



Understanding the Real Property Tax and the Assessment Process

March 20, 2013 – Town of Carlton

TONIGHT'S TOPICS

- **Overview of the Real Property Tax**
- **Local Equalization & the Job of the Assessor**
- **Reassessment & the Benefits of Equity**
- **Appeals Process**

Property Tax in NYS

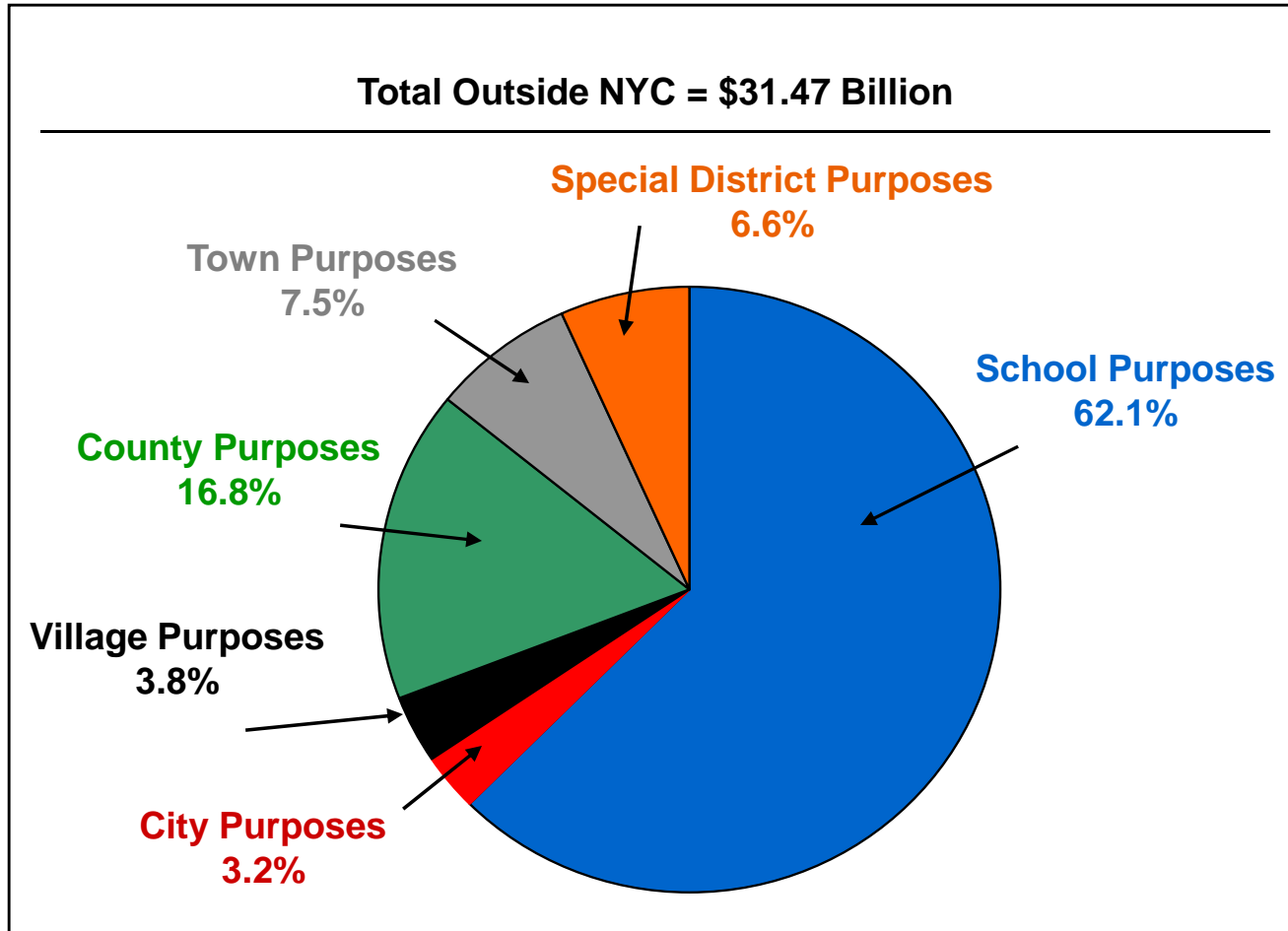
- Finances local govt. and schools
- 4250 taxing jurisdictions



- Largest single revenue source

WHERE THE REAL PROPERTY TAX GOES

(Real Property Tax Levies by Purpose; Local Fiscal Years Ending in 2011)



Source: Based on data from the Office of the State Comptroller.

