

IMPROVING REAL PROPERTY TAX INFORMATION DISCLOSURE



State Board of Equalization and Assessment

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**IMPROVING
REAL PROPERTY TAX
INFORMATION DISCLOSURE**

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TAX BILLS AND OTHER NOTICES

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Executive Summary

Why this report?

The research conducted for this report showed that the real property tax system in New York can seem very confusing and intimidating to the average property owner. The primary cause for this is that most property owners currently do not receive sufficient information to enable them to understand the basis on which their taxes have been calculated or to make an informed evaluation of the equity of their tax bills. Without such information, an individual taxpayer is not only likely to mistrust the property tax in general, but will also have great difficulty pursuing a formal protest of his/her assessment.

Lack of public knowledge and understanding can also contribute to a lack of confidence in the local tax system and/or its administrators. Without all the facts at their disposal, many property owners will find it difficult to support local reforms of the assessment system. Too often, the result can be official complacency about the accuracy of assessments. Where this occurs, an eventual reassessment will likely develop in a negative public relations environment and may cause large corrective tax shifts.

In all but a few of New York's municipalities, tax bills are the only notices sent annually for all parcels of real property. However, the typical New York tax bill currently provides only a minimum of useful information¹. Noticeably missing are the market value of the property or an indication of the percentage of market value that is being used to establish assessments. Also, the information that is provided on the typical tax bill is frequently abbreviated and coded to such an extent as to make it very difficult for the average taxpayer to understand much more than the amount of money owed.

To compound the problem, approximately 60 percent of all property taxes are paid from mortgage escrow accounts and the bills are therefore not received by property owners until long after the tax has been paid. There is even anecdotal evidence to suggest that some property owners never see their tax bills at all, but instead receive an annual mortgage account statement

¹ Exceptions here are a few municipalities, New York City in particular, which have recently increased the amount of information on tax bills and other related property tax notices.

which shows only the total amount paid in taxes.

Other property tax notices sent to New York taxpayers, such as the "Change of Assessment Notice", the "Full Disclosure Notice" (used when a municipality revalues its properties according to State standards), or the similar disclosure notice used for valuation updates, are sent to taxpayers infrequently at best. In fact, property owners who do not significantly improve their property and who live in a municipality that has not conducted a recent reassessment may never receive one of these notices. Moreover, because the notices contain a variety of technical and legal terms, they are not as easy to understand as they might be.

Actions and Recommendations

In the State Operations section of the 1993-94 Fiscal Year Budget, the State Board of Equalization and Assessment (State Board) was given the responsibility to develop new forms for disclosing property tax information to taxpayers. According to the statutory language, these forms would be made available to local governments to use at local option. The State Board was further instructed to consult with a variety of interested parties, including taxpayer groups, assessing units, and other appropriate organizations and individuals.

Accordingly, the State Division of Equalization and Assessment (SDEA) held more than 20 meetings with such parties during the summer and fall of 1993. From these meetings, an extensive list of suggestions, ideas and concepts for tax disclosure was compiled. This list was grouped and ranked using several factors, including: perceived need for the information, availability of information, expense involved in disclosure, methods of presenting or delivering the information, and support or opposition among the parties consulted. Extensive research was also conducted concerning tax information disclosure practices in other states; the disclosure programs established in ten states are described in this report. Staff also reviewed New York's current legal requirements for property tax bills and notices and examined all the major types of tax bills currently in use in the State.

The issue of possible additional local expense resulting from expanded information disclosure was taken very seriously. In selecting and assembling a list of recommendations for this report, every attempt was made to work within the system as it presently exists, i.e., through incremental changes rather than radical ones involving data which is not readily available or is costly to disseminate. Essentially, the approach chosen involves use of existing mailings to taxpayers,

rather than adding new ones specifically for tax information disclosure, and making key improvements to the existing notification procedures rather than reinventing them entirely.

Consequently, the primary focus of the final recommendations is on the property tax bill, which, despite the fact that it may not be received until after the taxes are paid, is the only notice which is currently mailed out annually for every parcel of real property. One of this report's key recommendations is to require that a copy of the tax bill (or an equally informative tax receipt) always be sent to the taxpayer. As mentioned earlier, the tax bills currently used by most of New York's municipalities are woefully inadequate as vehicles for tax information disclosure. Therefore, another major recommendation, and the one upon which many of the others are predicated, is that the SDEA design a new and larger (8½" by 11") tax bill (see copies of a prototype design on pages viii and 43). The main advantage of such a tax bill is that it would provide significantly more space for several additional, critical data items and it would also allow currently coded and abbreviated items to be spelled out completely. The 8½" by 11" tax bill would also be compatible with current computer technology, as it would lend itself to easy printing on a laser printer and would, furthermore, allow municipalities to use much less expensive, standard-sized paper and envelopes.

Over 95 percent of the municipalities in New York use the Real Property System (RPS) computer software which was developed and is maintained by SDEA. An SDEA-designed 8½" by 11" tax bill, implemented through the RPS software, would be available automatically to all RPS users, saving them the time and expense of developing their own tax bills. However, SDEA would need to make major systems modifications to produce the expanded tax bill through RPS.

Two other important recommendations, which relate not only to the tax bill, but also to several other notices, are that: (1) the estimated full market value of the property should be printed on tax bills and other notices, and; (2) the uniform percentage of market value at which properties are assessed should also be shown. An assessor-provided, estimated full market value is of vital importance if property owners are to understand and evaluate their assessments and it also provides a necessary benchmark against which they can compare their own estimation of the value of their property. Disclosure of the uniform percentage would help to insure compliance with Section 305 of the Real Property Tax Law (RPTL) which requires that all real property in an assessing unit be assessed at a uniform percentage of value. In combination with the

estimated full market value, taxpayers could use the uniform percentage to calculate what their assessments should be.

Other recommendations include:

1. The value of every exemption and the taxing purposes to which it is applied should be shown on tax bills. The names of the types of exemptions should also be fully spelled out.

2. All other coded and abbreviated items and names (especially taxing purpose names) should be spelled out (as completely in words as space allows) on tax bills and related notices.

3. All dollar amounts on the tax bills - values, tax rates, tax amounts, etc. - should be shown preceded by a dollar sign (\$).

4. The "Estimated State Aid" entry currently required on tax bills should be clearly explained or deleted entirely.

5. The back of the recommended 8½" by 11" tax bill should include a glossary of technical terms found on the bill and/or an indication as to where more explanatory information can be obtained.

6. The recommended 8½" by 11" tax bill should include a statement indicating where a taxpayer can obtain a copy of the SDEA booklet entitled, "How to File a Complaint on Your Assessment".

7. Similarly, all mailings to property owners should contain, on a separate sheet of paper or in a pamphlet, a clear, non-technical explanation of the right to appeal an assessment and a brief outline of the procedure to be followed. Town-specific information should also be included, such as names, addresses, phone numbers, hours of operation, etc. of pertinent local government officials and offices.

8. The New York State Department of Taxation and Finance school district code should be added to tax bills. It is hoped that if taxpayers are prompted to refer to their property tax bills for this code when they are completing their income tax returns, there will be fewer errors and less misallocation of state aid to school districts.

9. Both the current and prior year tax levies should be disclosed on tax bills. The bills should also indicate the percentage change in the levy from the prior year and the percentage change in the share of the levy allocated to assessing unit segments of school districts and counties.

10. Guarantee that a copy of the tax bill or other detailed tax receipt is always sent to

the property owner, even when taxes are paid from an escrow account, and in as timely a manner as possible.

11. When taxes are levied in the first year following a reassessment, revised disclosure notices should be sent to taxpayers with both the school and municipal tax billings. These additional impact disclosure notices are needed to clarify the true effect of a reassessment - which cannot be determined accurately until the tax rates in question have been established.

12. The Board of Assessment Review should be encouraged, if not required, to provide written justification/explanation for their decisions.

13. The wording on the current Board of Assessment Review Determination Notices concerning the taxpayer's right to further appeal should be clarified and written in plainer language.

Several other suggestions, deemed to have considerable merit but not considered to be as vital as those outlined above, are included at the end of the report. These ideas are either relatively difficult to implement, require more extensive and detailed research, would only be important to a relatively small group of taxpayers, or may well be too expensive for most local governments at the present time.

The report concludes with a prototype design of an 8½" by 11" tax bill. Several appendices provide additional information, including examples of tax disclosure notices and tax bills used in other states.

COUNTY NAME

1994 COUNTY AND TOWN REAL PROPERTY TAX BILL

● For Fiscal Year January 1, 1994 to December 31, 1994 ● Warrant Dated: December 28, 1993 ●

OWNER'S NAME AND ADDRESS:

John and Mary Homeowner
1234 Scenic Blvd.
Beautiful, New York 12345-1947

If any of the above owner information is incorrect, please call (518) 473-4532

PROPERTY ADDRESS & LEGAL DESCRIPTION:

Address: 1234 Scenic Blvd.
Beautiful, NY 12345
Town of: Amazing Grace Section-Block-Lot: 113-1-5.5
Parcel Dimensions: Frontage is 91.4 feet
Depth is 146.6 feet
Property Class Code: 210 - Single Family Residence
School District: High Ideals Central District
NYS TAX & FINANCE SCHOOL DISTRICT CODE: 340
(Use this code on your New York State income tax forms)

Bill Number: 17659 Page: 1 of 1 Roll Section: 1 Account Number: 89-637 Bank Code: CO31020

PROPERTY VALUATION

The assessor estimates the Full Market Value of this property as of January 1, 1993 was: \$ 100,000
The Assessed Value of this property as of July 1, 1993 was: \$ 100,000
The Uniform Percentage of Value used to establish assessments was: 100.0%
If you feel your property is overvalued, please see the instructions on the back of this bill for filing a complaint.
To obtain a copy of the booklet, "How to File a Complaint on Your Assessment", please call (518) 473-4532

EXEMPTIONS

| Type | Value | Tax Purpose(s) Applied to: |
|----------------------------|-----------|----------------------------|
| Veteran's - Eligible Funds | \$ 5,000 | Town |
| Senior Citizen | \$ 20,000 | Town |

ESTIMATED STATE AID *

| | |
|----------------|---------------|
| To the County: | \$ 69,256,580 |
| To the Town: | \$ 479,720 |

* See back of bill for explanation of State Aid

PROPERTY TAXES

| Taxing Purpose | Assessed Value | Taxable Value | Tax Rates per \$1000 of Taxable Value | Tax Amount |
|----------------------------|----------------|---------------|---------------------------------------|------------|
| County | \$ 100,000 | \$ 100,000 | \$ 4.25 | \$ 425.00 |
| Town | \$ 100,000 | \$ 75,000 | \$ 1.09 | \$ 81.75 |
| Highway District #1 | \$ 100,000 | \$ 100,000 | \$ 0.22 | \$ 20.00 |
| Responsive Fire District | \$ 100,000 | \$ 100,000 | \$ 0.58 | \$ 58.00 |
| Stalwart Ambulance Company | \$ 100,000 | \$ 100,000 | \$ 0.06 | \$ 6.00 |
| Bright Lighting District | \$ 100,000 | \$ 100,000 | \$ 18.26 | \$ 182.60 |

| | Units | Tax Rates per unit | |
|---------------------------------|-------|--------------------|-----------|
| Clean Sewer Zone A | 5 | \$ 22.90 | \$ 114.50 |
| Sewer Operation and Maintenance | 3 | \$ 38.59 | \$ 115.77 |

TOTAL TAXES \$ 1003.62

| <u>PAYMENT SCHEDULE</u> | <u>Penalty</u> | <u>Amount</u> | <u>Total Due</u> |
|-------------------------|----------------|---------------|------------------|
| January | 0.0% | \$.00 | \$ 1003.62 |
| February | 1.0% | \$ 10.04 | \$ 1013.66 |
| March 01 to 31 | 2.0%* | \$ 20.07 | \$ 1023.69 |

* \$1.00 will be added if a second notice is mailed.
Please call (518) 473-8277 for amounts due after March 31.

MAKE CHECKS PAYABLE TO:

Ms Marilyn Taylor
Receiver of Taxes
P.O. Box 1963
Amazing Grace, NY 12347

TO PAY IN PERSON:

Town Hall
745 Main Street
Amazing Grace, NY
Mon-Wed-Fri, Jan 2 - Jan 31
Phone: (518) 473-4532

PLEASE READ THE BACK OF THIS BILL FOR MORE INSTRUCTIONS AND EXPLANATIONS

(this space reserved for payment stub(s))

Improving Real Property Tax Information Disclosure

Introduction

The Problem

The real property tax system in New York State can seem, even to those who are motivated to study the subject, a bewildering maze of esoteric concepts, arcane calculations, obscure terms and jargon, and tantalizing, but frequently misunderstood, statistics. For example, property tax rates are stated in "dollars-per-thousand" and are applied to "assessments" which may or may not represent the "full" value of a "parcel" of real property. If one attempts to determine how an assessment is established or what the local assessor considers the actual market value of one's property, one frequently has to struggle with such statistical concepts as "equalization rates" or "residential assessment ratios". Even finding out how one's property is described by the assessor requires examination of an assessment "roll" and review of the property's inventory, which may include such items as a "property class" code and a "section, block and lot" designation. Most of these terms would not be understood by the typical taxpayer.

Currently, most property owners receive a minimum of unsolicited information about their property taxes. In fact, the only documents that are sent out each year for every parcel are the tax bills and the tax receipts. In many cases, however, the bills/receipts are not sent to the owner of the property, but rather to the bank holding the mortgage on the property. The bank, in turn, is required to forward the receipts (which are frequently simply copies of the bill stamped "paid" by the municipal tax collector) to the owner, though this can occur weeks or months after the bills have been paid from escrow accounts.

Assuming that one does eventually receive one's tax bill/receipt, there are many areas of the typical bill that are very difficult for the average taxpayer to understand. Most people simply look at the bottom line - how much they owe in taxes - and, if it doesn't contrast radically with how much they remember paying last year, they assume the bill is correct and equitable. There are, in fact, few items on a typical tax bill which can be checked for accuracy and there is virtually no information included to help one make a determination about the equity of the tax.

To paraphrase one property tax professional, "Receiving a typical property tax bill in New York State is analogous to getting an income tax bill which only really states how much you owe. Notably missing are the amount of money you earned (analogous to the market value of your

property) and the percentage at which you are being taxed (analogous to the percentage of market value used by the assessor to calculate your assessment)."

Other informational documents, such as the "Notice of Change of Assessment", the "Full Disclosure Notice" (sent when a municipality revalues), or the similar disclosure notice used when a municipality updates its values, are sent to property owners only when something relatively unusual occurs, such as when a revaluation is implemented or when a significant improvement is made to the property. In fact, property owners who do not improve their property and who live in a town that does not regularly update its assessments may never receive one of these notices. Moreover, because they contain a variety of technical and legal terms, these notices are not especially easy to understand.

Most property owners therefore only seek to become informed about their local property tax system when they feel they are being unjustly taxed. And even then they may become discouraged by what seems a difficult, confusing, and time-consuming effort to gain a minimum of familiarity with the system. Consequently, there is an extreme lack of knowledge among the general public, and property owners specifically, concerning the property tax and its detailed workings. In most of the State, this lack of knowledge results in taxpayer apathy, even in the face of great inequity: relatively few appeals are filed in the great majority of assessing units, including those with decades-old assessments and serious lack of assessment uniformity.¹

Unfortunately, this status quo of "ignorance is bliss" serves no one well. Individual taxpayers, some of whom are paying as much or more in property taxes as they do in state income taxes, make assumptions about accuracy and equity they would never entertain for other taxes. Many local property tax officials, lulled by a lack of public protest or complaints, also tend to become complacent about improving the administration of the tax. This combination of taxpayer ignorance and official complacency can lead to assessment inequities which grow significantly

¹ It should be noted, however, that certain areas of the State, i.e., Nassau, Westchester and Suffolk Counties, there are tax protest proceedings in great abundance and that, in fact, backlogs have developed in certain types of proceedings. These areas typically have relatively high-value properties and the tax reduction resulting from a successful tax protest can be considerable. Whether the property owners in these areas who are initiating protests are motivated by the potential gain or because they are well-informed (or both) is impossible to conclude without further study.

over time, with the result that when (and if) a reassessment occurs, it must develop in a crisis-filled environment and it often causes major tax shifts.

