

July, 2013

Dear Homeowner:

Over 100 homeowners applied to the town this spring for a reduction in taxes based upon current market conditions. The town rejected 100% of those applications. We are now considering a different approach to address this issue.

Under New York State law, condominiums are taxed at a significantly lower rate than private homes. We are exploring a new possibility of conversion from a Homeowners Association to a condominium form of ownership. Though there will obviously be costs associated with this venture, the possibility of permanent long-term tax reduction makes this option worth exploring.

For those who do not know the history, there were two attempts to convert in the past and neither was successful for different reasons. We have looked into this issue once again after learning of some recent conversions in western New York. In researching these conversions we have been in touch with an attorney very experienced in these matters and are in the process of evaluating the pros and cons of such a conversion.

We are aware that there is the real possibility that the Town of Fallsburg will not recognize such a conversion as it relates to our real estate tax status. They will be citing a law enacted by the legislature in response to our last conversion attempt. That law is aimed at preventing communities such as ours from converting for tax relief. We and various attorneys, who have been consulted, believe the law to be unconstitutional. A challenge to the law would require that we first convert to a condominium form of ownership. After such a conversion and rejection by the town of the new tax status, a lawsuit would be possible to challenge the constitutionality of the existing law.

The purpose of this questionnaire is merely to gather information relevant to the potential conversion process. Nothing that you say at this time will obligate you in the future. All answers shall remain confidential with the Committee.

Knowledge of the number of homeowners with mortgages and the institution holding the mortgage is critical to ascertain the feasibility of proceeding down this path. With this information in hand, we will be in a position to determine the potential costs and then make a recommendation to the HOA on whether and how to proceed.

Please complete the questionnaire and return it to the office or any committee member as soon as possible.

House Number _____ Homeowner Name _____

1. Are you in favor of a conversion to a condominium ownership? Yes No
2. Is there a mortgage on your home? Yes No
 - a. What institution holds your mortgage? _____

If you wish more detail on this concept, or have any reservations whatsoever about completing this questionnaire, please contact any member of the committee as soon as possible.

Ad-Hoc Committee:

M-4	Scott Pere	retax1sp@aol.com	917-513-0391
TH-1A	Effie Love	elove838@gmail.com	914-441-8387
Z-13	Bernie Silverstein	berniescpa@aol.com	516-532-6532
B-5	Len Glass	lglas@morretec.com	908-512-6979
TH-24	Josh Samborn	josh@samborn.com	561-400-8197
TH-2	Shelly Fliegelman		917-881-6079