

TO:	MHLS Directors
FROM:	Rebekkah Smith Aldrich, Coordinator for Library Sustainability
DATE:	March 26, 2015
RE:	Property Tax Freeze Efficiency Plan

Background: The State budget includes a temporary (2014-2016) state financed property tax freeze rebate. Libraries that fall under the tax cap* are potentially eligible to trigger a rebate for their taxpayers if they meet certain criteria**.

***Which libraries fall under the tax cap:** "...a library (such as a special legislative district public library, school district public library, a municipal public library, or an association library) has its own tax levy limit if it (i) has a separate, independent elected or appointed governing board, and (ii) can require a municipality or school district to levy a tax on its behalf (which includes, where applicable, a tax levy approved by voters)." *Source: NYS Office of the State Comptroller* Please note: This includes 414 votes (aka municipal ballot votes) and 259 votes (aka school district ballot votes).

****Property Tax Freeze Criteria:** An eligible library (meaning one that falls under the tax cap) is able to trigger a rebate for taxpayers if:

- Year 1: Fiscal Year (FY) starting in 2015
 - Library must not exceed the tax cap.
- Year 2: Fiscal Year (FY) starting in 2016
 - Library must not exceed the tax cap AND
 - **Library must develop a Government Efficiency Plan or Shared Services Plan that must be approved by the NYS Division of Budget**

Issue: The last component of the criteria** is for a library to file a "*Government Efficiency Plan*" which demonstrates a savings in each of the years 2017, 2018, 2019 equal to one percent of the library's property tax levy or a "*Shared Services Plan*" which demonstrates a savings in each of the years 2017, 2018, 2019 equal to one percent of the combined property tax levies for those participating in the joint plan.

It is up to each library to individually decide what is best for them and their taxpayers. If your library will stay under the cap for FY2015 and plan to in FY2016 as well you have four options regarding the submission of a plan:

1. Do not submit a plan and forego rebates, or
2. Develop and submit a plan on your own, or
3. Develop and submit a plan working with other local governments (not school districts) which can include libraries, Towns, Villages, and other "special" districts," or
4. Participate in a plan that MHLS develops***

*****MHLS can offer absolutely no assurances that our plan will be accepted by the State** and we would strongly encourage any library who has achieved the required cost “efficiencies” on their own or by working with other “local governments” to develop a plan that includes those “efficiencies” and submit it directly to the State as required under the Tax Freeze Law.

MHLS is seeking information from members to indicate whether or not System involvement to create a Shared Services Plan with eligible libraries is warranted.

Action: Please fill out the attached form.

Deadline: Submit the attached form to Rebekkah @MHLS **by April 10th**

Timeline:

April 10th: **MHLS Action Memo due.** If a critical mass of libraries indicates interest, MHLS will notify interested libraries that we are moving forward with the development of a System-level Shared Services Plan

April 24th:

- **Target date for a draft Shared Services Plan to be shared with interested libraries.**
- **Lead Agency Library identified.** MHLS may not serve as the “lead agency” under the guidance received from the Office of the State Comptroller, but an eligible library may.

May 15th: **Completed board resolutions must be filed with MHLS by this date. There will be no exceptions.**

June 1st: **Government Efficiency Plan/Shared Services Plan submitted to the NYS Division of Budget on behalf of participating libraries.**

July 31st: **NYS Director of Budget will notify the Commissioner of Taxation and Finance if our plan is acceptable or not.**

MHLS Action Memo #15-02: Property Tax Freeze Efficiency Plan Intentions

Library: _____

1. **Does your library fall under the tax cap*?** Yes No

If you answered "Yes," please continue. If you have answered "No," you are done with this form.

2. **Did your library file the TAX CAP compliance form for Fiscal Year 2015?** Yes No

If you answered "Yes," please continue. If you have answered "No," you are done with this form.

3. **Did your library stay under the tax cap for Fiscal Year 2015?** Yes No

If you answered "Yes," please continue. If you have answered "No," you are done with this form.

4.

- a. For libraries with a **calendar fiscal year (Jan-Dec): Did your library file the PROPERTY TAX FREEZE form by January 21st, 2015?** Yes No

- b. For libraries with a **school calendar fiscal year (June-July): Does your library plan to file the PROPERTY TAX FREEZE form by June 21st, 2015?** Yes No

If you answered "Yes," please continue. If you have answered "No," you are done with this form.

