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TO : ALL LIBRARY DIRECTORS

FROM: WILLIAM M. CULLEN, ESQ.

RE: NYS TAX FREEZE CREDIT LEGISLATION & PROCESS

If the Library elects to participate in the NYS Tax Freeze Credit Program as will qualify is homeowner residents to a credit approximately equal to the amount of the increase in their annual Library taxes, it must file a "Government Efficiency Plan" demonstrating a minimum one (1%) percent "savings" during each of the next three years.

If the Library is to partner with one or more public libraries (or other government entity), one library (or government entity) must be designated as the "Lead Entity"; however, the minimum one (1%) percent annual "savings" must be realized upon the total of all participants' annual tax appropriations. Otherwise, the Library may go it alone, in effect declaring itself as "Lead Entity" and "demonstrating and implementing operational efficiencies" with an Efficiency Plan indicating a minimum one (1%) percent "savings" during each of the next three years.

The good news is that the NYS Division of Budget just recently clarified that libraries need not reduce their annual tax appropriations by an amount equal to the annual one (1%) percent plus "savings" realized. The Bad news is that most Library Boards and administrators quite correctly surmise that the libraries' annual budgets and tax appropriations are by and large as efficient as reasonably possible, unless civil service positions are to be abolished through lay-off or attrition. For most, this is a bridge too far.

Inasmuch as salaries and benefits average between 75% and 80% of the libraries' annual tax appropriations, attempting to achieve an minimum one (1%) percent annual savings of the full amount of the annual tax appropriation, without reducing payroll, in effect requires a 4-5% reduction in annual expenditures across all non-salary/non-benefits budget lines.

Should any library wish to submit a "Government Efficiency Plan" as a "Lead Entity" it must be filed online no later than June 1, 2015 with the NYS Director of Budget at [www.budget.ny.gov/](http://www.budget.ny.gov/)

through a process which provides an "Access Code". If a library desires to partner with one or more other "government entities" (most probably other libraries), there are other specified procedures.

I annex a pdf of the recent NYS Division of Budget "Property Tax Freeze Credit" slideshow program with further details and with copies of the online forms for filing.

Please contact me if you are considering taking the freezing plunge into uncharted waters.

Best regards,

Bill