The Response

The New York State Division of Equalization and Assessment (SDEA) has, while overseeing the administration of the property tax statewide, recognized that the public needs to be much more informed and educated about all phases of the tax system. Many of SDEA's program and legislative initiatives have been directed at addressing this lack of understanding. Because the property tax is a locally administered tax, however, it has been difficult to find consensus on the best and affordable way of getting the right information out to property owners in understandable form. The media regularly publicizes aspects of the property tax, but usually only in a minority of places that are going through major changes, such as a revaluation. Because the tax bills and other notices are the only ones currently sent to owners of real property on a regular basis, a focus on these forms, and the tax bill in particular, seems an appropriate and cost-effective way to address the information gap.

In the State Operations section of the 1993-94 Fiscal Year Budget, the State Board of Equalization and Assessment (State Board) was given the authority by the Governor and Legislature to "...develop, after consultation with representatives of taxpayers' advocacy groups, assessing units, taxing jurisdictions, interested state agencies and others as appropriate, a set of disclosure forms dealing with assessment, exemptions, grievance procedures and tax levy to be available to local governments." (full text of the legislation is attached in Appendix A).

The legislation says further that the disclosure forms will be submitted to the director of the Division of the Budget and filed with legislative committees by December 31, 1993. It is important to note that, according to the statutory language, the forms developed by the State Board and SDEA would be available for the use of local governments at their option. However, after having gathered input from a multi-level and broad spectrum of interested parties, both in government and in the private sector, it is expected that the recommendations outlined and supported by this report reflect a general consensus of opinion concerning the property tax information the public needs to be given to be adequately informed.

Current Legal Requirements

The Tax Bill

There are several statutes and regulations which prescribe what information has to be on most of the real property tax forms. For example, Real Property Tax Law (RPTL) Section 922 prescribes that the following items be on the tax bill:

- Amount of taxes due on the property
- Mailing address of the owner
- Information sufficient to apprise the recipient of the identity and location of the parcel
- Any exemptions applied to such parcel
- The period covered by the taxes
- The time, manner and places fixed for receiving payments of taxes
- The name and address of the collecting officer
- The interest and penalties which shall accrue if payment is not timely made
- A notice of the availability of the "third party notification" program

Also, Section 980 of the RPTL requires that tax bills include a statement of the estimated amount of state aid which a municipal corporation will receive within the fiscal year. And RPTL Section 467 says that the bill must also have a notice concerning the availability of the senior citizens exemption, assuming the municipal corporation has adopted a local law or resolution authorizing such exemption. A new legal requirement, added in 1993 (L. 1993, c. 602), which will be effective January 1, 1995, is that a "Notice of Arrears" must appear on any tax bill on which there are delinquent taxes at the time of the levy.

Furthermore the tax bills of assessing units seeking state aid pursuant to Article 15-b² are also governed by the Rules for Real Property Tax Administration (promulgated by the State Board). For example, Subpart 192-2 of the Rules states that, along with requirements of the Real Property Tax Law, each tax bill shall provide, among other things, for the following:

- Assessing unit name
- Parcel key if state approved tax maps are available, or page and line or account number

² As of December 1993, 978 municipalities (out of a possible 994 statewide) had applied for the first Article 15B payment (which requires the above items on the tax bill) and 945 of these had been approved for payment.

- Parcel size
- Property classification code
- Owner's name
- Assessment roll section identification
- Total assessment
- Type of exemption applied
- Each taxable value

On first examination, these lists of tax bill items seem rather comprehensive. But, in truth, there is little information here for the property owner to use in making an intelligent decision about whether the tax being levied is fair. The property can be described in only the most minimal terms and still meet the legal requirements. For example, if only the property classification code is shown, without any explanation or translation, the code number may be meaningless to the average owner. Moreover, printing the name of the type of exemption in compact but unclear abbreviation and without details of the value of the exemption and to which taxing purpose it is applied, meets only the minimal requirements of law and rule.

More importantly, information about the market value of the property and percentage of value being used to determine the assessment (if assessments are at a percentage other than 100%) is notably missing from the lists of required tax bill data items. Even tax rates are not legally required (although, in fact, many municipalities include the tax rate per thousand dollars of assessed value for each taxing purpose and special district). In sum, the focus of the legal requirements for tax bills seems to be more to guarantee that the taxes are timely paid than on disclosing to the property owner any educational or explanatory material or data needed for evaluation.

The Tax Receipt

Another form which is required, under RPTL Section 986, to be furnished for each parcel (except in New York City), is the tax receipt that the tax collector prepares and returns to the party paying the tax. As most municipalities send out two tax bills at different times of the year, one for the county and municipal levies and one for school purposes levy, there are, accordingly, two receipts. There is, however, a bare minimum of specific statutory requirements for the format or content of any property tax receipt, i.e., date of payment, description of the property,

the amount of taxes paid, etc. Most often, the receipt is simply a copy of the tax bill which has been stamped "paid". The New York State Comptroller is given, in RPTL Section 986, the authority to prescribe the "form" of the tax receipt, though he has apparently not done so.

If the bank holding the mortgage on a property is paying the taxes from an escrow account (approximately 60% of all New York tax bills are paid from escrow), the provisions of RPTL Section 955 (3) determine how the receipt is to be handled and directed. The bank is required to send tax receipts to its customers at least annually, unless it has arranged for the municipality to mail the receipts to such customers directly (at the bank's expense). Regardless of the means by which an owner receives the receipt, the fact that he/she sees it only after having made payment makes the receipt a relatively inadequate vehicle for the disclosure of property tax information in a timely manner.

Assessment Change Notification

Section 510 of the RPTL requires the assessor to send a notice to the property owner if the property's assessment has been increased. Section 510-a requires a similar notice if the property's taxable status has been changed from exempt to taxable. Similarly, users of the Real Property System computer software are additionally required (per Volume 8 of SDEA's Assessor's Manual) to send a notice if there has been: (1) a decrease in assessment, (2) a change in homestead classification, and (3) a change in the residential percent with a veteran's or aged exemption.

Sections 510 and 510-a of the RPTL specifies that the notices of increased assessment and change in taxable status shall be sent to the owner of the real property "...not later than 10 days prior to the date for hearing complaints in relation to assessments...". The increased assessment notice must specify "... the assessed valuation thereof for that year and the previous year and the net increase in the assessment and shall also include a statement that a publication containing procedures for contesting an assessment is available at the assessor's office." The change in taxable status notice requires a "...statement of the dates and times at which the board of assessment review shall meet to hear complaints..."

The Rules for Real Property Tax Administration require that approved assessing units (certified for financial aid under Article 15-B of the RPTL) provide a few other items on the notice of increased assessment, including "...a statement that this notice is being sent in compliance with Section 510..." and "...a statement of where the tentative assessment roll has

been filed, when it will be available for public inspection, and where and when complaints in regard to such assessment may be filed and heard..." and "...the address and phone number of the office of the assessor..."

Here again, the requirements for these notices give the owner little real information to use in deciding whether to contest the assessment change. Essential facts, such as the market value of the property and the assessment percentage, are again not in evidence. Though the statements on the notices seem to encourage the owner to investigate further, the 10-day minimum lead time, if strictly adhered to, is a distinct deterrent to anyone familiar with the time necessary to do the research for an effective assessment protest. Once more, it seems that a form used in the property tax notification system is inadequate for the purpose of informing owners of the essential facts required to understand their property tax liability and how it is calculated.

Other Forms

Other forms, such as the full disclosure notices sent for revaluations or valuation updates and the Board of Assessment Review (BAR) Notice of Determination have similarly minimal content requirements. Some of these requirements are for notifications and procedures which are not further defined nor explained on the form, e.g., on the BAR notice there appears the statement *"If you are dissatisfied with the determination of the Board of Assessment Review, you may seek judicial review pursuant to article seven of the Real Property Tax Law. If you are the owner of a one, two or three family residential structure and reside at such residence, you may seek small claims assessment review pursuant to title 1-A of article 7 of the Real Property Tax Law"*.

This statement includes somewhat technical terms and makes multiple references to law sections. There is anecdotal evidence that some taxpayers may not fully understand this language. For example, one participant in a meeting with SDEA staff said that people he knew did not understand the meaning of the phrase "...judicial review...". He wanted to know why a more commonly used phrase, such as "take the matter to court", was not suitable. While it is probably impossible to find language that absolutely everyone will understand, the existing wording should probably be reviewed to see if it meets "plain English" standards.

The assessment disclosure notices are exceptional among the standard real property tax system forms in that the property owner is informed of the assessment percentage, which is one of the facts necessary to determine whether or not the taxable value of a property is reasonable. But,

these forms, like the BAR form, should clearly contain language which is readily understood by the average taxpayer.

Current Practice

Real Property System Tax Bills

The vast majority (over 95%) of municipalities in New York have purchased and utilize a computer software package known as the Real Property System (RPS). RPS was developed, is maintained and is marketed by SDEA as part of the agency's efforts to improve the administration of the property tax and to create uniform standards of administration. The software has several "modules", each of which addresses a different function in the administration of the property tax. The RPS module for calculating and printing the tax bills for each property currently offers only two types of tax bills, both of which were designed to be printed on economical, dot-matrix impact printers. One of the RPS bills is printed inside a sealed envelope and measures 6" by 11¾" (70.5 square inches), while the other is printed separately, needs to be folded and stuffed into an envelope, and measures 4" by 13" (52 square inches).

Copies of both these bills are provided on the following pages. It is readily apparent that one of the paramount problems with both is that they are very cramped for space. The smaller, foldable one especially has little or no free space, though conceivably an additional page of information could be included in the envelope with it. Another obvious problem with this bill is that several data items, such as the property description, the school district code and the property class code, are stated as numbers only, with no words to facilitate understanding by taxpayers. The larger bill, printed inside a sealed envelope, utilizes its additional space to spell out all coded items, though special district names can still seem excessively abbreviated. However, it would obviously be impossible to put anything else inside the pre-sealed envelope.

Both bills have pre-printed material, such as the third party notification notice and the senior citizen exemption availability notice, on the back.

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RPS Small Format, 4" by 13" Tax Bill (reduced here)
 (has to be folded and stuffed in envelope)

Front

MAKE CHECKS PAYABLE TO: **GUILDERLAND CENTRAL STATEMENT OF TAXES**

RECEIVER OF TAXES: **RECEIVER OF TAXES**
 SCHOOL DISTRICT: **SCHOOL DISTRICT**

WARRANT DATED: **09/03/91**
 FISCAL YEAR: **06/30/92**

GUILDERLAND, NY 12084
 GUILDERLAND PROPERTY DESCRIPTION: **13765 52.9-5-17**
 FR FT- **126.00 DEPTH- 122.00**
 CLS-210 ROLL SECT-1 SCH-0130H2

TO: **OWNER NAME**
ADDRESS 1 ST
ALBANY, N Y 12203

ADDRESS: **MTG-5389**
88-519
 ESTIMATED STATE AID IS: **11,125.00**

SEQ. NO. **001934**

PLEASE RETURN ENTIRE BILL WITH YOUR PAYMENT

| DESCRIPTION | TOTAL VALUE | TAXABLE VALUE | TAX RATE | TAX AMOUNT |
|--|-------------|---------------|----------|------------|
| TOWN OF GUILDERLAND | | | | |
| GUILDERLAND SCHOOL | 161,200 | 111,200 | 14.5430% | 1,612.81 |
| GUILDERLAND LIBRARY | 101,200 | 111,200 | 3.2811% | 30.64 |
| AFTER 09/30/91 ADD A PENALTY OF 2%. | | | | |
| SEE FENALTY INFORMATION ON REVERSE SIDE. | | | | |
| TOTAL** ONE PAYMENT - PAY TO THE TOWN OF GUILDERLAND | | | | 1,643.45 |
| RECEIVED BY & DATE | | | | |
| AMOUNT | | | | 1,502.45 |
| PENALTY | | | | 141.00 |
| TOTAL | | | | 1,643.45 |
| DATE DUE | | | | 09/30/91 |

PAID

45:21MD L2 SEP 16

TAXES PAID BY CHECK ARE SUBJECT TO COLLECTION

IMPORTANT INFORMATION:

SENIOR CITIZEN TAX EXEMPTION

You may be eligible for senior citizen tax exemption. Senior citizens have until March 1st to apply for such exemption. For further information please call 356-1980 or write the Assessor's Office, Town Hall, Guilderland, New York 12084.

THIRD PARTY NOTIFICATION

If you are disabled, or 65 years of age or over, and own a one, two, or three family home, you may designate an adult consenting third party to receive duplicate copies of tax bills and notices of unpaid taxes. Applications are available at the Assessor's Office, Town Hall and must be filed by December 15 for the next year's bill. The bill will be mailed to the next school tax bill.

FOR COUNTY, TOWN, SPECIAL DISTRICT AND RELIEVED TAXES

Taxes are due and payable during the month of January without penalty. On all taxes remaining unpaid after January 31st, please note the face of this bill for the percentage penalty rate to be added for each month and fraction thereof until the return of the unpaid taxes is made to the Commissioner of Finance on April 1st pursuant to law and to whom they are payable. Additional fees are charged by the Commissioner of Finance after April 1st.

FOR SCHOOL TAXES ONLY

Taxes are due and payable within the prescribed collection period without penalty. Taxes unpaid at the end of the collection period will be subject to a penalty of two per cent for the first month. Those remaining unpaid at that time are relieved on the January county collection and include percentage penalties.

Back

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Forms Designed by Others

Because the vast majority of the municipalities in New York have purchased and use RPS, these two tax bill formats have become the de facto standard. In fact, some tax collectors incorrectly believe that the use of one or the other of these tax bills is actually mandated by the State. However, several localities and counties have independently taken upon themselves the task of designing their own tax bills and, because they meet the minimum legal requirements, they are acceptable for use.

