

TAX FREEZE LEGISLATION - PART FF OF THE 2014-15 STATE BUDGET
Orange italicized text does not pertain to Ontario County

§1 - TAX LAW §606 - ADDS NEW SUBSECTION (bbb)

(bbb) Real property tax freeze credit.

1) Definitions: As used in this subsection:

(A) The term "freeze-compliant budget" means a budget of a taxing jurisdiction that has met the requirements of Education Law §2023-b or General Municipal Law §3-d, whichever is applicable. *(Laws defining the Tax Cap for schools or municipalities)*

(B) The terms "independent special district" and "*dependent school district*" have the same meaning as set forth in GML §3-d.

(C) The term "STAR exemption" means the school tax relief exemption authorized by RPTL §425.

(D) The term "taxing jurisdiction" means a county, city, town, village, school district or an independent special district, *except that such term shall not include a city with a population of one million or more, nor shall it include a county wholly located within such a city.*

(E) The term "levy credit factor" means the allowable levy growth factor for a taxing jurisdiction, as determined pursuant to GML §3-c or EDU §2023-a, minus one.

(2) An individual taxpayer who meets the eligibility standards set forth in paragraph three of this subsection and whose primary residence is located in a taxing jurisdiction that has a freeze-compliant budget for the fiscal year starting in 2014, 2015 or 2016, whichever is applicable, shall be allowed a credit against the taxes imposed by this article. Subject to the provisions of paragraph six of this subsection, such credit shall be determined as follows:

(A) If a school district *other than a dependent school district* has a freeze-compliant budget for its fiscal year starting in 2014, a credit shall be allowed for the eligible taxpayer's 2014 taxable year in the amount that is the greater of (i) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in 2014 exceeds the real property taxes so imposed for the fiscal year starting in 2013, or (ii) the product of the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in 2013 multiplied by the levy credit factor for that school district for the fiscal year starting in 2014.

(B) If a taxing jurisdiction, other than a school district *or a city with a dependent school district*, has a freeze-compliant budget for its fiscal year starting in 2015, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in the amount that is the greater of

(i) the amount by which the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014, or

(ii) the product of the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in 2014 multiplied by the levy credit factor for that taxing jurisdiction for the fiscal year starting in 2015.

(C) If a school district other than a *dependent school district* has a freeze-compliant budget for its fiscal year starting in 2015, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in the amount by which the real property taxes imposed upon such residence by or on behalf of such school district for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year identified as follows:

(i) if the school district's budget for the fiscal year starting in 2014 was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in the amount of the credit for school district taxes allowed for the eligible taxpayer's 2014 taxable year; together with the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014 or (II) the product of the real property taxes imposed upon such residence by or on behalf of

such school district for the fiscal year starting in 2014 multiplied by the levy credit factor for that school district for the fiscal year starting in 2015.

(ii) if the school district's budget for the fiscal year starting in 2014 was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such school district for the fiscal year starting in 2014 multiplied by the levy credit factor for such school district for the fiscal year starting in 2015.

(D) If a taxing jurisdiction, other than a school district *or a city with a dependent school district*, has a freeze-compliant budget for its fiscal year starting in 2016:

(i) if the taxing jurisdiction's budget for the fiscal year starting in 2015 was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2016 taxable year in the amount of the credit for the taxes imposed by or on behalf of such taxing jurisdiction allowed for the eligible taxpayer's 2015 taxable year; together with the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in 2016 exceeds the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in 2015, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in 2015 multiplied by the levy credit factor for such taxing jurisdiction for the fiscal year starting in 2016.

(ii) if the taxing jurisdiction's budget for the fiscal year starting in 2015 was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2016 taxable year in the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in 2016 exceeds the real property taxes so imposed for the fiscal year starting in 2015, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in 2015 multiplied by the levy credit factor for such taxing jurisdiction for the fiscal year starting in 2016.

CITY WITH A DEPENDENT SCHOOL - DOES NOT APPLY IN ONTARIO COUNTY

(E) If a city with a dependent school district has a freeze-compliant budget for its fiscal year starting in 2014, a tax credit shall be allowed for the eligible taxpayer's 2014 taxable year in the amount equivalent to 67% of the amount that is the greater of (i) the amount by which the real property taxes imposed upon such residence by or on behalf of that city for the fiscal year starting in 2014 exceeds the real property taxes so imposed for the fiscal year starting in 2013, or (ii) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2013 multiplied by the levy credit factor for such city for the fiscal year starting in 2014.

