

On December 27, 2024, the Town of Monroe issued tax warrants in the amount of \$964,521.75 to pay principal and interest on a \$19,500,000.00 bond issued by the Town to settle a lawsuit with the owners of the Rye Hill Corridor. Of that amount, \$939,444.19 in tax warrants went to all Town property owners, including property owners in the Village of Monroe and Village of Harriman. Similar tax warrants will be issued each year for the next 29 years until the bond is paid off.

The elected officials of the Village of Monroe and Village of Harriman attempted to stop the Town from issuing those warrants by filing a lawsuit on July 31, 2024, before the Town adopted its 2025 budget. The Villages argued that Town Law § 261, which grants planning and zoning authority to towns in New York State, prohibits expenses incurred because of town zoning and planning activities to be levied on villages located in the town. Section 261 states, in relevant part: “The town board is hereby authorized and empowered to make such appropriation as it may see fit for such [zoning and planning] charges and expenses, provided however, that such appropriation shall be the estimated charges and expenses less fees, if any, collected, and provided, that the amount so appropriated shall be assessed, levied and collected from the property outside of any incorporated village or city.”

The Town claimed that the Rye Hill Corridor was not purchased to settle a lawsuit but to preserve the land and therefore all property owners, including those in the Villages, were responsible for the debt. Unfortunately, the Orange County surrogate (family) court judge who decided the case agreed with the Town and dismissed the lawsuit on March 6, 2025.

The Village of Monroe and the Village of Harriman believe that the judge got it wrong. On March 17, 2025, they appealed his decision to the Appellate Division, Second Department. The Village Board invites you to read the Memorandum of Understanding and the Stipulation of Settlement between the Town and the owners of the Rye Hill Corridor and decide for yourself why the Town purchased the property. Also, ask yourself why the Town bonded \$19,500,000.00 to purchase property that was offered for sale to another developer for \$16,500,000.00.

Now, the Town has publicly ridiculed the Villages for spending money on this dispute. But ask yourself, do you want to pay taxes on one-half or more of \$939,444.19 each year for 30 years without question? Especially when there is a good possibility the higher court will reverse the lower court’s decision. Your Board of Trustees, and Harriman’s Board of Trustees believe that protecting Village residents from unlawful taxes imposed by the Town is worth the fight, even if, ultimately, the courts rule against us. Therefore, on March 18, 2025, the Villages filed a second lawsuit to recover the money paid by Village property owners in 2025 and enjoin the Town from continuing to charge Village property owners for the Rye Hill settlement. The second lawsuit was necessarily filed within the four-month statute of limitations for challenging the Town’s 2025 budget adopted on November 18, 2024. We have also asked the court to hold the second lawsuit in “abeyance” until the Second Department decides the appeal, allowing all parties to save on attorneys’ fees while the appeal is pending. If the higher court decides that the

Villages' interpretation of the law was correct, then there may be no need to move forward with the second lawsuit.