Onondaga County's Tax Bill

For example, the Onondaga County government, which prints tax bills for the localities and school districts in that county, designed a 8½" by 11" bill, which is used in conjunction with the RPS database, but is double-sided and laser-printed on regular paper (see copy on page 15). The Onondaga officials had been using the RPS fold-over bill, but found they were getting complaints from taxpayers that they couldn't read the bills because the carbon copies smudged easily and became illegible, resulting in lots of errors in payment. They also felt that the RPS bill was too large (wide) for easy or compact storage and that it contained lots of irrelevant information. Their intentions were to design a form on regular size paper, to eliminate any unneeded information, and to make what remained as clear, simple and uncluttered as possible. The Onondaga-designed bill takes some advantage of the extra space that a regular 8½" by 11" letter size sheet affords and adds a few informational items to the ones legally required, such as land value and a percentage breakdown of the types of expenditures for which property tax revenues are used (New York State mandated social and human service entitlement programs, for example). The bill also features a pre-addressed payment stub, and allows electronic on-site data storage for easy duplication. The size of the new bill is more compact, making storage easier and the laser printer is capable of producing a postal bar coding, allowing a reduction in mailing costs. The back of the bill has the mailing address (which, when the bill is folded, shows through a window envelope), the senior citizen exemption and third party notification notice, as well as more material on the local government budget. To date, taxpayer reaction to the Onondaga bill has been overwhelmingly positive

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**Onondaga County 8½" by 11" Tax Bill (slightly reduced)
(printed on a duplex laser printer)**

COUNTY OF ONONDAGA

1993 COUNTY AND TOWN REAL PROPERTY TAXES

| | | | |
|----------------------------------|---------------|--|------------------|
| FISCAL YEAR: 01/01/93 - 12/31/93 | | ESTIMATED STATE AID COUNTY: 98,712,883 | |
| WARRANT DATE: 12/28/92 | | TOWN: 110,000 | |
| SWIS | TAXMAP NUMBER | BANK | MORTGAGE |
| 312289 | 100.-01-62.0 | | |
| | | | BILL NO. 9058 |
| | | | BILL PAGE 1 OF 1 |

PAY TO

**FRANCES R. KIP
RECEIVER OF TAXES
P.O. 1517
CICERO, NEW YORK 13039-1517**

PROPERTY INFORMATION:
TOWN OF: CICERO
SCHOOL: 312403 NORTH SYRACUSE
DIM: 7.00 X 48.00
RS: 1 CLS: 311 RESIDENTIAL VACANT LAND

IN PERSON: CICERO TOWN HALL
PAYMENT: 8236 S. MAIN STREET
CICERO, NEW YORK 13039
TELEPHONE: 699-2756

ASSESSMENT INFORMATION:
LAND: 25 TOTAL: 25
PROPERTY ADDRESS:
BEACH RD

OWNER: **OWNER'S NAME**
CICERO NY 13039

EXEMPTIONS:

| LEVY DESCRIPTION | RATE | VALUE/USAGE | AMOUNT DUE |
|---|---------|-------------|------------|
| COUNTY TAX LESS SALES TAX CREDIT OF \$38.96 | 97.7300 | 25 | 2.44 |
| BD ELECTION SERVICES | .9600 | 25 | .02 |
| TOWN TAX | 24.5500 | 25 | .61 |
| HIGHWAY TAX | 8.7500 | 25 | .22 |
| UNPAID SCHOOL TAX | 1.0700 | | 6.81 |
| CWR40 COUNTY WATER | 1.6900 | 25TO | .04 |
| DR244 MUD CREEK DRG IMP | 1.9500 | 25TO | .05 |
| FPO22 FIRE PROT | 13.0400 | 25TO | .33 |
| SW661 LAKESHORE SEW | 59.5700 | 1.00UN | 59.57 |

THE BREAKDOWN OF WHAT YOUR 1993 COUNTY PROPERTY TAX PAYS FOR IS: 54% FOR N.Y. STATE MANDATED SOCIAL & HUMAN SERVICE ENTITLEMENT PROGRAMS; 30% FOR PUBLIC SAFETY (SHERIFF PATROL & JAIL, CORRECTIONS, DISTRICT ATTORNEY, E-911 & FIRE); AND 16% FOR COUNTY DEBT.

| PAYMENT SCHEDULE: | PENALTY | AMOUNT | TOTAL DUE |
|-------------------|-------------|--------|-----------|
| JANUARY: | 0.0% | .00 | 70.09 |
| FEBRUARY: | 1.0% | .70 | 70.79 |
| MARCH 01 - 10: | 1.5% | 1.05 | 71.14 |
| MARCH 11 - 31: | 1.5% + \$1* | 2.05 | 72.14 |

TOTAL \$70.09

*** THERE ARE PRIOR TAXES DUE ON THIS PARCEL. PLEASE CALL (315) 435-2889 ***

RECEIVER'S STUB MUST BE RETURNED WITH PAYMENT. IF A RECEIPT IS NEEDED RETURN THE ENTIRE BILL.

1993 COUNTY AND TOWN REAL PROPERTY TAXES
RECEIVER'S STUB

OWNER: 312289 100.-01-62.0
OWNER'S NAME
CICERO NY 13039
BREWERTON NY 13029

BANK:
MORTGAGE:
TOWN OF: CICERO
SCHOOL: 312403 NORTH SYRACUSE
PROPERTY ADDRESS:
BEACH RD

| PAYMENT SCHEDULE: | PENALTY | AMOUNT | TOTAL DUE |
|-------------------|-------------|--------|-----------|
| JANUARY: | 0.0% | .00 | 70.09 |
| FEBRUARY: | 1.0% | .70 | 70.79 |
| MARCH 01 - 10: | 1.5% | 1.05 | 71.14 |
| MARCH 11 - 31: | 1.5% + \$1* | 2.05 | 72.14 |

BILL NO. 9058
312289 100.-01-62.0

AFTER MARCH 31ST CALL 315-435-2889 FOR THE CURRENT AMOUNT DUE AND PAY TO:
THE ONONDAGA COUNTY COMMISSIONER OF FINANCE
JOHN H. MULROY CIVIC CENTER, 15TH FLOOR
421 MONTGOMERY ST., SYRACUSE, N.Y. 13202-2998.

The are two drawbacks to the Onondaga bill. One is that the bill does not go far enough in presenting additional information, such as the market value of the property, or the assessment percentage being used, or expanding on exemption information. The second drawback is that a double-sided, laser-printed bill requires a programmable, duplex laser printer and this technology is more complex and expensive than many of the machines used to produce most of the current tax bills. Onondaga's printer reportedly cost in the neighborhood of \$40,000 and discussions with hardware manufacturers confirmed that figure as a reasonable price for a printer capable of producing large volumes of double-sided tax bills in a relatively short period of time. Of course, there are less expensive duplex printers available and one of these might be suitable for a single municipality with a modest number of bills to print.

Moreover, the initial expense of purchasing such a printer is apparently, according to local officials in Onondaga County, being recouped in the first year of use. Savings are being realized through the use of regular letter paper, which is obviously less expensive than ordering multi-year supplies of the more expensive, fold-over bills, and through lower postage costs. Also, the mailer into which the Onondaga bill is inserted is a stock item at printing supply companies (the RPS mailers were not) and as such, can be ordered quickly and only in the amount immediately needed. Moreover, other county departments have begun utilizing the laser printer with a resultant increase in speed, print quality and productivity.

New York City's New Forms

By far the most ambitious and comprehensive efforts at independent property tax form design and tax information disclosure in New York State have been undertaken by New York City. Their efforts are particularly remarkable when one considers that New York City has one of the most complex property tax systems in the State, with all properties assigned to one of four classes and each class assessed at a different percentage of full value. Nonetheless, New York City recently introduced a new set of user-friendly forms (see pages 19-24 for copies of these forms). What is also very interesting about these forms is that they are sent out annually, independently and separately from other routine mailings (such as the tax bill) and are sent directly to the owner of the property. The first form, the Statement of Account, is sent annually to owners and serves as a tax receipt. The back of the Statement contains much helpful and explanatory information, including these words:

"We at the Department of Finance believe that all taxpayers are entitled to full knowledge about the taxes they pay. The Department of Finance issues Statements of Account to advise all property owners of the status of their accounts. **This is not a bill.** It is for informational purposes."

Also included is a Taxpayer Assistance phone number and a schedule of "Help Sessions".

The second New York City form is perhaps the most innovative attempt at full information disclosure to be found in New York State. The Notice of Assessment was considered by its creators to be somewhat risky, not only because it gave owners the specific information they needed to quickly evaluate the equity of their assessment, but especially because it was introduced when market values were declining in the City. The very first data line on the Notice, after the address, gives an estimate of the market value of the property during the current and prior tax years. The flyer enclosed with the Notice contains much important information about the property tax system in New York City, in particular the assessment percentage (in this case, called "target assessment") for each class of property. It is a simple matter for an owner to determine if she/he agrees with the estimated market value of the property and to multiply that market value by the target assessment percentage to get an estimated "correct" assessment. If the owner does not agree with either the market value or the assessment, the back of the flyer has a very clearly written section called "Correcting Values" which outlines procedures to follow for disputing these items.

New York City officials, while agreeing that full information disclosure is a taxpayer right, were also fearful that publishing market values would lead to a "... logistical nightmare." One Finance Department official was quoted as saying, "The Tax Commission was a little concerned that people would be up in arms, come rushing in and clog the process."³ However, the anticipated taxpayer outcry did not occur. There was a noticeable increase in the number of owners applying for a correction, but the vast majority did not file complaints. In fact, the overall reaction seemed to be that owners were reassured by the market values - that they were able to feel secure about their taxes being right.

³ The New York Times, Sunday, February 21, 1993, in an article entitled "New for New York: Readable Tax Notices".

New York City Statement of Account
STATEMENT OF ACCOUNT

THIS IS NOT A BILL

30803600698

| | | |
|-------------|----------|----------|
| OWNERS NAME | | BROOKLYN |
| ADDRESS | | BLOCK |
| BROOKLYN | NY 11236 | LOT |

ACTIVITY FROM NOVEMBER 1, 1992 TO APRIL 30, 1993 000008 PAGE 1 OF 1

CHARGES IMPOSED DURING STATEMENT PERIOD:

| | | | |
|-------------|--------------|----|--------|
| REAL ESTATE | DUE 01/01/93 | \$ | 468.18 |
| REAL ESTATE | DUE 04/01/93 | \$ | 468.18 |

PAYMENTS RECEIVED/CHARGES CANCELLED DURING STATEMENT PERIOD:

| | | | | |
|---------------|-------------|--------------|----|--------|
| 01/04/93 PAID | REAL ESTATE | DUE 01/01/93 | \$ | 468.18 |
| 04/01/93 PAID | REAL ESTATE | DUE 04/01/93 | \$ | 468.18 |

*DELINQUENT TAXES/CHARGES INCLUDING INTEREST THRU APRIL 30, 1993

| | | | | | |
|-------------|------|-------------------------|-------------|------|------|
| REAL ESTATE | = \$ | 0.00 | WATER/SEWER | = \$ | 0.00 |
| OTHER | = \$ | 0.00 | | | |
| | | <u>TOTAL DELINQUENT</u> | = \$ | | 0.00 |

*CREDIT BALANCES GENERATED BETWEEN NOVEMBER 1, 1992 THRU APRIL 30, 1993

| | | | | | |
|-------------|------|-----------------------------|-------------|------|------|
| REAL ESTATE | = \$ | 0.00 | WATER/SEWER | = \$ | 0.00 |
| OTHER | = \$ | 0.00 | | | |
| | | <u>TOTAL CREDIT BALANCE</u> | = \$ | | 0.00 |

* PLEASE SEE THE BACK OF THIS STATEMENT AND THE ENCLOSED FLYER FOR ADDITIONAL INFORMATION

ANSWERS TO QUESTIONS YOU MAY HAVE ABOUT THE STATEMENT OF ACCOUNT

(The information below will be more useful to you if you review the enclosed statement first.)

1. WHAT INFORMATION IS CONTAINED IN THIS STATEMENT?

This statement pertains to real estate taxes, water/sewer rents, and other property related charges and includes the following:

- all charges imposed from 11/1/92 to 4/30/93;
- any payments received and posted during this period, regardless of their original due dates;
- the total delinquent charges, regardless of their original due dates;
- any credits that resulted from activity between 11/1/92 and 4/30/93.

Note: *If the total "Delinquent Taxes" and "Total Credits" show a zero balance, our records show your account is up-to-date as of 4/30/93. There is no need to contact the Department of Finance.*

2. WHY DID I RECEIVE THIS STATEMENT OF ACCOUNT?

We at the Department of Finance believe that all taxpayers are entitled to full knowledge about the taxes they pay. The Department of Finance issues Statements of Account to advise all property owners of the status of their accounts. This is not a bill. It is for informational purposes.

3. DO THE PAYMENTS INDICATED INCLUDE THE INTEREST I PAID?

Yes. These payments do include the interest that you paid.

5. HOW DO I PAY THE DELINQUENT CHARGES?

- If you are the person who pays your real estate taxes or any other charges, a delinquency bill will be mailed to you during the next quarter. If you wish to pay sooner, please call the Taxpayer Assistance Branch at (718) 935-9500, or visit the City Collector's office in your borough.
- If your bank pays your real estate taxes or any other charges, you should contact the bank to inquire about the delinquency. *However, as the owner of the property, you are ultimately responsible for the payment of these charges.*

Note: *The interest on delinquent charges is calculated only through 4/30/93*

6. WHAT DO I DO IF THE STATEMENT SHOWS A CREDIT BALANCE?

You should call the Financial Services Unit at (718) 935-6625.

7. MY TENANT PAYS THE METERED WATER CHARGES FOR THIS PROPERTY. WHAT DO I DO IF THIS STATEMENT OF ACCOUNT INDICATES DELINQUENT CHARGES?

If your tenant pays the metered water charges, or any other charges, you should contact your tenant to inquire about the delinquency. *However, as the owner of the property, you are ultimately responsible for the payment of these charges.*

TAXPAYER ASSISTANCE IS AVAILABLE YEAR ROUND, MONDAY THROUGH FRIDAY FROM 8:30 - 5:30

WE WILL ALSO BE AVAILABLE SATURDAY, JUNE 18TH AND JUNE 26TH, FROM 9:00 - 1:00

(718) 935-9500

WE WILL BE AVAILABLE TO ANSWER YOUR QUESTIONS AT THESE HELP SESSIONS:

BRONX

Fordham Preparatory School
E. Fordham Road (Campus)

June 22, 1993
from 5:30pm - 8:00pm

MANHATTAN

City Collector's Office
150 Nassau Street, 5th Floor

June 21, 1993
from 5:30pm - 8:00pm

BROOKLYN

City Collector's Office
210 Joralemon Street, Room 1

June 23, 1993
from 5:30pm - 8:00pm

QUEENS

City Collector's Office
90-15 Sutphin Blvd, 1st Floor

June 29, 1993
from 5:30pm - 8:00pm

STATEN ISLAND

City Collector's Office
350 St. Marks Place, Rm 200

June 28, 1993
from 5:30pm - 8:00pm

IMPORTANT

IT IS ESSENTIAL THAT YOU MAKE SURE YOUR NAME AND ADDRESS ARE CORRECTLY RECORDED IN OUR FILES.

IN PARTICULAR, IF YOU ARE A NEW PROPERTY OWNER, HAVE HAD A WATER METER INSTALLED WITHIN THE LAST 2 YEARS, OR RECENTLY PAID OFF YOUR MORTGAGE, YOU MAY NOT BE PROPERLY REGISTERED ON ALL OF THE DEPARTMENT OF FINANCE'S BILLING FILES.

PLEASE CALL US TO VERIFY OUR RECORDS.

**FINANCE
NEW YORK**

THE CITY OF NEW YORK
DEPARTMENT OF FINANCE
1 CENTRE STREET, ROOM 933
NEW YORK, N.Y. 10007

New York City Notice of Assessment

NOTICE OF ASSESSMENT

If the name or address information printed below is incorrect, please call
Taxpayer Assistance at (718) 935-9500.

JANUARY 15, 1993

50002300328 1022576
OWNER'S NAME
ADDRESS
STATEN ISLAND NY 10301

PROPERTY ADDRESS:
70 CORSON AVENUE
BOROUGH: STATEN ISLAND DISTRICT: 10
BLOCK: LOT:
TAX CLASS: 1

Dear Taxpayer:

The Department of Finance estimates the value of your property as follows:

| | <u>CURRENT TAX YEAR</u> (7/1/92 - 6/30/93) | <u>CHANGE</u> | <u>TAX YEAR 1994</u> (7/1/93 - 6/30/94) |
|-------------------|---|---------------|--|
| Market Value | \$150,000 | -9,000 | \$141,000 |
| Assessed Value | \$8,268 | +492 | \$8,760 |
| Taxable Value * | | | \$8,760 |
| * Estimated Tax = | | | \$953 |

These values may reflect changes in the market value of your property over the past several years; improvements that were made to your property; tax class changes; or changes in your exemption amount or status.