(F) If a city with a dependent school district has a freeze-compliant budget for its fiscal year starting in 2015 (i) if the city's budget for the fiscal year starting in 2014 was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in an amount equivalent to 33% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2014 exceeds the real property taxes so imposed for the fiscal year starting in 2013, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2013 multiplied by the levy credit factor for such city for the fiscal year starting in 2014; together with the amount of the credit for the taxes imposed by or on behalf of such city allowed for the eligible taxpayer's 2014 taxable year; and together with an amount equivalent to 67% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014; or (II) the product of the

real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2014 multiplied by the levy credit factor for such city for the fiscal year starting in 2015; and a credit shall be allowed for the eligible taxpayer's 2016 taxable year in an amount equivalent to 33% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014, or (II) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2014 multiplied by the levy credit factor for such city for the fiscal year starting in 2015; together with an amount equivalent to 49.25% of the amount of the credit for the taxes imposed by or on behalf of such city allowed for the eligible taxpayer's 2014 taxable year.

(ii) if the city's budget for the fiscal year starting in 2014 was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's 2015 taxable year in an amount equivalent to 67% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014 or (II) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2014 multiplied by the levy credit factor for such city for the fiscal year starting in 2015; and a credit shall be allowed for the eligible taxpayer's 2016 taxable year in an amount equivalent to 33% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2015 exceeds the real property taxes so imposed for the fiscal year starting in 2014 or (II) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2014 multiplied by the levy credit factor for such city for the fiscal year starting in 2015.

(G) If a city with a dependent school district has a freeze-compliant budget for its fiscal year starting in 2014 but does not have a freeze-compliant budget for its fiscal year starting in 2015, a tax credit shall be allowed for the eligible taxpayer's 2015 taxable year an amount representing 33% of the amount that is the greater of (I) the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in 2014 exceeds the real property taxes so imposed for the fiscal year starting in 2013 or (II) the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in 2013 multiplied by the levy credit factor for such city for the fiscal year starting in 2014.

Tax Law §606 (bbb)

TAXPAYER ELIGIBILITY

(3) To be eligible for such credit, the taxpayer (or taxpayers filing joint returns) must meet the following criteria:

(A) For the 2014 taxable year, the taxpayer's primary residence must have qualified for the STAR exemption for the 2014-2015 school year, or would have so qualified if an application for such exemption had been submitted in a timely manner.

(B) For the 2015 taxable year, the taxpayer's primary residence must have qualified for the STAR exemption for the 2015-2016 school year, or would have so qualified if an application for such exemption had been submitted in a timely manner.

(C) For the 2016 taxable year, the taxpayer's primary residence must have qualified for the STAR exemption for the 2016-2017 school year, or would have so qualified if an application for such exemption had been submitted in a timely manner.

4) For each year this credit is allowed, the commissioner shall determine the taxpayer's eligibility for this credit utilizing the information available to the commissioner. When the commissioner has determined a taxpayer to be eligible for this credit, the commissioner shall advance a payment of the amount determined in accordance with this subsection. The taxpayer shall not apply for such credit in conjunction with the filing of his or her return. A taxpayer who has failed to receive an advance payment that he or she believes was due to him or her, or who has received an advance payment that he or she believes is less than the amount that was

due to him or her, may request payment of the claimed deficiency in a manner prescribed by the commissioner.

(5) If the amount of the credit allowed under this subsection, if any, shall exceed the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of Tax Law §686, provided, however, that no interest shall be paid thereon.

Tax Law §606 (bbb)

CALCULATION OF THE REFUND - EXCLUSIONS

(6) The following provisions shall apply to the calculation of the credit pursuant to paragraph two of this subsection:

(A) If the tax bill pertaining to the eligible taxpayer's primary residence includes taxes levied by or on behalf of multiple taxing jurisdictions, the credit shall be based upon the change in the aggregate tax liability of such residence, provided that any tax appearing on the tax bill that is not attributable to a freeze-compliant budget shall be disregarded when determining the aggregate tax liability of such residence.

(B) If the tax bill pertaining to the eligible taxpayer's primary residence includes relieved taxes or other taxes that were previously billed but not paid, those taxes shall be disregarded when determining the aggregate tax liability of such residence.

