

# Property Tax Freeze Credit

The Property Tax Freeze Credit was established in State Law in 2014.

The new law encourages local governments and school districts to generate long-term tax relief for New York State taxpayers by:

- sharing services;
- consolidating or merging; and
- demonstrating and implementing operational efficiencies.

# Property Tax Freeze Credit

Qualified homeowners will receive a Freeze Credit equal to the greater of:

- the actual increase in their homeowner's tax bill; or
- the previous year's tax bill multiplied by an inflation factor (the lesser of 2% or inflation).

# Property Tax Freeze Credit

- The law provides a Freeze Credit to qualified homeowners. To qualify, a homeowner must:
- be eligible for the School Tax Relief (STAR) property tax exemption; and
- live in a taxing jurisdiction that both:
  - limits any increase in its tax levy to a property tax cap set by State law; and,
  - develops and implements a Government Efficiency Plan determined to be compliant by the New York State Division of Budget (DOB).

# Property Tax Freeze Credit

- In **year one** of the program, homeowners will receive the Freeze Credit if their local government or school district stays within the property tax cap.
- In **year two** of the program, homeowners will receive the Freeze Credit for taxes from any taxing jurisdictions in which the homeowner resides that stay within the property tax cap **and** put forward a compliant plan to save one percent of their tax levies in each of the following three years.

# Property Tax Freeze Credit

- The one percent savings that must be demonstrated in Government Efficiency Plans is not one percent of total government spending but, rather, one percent of the applicable property tax levy:
  - for the average County, one percent of the levy is equivalent to 0.01% of total spending
  - for the average School District, one percent of the levy is equivalent to 0.65% of total spending
  - for the average City, Town or Village, one percent of the levy is equivalent to between 0.23 and 0.47% of total spending
- Government Efficiency Plans do not have to demonstrate a levy cut from the prior year – they just need to demonstrate savings equal to or greater than one percent of the 2014 tax levy attributable to shared service, consolidation or efficiency actions

# Property Tax Freeze Credit

## Government Efficiency Plans

- Multiple Local Governments or School Districts. Government Efficiency Plans with more than one school district/local government must designate one school district/local government as lead entity. The lead entity will submit the Government Efficiency Plan on behalf of all school district/local government signatories to the plan.
- The chief financial officer for the lead entity must submit a Government Efficiency Plan to the New York State Director of the Budget no later than June 1, 2015.
- While submission of individual plans is allowed, the statute explicitly identifies a preference for multi-jurisdiction plans.
- Individual Local Government or School District. A Government Efficiency Plan for an individual school district or local government must be submitted by the school district superintendent/local government chief executive officer or budget officer to the Director of the Budget by June 1, 2015.

# Property Tax Freeze Credit

## Government Efficiency Plans

- The submissions must include:
  - the Government Efficiency Plan;
  - a list of all school districts/local governments that are signatories to such plan;
  - all of the Government Efficiency Plan certifications; and
  - an analysis of the aggregate savings to be achieved by the Government Efficiency Plan (including required documentation of past savings actions).
- All submissions will be made through an online application that will soon be made available.

# Property Tax Freeze Credit

## Eligible Activities

- Cooperation agreements are "agreements entered into between eligible school districts with other school districts (or local governments with other local governments) to implement the sharing or consolidation of functions or services.
- *Shared services* are functional consolidations by which one eligible school district completely provides a service or function for another eligible school district (or by which one eligible local government unit completely provides a service or function for another local government), which no longer engages in that function or service; shared or cooperative services between and among eligible school districts (or local governments) and regionalized delivery of services between and among eligible school districts (or local governments).

# Property Tax Freeze Credit

## Eligible Activities

### Examples of Cooperation agreements and Shared Services

- procurement
- real estate and facility management
- fleet management
- business and financial services
- administrative services
- payroll administration
- time and attendance
- benefits administration
- contract management
- grants management
- transportation services
- human services and
- information technology

# Property Tax Freeze Credit

## Eligible Activities

- *Efficiencies* are actions taken by a local government or school district to improve the completion of existing processes or functions or the delivery of existing services that result in lower costs.
- *Mergers for school districts* are reorganizations of eligible school districts pursuant to sections fifteen hundred five, fifteen hundred eleven through fifteen hundred thirteen, fifteen hundred twenty-four, fifteen hundred twenty-six, seventeen hundred five, eighteen hundred one through eighteen hundred three, or twenty-two hundred eighteen of the education law. Reorganizations, consolidations, or dissolutions of eligible school districts in which one or more eligible school districts are terminated and another eligible school district assumes jurisdiction over the terminated school district or districts pursuant to any other provision of law are also eligible.
- *Mergers for local governments* are consolidations or dissolutions of local government units in accordance with article seventeen-A of this chapter [general municipal law] or reorganizations, consolidations, or dissolutions of local government units in which one or more local government units are terminated and another local government unit assumes jurisdiction over the terminated local government unit or units pursuant to any other provision of law.