Taxing Jurisdictions

- **Town** – Budget and Tax Levy set by Town Board. Tax levy is distributed to all property inside the town boundary
- **Village** – Budget and Tax Levy set by Village Board – Tax Levy distributed to all property inside the village boundary

Taxing Jurisdictions

- **County** – Budget and Tax Levy set by County Legislature – Tax Levy distributed to all property inside the county boundary
- **School** – Budget and Tax Levy set by School Board – Tax Levy Distributed to all property inside the school district boundary

Understanding the Property Tax

The Real Property Tax is
an
Ad Valorem tax

Understanding the Property Tax

...the amount of tax paid depends on the value of real property owned

Understanding the Property Tax

Although **assessments** play an integral part of the tax calculation, the amount of the **tax levy** is the controlling factor in the amount of taxes we all pay

Understanding the Property Tax

Calculation of Property Taxes:

- Amount of Tax Levy (Budget minus Revenues)
- Divided by Taxable Assessed Value (Assessed Value minus Exemptions)
- Equals Tax Rate (x 1000)

Understanding the Property Tax

Example: Calculation of Property Taxes

Market value	50%	100%
Amount of Town Tax Levy	\$540,000	\$540,000
Taxable Assessed Value	\$60,000,000	\$120,000,000
Equals Tax Rate	\$9.00 per \$1000	\$4.50 per \$1000
Bill:		
Assessed value of home	\$40,000	\$80,000
Tax Rate	\$9.00	\$4.50
Calculation	<u>\$40,000* \$9.00</u>	<u>\$80,000* \$4.50</u>
	\$1000	\$1000
Amount	= \$360	= \$360

Understanding the Property Tax

Example: Calculation of Property Taxes

Market value	50%	100%
Amount of Town Tax Levy	\$640,000	\$640,000
Taxable Assessed Value	\$60,000,000	\$120,000,000
Equals Tax Rate	\$10.66 per \$1000	\$5.33 per \$1000
Bill:		
Assessed value of home	\$40,000	\$80,000
Tax Rate	\$10.66	\$5.33
Calculation	<u>\$40,000* \$10.66</u>	<u>\$80,000* \$5.33</u>
	\$1000	\$1000
Amount	= \$426	= \$426

Understanding the Property Tax

- Assessments affect the **distribution** of the Real Property Tax
- Assessors are charged by law with the duty of assessing real property

The Job of the Assessor

- Provide fair assessments by determining the **market value** of each property
- Process **exemptions**, such as STAR, Senior Citizens, and Veterans
- Prepare and publish the assessment roll
- Help taxpayers understand assessments
- Defend assessments at administrative and judicial appeals

Duties of the Assessor

- **Process all transfers of property ownership (sales)**
 - Change names, record sales information

- **Collect and record all property information**
 - Review permits and demolition reports
 - Measure and record all information

- **Gather and analyze valuation data**
 - Verify sales and correct as needed
 - Identify areas of similar market influence in town
 - Compile and apply valuation tables

Duties of the Assessor

- **Prepare assessment roll**
 - Enter all value changes
 - Record all exemptions
 - Determine Level of Assessment
 - Publish legal notices
 - Send Change of Assessment notices
 - Sit with assessment roll for 3 days

- **Defend assessments**
 - Grievance Day
 - Small Claims Assessment Review

- **Manage office**
 - Establish office hours
 - Attain certification and obtain mandatory training
 - Public relations

Additional Duties during Update

- **Develop valuation tables and schedules**
- **Generate computer-assisted value for each property**
- **Field review each value**
- **Notify taxpayers of new assessments**
- **Hold informal hearings**
- **Inform taxpayers of hearing results**

ASSESSMENT CALENDAR

- March 1st Taxable Status Date
Deadline for all exemption applications
- May 1st Tentative Assessment Roll
- 4th Tues. in May..... Grievance Day
- July 1st Final Assessment Roll

TAX CYCLE

- Sept 1stSchool Tax
- Jan 1st Town and County Tax
- June 1st Village Tax

REAL PROPERTY TAX LAW



§305 RPTL - Assessment Standard

All real property in each assessing unit shall be assessed at a uniform percentage of value.