(C) If the tax bill pertaining to the eligible taxpayer's primary residence includes usage charges, unit charges or other charges that are based upon the consumption of a service, those charges shall be disregarded when determining the aggregate tax liability of such residence.

(D) Notwithstanding the foregoing provisions of this subsection, no credit shall be allowed to the extent that the tax liability of the eligible taxpayer's primary residence increased due to one or more of the following events:

(i) A physical improvement to the eligible taxpayer's primary residence.

(ii) A removal or reduction of an exemption on the eligible taxpayer's primary residence, including a reduction of the STAR exempt amount calculated pursuant to Real Property Tax Law §425(2).

(iii) A revaluation that caused the assessment of the eligible taxpayer's primary residence to increase by a percentage that is greater than the applicable change in level of assessment. As used herein, the terms "revaluation" and "change in level of assessment" shall have the same meanings as set forth in Real Property Tax Law §102 and §1220, respectively.

(E) In the case of property consisting of a cooperative apartment corporation that is described by Real Property Tax Law §425(2) (k), an eligible owner shall be allowed a credit in the amount equal to 60% of the average tax credit in that taxing jurisdiction for that fiscal year, as determined by the commissioner, or in the case of a cooperative apartment corporation that is described by RPTL §425(2) (k) (iv), a credit of 20% of such average tax credit.

(F) In the case of property consisting of a mobile home that is described by RPTL §425(2) (l), an eligible owner shall be allowed a credit in the amount equal to 25% of the average tax credit in that taxing jurisdiction for that fiscal year, as determined by the commissioner.

(G) In the case of a city with a dependent school district, it shall be presumed that 67% of the city tax bill is for school district purposes and that 33% percent is for general city purposes.

(H) The amount of the credit shall be rounded to the nearest dollar, except where such amount is greater than zero and less than \$1.50, in which case the amount of the credit shall be rounded up to \$2.00.

(7) No credit shall be allowed under this subsection in relation to property located within a city with a population of one million or more.

**§2. EDUCATION LAW (EDU) IS AMENDED BY ADDING A NEW SECTION 2023-b
GOVERNMENT EFFICIENCY PLAN - INDEPENDENT SCHOOL DISTRICTS**

§ 2023-b. Certification of compliance with property tax freeze requirements. A school district that is subject to the provisions of EDU §2023-a must comply with the requirements of subdivision two of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) for a fiscal year starting in 2014. The property tax cuts will be extended for a second year in jurisdictions which comply with the tax cap and have a state approved government efficiency plan which demonstrate three year savings and efficiencies of at least one percent per year from shared services, cooperation agreements and/or mergers or efficiencies. The director of the budget shall consider past efficiencies, shared services and reforms in their approval process. While localities may offer a variety of approaches it is anticipated that the county government or board of cooperative educational services will convene and facilitate a process and submit a county wide or board of cooperative educational services region wide plan for approval. A school district that is subject to the provisions of EDU §2023-a must comply with the requirements of subdivision two and either subdivision three or subdivision four of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) for a fiscal year starting in 2015.

1. Definitions. As used in this section:

- a. "Mergers" means: reorganizations of eligible school districts pursuant to Education Law §1505, §1511 through §1513, §1524, §1526, §1705, §1801 through §1803, or §2218; or 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.
- b. "Cooperation agreements" means agreements entered into between eligible school districts to implement the sharing or consolidation of functions or services, including but not limited to: 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 functions, contract management, grants management, transportation services, facilities and function, human services facilities and functions, customer service facilities and functions and information technology infrastructure, process, services and functions.
- c. "Eligible school district" means a school district that is subject to section two thousand twenty-three-a of this part, but shall not mean a school district that is subject to article fifty-two of this chapter.
- d. "Government efficiency plan" means a plan that identifies cooperation agreements, shared services and/or mergers or efficiencies to be fully implemented by one or more eligible school districts that are signatories to the plan.
- e. "Lead district" means the eligible school district that is participating in a government efficiency plan with more than one signatory that has elected to submit the government efficiency plan to the director of the budget on behalf of all signatories to the plan.
- f. "Shared services" means functional consolidations by which one eligible school district completely provides a service or function for another eligible school district, which no longer engages in that function or service; shared or cooperative services between and among eligible school districts; and regionalized delivery of services between and among eligible school districts. These shared services may be for services or functions including but not limited to: 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 functions, contract management, grants management, transportation services, facilities and functions, human services facilities and functions, customer service facilities and functions and information technology infrastructure, processes, services and functions.