* The estimated tax for the tax year 1994 is based on the current year's tax rate and is for informational purposes only. DO NOT PAY THIS AMOUNT. The actual tax due cannot be determined until the City Council adopts the tax rate in June.

The enclosed flyer provides answers to commonly asked questions about this Notice. Please review it before calling for assistance.

IF YOU ARE OVER 65 AND HAVE LESS THAN \$21,300 INCOME, YOU MAY BE ELIGIBLE FOR A SENIOR CITIZEN TAX EXEMPTION. YOU HAVE UNTIL MARCH 15, 1993 TO APPLY.

FOR INFORMATION, PLEASE SEE THE ENCLOSED FLYER.

THIS IS NOT A BILL

This page intentionally left blank.

WHAT IS THIS NOTICE?

This is official notice of your property's tentative taxable value and of changes in your property's estimated market value, tax class, assessed value, or exemption.

WHAT SHOULD I DO NOW?

Nothing, unless you think your property's estimated market value, tax class, assessed value, or exemption is wrong. *SEE CORRECTING VALUES*

▶ MARKET VALUE, TAX CLASS, ASSESSED VALUE AND TRANSITIONAL VALUE

WHAT IS THE ESTIMATED MARKET VALUE?

The estimated market value is the assessor's determination of the value of your property for real estate tax purposes only.

WHAT ARE THE DIFFERENT TAX CLASSES?

- † CLASS 1: All 1-, 2-, 3-family homes and mixed-use property where 50% or more of the square footage is used for residential purposes. Class 1 includes sub-classes consisting of 1-, 2-, 3- unit condominiums, certain bungalows and certain vacant land in residentially zoned areas.
- † CLASS 2: All other residential property including cooperatives, rental buildings and condominiums, excluding hotels and motels. There are three sub-classes consisting of under 11-unit buildings, including condominiums or cooperatives.
- † CLASS 3: Utility company equipment and structures.
- † CLASS 4: All other property including offices, warehouses, factories, utility company land and buildings and vacant land not in class 1. There is a sub-class for certain railroad property.

WHAT IS THE ASSESSED VALUE?

The assessed value is a percentage of estimated market value and will be the basis for your July 1993 real estate tax bill. Each class of property is assessed at a certain percentage of market value (Target Assessment) and has different assessment rules. The assessed value for your property cannot exceed these target percentages and must follow these rules:

- † CLASS 1: 8% target assessment. Assessed values cannot increase more than 6% each year and 20% in five years.
- † CLASS 2: 45% target assessment. Cooperatives and condominiums must be assessed as if they are rentals. By law, the sales price of individual units must be ignored. The assessed values for rental buildings cannot include any increased value that may be attributable to the value the building might have if converted to a cooperative or condominium. Increases must be phased-in over 5 years, unless they are for physical improvements to a property.
2A, 2B and 2CSame target and rules as class 2 and assessed values cannot increase more than 8% each year and 30% in five years. There is no phase-in.
- † CLASS 3: 50% target assessment for locally assessed equipment and structures.
- † CLASS 4: 45% target assessment. Increases must be phased-in over 5 years, unless they are for physical improvements to a property.
4A45% target assessment. There is no phase-in.

THE ESTIMATED MARKET VALUE OF MY PROPERTY WENT DOWN. WHY DID MY ASSESSED VALUE GO UP?

Limits on assessed value increases for some properties prevented us from capturing market value increases during the 1980's. Therefore, the assessed values are still catching up with that market value growth.

WHAT IS THE TRANSITIONAL ASSESSED VALUE?

Increases in the assessed value for most class 2 and class 4 properties must be phased-in over five years, unless they are for physical improvements to a property. The transitional assessed value is that phased-in value.

ARE THERE ANY PROPERTY TAX EXEMPTIONS?

Yes. If you are 65 or over and have income less than \$21,300, you may be eligible for a senior citizen exemption. Certain veterans may be eligible for exemptions. Call the numbers listed on page 2 for more information.

◆ THE TAX RATE AND YOUR REAL ESTATE TAX BILL

IS THIS NOTICE RELATED TO THE STATEMENT OF ACCOUNT I RECEIVED A FEW WEEKS AGO?

No. This notice advises you of changes that may affect your July 1993 real estate tax bill. The Statement of Account provided information on payments made, possible delinquent charges and overpayments.

SHOULD I PAY THE ESTIMATED TAX SHOWN ON MY NOTICE OF ASSESSMENT?

No. The rate is not finalized and the bill is not due until July. You will receive a bill in the mail. The estimated tax is shown on the Notice of Assessment for informational purposes only. Additionally, J-51 abatements and shelter rent charges are not included in this amount.

◆ CORRECTING VALUES

WHAT DO I DO IF MY TAX CLASS, ASSESSED VALUE, OR EXEMPTION INFORMATION IS WRONG?

File a New York City Tax Commission Application for Correction. The Tax Commission is an independent agency authorized to correct and change the tax class, assessed value, or exemption of your property. Class 2, 3 and 4 owners must file an application by March 1, 1993. Class 1 owners have until March 15, 1993.

Please note, the Department of Finance is also authorized to correct errors. To have the Department of Finance review your tax class, assessed value, or exemption, you should file an Application for Informal Review. Class 2 owners must file by February 16, 1993; Class 1 owners must file by March 1, 1993; Class 3 and 4 owners must file by April 26, 1993. Filing an application with the Department of Finance does not protect your legal rights. Also, the Department of Finance can increase your assessment based on information you submit; the Tax Commission cannot.

WHAT DO I DO IF MY ESTIMATED MARKET VALUE IS WRONG?

If you feel that your estimated market value is incorrect, you should file an Application for Informal Review with the Department of Finance (filing dates noted above.) You should only file an Application for Correction with the Tax Commission if a change in your market value will mean a change in your overall assessment. Otherwise, the Tax Commission will not rule on your market value.

WHAT SHOULD I DO IF THE ESTIMATED MARKET VALUE DOES NOT REFLECT MY PROPERTY'S DECEMBER STORM DAMAGE?

Every effort was made to re-inspect and adjust market values for properties with storm damage. If you believe that the Department did not capture the damage in your case, file an Application for Informal Review with the Department of Finance.

All applications must be filed in the Property Division office in your borough. The Tax Commission Applications for Correction may also be filed directly with the Tax Commission, located at 1 Centre Street, Room 936, New York, NY 10007.

Municipal Building
One Centre Street
Room 910
New York, NY 10007
(212) 669-4896

1932 Arthur Avenue
7th Floor
Bronx, NY 10457
(718) 579-6879

Municipal Building
210 Joralemon Street
Room 200
Brooklyn, NY 11201
(718) 802-3560

90-25 Sutphin Boulevard
3rd Floor
Jamaica, NY 11435
(718) 658-4607

350 St. Marks Place
1st Floor
Staten Island, NY 10301
(718) 390-5295

IF YOU STILL HAVE QUESTIONS ABOUT THIS NOTICE, WE WILL BE HAPPY TO ASSIST YOU. TAXPAYER ASSISTANCE REPRESENTATIVES WILL BE AVAILABLE AT THIS NUMBER. YOU CAN ALSO CALL YOUR BOROUGH OFFICE.

(718) 935-9500 (Monday - Friday) 8:30 - 5:30 - and - February 6 and 20 only (Saturday) 9:00 - 1:00

IN ADDITION, WE CAN ANSWER QUESTIONS ABOUT THIS NOTICE OF ASSESSMENT AT THESE HELP SESSIONS:

| | | | |
|-----------------|---|-------------------|--|
| QUEENS - | February 8, 1993 and February 16, 1993 | 5:30 pm - 8:00 pm | 90-25 Sutphin Boulevard, 3rd Floor |
| BROOKLYN - | February 9, 1993 and February 17, 1993 | 5:30 pm - 8:00 pm | 210 Joralemon Street, Room 200 |
| STATEN ISLAND - | February 10, 1993 and February 23, 1993 | 5:30 pm - 8:00 pm | 350 St. Marks Place, 1st Floor |
| BRONX - | February 11, 1993 | 5:30 pm - 8:00 pm | Fordham Prep School E. Fordham Road (on the Fordham Campus) |
| MANHATTAN - | February 22, 1993 | 5:30 pm - 8:00 pm | 150 Nassau Street, 5th Floor |

Both Onondaga County and New York City started using their new forms within the past year, primarily in response to growing taxpayer demand for clearer forms and more understandable information. They have successfully countered the notion that an informed public is a dangerous mob, and have instead created much goodwill while improving the administration of a complex system.

Certain other municipalities and counties in New York State have also developed their own tax bills or other forms with similar success. Whether this is the beginning of a trend or not is impossible to say at this time. Such an effort, however, may seem to be too time consuming, expensive or simply not cost-effective for the many smaller places with relatively few parcels. However, as the public grows more and more concerned about and interested in the local government finances and the property tax in particular, local officials will be compelled to respond to the demand for more detailed and clearer information disclosure. Some may, in fact, see this as an opportunity to disclose and justify their administration of local finances and taxes.⁴

Other Forms

Regarding the other forms mentioned, such as the Change of Assessment Notice and the disclosure notices, most of these are also produced by the RPS software. Because these forms are only sent infrequently, no one has yet felt it worthwhile to attempt a redesign or improvement. However, as pointed out earlier, these forms have their shortcomings, both in terms of the readability of their text and also in that they don't provide as much information as they might. And, while tax receipts are usually just the tax bill stamped "paid", this required mailing, though it occurs after the bill has been paid, still offers municipalities yet another opportunity to disclose information to property owners.

⁴ A recent Opinion of Counsel (Volume 9, No. 98) issued by the SDEA addressed an issue that had developed when a Westchester County town supervisor proposed to include a two-sided enclosure with the town and county tax bill. One side of the enclosure would have explained the town budget, while the other side, entitled "10 Examples How We Saved Money," was a letter to the town residents. In brief, the Opinion concluded that while government related material, e.g., the budget, could be enclosed with tax bills, provided that such an enclosure is authorized by State or local law, propaganda or advertising may not be enclosed. What is interesting and pertinent to this study is that apparently local officials are, in some places, starting to see the tax bill mailing as a vehicle for information dissemination.

One other form, the Board of Assessment Review Determination Notice, was recently (February 1992) introduced by SDEA. This new form, also known as the EA-525, gives the BAR members the opportunity to show the rationale for their decision in detail - there are multiple levels of check-off boxes and several spaces for written explanations. The EA-525 was designed and developed in response to a 1991 amendment to Section 525 of the Real Property Tax which required that "Such notice shall contain a statement of the reasons for such determination". Previously, BARs could send out an extremely brief notice which did little more than show the assessed value and some information about further avenues of appeal. However, in practice, not all BARs are currently using the new form and some appear to have simply modified their old notices to show a generic "insufficient evidence" reason for their determination. Also, some BAR's which are using the EA-525 are only checking one box, but not providing any further explanation. Thus, while the 1991 amendment and the resulting EA-525 sought to insure that all taxpayers were sufficiently informed about appeals decisions, the goal is yet to be fully achieved.

Tax Information Disclosure in Other States

There are a number of other states whose disclosure requirements make New York's legally required level of information disclosure seem rather lacking. Several of these are discussed below. In general, however, relatively few states have laws requiring that individual taxpayers be provided with statements explaining in detail how their tax liability is determined. Most states, in fact, require only a very rudimentary form of tax bill, containing some or all of the following items: amount of current tax due, due date, delinquency date, amount of delinquent taxes, current total tax rate, tax rate by taxing jurisdiction, appraised (market) value, assessed value, taxable value, type and amount of exemptions, payment options and discounts (if any), rates of penalty and interest and information regarding the taxpayer's right to appeal the assessment.

In addition to sending property owners their tax bills, slightly more than half of the states also separately notify taxpayers of their property valuation and/or assessment or of changes in these. For the most part, however, these notices are simply a statement of the amount of current valuation or assessment or a comparison of the previous year's value with the current one.

There are eleven states that require local tax officials to provide the taxpayer with enough information to qualify them as states having a specific tax disclosure policy: California, Colorado, Florida, Illinois, Maryland, Minnesota, Oklahoma, Oregon, Texas, Utah, and Wisconsin. The highlights of the procedures of nine of these states are profiled in the material below.

Colorado

Colorado requires that a Notice of Valuation (NOV) be sent to all residential property owners every May. The NOV is also sent to other property owners every other year, or when there is a significant change in value. The NOV provides the owner with the "actual" value of the property in both the current and prior year and the change in value, if any. Assessment percentages are also specified on the NOV, as well as the date and time of protest hearings. One very interesting item on the NOV is that it gives the 18-month period from which appraisal data was drawn to establish the property value, along with a footnote saying, "If data is insufficient during this time period, assessors may use data from the five-year period ending...". The backs of the sheets which comprise the multi-part, dot matrix printed NOV give procedural instructions for protesting one's property value as well as an actual blank Real Property Protest Form.

The Colorado tax bill, which is larger in size than New York's, is also more informative, showing actual and assessed values for both land and improvements. If the school district receives state aid, the bill also shows the actual school district levy and what the levy would be in the absence of that aid.

[Colorado Revised Statutes § 39-5-121 and 39-10-103 and examination of sample notices and tax bill provided by the State of Colorado]

Florida

Like Colorado, Florida sends out a Notice of Proposed Taxes prior to the adoption of a new budget. The Notice includes such items as the property taxes paid last year, the estimated taxes that will be paid this year if the proposed budget change is made, the taxes that would be paid this year if no budget change is made, and details of when and where the public hearing on the budget will be. The tax amounts, both actual and estimated, on the Notice are shown divided into several subcategories, according to the level of government entity or school district levying the tax. Taxpayers can thus easily identify which part(s) of the budget is(are) causing an increase in taxes. A footnote on the Notice mentions the fact that the final tax bill may contain non-ad-

valorem assessments which may not be reflected on the Notice. The back of the Notice gives several explanations of how the tax amounts on the front are calculated.

Florida's tax bill is fairly straightforward and unexceptional aside from the fact that ad-valorem taxes are clearly separated out from non-ad-valorem taxes. This distinction may be in response to a concern expressed by the federal Internal Revenue Service that some taxpayers are mistakenly deducting non-ad-valorem taxes on their federal income tax returns (see page 41 for more on this issue in New York). The back of Florida's tax bill contains information about who to contact with questions about the bill.

[Examination of Notice of Proposed Taxes and tax bill provided by the State of Florida]

Illinois

On the Notice of Assessment forms used outside of Cook County, Illinois, municipalities provide such information as:

- the median level of assessment in the assessment district,
- previous and current year's assessed value,
- a clear explanation of the relationship between assessment and tax bill (including an explanation of equalization factors),
- a notice explaining exactly how an owner can check the accuracy and equity of the assessment

On the tax bills in Illinois, along with the usual tax rate and assessment information, the following are also shown:

- fair market value, if it is residential property,
- various town and county multipliers used to calculate an "equalized" value,
- a comparison of this year's and last year's tax rates and taxes,
- the value of homestead and senior citizen exemptions

[Smith-Hurd Illinois Compiled Statutes Ch. 35, §§ 103, 104, 190(b) and examination of sample tax bill provided by the State of Illinois]

Minnesota

A set of laws passed by the Minnesota Legislature in the 1988 and 1989 sessions established one of the most comprehensive tax disclosure programs in the country. The program, appropriately titled Truth in Taxation (or TNT, for short) had the following goals:

- to educate the public on how the taxes on their property are determined

- to encourage the public to understand the local government's overall budget process
- to encourage the public to become involved in helping local officials set spending priorities

TNT ultimately required that extremely detailed, parcel-specific proposed and actual tax notices be mailed to taxpayers both before and after budget hearings. The proposed tax notices even include the dates and places for each type of budget hearing (county, town, school, etc). The new notices were phased in over a period of four years. The two forms, "Your Proposed Property Tax" notice and the "Statement of Property Taxes Payable" (analogous to New York's tax bill, see Appendix B for copies) that owners now receive include virtually all the information a property owner could ask for and in a very clear, understandable format.

