



November 22, 2022

## **2022 Report on Effectiveness of State Technical and Financial Assistance Programs for Property Tax Administration**

Section 1575 of the Real Property Tax Law (RPTL) requires the Department of Taxation and Finance to “...report to the governor, the president pro tem of the senate and the speaker of the assembly...concerning the effectiveness of all financial, administrative, and technical incentives and assistance provided by the state for the improvement of property tax administration and the Commissioner’s recommendations relating to such incentives and assistance.” The 2022 report presents the findings of staff through 2021.

### **Financial Assistance Programs**

New York State’s local aid programs for property tax administration have two primary goals:

- to help local governments provide current and accurate property assessments (Aid for Cyclical Reassessments), and
- to help local governments administer property assessments efficiently and effectively (Consolidation Incentive Aid and County Aid).

The financial assistance programs are administered by the New York State Department of Taxation and Finance – Office of Real Property Tax Services (ORPTS).

### **Aid for Cyclical Reassessments**

The cost of improving property tax administration can be substantial, particularly when assessments have been neglected over the course of years. Assessment rolls can be years—even decades—out of date, and the systems used can be outmoded.

Financial assistance programs help to offset some of the costs of updating assessment rolls.

Section 1573 of the Real Property Tax Law (Part Y of Chapter 56 of the Laws of 2010) established the Aid for Cyclical Reassessments (ACR) program to encourage local governments to maintain updated property assessments on a four-year cycle.

Under the program, reassessment is required on a periodic basis. Financial assistance is available:

- up to \$5 per parcel on an assessment roll that reflects a full reappraisal of all parcels under an ORPTS-approved plan, and
- up to \$2 per parcel on a roll that is updated without a full reappraisal.

The amount payable on a per-parcel basis is calculated after excluding parcels that are wholly exempt or assessed by the State. The maximum aid per municipality per year is \$500,000.

To be eligible for ACR, assessing units must meet all of the following conditions:

- Reassessments must be set at 100% of value (except in Nassau County and New York City, which have classified assessments).
- Reassessments must be implemented pursuant to a plan approved by ORPTS.
- The reassessment cycle must be four years or less, and it must include a full appraisal at least once every four years.
- Parcel inventory data must be updated once every six years.
- The municipality must be in compliance with ORPTS standards for quality assessment administration.
- The municipality must provide ORPTS with a set of supporting valuation documents.

Applications must be submitted in years of reappraisal and non-reappraisal for each year within the approved plan. The reappraisal in the last year of a plan can serve as the first year of a subsequent plan.

Beginning in 2011, legislation suspended the aid of up to \$2 per parcel in non-appraisal years. This restriction continued to be in effect during 2022.

In 2021, 54 assessing units received a total of \$486,464 in ACR.

### **Consolidation Incentive Aid**

Chapter 170 of the Laws of 1994 established the Consolidation Incentive Aid program to encourage efficient assessment administration. The program currently provides local governments a one-time payment of up to \$7 per parcel if two or more assessing units unify their assessing functions in one of the following ways:

- Combine to form a consolidated assessing unit by employing a single assessor, preparing a single assessment roll, assessing at the same uniform percentage of value, conducting reassessments at the same time, and having a single board of assessment review;
- Coordinate the assessing function by employing a single assessor, specifying the same uniform percentage of value for all assessments, and using the same assessment calendar; or
- Form a county assessing unit.

Each of these approaches provides options for smaller municipalities to:

- reduce the cost of reassessment,
- facilitate acquisition of new technology,
- increase the professionalism of the assessing function, and
- obtain valuation expertise.

Since the inception of this program, 194 municipalities have received CIA for a total of \$3,022,106. In 2014, the last year in which aid was paid under this program, ORPTS paid \$17,270.66. Seventy-seven municipalities continue to share an assessor under the program.

### **County Aid**

Chapter 530 of the Laws of 2001 authorized a one-time payment of up to \$1 per parcel to counties that enter into agreements with assessing units to provide exemption services, appraisal services or assessment services to assessing units.

Since inception, 16 counties have received county aid for a total of \$187,297. In 2021, ORPTS paid a total of \$14,768.16 under this program.

### **Technical Assistance Programs**

In addition to financial assistance programs, ORPTS also provides technical assistance through several programs. The goal is to help localities do a better and more cost-effective job in administering the property tax.

### **Real Property System**

Since 1974, ORPTS has provided and supported computer software known as the Real Property System (RPS) for local assessment administration. The current version of RPS is RPSV4. It provides local governments with a uniform way to produce mandated assessment products, including:

- assessment rolls,
- property tax exemptions,
- tax billing and collection documents,
- assessment change notices, and
- detailed inventory for all properties.

More than 97 percent (959) of the assessing units in New York State use RPSV4. As a result, the data—including assessment rolls, inventory, and property sales—transmitted from those municipalities is largely standardized when it is received by the Department of Taxation and Finance. This statewide consistency also improves the efficiency and cost effectiveness of ORPTS's process for determining equalization rates.

## **Support of Local Reassessment Projects**

The goal of a reassessment project is to assess all properties within a municipality at a uniform percentage of value as of a given date.