EDU §2023-b

**CERTIFICATION OF COMPLIANCE WITH THE TAX LEVY LIMIT
SCHOOL DISTRICTS**

2. Certification of compliance with tax levy limit. a. Upon the adoption of the budget of an eligible school district, the chief executive officer of such school district shall certify to the state comptroller, the commissioner of taxation and finance and the commissioner that the budget so adopted does not exceed the tax levy limit prescribed by EDU §2023-a of this part. Such certification shall be made in a form and manner prescribed by the state comptroller in consultation with the commissioner of taxation and finance and the commissioner.

b. In order for such certification to give rise to a real property tax freeze credit under Tax Law §606(bbb), such certification shall be made no later than the 21st day of the fiscal year to which it applies.

c. If such a certification has been made and the actual tax levy of the school district exceeds the applicable tax levy limit, the excess amount shall be placed in reserve and used in the manner prescribed by EDU §2023-a(5), even if a tax levy in excess of the tax levy limit had been duly authorized for the applicable fiscal year by the school district voters.

d. Notwithstanding any provision of law to the contrary, every school district that is subject to the provisions of EDU §2023-a shall report both its proposed budget and its adopted budget to the office of the state comptroller and the commissioner at the time and in the manner as they may prescribe, whether or not such budget has been or will be certified as provided by this subdivision.

EDU §2023-b

SCHOOL DISTRICT GOVERNMENT EFFICIENCY PLANS

3. School district government efficiency plans submitted by lead district. a. The superintendent of each lead district shall submit to the director of the budget by June 1st, 2015, a government efficiency plan that demonstrates three year savings and efficiencies of at least 1% per year from shared services, cooperation agreements and/or mergers or efficiencies over the aggregate 2014-2015 school year tax levies for all eligible school districts that are signatories to such plan.

(i) The superintendent of each eligible school district that is a signatory to a government efficiency plan shall submit to the superintendent of the lead district by May 15, 2015, a written certification that the eligible school district agrees to undertake its best efforts to fully implement by the end of the 2016-2017 school year the cooperation agreements, mergers, efficiencies and/or shared services specified for the eligible school district in such plan.

(ii) The chief financial officer of a school district that is a signatory to a government efficiency plan shall submit to the superintendent of the lead district by May 15, 2015, a written certification that in his or her professional opinion, full implementation by the end of the 2016-2017 school year of the cooperation agreements, mergers, efficiencies and/or shared services that are to be taken by such school district itself as specified in such plan will result in the savings set forth in such plan attributable to such school district.

(iii) The chief financial officer of each eligible school district that is a signatory to a government efficiency plan shall submit to the lead district by May 15, 2015, a written certification that in his or her professional opinion, full implementation of the cooperation agreements, mergers, efficiencies and/or shared services as specified for all of the eligible school districts that are signatories to such plan will result in savings over the aggregate 2014-2015 school year tax levies for all eligible school districts that are signatories to such plan of at least 1% in each of the 2016-2017, the 2017-2018 and the 2018-2019 school years.

b. The chief financial officer of each lead district shall submit the following documents to the director of the budget on or before June 1, 2015:

(i) the government efficiency plan;

(ii) a list of all eligible school districts that are signatories to such plan;

(iii) all of the certifications required by paragraph a of this subdivision; and

(iv) an analysis of the aggregate amount of savings set forth in such plan attributable to all eligible school districts that are signatories to such plan that will be achieved if the cooperation agreements, mergers, efficiencies and/or shared services identified in such plan are fully implemented by the end of the 2016-2017 school year. The director of the budget shall review such documents and shall consider past efficiencies, shared services and reforms in their approval process to determine whether the requirements of this subdivision have been met with respect to each eligible school district that is a signatory to the government efficiency plan and shall notify the commissioner of taxation and finance of such determinations no later than July 31, 2015

EDU §2023-b

GOVERNMENT EFFICIENCY PLANS - SINGLE SCHOOL DISTRICT

4. School district government efficiency plans submitted by a single eligible school district. a. While localities may offer a variety of approaches it is anticipated that the county government or board of cooperative educational services will convene and facilitate a process and submit a county wide or board of cooperative educational services region wide plan for approval. As such, eligible school districts are strongly encouraged to develop a single government efficiency plan for all of the eligible school districts in their board of cooperation educational services district. However, the superintendent of each eligible school district that is not participating in a government efficiency plan with more than one signatory may submit to the director of the budget by June 1st, 2015, a government efficiency plan that demonstrates three year savings and efficiencies of at least 1% per year from shared services, cooperation agreements and/or mergers or efficiencies over such eligible school district's 2014-2015 school year tax levy.