The Statement, in particular, includes the parcel's market value, shows how the parcel's taxes are reduced by various forms of state aid, and provides a breakdown of where the parcel's property tax dollars go (by taxing purpose, including special assessments). It shows this data for both the current and prior years.

[Minnesota Statutes §§ 275.065, 276.04 and examination of sample notices and bills provided by the State of Minnesota].

Oklahoma

On its tax bills, Oklahoma provides a simple explanation in layperson's terms of how ad valorem taxes are calculated. The tax bill also explains how taxes are apportioned among taxing jurisdictions.

[Oklahoma Statutes § 2915 and examination of a sample tax bill provided by the State of Oklahoma]

Oregon

Oregon's tax bill is quite possibly the largest of all, measuring approximately 11" by 14". Despite having all that room, the tax bill is plagued by several overly abbreviated terms and names. However, the bill does show "Real Market Value" and assessed value, for both the current year and the previous year, and a detailed explanation of how taxes are reduced by a constitutional amendment known as Measure 5. The back of the bill gives fairly detailed instructions on how to protest property values.

[Oregon Revised Statutes § 311.250 and examination of sample tax bill provided by the State of Oregon]

Texas

Like Minnesota, Texas calls its tax disclosure program "Truth in Taxation". Chapter 26 of the Texas Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rates. One of State Comptroller of Public Accounts publications, "A Guide for Setting Tax Rates: Truth in Taxation" (July, 1992), states there are four principles to truth in taxation:

- "Property owners have the right to know of increases in their properties' appraised value and to be notified of the taxes that could result from the new value."
- "A taxing unit must calculate and publish its effective and rollback tax rates⁵ before adopting an actual tax rate."
- "A unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds either the effective tax rate plus three percent or the rollback rate."
- "If the unit adopts a rate that exceeds the rollback rate, voters may start a petition for an election to limit the rate to the rollback rate. In school districts, however, successful rollback elections limit tax increases for the following year."

Each appraisal office must, per § 25.18 of the Property Tax Code, prepare a plan which provides for a reappraisal of all real property at least once every three years. Several forms and notices must be sent to taxpayers or published by the chief appraiser of a taxing unit. For example, the Notice of Appraised Value, required by § 25.19(a) of the Texas Property Tax Code, is sent primarily when the appraisal district intends to increase the value of a property, as during a reappraisal. The notice must show an estimate of each taxing unit's estimated effective tax rate and the amount of taxes that would be imposed under that estimated rate. The notice also includes such items as the market value of the land, the value of the improvements, the total appraised value, exemptions, and the taxes for each taxing unit, for both last year and proposed for this year. Fairly detailed instructions for how to protest the proposed value(s) are also printed on the front of the notice.

On the Notice of Appraised Value an italicized statement says, "*The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally*

⁵ The rollback rate is the maximum tax rate a taxing unit can adopt without the possibility of a tax rate rollback election. If a unit adopts a higher rate, the voters can circulate a petition calling for an election to rollback - or limit - the size of the tax increase.

elected officials, and all inquiries concerning your taxes should be directed to those officials." Another explanation makes it clear that the local government decides whether taxes will increase and the appraisal district only determines the value of the property. Property owners are thus clearly informed about who is responsible for what component of their local property tax system and can direct their complaints accordingly.

The form used to protest one's property taxes to an appraisal review board in Texas is unusually uncomplicated and relatively easy to complete, being one-sided, with only six clearly defined steps (including signing the form as one step) required.

As in New York, the precise format of tax bills in Texas is not legally defined, although the required contents are set in statute (§ 31.01 of the Property Tax Code). Two important statutorily required items on the tax bill are the appraised (or market) value of the property and the assessment ratio for the taxing unit. Texas also has a separate form for use as a tax receipt (as opposed to simply stamping the tax bill "paid").

[Statutes cited in text and examination of various sample forms provided by the State of Texas]

Utah

The county auditors must notify all real property owners of property valuation and tax changes on the "Notice of Property Valuation and Tax Changes" form (see Appendix B). In some ways this form is similar to Minnesota's Proposed Property Tax Notice in that it clearly shows what the tax impact will be, by taxing district, of a proposed budgetary change. Like Minnesota's, it tells taxpayers where and when the budget hearings will be held. The form also shows the market value of both land and buildings for both the current and prior years. On the back of the form, Utah provides some good explanations of the form itself, of market value (how it is determined and by whom), and of the various tax figures and scenarios.

The Utah notice also includes some fairly clear graphic representations of "Where Property Tax Dollars Go" and "Property Tax Revenues" by purpose for the past 19 years (see Appendix B). Also included is a copy of the Board of Equalization appeal form, which appears reasonably easy to fill out, and another good graphic showing who is eligible for which exemption and what proof is required.

[Utah Code Annotated 1953 § 59-2-919 and examination of sample notices and tax bill provided by the State of Utah].

Wisconsin

Wisconsin's tax bill, while modest in appearance and size (approximately 9½" by 5½"), contains some very important data items and clear explanations (see Appendix B). First, the bill shows the Average Assessment Ratio, followed by an Estimated Fair Market Value. The impact of the major state aid categories, by taxing jurisdiction, in reducing taxes is also shown, as is the impact of something known as the "Lottery Credit". A section on the back of the bill explains how the average assessment ratio was calculated and how it, along with the assessed value, was used to calculate the estimated fair market value. The explanation also contains the statement, "If you believe that the estimated fair market value exceeds by at least 10% the amount of money for which your property could have been sold on January 1...contact your local assessor...". It is rather unusual, but seemingly reasonable, to see a tolerance percentage specified in explanations of how to judge the equity of an assessment.

[Wisconsin Statutes § 74.09, Wisconsin Administrative Code § 12.073 and examination of sample tax bill provided by the State of Wisconsin]

Results and Recommendations

General Observations

Consistent with the legislative mandate, more than 20 meetings were held with "...representatives of taxpayers' advocacy groups, assessing units, taxing jurisdictions, interested state agencies and others as appropriate..." during the summer and early autumn of 1993 (for a complete list of those meetings, see Appendix C). From the meetings came a lengthy list of suggested additional data items, explanations and other changes to improve and expand the property tax information currently disclosed to taxpayers in New York (see Appendix D for the complete list of suggestions). Once this outreach phase concluded, the list of suggestions and the comments made in the meetings were grouped and ranked using several factors. Among the most important of these factors were:

Perceived need and/or demand for the information

How readily available is the information

Expense involved in disclosing the information, if any

Possible presentation and delivery modes

Support for or opposition to disclosing the information (among the parties consulted)

In general, all the parties consulted supported the concept of better and clearer property tax information disclosure. But, depending on the group or individual, there was some opposition to specific items or aspects of disclosure. One question that was repeatedly raised was: "How much will it cost and who will pay for it?" In these times of continuing fiscal constraints at all levels of government there is a reluctance among many local officials to entertain potentially costly charges for new initiatives, no matter how well-intentioned. Even among those who would benefit most from greater tax information disclosure, i.e., taxpayers, there was some reluctance to spend more for something they had done without until now.

Regarding this issue of cost, it is somewhat ironic that expense should be such a large consideration when one realizes how little is spent in the administration of the property tax (less than \$200 million statewide) compared to the revenue which is raised by the tax (currently over \$22 billion). Given that property tax forms and notices of various kinds are already sent to New York's taxpayers, any additional costs involved in modifying these forms and the information they contain might be expected to add only modestly (if at all) to this administrative expense.

Despite the fact that it appears to be in reality a relatively minor issue, the question of additional expense was taken very seriously in that it is currently a sensitive area for local officials. In developing proposals, every attempt was made to work within the system as it presently exists, i.e., suggesting and supporting incremental changes rather than radical ones involving data which is not readily available. Essentially, the approach chosen involves use of existing mailings, rather than adding new ones, and making key improvements to the existing notification procedures rather than reinventing them entirely. For example, suggestions that a fully electronic system of tax billing and payment should be devised were not incorporated into the recommendations due to the likely expense involved for many municipalities and the fact that such a technological change, though it may occur eventually, goes far beyond the current issue of improving information disclosure.

As well as determining which information items should be supplied to taxpayers to help them understand and check their tax liabilities, it was necessary to identify the appropriate forms to use for the notification. Some items are better placed on the tax bill, for example, while other items are better suited to the Change of Assessment Notice or the valuation disclosure notices. Also, there are some pieces of information, such as taxpayer or property identification data and market and assessed values, which are so basic that they really should appear on all the forms.

However, since the tax bill is currently the only form that is sent out for every parcel each year, it was chosen as the vehicle that could, with certain improvements and in a larger format, reliably carry most of the recommended new and modified data.

Most New York municipalities are currently using the RPS software to maintain their records and to produce tax bills and other forms. Any changes to the information appearing on the RPS tax bills or other RPS-generated notices will require changes to the software, but such changes will require little or no effort on the part of RPS municipalities opting to implement the new and redesigned forms. Most of the following recommendations therefore contain some discussion of feasibility in terms of changes to the RPS system.

One basic limitation that became apparent during the research for this project is that the two tax bills currently available through the RPS system have virtually no free space for additional data or information. While it may be possible to add an additional character or two here and there on these bills, substantive changes or significant additions are not possible. While we could continue to explore the possibility of modifying the current bills, it seems obvious that a more viable approach is to design a new, 8½" by 11" tax bill, to be made available to RPS users. Of the recommendations that follow, the vast majority would therefore apply to a redesigned and larger tax bill, though several would be appropriate for other property tax forms.

Tax Bill Recommendations

1. The municipalities using the RPS software should be offered the option of using an 8½" by 11" tax bill (see page 43 for prototype design). As the above discussion makes clear, a larger bill is necessary if any additional data or information is to be printed on the tax bill. Such a bill can be designed and developed relatively quickly by SDEA. The bill would be versatile in that it could be printed on either a dot-matrix printer or a duplex laser printer.

The dot-matrix version would appeal to those municipalities that can't afford laser printers capable of double-sided (duplex) printing. This economical format would require a "Z-fold" of the bill so that the address, in the upper left-hand corner, would show through a standard window envelope. Explanatory material (senior citizen exemption information, definitions of terms, tax protest procedures, etc.) could be pre-printed on the back of the bill. Depending on how bills are currently folded and inserted in envelopes by the municipality, the dot-matrix, 8½" by 11" bill would save varying amounts of money. The major savings would come through the use of

standard-sized paper and envelopes and being able to order them in only the amounts immediately needed.

The duplex laser printed version of the 8½" by 11" bill, like the Onondaga County bill (see page 15), would probably have the address on the back of the form so that the two ends could be folded over to the middle and then placed in a window envelope. For this version, the savings realized through using regular stationery and potentially lower postage expenses would be offset somewhat by the initial cost of the duplex laser printer.

Both versions, however, would be the same in that they would provide the additional space needed to print all of the tax bill items included in these recommendations. Names would no longer need to be coded or abbreviated, terms and procedures could be fully explained, etc.

2. Full Market Value - Estimated market value is very important to owners who want to understand and evaluate their assessments; it is a necessary benchmark against which one can compare one's own evaluation of one's property. Since it reflects the assessor's opinion, the value should be stated in "estimated" or "projected" terms and it would obviously need to be defined as representing a specific point in time.

In contrast to assessed value, market value is a concept that is readily comprehended by the average taxpayer. As New York City's Commissioner of Finance, Ms Carol O'Cleireacain said, "Market value is a number that is on everyone's lips. They always know what the apartments around them have sold for, or the house up the block."⁶ Virtually all the states with tax disclosure programs require that the market value be included on tax bills, and it also should clearly be present on other related property tax forms.

The RPS software currently does not have a provision for printing market value on the various forms, though such a feature could be added with some program modifications. Where assessments are calculated at market value, the assessed value could also be shown as the market value. Where assessments are calculated at some uniform percentage other than 100 percent, the uniform percentage could be entered by the assessing unit and it would be a simple matter for the RPS programs to calculate and print an estimated market value.

⁶ The New York Times, Sunday, February 21, 1993, in an article entitled "New for New York: Readable Tax Notices".

3. Uniform Percentage of Value - Section 305 of the Real Property Tax Law requires that all real property in an assessing unit be assessed at a uniform percentage of value. Knowing this percentage is vital to owners if they are to be able to make determinations about the equity of their assessments. It should clearly appear on the tax bill, the Change of Assessment Notice, and both the revaluation and valuation update disclosure notices. The SBEA is considering a new rule for property tax administration which would require all assessors to disclose annually the uniform percentage of value by showing it at the top of each page of the assessment roll. However, since relatively few taxpayers ever see the assessment roll, it is important that the uniform percentage also appear on the documents they do receive. And, if municipalities were to be required to disclose the uniform percentage used in their assessments, it seems reasonable to expect that they could print that percentage on the tax bill and other property tax forms.

A uniform percentage field can be provided in the RPS database and there is room to print such a percentage, along with a brief explanation, on the recommended 8½" by 11" bill and all other current forms. It would also be possible to pre-print an explanation of the uniform percentage on the back of an 8½" by 11" bill.

4. Show the value of every exemption and the taxing purposes to which it is applied. Fully spell out the names of the exemptions - These are essentially bookkeeping and document format issues. This information is available and is necessary for taxpayers to understand any exemption benefit they receive. The RPS software could be modified to produce this expanded information on exemptions, although, as mentioned before, there is not enough additional space on the two current RPS tax bills. On an 8½" by 11" tax bill, the additional space would be available for a more complete exemption description.

5. All coded/abbreviated items should be spelled out in words - As mentioned above, this is being done to a greater or lesser extent on all but the fold-over RPS bill. Most other non-RPS bills give a more comprehensible translation of numerical codes or have adequate space to do so. For the current RPS bills, both the fold-over type and the type that is printed inside a sealed envelope, there may be just enough extra space around or near the property description items to make it possible for less abbreviated names to be printed. Whether this is, in fact, possible will require further investigation by RPS programmers. Of course, on the recommended 8½" by 11"

bill, there would be plenty of room for all abbreviated names and codes to be spelled out completely.

6. Taxing purpose names - especially special district names - should be given more room on the bill so that abbreviations, if necessary, will be easily understood - It is not possible to expand this field significantly on the existing RPS tax bills. Also, because special district names are added to the RPS database by each municipality, how these items are abbreviated is not under the control of RPS programmers. However, by providing extra space on the recommended 8½" by 11" bill, and by encouraging municipalities to spell out each name completely, this recommendation can be implemented.

7. All dollar amounts on the tax bills - values, tax rates, tax amounts, etc - should be shown preceded by a dollar sign (\$) - This is necessary for taxpayer understanding of the many numerical entries, including various codes, on the tax bill: it is only reasonable that the currency entries should be identified with dollar signs. This is, in fact, one of the few items which is possible for both the current and proposed RPS bills, as a dollar sign only takes up one character space.

