

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **TAX - NEW YORK**

### **Keyspan Gas East Corp. v. Supervisor of Town of Oyster Bay**

**Supreme Court, Appellate Division, Second Department, New York - March 19, 2014 -  
N.Y.S.2d - 2014 N.Y. Slip Op. 01719**

A natural gas company brought action against town, its supervisor, and special municipal districts, challenging the imposition of special ad valorem taxes for garbage and refuse collection services on the company's mass property. Two special districts brought third-party and second-party claims against the county. The Supreme Court, Nassau County, denied the county's motion to dismiss the third-party and second-party claims. The county appealed.

The Supreme Court, Appellate Division, held that the county could not charge back the cost of refunding proceeds from invalid ad valorem taxes to the special municipal districts.

A county's liability to refund proceeds from a special ad valorem taxes for garbage and refuse collection services that was found to be invalid as applied to certain mass property was not an assessment for benefit of special municipal districts, and thus could not be charged back to the special districts during the following tax year.