ORPTS customer service liaisons—working out of regional offices in Albany, Batavia, Ray Brook, Syracuse, and White Plains—support local reassessment projects throughout each of the following stages of the project:

- preliminary planning and analysis
- data collection
- valuation
- field review
- impact estimation/disclosure.

ORPTS's roles may include the following:

- helping to explain the reassessment process at meetings with local officials and property owners
- assistance in developing requests for proposals by private contractors
- ensuring local data collection meets state standards
- assisting with mass appraisal systems
- generation of notices
- review of local valuation

In 2021, ORPTS staff supported reassessment projects in 176 municipalities.

## **Advisory Appraisals**

ORPTS provides advisory valuation assistance upon request to local governments for utility properties and highly complex commercial and industrial properties. The *advisory appraisals* are not binding on the local assessor. However, the program enables localities to draw on the valuation expertise of department staff.

In 2021, staff conducted 579 utility advisory appraisal.

## Assessment Administrator Training

The Office of Real Property Tax Services establishes minimum qualification standards, training programs, and certification standards for the following:

- assessors
- county real property tax directors
- professional appraisal personnel
- assessor candidates

| Assessment Official Training Status, 2021 |                           |                     |                    |
|---|---------------------------|---------------------|--------------------|
| Position Held                             | Total Number of Positions | Basic Certification |                    |
|   |                           | Number Certified    | Number Uncertified |
| County Director                           | 55                        | 36                  | 19                 |
| County Assessor                           | 2                         | 1                   | 1                  |
| Appointed Assessor                        | 910                       | 831                 | 79                 |
| New York City Assessor                    | 110                       | 97                  | 13                 |
| Elected Assessor                          | 134                       | 90                  | 44                 |
| Real Property Appraiser                   | 23                        | 13                  | 10                 |
| Assessor Candidate                        | 67                        | 31                  | 36                 |
| <b>Total</b>                              | <b>1301</b>               | <b>1099</b>         | <b>202</b>         |

In addition, 4,000 local board of assessment review members are required to attend a course in assessment practices at the beginning of their term in office.

ORPTS provides three levels of training for assessors:

- *Basic certification as a State Certified Assessor (SCA)*, is required for both elected and appointed assessors. For basic certification, assessors are required to take six components, plus an initial orientation seminar. The required topics are:
  - ethics,
  - fundamentals of assessment administration,
  - cost, market, and income approach to value,
  - data collection, and
  - mass appraisal.

In addition, farm appraisal training is required for the approximately 80 percent of municipalities that meet one or more of the following conditions:

- at least 10 percent of the total acreage is classified agricultural on the assessment roll
- at least ten agricultural assessments have been granted pursuant to Article 25-AA of the Agriculture and Markets Law

- at least 10 percent of the total acreage lies within an agricultural district, created pursuant to Article 25-AA of the Agriculture and Markets Law
- *Continuing education* is required only of sole elected and appointed assessors. An average of 12 continuing education credits must be completed per year in approved courses. (**Note:** Members of elected boards of assessors are not subject to the continuing education requirement.)
- *Recertification* is required for all elected and appointed assessors. Completion of an approved ethics course is required for certified assessors no more than one year prior to or one year after reappointment or reelection to office.

ORPTS offers training in several formats to assessor and county director participants:

- classroom
- web-based
- self-study

In 2021, ORPTS piloted the first *live virtual* training class. The 6-day class was presented virtually by live instructors.

During 2021, ORPTS provided for the training of 353 local assessment officials.

ORPTS reimburses eligible local officials for necessary and reasonable training expenses to complete basic and continuing education requirements. For 2021, ORPTS provided 135 local officials with a total of \$43,000 for training reimbursement.

### **Geographic Information Systems (GIS) Services**

ORPTS provides a variety of GIS services to localities, including the following:

- display of sale parcels in property value ranges to assist in sales analysis and neighborhood delineation
- coefficient of dispersion analysis using geographic selection criteria
- use analysis with color-coded views of a county or town using the property class code on the local RPSV4 file
- mapping and analysis of reassessment impacts on tax bills
- school district analysis within a town
- environmental maps that display proximity to features influencing property values, such as hospitals and landfills

### **Efficiency Improvements**

ORPTS consults with local officials to improve the efficiency of the property tax system wherever possible.

The number of assessment jurisdictions has decreased significantly in the past four decades, in part as a result of the Consolidation Aid program described above. In 1987, there were 1,453 assessing jurisdictions across the state and 144 jurisdictions shared an assessor. Today, there are 1,088 jurisdictions, and 634 share an assessor.

ORPTS also provides guidance to village officials who are considering a switch to the town assessment roll for village taxing purposes. Property owners in villages that continue to perform the assessing function receive two assessments for the same property: one from the village and one from the town. Dissolution of the village assessing function eliminates a duplicative government function and reduces confusion among taxpayers.

There has been a steady decline in the number of villages that perform the assessing function. Currently, 95 of the 556 villages in New York (17 percent) maintain their status as assessing units.

As the number of assessing units and assessors has changed, the mechanism for selecting assessors has also shifted. There has been a notable shift toward appointment of assessors (single assessor per assessing unit) rather than electing them (generally, three-assessor board). While municipalities with elected assessors comprised over half of the total in 1983, their share has fallen steadily, and is only six percent in 2022.

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