

Property Tax Freeze Credit

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- Homeowners must be STAR eligible (primary residence)
- Districts must comply with tax levy limit (including exclusions) in 2014-15 and/or 2015-16
- Rebate checks issued by NYS Tax Department in Fall of 2014 and 2015
- 2014 Credit:
 - Greater of 2014-15 increase in school taxes or 1.46% of 2013-14 school tax bill
- 2015 Credit:
 - Rebate received in 2014 plus the greater of the increase in school taxes in 2015-16 or 2014-15 school taxes multiplied by the lesser of 2% or the CPI applicable to the tax levy limit in 2015
- 2015 Eligibility:
 - State approved government efficiency plan
 - Regional, multi-district, or individual
 - Achieves 3 years of savings & efficiencies of 1% per year of 2014 school tax levy in each of 3 years starting in 2016-17
 - BOCES may convene and facilitate development of an efficiency plan for each BOCES region
 - Plans may include efficiencies already implemented
 - Savings plans to be submitted to the Director of the NYS Budget by June 1, 2015

2014 Tax Freeze

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- For STAR-eligible homeowners in a tax freeze compliant district, the 2014-15 rebate credit will be equal to the greater of:
 - the actual 2014-15 increase in school taxes
 - OR
 - 2013-14 school taxes x (the lesser of 2% or the CPI applicable to the tax levy limit in 2014)
 - For 2014-15 = (1.46% x 2013-14 school tax bill)

2014 example

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If tax increase is greater than CPI:

2013-14 Tax Bill =	\$2,500
2014-15 Tax Bill =	\$2,550
Increase in Taxes =	\$50
1.46% x 2013-14 Tax Bill =	\$36.50

2014 Rebate to Homeowner = \$50

If tax increase is less than CPI:

2013-14 Tax Bill =	\$2,500
2014-15 Tax Bill =	\$2,525
Increase in Taxes =	\$25
1.46% x 2013-14 Tax Bill =	\$36.50

2014 Rebate to Homeowner = \$36.50

2015 Tax Freeze

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- For STAR-eligible homeowners in a tax freeze compliant district with an approved efficiency plan, the rebate will be equal to:
 - the rebate received in 2014 PLUS
 - the greater of the increase in school taxes in 2015-16 OR (2014-15 school taxes x the lesser of 2% or the CPI applicable to the tax levy limit in 2015).

2015 Example

(if tax increase is greater than CPI)

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2014 Rebate to Homeowner = \$50

2014-15 Tax Bill = \$2,550

2015-16 Tax Bill = \$2,625

Increase in Taxes = \$75

CPI up to 2.00% x 2014-15 Tax Bill = \$51

(2% is used for this example)

2015 Rebate to Homeowner = \$50 + \$75 = \$125

2015 Tax Freeze

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- STAR-eligible homeowners in a school district that does not comply with the tax cap in 2014 will be eligible for the rebate in 2015 if:
 - the school district complies with tax cap in 2015 AND
 - has a government efficiency plan approved in 2015
 - The 2015 rebate will be based only on the increase in the school tax bill in 2015 as compared to 2014.

Assessment Increases

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- Rebate will NOT include the increase in taxes due to assessment increases as a result of:
 - property improvements OR
 - loss of exemption(s)

- Increases in tax bills due to a general “town or municipality wide” re-evaluation, the rebate will be calculated as follows:
 - If the home’s assessment increased **more than the average** assessment increase for the municipality, the rebate will be based on the average increase in assessment;

 - If the home’s assessment increased **less than the average** assessment increase for the municipality, the rebate will be based on the actual reassessed value of the home.

Approved Government Efficiency Plans

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- Identifies cooperation agreements, shared services and or mergers or efficiencies to be fully implemented by one or more eligible school districts that are signatories of the plan.
- Submitted to the Director of the NYS Budget by June 1, 2015.
- Division of Budget will notify Tax and Finance of approval of government efficiency plans by July 31, 2015.

NOTE: *Additional guidance on the form and procedures for submitting Government Efficiency Plan will be issued at a later date.*

http://www.tax.ny.gov/pit/property/property_tax_freeze.htm

Developing Efficiency Plans

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- Plans may be regional, multi-district, or individual school district
- BOCES may convene and facilitate development of an efficiency plan for each BOCES region.
- School districts and local governments may jointly undertake efficiency actions and include the savings in their respective efficiency plans. However, school districts may only submit Government Efficiency Plans with other school districts or individually.
- Plans may include past efficiencies, shared services and reforms **implemented since July 1, 2012 (tax cap statute)**.
 - In order for such efficiencies to be included in the Government Efficiency Plan, such past efficiencies, shared services and mergers, school districts will be required to submit documentation of the specific actions that were implemented and the savings associated with such actions.

Plans Submitted by Lead District

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- The following must be submitted to Division of Budget by June 1, 2015:
 - Government efficiency plan
 - List of eligible districts
 - All certifications from each participating district
 - Analysis of aggregate amount of savings achieved if all initiatives in the plan are fully implemented by the end of the 2016-17 school year
- Plans must demonstrate savings & efficiencies equivalent to at least 1% of the aggregate 2014-15 school year tax levies for all eligible school districts that are signatories of the plan in each 3 years starting in 2016-17
 - Savings realized in 2016-17 = at least 1% of 2014-15 aggregate levy
 - Savings realized in 2017-18 = at least 1% of 2014-15 aggregate levy
 - Savings realized in 2018-19 = at least 1% of 2014-15 aggregate levy

Plans Submitted by Lead District

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- By May 15, 2015 ...
- Superintendents of participating districts will certify to the superintendent of the lead district (in writing)
 - That they will undertake and fully implement the shared services and efficiencies identified in the plan by the end of the 2016-17 school year.
- Chief Financial Officers will certify:
 - That “in his/her professional opinion” full implementation will result in the savings for his/her district identified in the plan.
 - That “in his/her professional opinion” full implementation will result in the aggregate savings for all districts identified in the plan.

Individual District Plans

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- Must demonstrate school district will achieve savings and efficiencies equivalent to at least 1% of their 2014-15 school tax levy in each 3 years starting in 2016-17 as a result of:
 - Shared services, cooperation agreements
 - Mergers or efficiencies

Individual District Plans

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- By June 1, 2015...
- Superintendent of district will certify to the Director of the Division of Budget (in writing) :
 - That he/she will undertake and fully implement the shared services and efficiencies identified in the plan by the end of the 2016-17 school year.
- Chief Financial Officers will certify:
 - That “in his or her professional opinion” full implementation will result in the savings for the district as identified in its plan
- In addition, an analysis of the savings set forth in such plan must also be submitted.
- By July 31, 2015, DOB will notify Tax and Finance of school district compliance with Gov’t Efficiency Plan requirements

Functions or Services (not limited to):

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- Procurement, real estate and facility management, fleet management
- Business and financial services, administrative services, payroll administration, time and attendance, benefits administration and other transactional human resources function,
- Contract management, grants management,
- Transportation services, facilities and functions,
- Human services facilities and functions,
- Customer services facilities and functions,
- Information technology infrastructure, process, services and functions

Reporting requirements for 2014

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- **April/May 2014** – School districts report 2013-14 school tax data to NYS Tax and Finance
- **July 21, 2014** - School districts report compliance with tax cap to OSC via Online Services Portal
- **August 2014** – School district's report tax warrant information is sent to NYS Tax and Finance 10 days after execution of warrant
 - Districts that have October tax warrants will submit info to NYS Tax and Finance after October warrant is finalized
- **October 2014** – Rebate checks mailed by NYS Tax and Finance to eligible homeowners