(i) In the event an eligible school district chooses to submit such a government efficiency plan, the superintendent of such eligible school district shall submit to the director of the budget by June 1st, 2015, a written certification that such eligible school district agrees to undertake its best efforts to fully implement by the end of the 2016-2017 school year the cooperation agreements, mergers, efficiencies and/or shared services specified in such plan.

(ii) In the event a school district chooses to submit such a government efficiency plan, the chief financial officer of such eligible school district shall submit to the director of the budget by June 1st, 2015, an analysis of the savings set forth in such plan that will be achieved if the cooperation agreements, shared services and/or mergers or efficiencies identified in such plan are fully implemented by the end of the 2016-2017 school year, as well as a written certification that in his or her professional opinion, full implementation of the cooperation agreements, mergers, efficiencies and/or shared services as specified in such plan will result in savings over its 2014-2015 school year tax levy of at least one percent in each of the 2016-2017, the 2017-2018 and the 2018-2019 school years.

b. The director of the budget shall review the documents referred to in paragraph a of this subdivision and shall consider past efficiencies, shared services and reforms in their approval process to determine whether the requirements of this subdivision have been met with respect to an eligible school district that has submitted a government efficiency plan and shall notify the commissioner of taxation and finance of such determination no later than July 31st, 2015.

CERTIFICATION OF COMPLIANCE - MUNICIPALITIES AND INDEPENDENT SPECIAL DISTRICTS

§ 3. The general municipal law (GML) is amended by adding a new section 3-d

to read as follows:

§ 3-d. Certification of compliance with property tax freeze requirements. A municipal corporation or an independent special district that is subject to the provisions of GML §3-c must comply with the requirements of subdivision two of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) for a fiscal year starting in 2015. The property tax cuts will be extended for a second year in jurisdictions which comply with the tax cap and have a state approved government efficiency plan which demonstrate three year

savings and efficiencies of at least 1% per year from shared services, cooperation agreements and/or mergers or efficiencies. The director of the budget shall consider past efficiencies, shared services and reforms in their approval process. While localities may offer a variety of approaches it is anticipated that the county government or board of cooperative educational services will convene and facilitate a process and submit a county wide or board of cooperative educational services region wide plan for approval. A municipal corporation or an independent special district that is subject to the provisions of GML §3-c must comply with the requirements of subdivision two and either subdivision three or subdivision four of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) for a fiscal year starting in 2016. *Provided however, that a city with a dependent school district must comply with the requirements of subdivision two of this section in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) of for a fiscal year starting in 2014 and comply with the requirements of subdivision two of this section, and both the city and its dependent school district must jointly comply with the requirements of subdivision three or subdivision four of this section, in order to render its taxpayers eligible for the real property tax freeze credit authorized by Tax Law §606(bbb) of for a fiscal year starting in 2015 or 2016.*

1. Definitions. As used in this section:

(a) "Mergers" means: consolidations or dissolutions of local government units in accordance with article seventeen-A of this chapter 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.

(b) "Cooperation agreements" means agreements entered into between local government units to implement the sharing or consolidation of functions or services, including but not limited to: 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 functions, contract management, grants management, transportation services, facilities and function, human services facilities and functions, customer service facilities and functions and information technology infrastructure, process, services and functions.

(c) "Dependent school district" means a school district that is subject to article fifty-two of the education law and that has a population of less than one million.

(d) "Government efficiency plan" means a plan that identifies cooperation agreements, shared services and/or mergers or efficiencies to be fully implemented by one or more local government units that are signatories to the plan.