5. **Please indicate your next planned action:**

- a. Our library does not plan to file a plan with the NYS Division of Budget and will forego the rebate.
- b. Our library plans to develop and submit a plan on our own.
- c. Our library plans to work with other eligible entities to submit a shared services plan.
- d. Our library would like to submit a plan but we are not able to achieve the 1% savings requirement on our own and would be interested in participating in a Shared Services Plan developed at the System.

If you chose d, please continue. If you chose a, b or c, you are done with this form.

For libraries indicating that they would like to work with the System on a plan:

- We reiterate, **MHLS can offer absolutely no assurances that our plan will be accepted by the state.**
- If a critical mass of libraries indicates they would like MHLS assistance, MHLS will **develop a draft by mid-to-late April.**
- If your library chooses to participate in the MHLS plan **your board must (by law) pass a resolution by May 15, 2015** stating your intention to participate in the plan. A draft of that resolution is enclosed with this MHLS Action Memo. (You should check with your library attorney to be sure they are comfortable with the suggested language.)

RESOLUTION: AUTHORIZING THE _____ LIBRARY PARTICIPATION IN THE MID-HUDSON LIBRARY SYSTEM'S REGIONAL EFFICIENCY PLAN

WHEREAS, Governor Andrew Cuomo enacted the Property Tax Freeze Credit legislation to provide property tax refunds to homeowners in conjunction with the 2014-2015 State Budget; and

WHEREAS, the statute dictates that local governments seek to generate long-term tax -relief for taxpayers by sharing services, consolidating or merging, and implementing operational efficiencies by way of developing "efficiency plans"; and

WHEREAS, in Year One of the program (which is 2015 for "local governments") homeowners will receive the Freeze Credit if their local government stays within the property tax cap; and

WHEREAS, in Year Two of the program (which is 2016 for "local governments") homeowners will receive the Freeze Credit for property taxes from any taxing jurisdiction in which the homeowner resides that stays within the property tax cap and promulgates a State-approved Government Efficiency Plan demonstrating savings equivalent to one percent of their property tax levies in each of the following three years; and

WHEREAS, while "local governments" may take a variety of approaches to develop their Government Efficiency Plans, the State has strongly encouraged they convene and facilitate a process to develop and submit regional Government Efficiency Plans; and

WHEREAS, the Mid-Hudson Library System and [LEAD AGENCY LIBRARY TO BE DETERMINED] have offered to coordinate the development of such a Government Efficiency Plan with the [LEAD AGENCY LIBRARY TO BE DETERMINED] serving as the 'lead agency' on behalf of all other interested libraries; and

WHEREAS, the _____ LIBRARY is interested in intergovernmental cooperation with Mid-Hudson Library System, [LEAD AGENCY LIBRARY TO BE DETERMINED] and other libraries in supporting a System-wide Government Efficiency Plan and desires to memorialize its intention to participate in a coordinated Plan to allow its homeowners to receive the Freeze Credit.

NOW, THEREFORE, BE IT RESOLVED that the _____ LIBRARY seeks to ensure that homeowners will receive the Tax Freeze Credit tantamount to annual increases in the Library's annual tax appropriation as part of this new State law;; and

BE IT FURTHER RESOLVED that the _____ LIBRARY did not exceed its designated property tax cap for fiscal year starting in 2015 and commits that it has no intention of exceeding the cap for fiscal year starting in 2016, which if exceeded would disqualify the library from participation in the Property Tax Cap Freeze Credit Program; and

BE IT FURTHER RESOLVED that the _____ LIBRARY Board does hereby express its support for, and participation in the Mid-Hudson Library System Regional Plan; and

BE IT FURTHER RESOLVED that the _____ LIBRARY Board urges the New York State Division of the Budget to approve Mid-Hudson Library System and [LEAD AGENCY LIBRARY *TO BE DETERMINED*]'s coordinated Mid-Hudson Library System Regional Efficiency Plan with the understanding that the _____ LIBRARY has played an active role in the identification of preexisting and implementation of new shared services, consolidations or merges, and/or operational efficiencies within the _____ LIBRARY for inclusion within the Regional Plan; and

BE IT FURTHER RESOLVED that certified copies of this resolution shall be forwarded to the Mid-Hudson Library System and [LEAD AGENCY LIBRARY *TO BE DETERMINED*].