8. The "Estimated State Aid" entry (statutorily required on tax bills) should be clearly explained or deleted entirely - In several meetings with interested parties, it was pointed out that these numbers are essentially meaningless, if not misleading, despite the fact that their presence on the current bills is required by statute. First, because the state aid is merely estimated, it may or may not have any bearing on actual future aid receipts. One informed source said that county officials really have no idea what their state aid is going to be at the time they are asked to provide these numbers for printing on the tax bills. They may use a figure that is based on last year's aid or some other estimate. Second, because these numbers are nowhere explained, they have little meaning for the average taxpayer. Finally, except in the case of school aid, the aid

amount shown is not fully interchangeable with the property tax, i.e., it may not have any impact on the property tax levy because some of it is reimbursement for certain program expenditures (i.e., county social services costs) which are mandated by the State.

Because this entry is specified by statute, new legislation to amend or modify existing law would be required.

9. The back of the recommended 8½" by 11" tax bill should include a glossary of technical terms used on the bill and/or some indication of where to get more information. Because this information is generic, i.e., it will not change from property to property, it can be pre-printed on the back of the tax bill. It would be preferable if some, or perhaps all, of the definitions were specified in either statute or rule (as is some of the text on certain forms) so that the information is disclosed uniformly statewide.

10. The recommended 8½" by 11" tax bill should include a statement indicating where a taxpayer can obtain a copy of the SDEA booklet entitled, "How to File a Complaint on Your Assessment". As already stated, taxpayers generally do not know how to go about gathering and presenting the evidence necessary for an effective assessment protest. They should be informed of the SDEA booklet, which presents, in easily understood language, "how-to" directions for taxpayers interested in evaluating and possibly challenging their assessment

11. The New York State Department of Taxation & Finance school district code should be added to all tax bills - This item was suggested in a meeting with the New York State School Boards Association. Apparently, there is a significant error rate on state income tax forms where the taxpayer is required to fill in the school district code. Such errors can lead to the misallocation of state aid to schools. Because taxpayers who own property and itemize their deductions usually have their property tax bills in front of them while doing their taxes, it would be a simple matter for them to copy the school code from the bill. The income tax form should, in fact, prompt them to do so.

Implementation of this item is relatively simple in terms of incorporating the Tax & Finance codes into the RPS database. However, printing even this small 3-digit item on the current bills may prove impossible, especially if it is accompanied by a line or two of text. The recommended

8½" by 11" RPS tax bill would have plenty of room for such a code. For non-RPS municipalities, a certain amount of reprogramming and possibly tax bill reformatting would be required, but the benefit in terms of accurate school aid amounts will be a motivating factor.

12. Both the current and prior year levy data should be disclosed. The difference between the total tax levied in the two years should be stated in both absolute and percentage terms. Additionally, for school and county tax bills, the percentage of the total levy which is allocated to a given town should be shown for the current and the prior years.

The RPS software and database could be modified to accommodate such data, which would probably have to be manually entered by the municipality. Finding room for these comparisons on the current RPS bills is impossible. This kind of information would be better suited to the recommended 8½" by 11" tax bill.

Recommendations for other forms and further issues

13. All mailings to property owners should contain material with a clear, non-technical explanation of the right to appeal an assessment and a brief outline of the procedures to be followed. Many of the other states whose tax disclosure programs are outlined in this report provide such an explanation, usually either on the back of the tax bill or, alternatively, in a separate sheet of paper or pamphlet enclosed with the tax bill. Two states, Colorado and Utah, even provide the assessment protest application form with the notice of valuation or tax bill.

14. Each municipality should prepare an informational package - a single sheet of paper printed on both sides should suffice - which would explain in detail specifically how to grieve an assessment in that town. This item is similar to #13, above, but, considering that each municipality in New York administers the property tax in its own slightly unique way, having a guide specific to a town would be invaluable. Such a guide could contain names, addresses, phone numbers, etc. of places and people a taxpayer may need to contact. It could also give some idea of what form a tax protest should take and what evidence it should contain.

15. Guarantee that a copy of the tax bill or other detailed tax receipt is always sent to the property owner, even when taxes are paid from an escrow account, and in as timely a manner

as possible. As described in the Legal Status section, the law currently requires that property owners be provided a copy of their tax receipt. However, in some of the meetings with interested parties, participants expressed surprise when told of this requirement, claiming they had never received either a bill or a receipt. The extent to which banks follow the statutorily required receipt mailing procedures could not be definitively ascertained in the context of the present study. However, the anecdotal information received suggests that a review of bank practices should be undertaken.

Clearly, if the tax bill is to be the vehicle of choice in a revamped property tax information disclosure initiative, then it is vital that a copy be provided to owners. If the bank is paying the taxes from an escrow account, then the requirement to forward a copy to the owner as soon as is feasible should be reinforced, perhaps via a statement on the bill itself. Also, the state government should probably exercise more of its statutory authority over property tax receipts and their format.

16. When taxes are levied in the first year following a reassessment, revised disclosure notices should be sent to taxpayers with both the school and municipal tax billings. These additional impact disclosure notices are needed to clarify the true effect of a reassessment - which cannot be determined accurately until the tax rates in question have been established. Because many factors which affect the amount of taxes a specific parcel of property will actually pay are unknown prior to a revaluation, the estimated post-revaluation tax shown on the initial disclosure notice can differ significantly from the amount actually billed. If an additional, revised notice was sent at the time the first year's bills were mailed, changes and additions such as levy increases (or decreases), the impact of exemptions, and various special district taxes could be shown and explained. Ideally, such a revised disclosure notice would be in the same format as the initial notice, except that the tax comparison (pre-revaluation to post-revaluation) would be based on actual levy and exemption data.

17. The Board of Assessment Review should be encouraged, if not required, to provide written justification/explanation for their decisions. As mentioned previously, a relatively new and much more detailed form, the EA-525, is now available for use by the BAR. While this form does provide space for written comments, it can also be used to provide only a minimal

"check-the-box" response. BARs should provide more than a minimum of information when issuing their decisions. Taxpayers have a right to know (as do assessors) how the evidence they presented was considered, especially if they plan to take their cases to the next level of appeal.

This item, if made a requirement, would need new legislation or regulations governing the activities of the BAR.

18. The wording on the current Board of Assessment Review Determination Notices concerning the taxpayer's right to further appeal should be clarified and written in plain language. This language, previously quoted in this report (on page 7), makes too many references to various sections of law which have no meaning to the average taxpayer. This language could easily be clarified and simplified and the legal references either eliminated or explained.

To effect this change would require a revision of existing statutory language.

Other Ideas and Suggestions

Among the lengthy list of suggested ideas and changes, there were several that had much merit, but did not seem to be as vital as the ones discussed above. These ideas are either extremely difficult to implement, require more extensive and detailed research, would be only valuable to a relatively small group of taxpayers, or are likely to be too expensive at the present time. They are offered here with minimal additional explanation.

- The proposed 8½" by 11" bill should show last year's taxes, assessments, market value, etc. - a time trend, in other words. Several of the other states profiled in this report provide such information on their bills. As already mentioned, most taxpayers only have a general sense of how much they paid last year. Providing this information on the bill may stimulate the taxpayers to find out exactly why and how their taxes are increasing or decreasing. However, it would require large-scale changes to the current RPS data files and programs used to prepare most of the tax bills in New York.

- The Internal Revenue Service (IRS) has recently stated their desire to have property tax bills in New York redesigned so that ad-valorem taxes, which are deductible from income on federal income tax returns, be clearly distinguished from user fees (such as water or sewer charges) which are commonly levied on a non ad-valorem basis. Such user fees are not deductible for federal or New York income tax purposes, a fact that a large portion of the

property-owning public apparently does not realize. The IRS also appears to be concerned with the manner in which special ad-valorem levies are presented on tax bills. Apparently, the IRS is of the view that special ad-valorem levies are deductible to the extent that they are attributable to maintenance and repair, but not to the extent that they are attributable to capital costs of construction, and the IRS would like tax bills to differentiate between the two.

Federal studies have shown that significant federal and state tax revenues are being lost when taxpayers mistakenly deduct user fees as well as these specific ad-valorem property taxes. It is expected that eventually New York State's property tax bills will be required to distinguish between the two types of property taxes, but, at present, the IRS guidelines for what constitutes a non-deductible charge leave some concerns unanswered. The SBEA is in the process of initiating formal discussions with the IRS to clarify definitions and related issues.

- Each assessor, in addition to showing the uniform percentage of value used for assessment, should provide taxpayers with the particulars of his/her method for determining an assessment.
- Real property tax forms and notices, and tax bills especially, should be offered in Spanish.
- Tax rates should be clarified by stating them as a percentage of full or assessed value rather than in the current "dollars-per-thousand".
- A simple, step-by-step worksheet (similar to those found in income tax instructions) should be provided to property owners, together with appropriate data, showing them how to determine whether or not they are being equitably assessed.
- Non-city school districts should prepare explanations of the property tax assessment process and school district levy/tax rate determinations, to be enclosed in annual taxpayer mailings that contain support material for proposed school district budgets.
- The percentage of municipal value which is exempt from taxation, for both the current and the prior years, should be shown on the tax bill.
- The percentage of expenditures which is mandated by the State and the percentage which is non-mandated, for the prior and current years, should be shown on the tax bill.

COUNTY NAME

1994 COUNTY AND TOWN REAL PROPERTY TAX BILL

● For Fiscal Year January 1, 1994 to December 31, 1994 ● Warrant Dated: December 28, 1993 ●

OWNER'S NAME AND ADDRESS:

John and Mary Homeowner
1234 Scenic Blvd.
Beautiful, New York 12345-1947

If any of the above owner information is incorrect, please call (518) 473-4532

PROPERTY ADDRESS & LEGAL DESCRIPTION:

Address: 1234 Scenic Blvd.
Beautiful, NY 12345
Town of: Amazing Grace Section-Block-Lot: 113-1-5.5
Parcel Dimensions: Frontage is 91.4 feet
Depth is 146.6 feet
Property Class Code: 210 - Single Family Residence
School District: High Ideals Central District
NYS TAX & FINANCE SCHOOL DISTRICT CODE: 340
(Use this code on your New York State income tax forms)

Bill Number: 17659 Page: 1 of 1 Roll Section: 1 Account Number: 89-637 Bank Code: CO31020

PROPERTY VALUATION

The assessor estimates the Full Market Value of this property as of January 1, 1993 was: \$ 100,000
The Assessed Value of this property as of July 1, 1993 was: \$ 100,000
The Uniform Percentage of Value used to establish assessments was: 100.0%
If you feel your property is overvalued, please see the instructions on the back of this bill for filing a complaint.
To obtain a copy of the booklet, "How to File a Complaint on Your Assessment", please call (518) 473-4532

EXEMPTIONS

ESTIMATED STATE AID *

| Type | Value | Tax Purpose(s) Applied to: |
|----------------------------|-----------|----------------------------|
| Veteran's - Eligible Funds | \$ 5,000 | Town |
| Senior Citizen | \$ 20,000 | Town |

| | |
|----------------|---------------|
| To the County: | \$ 69,256,580 |
| To the Town: | \$ 479,720 |

* See back of bill for explanation of State Aid

PROPERTY TAXES

| <u>Taxing Purpose</u> | <u>Assessed Value</u> | <u>Taxable Value</u> | <u>Tax Rates per \$1000 of Taxable Value</u> | <u>Tax Amount</u> |
|---------------------------------|-----------------------|----------------------|--|-------------------|
| County | \$ 100,000 | \$ 100,000 | \$ 4.25 | \$ 425.00 |
| Town | \$ 100,000 | \$ 75,000 | \$ 1.09 | \$ 81.75 |
| Highway District #1 | \$ 100,000 | \$ 100,000 | \$ 0.22 | \$ 20.00 |
| Responsive Fire District | \$ 100,000 | \$ 100,000 | \$ 0.58 | \$ 58.00 |
| Stalwart Ambulance Company | \$ 100,000 | \$ 100,000 | \$ 0.06 | \$ 6.00 |
| Bright Lighting District | \$ 100,000 | \$ 100,000 | \$ 18.26 | \$ 182.60 |
| | | <u>Units</u> | <u>Tax Rates per unit</u> | |
| Clean Sewer Zone A | | 5 | \$ 22.90 | \$ 114.50 |
| Sewer Operation and Maintenance | | 3 | \$ 38.59 | \$ 115.77 |

TOTAL TAXES \$ 1003.62

| <u>PAYMENT SCHEDULE</u> | <u>Penalty</u> | <u>Amount</u> | <u>Total Due</u> |
|-------------------------|----------------|---------------|------------------|
| January | 0.0% | \$.00 | \$ 1003.62 |
| February | 1.0% | \$ 10.04 | \$ 1013.66 |
| March 01 to 31 | 2.0%* | \$ 20.07 | \$ 1023.69 |

* \$1.00 will be added if a second notice is mailed.
Please call (518) 473-8277 for amounts due after March 31.

MAKE CHECKS PAYABLE TO:
Ms Marilyn Taylor
Receiver of Taxes
P.O. Box 1963
Amazing Grace, NY 12347

TO PAY IN PERSON:
Town Hall
745 Main Street
Amazing Grace, NY
Mon-Wed-Fri, Jan 2 - Jan 31
Phone: (518) 473-4532

PLEASE READ THE BACK OF THIS BILL FOR MORE INSTRUCTIONS AND EXPLANATIONS

(this space reserved for payment stub(s))

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APPENDICES

- A. Legislation Requiring Real Property Tax Information Disclosure Project**
- B. Tax Information Disclosure in Other States**
- C. List of Meetings Held with Interested Parties**
- D. Complete List of Suggested Additions and Changes**

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Appendix A

Legislation Requiring Real Property Tax Information Disclosure Project From New York State 1993-94 Operations Budget, page 174

"Notwithstanding any provision of law to the contrary, the state board of equalization and assessment is authorized and directed to develop, after consultation with representatives of taxpayers' advocacy groups, assessing units, taxing jurisdictions, interested state agencies and others as appropriate, a set of disclosure forms dealing with assessment, exemptions, grievance procedures and tax levy to be available to local governments. Copies of such forms shall be submitted by the board to the director of the budget, with copies filed with the chairmen of the senate finance and assembly ways and means committees, on or before December 31, 1993."

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Appendix B

Tax Information Disclosure in Other States

- B.1.** Minnesota's "Your Proposed Property Tax" notice
- B.2.** Minnesota's "Statement of Property Taxes Payable in 1993"
- B.3.** Utah's "Notice of Property Valuation and Tax Changes" form
- B.4.** Utah's graphics showing "Where Property Tax Dollars Go" and "Total Property Tax Revenue"
- B.5.** Wisconsin's tax bill

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**Appendix B.1.
Minnesota's "Your Proposed Property Tax" Notice**

Your Proposed Property Tax for 1993

— This is Not a Bill • Do Not Pay —

The amounts of property tax shown below are being proposed by your county, city or township and school district.

Owner(s): John J. and Mary A. .
123 Spruce Street
Spruceville, Minnesota 55555

Property: Lot 1, Block 1, Spruce Acres Subd.

The market values to the right are final and are not a subject for the upcoming budget hearings. They were discussed at the local board of review and the county board of equalization hearings held earlier this year.

Final Market Value for 1992 Taxes: \$75,000
Final Market Value for 1993 Taxes: \$80,000

Your county board of commissioners, your school board and your city council (if you live in a city) will hold meetings soon to decide on the amount of property taxes to collect in 1993 to pay for services they provide. The county board and city council will also discuss their proposed budget for 1993 and the school board will discuss its budget for the current school year.

considering. Any upcoming referendums, legal judgments, natural disasters and special assessments could result in increasing these amounts.