EQUITY is the GOAL

- All real property in each assessing unit shall be assessed at a uniform percentage of **value**
 - **Value** is defined as "**market value**" - the most probable sale price, in a competitive and open market, freely arrived at by normal negotiations without undue pressure on either the buyer or the seller.
 - tax bills must display the municipality's uniform percentage and the parcel's market value

ASSESSMENT EQUITY

- **Equity with respect to assessments and real property taxes means:**
 - **Properties are assessed at a uniform percentage of value**
 - **Properties with similar values pay similar taxes**
 - **Taxpayers pay their fair share**

How Is Market Value Determined?

- **The Assessor does NOT set market value**
- **Market Value is determined by analyzing valid real estate sales**
- **Trends and values observed from the sales are applied to unsold properties**

What Drives Market Value?

- Location, Location, Location
- Some locations are less/more desirable than others. For example: lake front, school district, junk yard, view.
- Style, size, condition of homes affect value

What Drives Market Value?

- Economic influences
- Interest rates
- Availability of amenities and jobs
- Commuting distance to employment centers
- Farming opportunities
- These among other factors may influence property values

- The real estate market has seen some dramatic activity, not only in the number of sales, but the price of real estate.
- One thing is certain, different types of properties in different locations will increase in value at a different pace!
- After a period of time without systematic analysis of property values and **reassessment**, equity is no longer there.

Reassessment

A systematic analysis of all locally assessed parcels to assure that all assessments are at a stated uniform percentage of value as of the valuation date of the assessment roll upon which the assessments appear. (RPTL§ 102)

Reassessment

The terms **reassessment**, **revaluation** and **update** are **synonymous**.

Reassessment – What It Does

- ❑ Produces equity by eliminating unfair assessments.
- ❑ Distributes tax burden fairly within the municipality.
- ❑ Provides defensible data and assessments.
- ❑ Increases taxpayer confidence and understanding.

Reassessment –What It Does Not Do

- Generate additional revenue
- Correct external inequalities
- Prevent tax shifts
- Compensate taxpayers for prior inequities

Steps in a Reassessment

- Assessment Equity Analysis
- Reassessment Decision
- Analysis of Sales
- Edit Data
- Production and Review of Values
- Notification of Preliminary Values
- Informal Hearings
- File Tentative Assessment Roll
- Grievance Day

Town of Carlton

Assessed Values

Residential parcels

Average assessment	\$ 91,315
--------------------	-----------

Sale Prices

Residential

Average residential sale price	\$ 98,053
--------------------------------	-----------

Town of Carlton – Residential Values

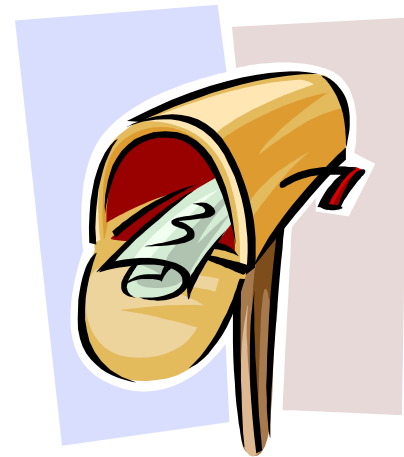
Nbhd	Avg. Assessment in 2012	Avg. Selling Price	Ratio
Rural	91,497	98,709	.90
Lake Ont.	112,955	116,087	.97
Lk. Alice	82,600	95,057	.86

Do You Know Your Market Value?

- Get a reasonable estimate of the market value of your property
- Lists of recent sales and photographs are available at the Assessor's Office
- Look at the homes insert in the newspaper, real estate ads, and web-sites

Notification of Preliminary Assessments

Change of Assessment Notices



Notification of Preliminary Assessments – COA Notice

County of Orleans
Town of Carlton

AAAAAAAAAAAAA
CCCCCCCCCCCCC
EEEEEEEEEEEEEE

BBBBBBBBBBBBBB
DDDDDDDDDDDD
FFFFFFFFFFFFFFF

PARCEL INFORMATION

██████████
██████████
██████████
██████████

2013 ASSESSMENT NOTIFICATION

OWNER INFORMATION

██████████
██████████
██████████
██████████

You are hereby notified in accordance with the requirements of Section 510 of the Real Property Tax Law of your preliminary assessment. New York State law requires all properties in each municipality to be assessed at market value or at a uniform level of assessment each year.

