

Overview of Sewer Fund Charges and Taxes

Sewer Fund Revenues consist of property tax revenues collected in January, and from user fees and permits. The permits are issued as connections are made to district infrastructure. Tax revenues consist of two components:

- 1) A tax based on the assessed value of your property, known as “ad valorem” taxes, intended to cover debt service costs.
- 2) Front footage charges, intended to cover debt service costs associated with federally funded lateral infrastructure, and also to fund the operating costs associated with maintaining the lines. This would include service department costs, and line repairs and upgrades.

All residents within the districts are charged an ad valorem tax. Affected properties may also be subject to front footage charges. Front footage charges were designed to impose a charge in proportion to the benefit received. It is considered a tax, in that it is levied based upon property attributes (front footage as per the legal deed).

Town Law, Article 12, Sections 239 and 202, require that the town hold an annual public hearing on the sewer rolls. The statute and the courts require that a due process hearing be afforded to residents, in which they have the right to question charges that are rendered to them on a “benefit basis” (as opposed to an ad valorem basis). The hearing scheduled each November gives residents the opportunity to review and/or comment on the front footage component of their property tax bills.

Sewer usage charges are billed based on metered water usage (except for customers with private water, who pay a standard charge). These charges are billed quarterly, along with the water bills.

The funding plan for sewer districts in general can include some or all of these types of taxes and charges, as is necessary to fund the overall operations of the wastewater collection and treatment.