(e) "Independent special district" means a special district as defined by section one hundred two of the real property tax law that either (i) has a separate independent elected board, and either has the authority to levy a tax, or can require a municipal corporation to levy a tax on its behalf, or (ii) has a separate independent board appointed by the governing body of another municipal corporation and either has the authority to levy a tax or can require a municipal corporation to levy a tax on its behalf.

(f) "Lead local government unit" means the local government unit that is participating in a government efficiency plan with more than one signatory that has elected to submit the government efficiency plan to the director of the budget on behalf of all signatories to the plan.

(g) "Local government unit" means a municipal corporation or an independent special district that is subject to the provisions of GML §3-C.

(h) "Shared services" means functional consolidations by which one local government unit completely provides a service or function for another local government unit, which no longer engages in that function or service; shared or cooperative services between and among local government units; and regionalized delivery of services between and among local government units. These shared services may be for services or functions including but not limited to: 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 functions, contract management, grants management, transportation services, facilities and functions, human services facilities and functions, customer service facilities and functions and information technology infrastructure, processes, services and functions.

GML §3-d

2. Certification of compliance with tax levy limit. (a) Upon the adoption of the budget of a local government unit, the chief executive officer or budget officer of such local government unit shall certify to the state comptroller and the commissioner of taxation and finance that the budget so adopted does not exceed the tax levy limit prescribed in section three-c of this article and, if the governing body of the local government unit did enact a local law or approve a resolution to override the tax levy limit, that such local law or resolution was subsequently repealed. Such certification shall be made in a form and manner prescribed by the state comptroller in consultation with the commissioner of taxation and finance. (b) In order for such certification to give rise to a real property tax freeze credit under Tax Law §606(bbb) the tax law, such certification shall be made no later than the 21st day of the fiscal year to which it applies. (c) Notwithstanding any other law to the contrary, if such a certification has been made and the actual tax levy of the local government unit exceeds the applicable tax levy limit, the excess amount shall be placed in reserve and used in the manner prescribed by subdivision six of section three-c of this article, even if a tax levy in excess of the tax levy limit had been authorized for the applicable fiscal year by a duly adopted local law or resolution.

GML §3-d

REPORTING OF PROPOSED AND ADOPTED BUDGETS

(d) Notwithstanding any provision of law to the contrary, every local government unit shall report both its proposed budget and its adopted budget to the office of the state comptroller at the time and in the manner as he or she may prescribe, whether or not such budget has been or will be certified as provided by this subdivision.

GML §3-d

3. Local government government efficiency plans submitted by lead local government unit. (a) The chief executive officer or budget officer of each lead local government unit shall submit to the director of the budget by June 1st, 2015, a government efficiency plan that demonstrates three year savings and efficiencies of at least 1% percent per year from shared services, cooperation agreements and/or mergers or efficiencies over the aggregate tax levies for fiscal years beginning in 2014 for all local government units *and dependent school districts* that are signatories to such plan.

(i) The chief executive officer or budget officer of each local government unit and *dependent school district* that is a signatory to a government efficiency plan shall submit to the chief executive officer or budget officer of the lead local government unit by May 15th, 2015, a written certification that the local government unit *or dependent school district* agrees to undertake its best efforts to fully implement by the end of the local fiscal year beginning in 2017 the cooperation agreements, mergers, efficiencies and/or shared services specified for the local government unit *or dependent school district* in such plan.

(ii) The chief financial officer of a local government unit *and the chief fiscal officer of the dependent school district*, that is a signatory to a government efficiency plan shall submit to the chief executive officer of the lead local government unit by May 15th, 2015, a written certification that in his or her professional opinion, full implementation by the end of the local fiscal year beginning in 2017, of the cooperation agreements, mergers, efficiencies and/or shared services that are to be taken by such local government unit itself as specified in such plan will result in the savings set forth in the government efficiency plan attributable to such local government unit *or dependent school district*.

(iii) The chief financial officer of each local government unit *and dependent school district* that is a signatory to a government efficiency plan shall submit to the lead local government unit by May 15th, 2015, a written certification that in his or her professional opinion, full implementation of the cooperation agreements, mergers, efficiencies and/or shared services as specified for all of the local government units *and dependent school districts* that are signatories to such plan will result in savings over the aggregate tax levies for fiscal years beginning in 2014 for all local government units that are signatories to such plan of at least 1% in each of the fiscal years beginning in 2017, beginning in 2018 and beginning in 2019.