# Government Efficiency Plans

- All Plans will be filed online.
- Simple online process that mainly asks for:
  - Participants (Signatories)
  - Short description of the Actions
  - Savings number for each participant in the Action
- In order to file a Plan you will first need to register.
- To register you will need
  - Name of person registering
  - Email Address accessible by the person filing the Plan
- You will then receive an **Access Code** necessary to get into the system.
- You will need to keep this Access Code for future use.

# Government Efficiency Plans

## Registering

- Go to <http://www.budget.ny.gov/>
- *Click to enter*
- You will be asked for a first and last name and an email address
- The person responsible for entering the data should use their first and last name and email address.
- Once that information is submitted an email will be sent to the supplied email address with login data
- Plans need not be entered in one session
- The original access code will be needed every time you access your plan

# Government Efficiency Plans

## Filing A Plan

- In order to simplify the submission of a plan, please have the following accessible:
- The total 2014 tax levy for each local government (school district) that is a signatory of the plan.
  - This levy is the levy amount calculated for tax cap purposes and includes all amounts subject to the tax cap. Any property tax being levied to support the operations of the subordinate special district is considered part of the tax levy of the local government and must be counted in the total levy for the purposes of the savings calculations.
  - Plans cannot be saved unless a 2014 levy amount is entered for each participant.

# Government Efficiency Plans

- PDFs of signed certifications must be uploaded for each signatory of the plan.
- The lead local government or school district should have received three such signed certifications from each signatory.
  - Each signatory of a multi-unit plan is required to provide a certification from the chief executive officer (the superintendent of each school district for school districts) and
    - Two certifications from the chief financial officer.
- An individual Plan will only need two certifications

# Government Efficiency Plans

- A simple description of each savings action included in the plan and which local governments or school districts are participating in the action.
- An amount of savings attributable to individual local governments or school districts participating in each action. New costs identified as part of the savings action will also be entered (as a negative number.)
- Please note, not all plan signatories must participate in each action.
- If a participant in the action is not a signatory to the plan savings due to that participant cannot be reported in the Plan - even if the participant is not participating in another Government Efficiency Plan.

# Government Efficiency Plans

- In order to apply savings from a previous efficiency action against any of the annual targets required in a Government Efficiency Plan, a school district or local government must demonstrate continuing savings in one or more of the years (i.e., 2017, 2018, and 2019) covered by the Government Efficiency Plan.
- Documentation showing that the annual savings from a past efficiency from a Fiscal year beginning in or after 2012 continues in 2017, 2018 and/or 2019, must be uploaded in order for the school district or local government to be able to count the savings toward the savings requirements for the specific future year to which the savings are expected to occur.
- The online application will calculate the required amount of the savings and aggregate all savings actions.

# Government Efficiency Plans

Division of the Budget

Andrew M. Cuomo, *Governor*  
Mary Beth Labate, *Budget Director*

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## Lead Municipality

\*County:

\*Lead Local Government:

\*Contact Name:

\*Contact Organization:

\*Title:

\*Phone:  -  -  x

\*Email:

\*Address 1:

Address 2:

\*City:  \*State:  \*Zip:

## Plan Signatories

### Signatory 1

\*County:

\*Local Government:

OSC Reported 2014 Tax Levy:   
(all taxes subject to the Tax Cap)

Revised 2014 Tax Levy:

Annual Savings Target:

\*Agree to Implement Certification (PDF):

\*Direct Savings Certification (PDF):



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# Government Efficiency Plans

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## Lead Municipality

\*County:

\*Lead School District:

\*Contact Name:

\*Contact Organization:

\*Title:

\*Phone:  -  -  x

\*Email:

\*Address 1:

Address 2:

\*City:  \*State: New York  \*Zip:

## Plan Signatories

### Signatory 1

\*County:

\*School District:

OSC Reported 2014 Tax Levy:  
(all taxes subject to the Tax Cap)

Revised 2014 Tax Levy:

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\*Agree to Implement Certification (PDF):

\*Direct Savings Certification (PDF):



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# Government Efficiency Plans

Plan Actions

Total Annual Savings Target: \$0

(New Costs associated with actions must be entered as Negatives)

*Action Details	*Signatories Involved in Action (Check Box)	Fiscal Year Beginning in 2017 Savings	Fiscal Year Beginning in 2018 Savings	Fiscal Year Beginning in 2019 Savings	Remove
*Type of Action: <input type="text"/> *Action Category: <input type="text" value="Not Applicable"/> *Implementation Date (Cannot be prior to 01/01/12): <input type="text"/> *Past Efficiencies (Required for Actions prior to 04/01/14): <input type="text"/> <input type="button" value="Browse..."/> *Does Action involve entities other than Plan Signatories?: <input type="text"/> *Description of Action: <input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Savings:		\$0	\$0	\$0	
Difference From Target:		\$0	\$0	\$0	

\*Indicates required field