

# Naples Central School District

## New York State Property Tax Freeze



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# The What:

- Signed into law: April 2014
- Short-term tax rebate program
- Reimburses qualifying New York State homeowners for increases in local property taxes
- Rebates are for school district property taxes only
- May apply to other taxing jurisdictions in the future



# How to Qualify:

## Year One

- Resident must be STAR Eligible
- District must be Tax Cap Compliant

## Year Two

- Resident must be STAR Eligible
- District must be Tax Cap Compliant
- District must submit a Government Efficiency Plan



# Government Efficiency Plan

## **Must identify plans to achieve savings through:**

- Cooperation agreements
- Shared Services
- Mergers
- Other efficiencies

## **Must be NEW efficiencies, beginning July 1, 2012, approved by State**

## **Three year plan submitted by 6/1/15**

- Year One - 1% of 2013-2014 tax levy
- Year Two - an additional 1%
- Year Three - an additional 1%

**For the Naples Central School District, in Year One, savings need to equal \$ 102,079.**



# Follow the money...

## Year One:

The greater of the previous year's tax bill multiplied by an inflation factor or the actual increase between the homeowner's 2013-14 and 2014-2015 school tax bills:

### Example:

2013-2014 Tax Bill =	\$2,500
2014-2015 Tax Bill =	\$2,550
Actual Increase in Taxes =	\$50
1.46% x 2013-2014 Tax Bill =	\$36.50
2014 Rebate to Homeowner =	\$50

## Year Two:

The same calculation as year one *plus* the credit amount received in year one:

### Example:

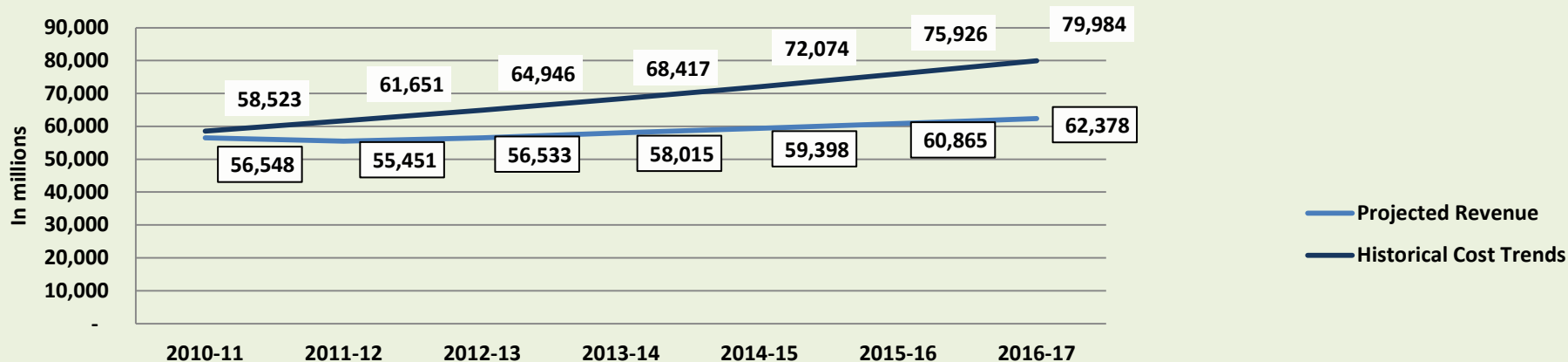
2014 Rebate to Homeowner=	\$50
2014-2015 Tax Bill =	\$2,550
2015-2016 Tax Bill =	\$2,625
Actual Increase in Taxes=	\$75
CPI up to 2% of 14-15 Tax Bill=	\$51
(2% used for example; factor not yet known)	
2015 Rebate to Homeowner=	\$50+\$75 = \$125



# Impact on the District

- More difficult to adopt levies that exceed cap (and calculated levies are often less than 2%)
- Failure to pass budgets results in frozen tax levy (no exclusions)
- Non Compliance = No Credit to Tax Payer

**Impact of Caps on Local & State Revenues for New York School Districts**





# Questions/Comments?