(b) The chief financial officer of each lead local government unit shall submit the following documents to the director of the budget on or before June 1st, 2015:

(i) the government efficiency plan;

(ii) a list of all local government units *and dependent school districts* that are signatories to such plan;

(iii) all of the certifications required by paragraph (a) of this subdivision; and

(iv) an analysis of the aggregate amount of savings set forth in such plan attributable to all local government units *and dependent school districts* that are signatories to such plan that will be achieved if the cooperation agreements, shared services and/or mergers or efficiencies identified in such plan are fully implemented by the end of the local fiscal year beginning in 2017.

The director of the budget shall review such documents and shall consider past efficiencies, shared services and reforms in their approval process to determine whether the requirements of this subdivision have been met with respect to each local government unit *and dependent school district* that is a signatory to the government efficiency plan and shall notify the commissioner of taxation and finance of such determinations no later than July 31st, 2015.

GML §3-d

GOVERNMENT EFFICIENCY PLANS - SINGLE LOCAL GOVERNMENT UNIT

4. Local government government efficiency plans submitted by a single local government unit. (a) While localities may offer a variety of approaches it is anticipated that the county government or board of cooperative educational services will convene and facilitate a process and submit a county wide or board of cooperative educational services region wide plan for approval. As such, local government units are strongly encouraged to develop a single government efficiency plan for all of the local government units in their county. However, the chief executive officer or budget officer of each local government unit that is not participating in a government efficiency plan with more than one signatory may submit to the director of the budget by June 1st, 2015, a government efficiency plan that demonstrates three year savings and efficiencies of at least 1% per year from shared services, cooperation agreements and/or mergers or efficiencies over such local government unit's tax levy for the fiscal year beginning in 2014.

(i) In the event a local government unit chooses to submit such a government efficiency plan, the chief executive officer or budget officer of such local government unit shall submit to the director of the budget by June 1st, 2015, a written certification that such local government unit agrees to undertake its best efforts to fully implement by the end of the local fiscal year beginning in 2017 the cooperation agreements, mergers, efficiencies and/or shared services specified in such plan.

(ii) In the event a local government unit chooses to submit such a government efficiency plan, the chief financial officer of such local government unit shall submit to the director of the budget by June 1st, 2015, an analysis of the savings set forth in such plan that will be achieved if the cooperation agreements, shared services and/or mergers or efficiencies identified in such plan are fully implemented by the end of the local fiscal year beginning in 2017, as well as a written certification that in his or her professional opinion, full implementation of the cooperation agreements, mergers, efficiencies and/or shared services as specified in such plan will result in savings over its tax levy for the fiscal year beginning in 2014 of at least 1% in each of the fiscal years beginning in 2017, beginning in 2018 and beginning in 2019.

(b) The director of the budget shall review the documents referred to in paragraph a of this subdivision and shall consider past efficiencies, shared services and reforms in their approval process to determine whether the requirements of this subdivision have been met with respect to a local government unit that has submitted a government efficiency plan and shall notify the commissioner of taxation and finance of such determination no later than July 31, 2015.

**§4. REAL PROPERTY TAX LAW §1590 - NEW SUBDIVISION 3
SUBMISSION OF DATA FILES USED IN PROCESSING TAX ROLLS AND TAX BILLS**

3. Each municipal corporation shall submit to the commissioner the data files used to prepare its tax rolls and tax bills no later than ten days after the annexation of the warrant for the collection of taxes for the applicable fiscal year, or where no such warrant is annexed, no later than ten days after the last date prescribed by law for the levy of taxes of the applicable fiscal year, provided that if its tax rolls or tax bills, or both, are prepared by a different governmental entity, that entity shall be jointly responsible for submitting the applicable data files to the commissioner.

TAX FREEZE LEGISLATION

§ 5. This act shall take effect immediately, provided that the provisions of RPTL§1590(3) as added by section four of this act shall apply to tax rolls and tax bills of school districts and cities with a population of 125,000 or more for fiscal years starting on or after July 1, 2013, and to tax rolls and tax bills for other municipal corporations for fiscal years starting on or after January 1, 2014, except that in the case of tax rolls and tax bills for fiscal years that started prior to the effective date of this act, the data files used to prepare tax rolls and tax bills shall be submitted to the commissioner of taxation and finance no later than 60 days after the effective date of this act.