legislature, approved by the State Legislature and signed into law by the Governor in May 2007. The reauthorization extends the 0.75% sales tax from November 30, 2007 to November 30, 2009. The reauthorization of this tax was necessary for the County to continue to maintain operations at the current level and to balance the budget.

A Significant Caveat on Sales Tax Sharing with City of Buffalo

In July 2003, the BFSA was created by the State Legislature with the signing into law of the Buffalo Fiscal Stability Authority act (the "Act"). In May 2004, the State Legislature amended the Act and included a new section that binds the County to maintain the 3.00% sales tax and to continue to remit sales tax revenues to the City and City school district. In particular, the amended Act states:

The county does hereby covenant and agree with the holders of any issue of bonds, notes or other obligations issued by the authority pursuant to this title and secured by such covenant and agreement that the county will not limit, alter or impair the rights hereby vested in the authority to fulfill the terms of any agreements made with such holders pursuant to this title, or in any way impair the rights and remedies of such holders or the security for such bonds, notes or other obligations until such bonds, notes or other obligations, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such holders are fully paid and discharged. The authority is authorized to include this covenant and agreement of the county in any agreement with the holders of such bonds, notes or other obligations. Nothing contained in this title shall be deemed to restrict any right of the county to amend, modify,

repeal or otherwise alter any local laws, ordinances or resolutions imposing or relating to taxes or fees, or appropriations relating to such taxes or fees, or setting aside net collections for educational purposes pursuant to the authority of subdivision (a) of section twelve hundred sixty-two of the tax law, so long as, after giving effect to such amendment, modification or other alteration, the aggregate amount as then projected by the authority of (i) sales and compensating use taxes to be imposed pursuant to the authority of section twelve hundred ten of the tax law and paid to the city and (ii) all net collections for educational purposes to be set aside by the county pursuant to the authority of subdivision (a) of section twelve hundred sixty-two of the tax law and paid to the city's dependent school district during each of the authority's fiscal years following the effective date of such amendment, modification or other alteration shall be not less than two hundred percent of maximum annual debt service on authority bonds then outstanding. Notwithstanding anything to the contrary in this section, the county further agrees that it shall impose taxes pursuant to the authority of subdivision (a) of section twelve hundred ten of the tax law at the rate of no less than three percent.

See New York Public Authorities Law § 3866-a (1).

As noted above, the Act requires the County to agree “that it shall impose taxes pursuant to the authority of subdivision (a) of section twelve hundred ten of the tax law at a rate of no less than three percent” and that the County must remit to the City monies that “shall be not less than two hundred percent of maximum annual debt service on authority bonds then outstanding.” Id.

This action was done by the State without the approval of the County and no County official agreed to this State-imposed covenant.

BFSA has sold Sales Tax and State Aid Secured Bonds each of the past four (4) years totaling more than \$156 million. Accordingly, it is this office’s opinion that without the consent of the County, the State bound the County into continuing to share sales tax with the City of Buffalo for the length of the bonds sold by the BFSA, or thirty (30) years.

The above provisions of New York Public Authorities Law § 3866-a constitutes another State mandate on the County – one that most people are unaware exists. Most significantly, the existence of this law quite possibly precludes the County from terminating the 1977 Agreement and discussing reducing the local sales tax.

Our office believes that County officials should engage in a discussion with members of the New York State Legislature regarding amending the Public Authorities Law to terminate the State-imposed covenant on the County.

CONCLUSION

As total sales tax receipts collected in Erie County have grown over the past decade, the local share and County budgeted share have also correspondingly grown to where it is now the largest revenue source in the budget. It exceeds the County property tax, federal aid and state aid as the primary revenue supporting County operations.

Because the County depends on the sales tax as its largest revenue source, the County could experience significant financial repercussions in the event that the local, state or national economy suffers a decline which affects consumer spending.

To recapitulate, of \$624,317,236 of the local share 4.75% sales tax revenue budgeted to be collected in 2007, \$255,100,871 will be provided to cities, towns, villages and school districts. An additional \$30,350,846, which includes \$12.5 million of the 1.00% sales tax, is budgeted for appropriation to the local municipalities, NFTA, and ECFA. The total of these payments comprises an amount equivalent to 45.7% of all local share sales tax revenues. In fact, the County shares more sales tax revenue with local governmental entities than the County receives from the County property tax. The County is consistently criticized for having one of the highest sales tax rates in the state but it is clearly the case that the County could easily reduce its rate if it did not share nearly forty-six percent (46%) of its sales tax revenues with others.

Considering the significant revenue sharing that already takes place and in light of the County's financial situation, this office believes that the 1977 Agreement needs to be reexamined. However, any discussion on the continuation, amendment or termination of the 1977 Agreement needs to consider the covenant entered into by the State compelling the County to guarantee to BFSA's bondholders that the existing formula for revenue sharing with the City will be maintained for the life of BFSA's debt. This is another New York State mandate on Erie County and one that will have serious ramifications on the County for many years to come. We recommend County policymakers commence a dialogue with State officials concerning this matter.