The first column of figures below shows the 1992 property tax you paid to your county, school district, city or township and special taxing districts.

The amounts shown below for special taxing districts — such as watershed districts — are the totals for all special taxing districts in which your property is located. No meeting is required for these districts.

The second column of figures below shows the total amounts of property tax your county, school district and city or township will collect from you in 1993 if they approve the property tax amounts they are now

Your county commissioners, school board members and city council (if you live in a city) invite you to attend their meetings at the times and places shown below to express your opinions on the proposed property tax amounts for 1993. If you cannot attend the meetings, you may send your comments to the addresses listed below in the left hand column.

| | Property Tax You Paid For 1992 | Property Tax Proposed For 1993 | Increase Or Decrease Over 1992 | Percent of Increase or Decrease | Budget Hearing Dates and Locations |
|---|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---|
| County of Spruce: Spruce County Board 123 Spruce Street Spruceville, MN 55555 | \$ 218.55 | \$ 245.75 | \$ 27.20 | 12.4% | December 8, 1992 7:30 pm Spruce County Courthouse |
| City of Spruceville: Mayor's Office 321 Spruce Street Spruceville, MN 55555 | \$ 168.63 | \$ 184.09 | \$ 15.46 | 9.2% | November 30, 1992 8:00 pm Spruceville City Hall |
| School District 123: School Superintendent 456 Spruce Street Spruceville, MN 55555 | \$ 340.00 | \$ 390.88 | \$ 50.88 | 15.0% | December 1, 1992 7:00 pm Cafeteria, Spruceville-Oakville Consolidated High School |
| Special Taxing Districts: | | | | | |
| Fiscal Disparity: | \$ 44.94 | \$ 50.92 | \$ 5.98 | 13.3% | No meeting required |
| Tax Increment: | \$ 7.32 | \$ 9.84 | \$ 2.52 | 34.4% | No meeting required |
| Other Districts: | \$ 15.00 | \$ 18.00 | \$ 3.00 | 20.0% | No meeting required |
| Totals (Excluding Special Assessments) | \$ 794.44 | \$ 899.48 | \$ 105.04 | 13.2% | |

— This is Not a Bill • Do Not Pay —

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**Appendix B.2.
Minnesota's "Statement of Property Taxes Payable"**

**Spruce County
Statement of Property Taxes Payable in 1993**

| | | | | |
|----------------|--|-------------------|---------------------|---------------------|
| Owners: | John J. and Mary A. | Property Class: | 1992 Res. Hstrd. | 1993 Res. Hstrd. |
| Property I.D.: | 01-025-23-140012 | | | |
| | | New Improvements: | \$ 00.000 | \$ 00.000 |
| Taxpayers: | John J. and Mary A. 123 Spruce Street Spruceville, Minnesota 55555 | Market Value: | \$ 95.000 | \$ 98.000 |

1. Use this amount on Form M-1PR to see if you're eligible for a property tax refund. \$ 1,170.00
File by August 15. If box is checked, you owe delinquent taxes and are not eligible.

2. Use this amount for the special property tax refund on schedule 1 of Form M-1PR. \$ 1,075.00

Your Property Tax And How It Is Reduced By The State

| | | |
|---|-------------|-------------|
| 3. Your property tax before reduction by state-paid aids and credits | 2,817.08 | 2,950.89 |
| 4. Aid paid by the state of Minnesota to reduce your property tax | 975.00 | 1,000.00 |
| 5. Credits paid by the state of Minnesota to reduce your property tax | | |
| A. Homestead and agricultural credit | 767.08 | 780.89 |
| B. Taconite tax relief | 000.00 | 000.00 |
| C. Other credits | 000.00 | 000.00 |
| 6. Your property tax after reduction by state-paid aids and credits | \$ 1,075.00 | \$ 1,170.00 |

Where Your Property Tax Dollars Go

| | | |
|--|-------------|-------------|
| 7. County | \$ 300.00 | \$ 325.00 |
| 8. City or town | 180.00 | 195.00 |
| 9. School district | 570.00 | 605.00 |
| 10. Special taxing districts | 25.00 | 25.00 |
| 11. Voter approved referenda levies | | 20.00 |
| 12. Total property tax before special assessments | \$ 1,075.00 | \$ 1,170.00 |
| 13. Special assessments added to this property tax bill: | | |
| A. City street curbing | 25.00 | 30.00 |
| 14. Your total property tax and special assessments | \$ 1,100.00 | \$ 1,200.00 |

Pay this amount no later than May 15, 1993: \$ 600.00
Pay this amount no later than October 15, 1993: \$ 600.00

*You may be eligible for one or even two refunds to reduce your property tax.
Read the back of this statement to find out how to apply.*

2

Include this stub with your second half payment — due October 15, 1992

Owner(s):

John J. and Mary A. Johnson

Property ID number:
01-025-23-140012

1

Include this stub with your first half or full payment — due May 15, 1992

Owner(s):

John J. and Mary A. Johnson

Property ID number:
01-025-23-140012

Back of Tax Statement

Minnesota homeowners who have household income under \$60,000 a year may qualify for a property tax refund. In addition, Minnesota homeowners whose property taxes increased by more than 12 percent over last year may be eligible for a special property tax refund. To determine if you are eligible for the Minnesota property tax refund and/or the special property tax refund, read the Form M-1PR Instructions and fill out the Form M-1PR.

Your 1992 state income tax booklet may contain the Form M-1PR and Instructions.

If not, you can get the Form M-1PR and Instructions at:
post offices, libraries and most banks or by writing to:

Minnesota Tax Forms
Mail Station 7131
St. Paul, Minnesota 55146-7131

Penalty for Late Payment of Property Tax

If you pay your first half and second half property tax after the due dates, a penalty will be added to your tax. The later you pay, the greater the penalty you must pay. This table shows the penalty rates.

| | 1993 | | | | | | | | | | 1994 |
|----------------------------|--------|--------|--------|-------|--------|-------|--------|-------|--------|-------|-------|
| | May 16 | June 1 | July 1 | Aug 1 | Sept 1 | Oct 1 | Oct 16 | Nov 1 | Nov 16 | Dec 1 | Jan 3 |
| Property: | | | | | | | | | | | |
| Homestead: | | | | | | | | | | | |
| 1st half | 2% | 4% | 5% | 6% | 7% | 8% | -- | 8% | -- | 8% | 10% |
| 2nd half | | | | | | | 2% | 6% | -- | 8% | 10% |
| Non-homestead: | | | | | | | | | | | |
| 1st half | 4% | 8% | 9% | 10% | 11% | 12% | -- | 12% | -- | 12% | 14% |
| 2nd half | | | | | | | 4% | 8% | -- | 12% | 14% |
| Personal Prop.: | | | | | | | | | | | |
| | 8% | 8% | 8% | 8% | 8% | 8% | -- | 8% | -- | 8% | 8% |
| Manufactured Homes: | | | | | | | | | | | |
| 1st half | | | | | 8% | 8% | -- | 8% | -- | 8% | 8% |
| 2nd half | | | | | | | | | 8% | 8% | 8% |

If the due date for your second half property tax payment is November 15 and your property is classified as agricultural homestead property, the penalty rates for late payment are: 6% if you pay from November 16 through November 30; 8% if you pay from December 1 through January 2; and 10% if you pay on January 3, 1994 or later.

If the due date for your second half property tax payment is November 15 and your property is classified as agricultural non-homestead property, the penalty rates for late payment are: 8% if you pay from November 16 through November 30; 12% if you pay from December 1 through January 2; and 14% if you pay on January 3, 1994 or later.

THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES.
THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING
CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT.

Appendix B.3. Utah's "Notice of Property Valuation and Tax Changes"

21 SOUTH STATE STREET #N-2200 SALT LAKE CITY, UTAH 84190-1100

MARKET VALUE OF YOUR PROPERTY

| | PROPERTY TYPE ASSESSED | LAST YEAR'S (1992) MARKET VALUE | THIS YEAR'S (1993) MARKET VALUE |
|--------------|--------------------------|---------------------------------|---------------------------------|
| | PRIMARY RESIDENTIAL LAND | 16,500 | 16,500 |
| | PRIMARY RESIDENTIAL BLDG | 62,900 | 62,900 |
| TOTAL | | 79,400 | 79,400 |

NAME
ADDRESS
ALT LAKE CITY UT 84106-2244

PROPERTY LOCATION 2630 S FOREST DALE CIR
 ID DESCRIPTION
 JT 9, BODELL SUB. 4820-1122 5324-1192
 445-2731

| TAXING ENTITIES | TAX LAST YEAR (1992) | TAX THIS YEAR IF NO BUDGET CHANGE | TAX IF PROPOSED BUDGET APPROVED | A PUBLIC BUDGET MEETING WILL BE HELD |
|---------------------------|----------------------|-----------------------------------|---------------------------------|--------------------------------------|
| UNIFORM SCHOOL FUND | .00 | .00 | .00 | |
| S L CITY SCHOOL DISTRICT | 454.46 | 459.03 | 464.35 | SEP 7, 1993 7 PM 440 E 100 S |
| SALT LAKE COUNTY | 209.47 | 208.04 | 206.54 | SS |
| SALT LAKE CITY | 232.28 | 236.91 | 236.91 | |
| SALT LAKE CITY LIBRARY | 48.71 | 49.67 | 49.67 | |
| S L CITY METRO WATER DIST | 18.83 | 19.20 | 19.20 | |
| S L CITY MOSQ ABATE DIST | 5.21 | 5.32 | 5.32 | |
| CENTRAL UT WATER CON DIST | 19.57 | 19.41 | 19.41 | |
| PROPERTY TAX ADMIN LEVY | 29.40 | 29.39 | 29.35 | |
| TOTAL PROPERTY TAX | \$ 1,017.93 | \$ 1,026.97 | \$ 1,030.75 | |

ALT LAKE COUNTY BOARD OF EQUALIZATION - IMPORTANT INFORMATION - PLEASE READ CAREFULLY
 Appeals of the value shown hereon should be filed with the County Board of Equalization within 30 days of mailing but not later than **09/24/93**
 Appeals need to be filed according to the information and detailed instructions enclosed with this notice.

EXPLANATIONS AND INSTRUCTIONS:

WHAT IS A "NOTICE OF PROPERTY VALUATION AND TAX CHANGE"?

State law requires that before taxes may be increased, your county must give notice to you of proposed changes. Two types of changes may take place: (1) the appraised market value of your property, and (2) the proposed taxes that property owners will pay.

State law requires that notification be given in advance of the proposed tax increase and of the time and location of the budget meetings at which public input will be received. This is notice of property valuation and tax change and not a tax bill. DO NOT PAY ANY AMOUNT SHOWN ON THIS NOTICE.

MARKET VALUE OF YOUR PROPERTY

All property taxes are based upon the market value of your property. As the market value of your property increases or decreases, your property tax may also increase or decrease.

Market value is estimated by your County Assessor, but appeals are made to your County Board of Equalization (the County Commissioners). If you believe the value of your property is incorrect, contact your County Board of Equalization. Directions appear below on the notice.

CURRENT AND PROPOSED PROPERTY TAXES

Tax Last Year: This is the amount of tax that you were charged last year. The actual tax that you paid may have been less if you received a tax credit based upon a veteran's exemption, blind exemption, indigent abatement or circuit breaker. Taxes on personal property or motor vehicles are not included in these amounts.

This Year's Tax If No Budget Change: This is the amount of tax you will be charged if property tax revenues for each taxing entity are not increased. These amounts do not reflect any reduction for a veteran's exemption, blind exemption, indigent abatement or circuit breaker for which you may be eligible, or taxes on personal property or motor vehicles.

This Year's Tax If Proposed Budget is Passed: This is the tax you will be charged if the property tax revenues requested by each entity are adopted. These amounts do not reflect any reduction for a veteran's exemption, blind exemption, indigent abatement or circuit breaker for which you may be eligible, or taxes on personal property or motor vehicles. You are encouraged to participate in the public meetings where these budgets are discussed. The locations and times for these budget meetings are listed below on the notice.

NOTE: The appeal procedures and dates identified on the enclosed Notice of Valuation and the Tax Change apply to locally assessed properties only and not to any properties assessed by the state tax commission.

A BOARD OF EQUALIZATION APPEAL FORM IS INCLUDED IN THIS PACKET FOR YOUR CONVENIENCE

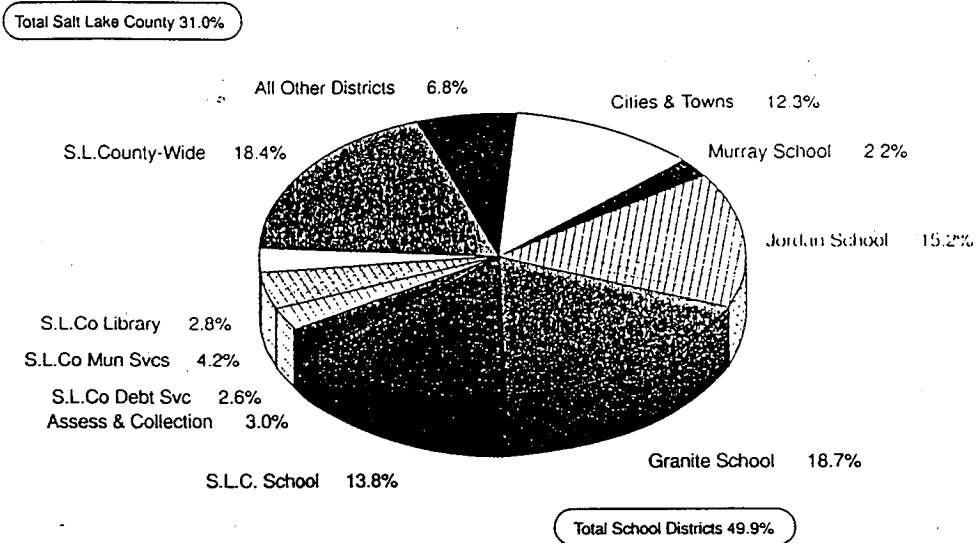
Appendix B.4.

Utah Graphic Presentations of Expenditures and Revenues

WHERE PROPERTY TAX DOLLARS GO

1993 Levied Tax Revenue

Percent of Total Taxes Levied

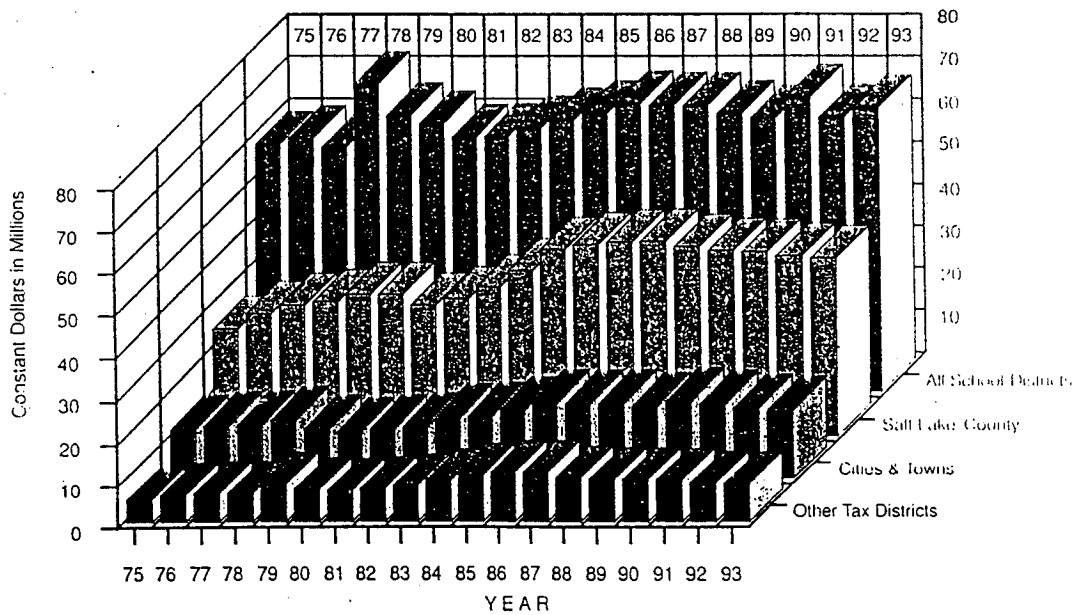


Source: Salt Lake County Auditor's Office
 Craig B. Sorensen, Auditor
 Division of Management and Budget

TOTAL PROPERTY TAX REVENUE

Constant Dollars (1975 = 100)

Using United States Consumer Price Index (CPI)



CONSTANT DOLLARS : Dollars of a base year, used as a gauge in adjusting the dollars of other years in order to ascertain actual purchasing power. Denoted as C\$ by the Financial Accounting Standards Board (FASB), which defines constant dollars as hypothetical units of general purchasing power. Barron's Finance and Investment Handbook.