Year	Assessed Value
2012	\$99,500
2013	\$100,800
Net Change	+\$1,300

A change in your property's assessment does not necessarily indicate that your taxes will change. Your tax liability will be affected by several factors, including: changes to school/county/municipal budgets, changes to assessments of other properties, changes to exemptions applicable to your property, and apportionment of school and/or county taxes among multiple municipal segments.

You may contact representatives of the assessor's office regarding this notice. If, as a result of consultation with the assessor or otherwise, your tentative assessment differs from this preliminary assessment, you will be notified of that tentative assessment. If you disagree with your property's tentative assessment, in order to protect your right to assessment review, you must file a formal written complaint on the officially prescribed form (RP-524), available from your assessor or online at www.tax.ny.gov, with your Board of Assessment Review (BAR) on or before **Grievance Day: May 28, 2013.**

A publication entitled "Contesting Your Assessment in New York State" is available at the assessor's office and online: www.tax.ny.gov.

Please note that your assessor and the BAR can only review your assessed value; they do not set and cannot adjust your taxes. If you feel that your assessment is fair but your taxes are too high, your comments should be addressed to the appropriate taxing jurisdiction.

Karen Adams
Assessor

Notification of Preliminary Assessments – COA Notice

County of Orleans
Town of Carlton

AAAAAAAAAAAAA
CCCCCCCCCCCCC
EEEEEEEEEEEEEE

BBBBBBBBBBBBBB
DDDDDDDDDDDD
FFFFFFFFFFFFFF

PARCEL INFORMATION

████████████████████
████████████████████
████████████████████
████████████████████

2013 ASSESSMENT NOTIFICATION

OWNER INFORMATION

████████████████████
████████████████████
████████████████████
████████████████████

You are hereby notified in accordance with the requirements of Section 510 of the Real Property Tax Law of your preliminary assessment. New York State law requires all properties in each municipality to be assessed at market value or at a uniform level of assessment each year.

Year	Assessed Value
2012	\$99,500
2013	\$100,800
Net Change	+\$1,300

Notification of Preliminary Assessments – COA Notice

A change in your property's assessment does not necessarily indicate that your taxes will change. Your tax liability will be affected by several factors, including: changes to school/county/municipal budgets, changes to assessments of other properties, changes to exemptions applicable to your property, and apportionment of school and/or county taxes among multiple municipal segments.

You may contact representatives of the assessor's office regarding this notice. If, as a result of consultation with the assessor or otherwise, your tentative assessment differs from this preliminary assessment, you will be notified of that tentative assessment. If you disagree with your property's tentative assessment, in order to protect your right to assessment review, you must file a formal written complaint on the officially prescribed form (RP-524), available from your assessor or online at www.tax.ny.gov, with your Board of Assessment Review (BAR) on or before

Grievance Day: May 28, 2013.

A publication entitled "Contesting Your Assessment in New York State" is available at the assessor's office and online: www.tax.ny.gov.

Please note that your assessor and the BAR can only review your assessed value; they do not set and cannot adjust your taxes. If you feel that your assessment is fair but your taxes are too high, your comments should be addressed to the appropriate taxing jurisdiction.

Karen Adams
Assessor

Appeal Process

- Informal Meeting
- BAR Board of Assessment Review
- SCAR Small Claims Assessment Review
- Article 7 NY Supreme Court

Appeal Process – Sources of Taxpayer Information

- ✦ Assessor's Office
- ✦ Real estate websites, e.g.,
<http://homesteadnet.com>
- ✦ Orleans County Web Site
<http://orleansny.com>
- ✦ How to Contest Your Assessment Booklet
www.tax.ny.gov

Want More Information?

Visit the New York State
Office of Real Property Tax
Services Web-Site at

www.tax.ny.gov