This office is keenly aware of the consequences and issues associated with the sales tax and sales tax sharing but we believe that Erie County Government, working in cooperation with the local delegation of the New York State Legislature, and city, town, village and school officials, must reexamine the entire question of sales tax revenue sharing, as well as the 1977 Agreement. Reexamination of this issue will also resolve the issue of whether the 1.00% "temporary" sales tax should be made permanent, and whether the other "temporary" 0.75% sales tax will be needed going forward.

APPENDIX

In 2006, the County shared \$245,951,443.92 in sales tax revenue with the cities, towns, villages and school districts. A total of \$71,740,588.28 was provided to the three cities. A total of \$56,594,093.10 was provided to the towns. A total of \$7,366,403.15 was provided to the villages. A total of \$110,250,359.39 was provided to the school districts.

2006 Sales Tax Distribution to Cities:

| | |
|--------------------|-----------------|
| City of Buffalo | \$64,038,028.79 |
| City of Lackawanna | \$4,171,636.17 |
| City of Tonawanda | \$3,530,923.32 |

2006 Sales Tax Distribution to Towns:

| | |
|-----------------------|-----------------|
| Town of Alden | \$706,099.13 |
| Town of Amherst | \$12,100,627.59 |
| Town of Aurora | \$1,009,736.27 |
| Town of Boston | \$871,091.66 |
| Town of Brant | \$238,441.88 |
| Town of Cheektowaga | \$7,239,808.29 |
| Town of Clarence | \$3,820,088.73 |
| Town of Colden | \$392,923.64 |
| Town of Collins | \$513,771.32 |
| Town of Concord | \$520,826.17 |
| Town of Eden | \$829,891.73 |
| Town of Elma | \$1,439,270.03 |
| Town of Evans | \$1,435,822.80 |
| Town of Grand Island | \$2,099,096.93 |
| Town of Hamburg | \$4,640,827.74 |
| Town of Holland | \$375,898.26 |
| Town of Lancaster | \$2,910,177.16 |
| Town of Marilla | \$615,040.38 |
| Town of Newstead | \$611,475.25 |
| Town of North Collins | \$238,826.72 |
| Town of Orchard Park | \$3,124,259.89 |
| Town of Sardinia | \$299,387.32 |
| Town of Tonawanda | \$5,863,579.90 |
| Town of Wales | \$353,615.93 |
| Town of West Seneca | \$4,343,508.38 |

2006 Sales Tax Distribution to Villages:

| | |
|--------------------------|----------------|
| Village of Alden | \$254,673.50 |
| Village of Williamsville | \$568,328.04 |
| Village of East Aurora | \$707,411.71 |
| Village of Farnham | \$29,746.39 |
| Village of Depew | \$1,325,374.40 |
| Village of Sloan | \$224,884.98 |
| Village of Gowanda | \$94,726.81 |
| Village of Springville | \$355,519.54 |
| Village of Angola | \$156,666.79 |
| Village of Blasdell | \$196,846.32 |
| Village of Hamburg | \$892,823.97 |
| Village of Lancaster | \$784,360.57 |
| Village of Akron | \$230,514.77 |
| Village of North Collins | \$68,747.61 |
| Village of Orchard Park | \$356,702.57 |
| Village of Kenmore | \$1,119,075.13 |

2006 Sales Tax Distribution to School Districts:

| | |
|--------------------------------|-----------------|
| City of Buffalo Public Schools | \$32,200,881.07 |
| City of Lackawanna SD | \$1,748,244.57 |
| City of Tonawanda SD | \$1,800,868.70 |
| Akron Central SD | \$1,206,020.83 |
| Alden Central SD | \$1,621,422.61 |
| Amherst Central SD | \$2,470,386.49 |
| Cheektowaga Central SD | \$1,949,768.72 |
| Cheektowaga-Maryvale UFSD | \$2,009,551.02 |
| Cheektowaga-Sloan UFSD | \$1,221,882.38 |
| Clarence Central SD | \$4,156,872.67 |
| Cleveland Hill UFSD | \$1,350,914.32 |
| Depew UFSD | \$1,854,146.88 |
| East Aurora UFSD | \$1,661,309.82 |
| Eden Central SD | \$1,496,159.28 |
| Frontier Central SD | \$4,436,931.93 |
| Gowanda Central SD | \$671,926.41 |
| Grand Island SD | \$2,587,904.74 |
| Hamburg Central SD | \$3,222,423.10 |
| Holland Central SD | \$970,568.64 |
| Hopevale UFSD | \$91,493.37 |
| Iroquois Central SD | \$2,419,181.68 |
| Kenmore/Tonawanda UFSD | \$7,026,287.83 |
| Lake Shore Central SD | \$2,463,077.20 |
| Lancaster Central SD | \$5,105,853.52 |
| North Collins Central SD | \$602,613.21 |

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| Orchard Park Central SD | \$4,269,856.22 |
| Springville-Griffith Institute | \$1,824,375.52 |
| Sweet Home Central SD | \$3,045,828.02 |
| West Seneca Central SD | \$5,873,983.58 |
| Williamsville Central SD | \$8,677,363.26 |
| Yorkshire-Pioneer Central SD | \$212,261.80 |