Source: Salt Lake County Auditor's Office
 Craig B. Sorensen, Auditor
 Division of Management and Budget

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Appendix B.5. Wisconsin Tax Bill

STATEMENT OF REAL ESTATE TAXES FOR _____

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R

STATE OF WISCONSIN

| ASSESSED VALUE LAND | ASSESSED VALUE IMPROVEMENTS | TOTAL ASSESSED VALUE | AVE. ASSESS. RATIO | ESTIMATED FAIR MARKET VALUE |
|------------------------|--|--|---|-----------------------------|
| 1. TAKING JURISDICTION | 2. TAXES BEFORE ESTIMATED MAJOR STATE AIDS & CREDITS | 3. ESTIMATED MAJOR STATE AIDS USED TO REDUCE TAXES | 4. TAXES AFTER ESTIMATED MAJOR STATE AIDS | |

SCHOOL TAX CREDIT
PROPERTY TAX BEFORE LOTTERY CREDIT

IF THIS TAX BILL IS FOR YOUR PRIMARY RESIDENCE { LOTTERY CREDIT
PROPERTY TAX AFTER LOTTERY CREDIT

MUNICIPAL SOLID WASTE COLLECTION/DISPOSAL COSTS

TOTAL NET TAX RATE
(Does NOT reflect Lottery credit)

IMPORTANT: BE SURE THIS DESCRIPTION COVERS YOUR PROPERTY
NOTE THAT THIS DESCRIPTION IS FOR TAX BILL ONLY AND MAY NOT BE A FULL LEGAL DESCRIPTION.

CORRESPONDENCE SHOULD REFER TO THIS TAX ACCOUNT NUMBER
SEE REVERSE SIDE FOR IMPORTANT INFORMATION

BILL NO. _____ RECEIPT NO. _____

A STAR IN THIS BOX MEANS UNPAID PRIOR YEAR TAXES. CONTACT COUNTY TREASURER.
NET PROPERTY TAX BEFORE LOTTERY CREDIT

LOTTERY CREDIT

TOTAL DUE FOR FULL PAYMENT ▶

| | |
|---|--|
| PAY TO LOCAL TREAS. BY JANUARY 31 OR PAY IN INSTALLMENT TO LOCAL TREASURER BY: JANUARY 31 | AND PAY 2nd INSTALLMENT TO COUNTY TREASURER BY: JULY 31 |
| Special Charge Paid | Special Tax Paid |
| Special Assessment Paid | Total Amount Paid |
| Priority Tax Paid | BALANCE DUE |
| PAID BY _____ | DATE _____ |

PA-685/1
R. 9-93

IF YOUR REAL PROPERTY TAXES EXCEED \$99.99 AND IF YOU CHOOSE TO PAY YOUR TAXES IN 2 INSTALLMENTS (JANUARY & JULY), THEN YOU MUST PAY THE 1ST INSTALLMENT BY JANUARY 31 OR THE TOTAL AMOUNT OF YOUR REMAINING UNPAID TAXES. SPECIAL ASSESSMENTS, SPECIAL CHARGES AND SPECIAL TAXES (IF ANY) WILL BE DELINQUENT (S. 74.11(7), WIS. STATS.) ALL DELINQUENT TAXES ARE SUBJECT TO INTEREST OF 1% PER MONTH OR FRACTION OF A MONTH FROM FEBRUARY 1 UNTIL PAID, AND IN ADDITION, MAY BE SUBJECT TO AN ADDITIONAL PENALTY. (s. 74.47)

PRESENT THIS BILL WHEN PAYING TAXES OR ENCLOSE IT WITH YOUR CHECK. If you are requesting a receipt, please enclose a stamped, self-addressed envelope. **IF PAYMENT IS MADE BY CHECK, TAX RECEIPT IS NOT VALID UNTIL CHECK HAS CLEARED ALL BANKS.**

ESTIMATED FAIR MARKET VALUE. In addition to the assessed value, Wisconsin law requires that your taxation district show the estimated fair market value of taxable property on property tax bills. This estimated fair market value reflects the approximate market value of your property as of January 1 of the year shown at the top of this bill. This estimated fair market value has been calculated by dividing the assessed value as shown on this tax bill by the average assessment ratio in your taxation district as furnished by the Wisconsin Department of Revenue. The Department calculated this ratio by dividing the total January 1 local assessed value by the total January 1 State's equalized value of your taxation district. If you believe that the estimated fair market value exceeds by at least 10% the amount of money for which your property could have been sold on January 1 of the year shown at the top of this tax bill contact your local assessor, or in the case of manufacturing property, contact the Manufacturing Section of the Department of Revenue in your area.

PROPERTY TAX CREDITS AND/OR ASSISTANCE: Certain Wisconsin property owners and renters may qualify for additional tax credits and/or state assistance in paying their property taxes under special programs administered by the Wisconsin Department of Revenue and the Department of Agriculture. Some income and residency restrictions apply. You may obtain information about these programs by writing to:

- Homestead Credit**
 - Farmland Preservation Credit**
 - Property Tax Deferral Loans for the Elderly**
 - School Property Tax Credit (on Income Tax Return)**
 - Farmland Tax Relief Credit (on Income Tax Return)**
 - Lottery Credit**
- Wisconsin Department of Revenue; Box 8906; Madison, WI 53708-8906
 - Wisconsin Department of Agriculture; Box 8911; Madison, WI 53708-8911
 - WHEEDA; Box 1728; Madison, WI 53701-1728
 - Wisconsin Department of Revenue; Box 8906; Madison, WI 53708-8906
 - Wisconsin Department of Revenue; Box 8906; Madison, WI 53708-8906
 - Wisconsin Department of Revenue; Box 8933; Madison, WI 53708-8933

LOTTERY CREDIT MUST BE PRECERTIFIED: You are eligible for the Lottery Credit if you are an owner of a dwelling in Wisconsin which you use as your primary residence (Note: You can have only one primary residence). **DO NOT CLAIM LOTTERY CREDIT IF YOU DO NOT QUALIFY.** If you believe you qualify for a Lottery Credit and no credit appears, you may apply by Jan. 31 using an application form available from the local or county treasurer. For additional information about the Lottery Credit, contact your county treasurer or write to the Department of Revenue at the above address.

DO NOT SEND YOUR PROPERTY TAX PAYMENT TO ANY OF THE ABOVE ADDRESSES. PAY YOUR PROPERTY TAXES TO THE PROPER TREASURER AS IDENTIFIED ON THE FRONT OF THIS TAX BILL.

Appendix C

List of Meetings Held with Interested Parties

| <u>Date (in 1993)</u> | <u>Organization or Individual</u> |
|-----------------------|--|
| 1. July 19 | NYS Conference of Mayors |
| 2. July 20 | NYS Association of Realtors |
| 3. July 20 | Cole, Layer & Trumble (revaluation contractors) |
| 4. July 21 | NYS School Board Association |
| 5. July 21 | Office of the NY State Comptroller |
| 6. July 28 | NYS Business Council |
| 7. August 2 | NY Public Interest Research Group (taxpayer advocacy group) |
| 8. August 16 | NYS Commission on State/Local Relations |
| 9. August 17 | NYS Association of County Treasurers and Finance Officers |
| 10. August 17 | Director of Real Property Tax Services Agency in Orange County |
| 11. August 17 | NYS Association of Tax Receivers and Collectors Assessor for the Town of Chester Assessor for the Town of Newburgh |
| 12. August 18 | NYS Association of Towns |
| 13. August 19 | NYS Association of School Business Officials |
| 14. August 25 | NYS Association of Counties |
| 15. August 25 | Citizen Action of New York (taxpayer advocacy group) |
| 16. September 1 | Niskayuna Citizen's Committee on Revaluation |
| 17. September 15 | Syracuse United Neighbors (taxpayer advocacy group) |
| 18. September 15 | NYS Business Council Xerox Corporation |
| 19. September 16 | North American Utility & Tax Rebate Service |
| 20. September 21 | Property Tax Savers, Inc. |
| 21. September 21 | Concerned Taxpayers of Rockland County |
| 22. September 22 | New Rochelle Citizens for Fair Taxes |
| 23. September 27 | Fiscal Policy Institute |
| 24. October 20 | NYS Assessors Association |

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Appendix D

Suggested Additional Data Items, Explanations and/or Changes for Property Tax Information Disclosure (as of September 30, 1993)

(please note that nearly all of the items on this list were suggested in meetings with interested parties)

Valuation Items & Issues

- * Uniform percentage (possibly a range or target) of full value used by assessor when setting assessments should be shown on all real property tax forms and especially on the tax bill..
- * If uniform percentage is shown, there must be a method for checking its accuracy or some way to prevent the assessor from biasing the percentage unrealistically upward. Also, the statement of percentage should include the language from RPTL section 305.
- * Full fair market value of property should be shown on forms- this could be stated in "estimated" or "projected" terms or could be defined as being as of a specific point in time.
- * Each assessor, in addition to showing the uniform percentage of assessment, should be required to give the particulars of her/his methods in calculating an assessment, e.g., based on sales, cost, etc.
- * Land Value of property (as well as total value) should be shown on forms.
- * Value of every exemption and which taxing purposes are affected should be shown on forms.
- * When an assessed value changes for any reason, the notice should include a calculation of the percentage increase (decrease). As is done now on the revaluation full disclosure notice, this percentage change could also be translated into an estimated change in taxes.
- * Clarify that "ad valorem" calculations, which are the basis for the real property tax, are not truly using the exact value of a property, but are rather using the "approximate value".

Items Specific to Tax Bills

- * Spell out any coded/abbreviated items (property class, SWIS and school codes, etc).
- * Similarly, any special district names should be spelled out and a definition of their jurisdiction and function included.
- * Add Department of Taxation & Finance's school district code to tax bills.
- * Tax bills (as well as all other forms and notices) should be offered in Spanish as well as English.

- * The "Estimated State Aid" figures on tax bills should be explained. These figures are now misleading as they do not necessarily represent funds which have a direct impact on the property tax levy. The only aid figures shown should be those that are interchangeable with the property tax.
- * All dollar amounts - values, tax rate, tax amounts, exemptions, etc. - should be shown preceded by a dollar sign (\$).
- * On some tax bills, the penalties for paying late are printed chronologically from right to left - they should run from left to right.
- * Offer an 8 1/2 X 11 inch tax bill as an option for those municipalities using the RPS software created and maintained by SDEA.
- * Guarantee that a copy of the tax bill or a suitable receipt is always sent to the property owner when taxes are paid from mortgage escrow account. These receipts could be sent with other mailings, such as the water bill.
- * Always show both total and taxable values.
- * Clarify how tax rates are used to calculate taxes, e.g., state them as a percentage of value (either assessed value or, if shown, market value) or at least clarify that they are in dollars-per-thousand-of-assessed-value terms.
- * Similarly, the tax bill should include a glossary of all terms used or some indication of where to get more information.
- * Put current Equalization Rate and Residential Assessment Ratio on tax bill, etc., with some explanation of their significance and use. If they are shown, a sample calculation of estimated full value should also be included.
- * The tax bill should show how much was paid last year - a tax bill time trend, in other words.
- * The tax bill should show the last year the municipality revalued.

Tax Protest Issues and Explanations

- * A simple, step-by-step guide with appropriate data should be provided to property owners showing them how to calculate whether or not they are being assessed equitably, i.e., some measure of full value multiplied by some measure of the local level of assessment would give one an approximately fair assessed value.
- * Property owners, especially those seeking information about grievance procedures, should be provided a list of data available to them, including the sources of that data (Residential Assessment Ratio, Equalization Rate, SDEA sales data, for example).

- * Property owners should be made aware of what factors affect the value of a property, such as size, location, quality of construction, i.e., those factors generally considered the most important indicators of value.
- * Each municipality should prepare its own guide, specific to that town, on how to grieve an assessment, showing where the data is, what evidence to use, etc. The guide should indicate whether it is possible to contact the assessor and discuss issues informally before going to the BAR.
- * Require Board of Assessment Review (BAR) to provide written justification/explanation for decisions (a form, the EA-525, was recently made available to BAR's to provide some sort of explanation for their decision, though this can be as minimal as a check-off box on the form). The explanation should include a statement of the percentage of value used to calculate the assessment and the estimated market value of the property.
- * Similarly, the wording on the BAR determination form concerning the taxpayer's right to appeal in Small Claims Assessment Review should be clarified and, to the extent possible, the technical and legal terms should be eliminated in favor of plain language.

Other Explanations

- * Explanations should be provided if there are changes in the tax amount when a property's assessed value or market value do not change (i.e., tax bill changes resulting from changes in levies, school district portions, amounts of state aid, impact of new equalization rate, etc.)
- * Provide standardized, generic explanations of the property tax assessment process and school district levy/tax rate determinations for inclusion by school districts in taxpayer mailings prior to public votes on school budget.
- * Information about the property tax system, both general and specific to an individual property, should be sent out in separate annual mailings to each property owner. These mailings should be contracted out to a private company and should be "sold" to property owners as a separate item with a separate fee, not as something for which they have to pay additional taxes.
- * Clarify and/or reorder revaluation full disclosure notice. Provide list of information available to property owners when they come in for an informal hearing.
- * Provide a complete explanation of how the homestead provision works. Apparently there is considerable confusion, among business owners especially, about the homestead system - how it operates, what is the base year is, how tax shares and tax rates are calculated, etc. Homestead municipalities should be required to explain the system in layperson's terms.
- * Local governments should develop some kind of phone-in system (similar to those used by financial institutions) which would allow taxpayers to call in for information about their accounts, assessments, etc.

Municipal Information

- * Show time trends in levies, municipal or district full values, local government expenditures, tax rates, state aid, etc. (see below for some examples).
- * Some municipal property tax data, along with explanatory and "how-to" sheets, could be published in local newspapers. Other publishable material could include a list of publications and how to get a copy.
- * Provide information on local tax and debt limits.
- * Show percent of the roll that is non-taxable, comparing prior and current year's figures.
- * Show percent of roll exempt, for prior and current year.
- * Indicate number of exemptions by type, for prior and current year.
- * List equalization rate, for prior and current year.
- * Show total parcels, for prior and current year.
- * List average selling price of a single family home, for prior and current year.
- * Show percent of expenditures which are mandated vs percent which are non-mandated, for prior and current year.
- * Show percent of expenditures which is attributable to the Sheriffs office, for the prior and current year.
- * Show percent of expenditures which is attributable to the highway department, for the prior and current year.