



**Department of  
Taxation and Finance**

# **Updates from the Office of Real Property Tax Services**

October 18, 2021

# Agenda

- RPSV4 and ACES
- Web update
- STAR
- Real estate market trends
- Solar and wind appraisal model
- Legislation



# RPSV4 and ACES Update



Department of  
Taxation and Finance

# Presenter

## Presenter

Meighan Frye



# RPSV4 Updates

- Build 2020 is available.
- Enhancements and updates will not be supported for previous builds.
- Contact your regional liaison for installation assistance.



# Upcoming RPSV4 2020 Enhancements

- Standard letter cleanup
- Reference table modifications to parallel data collection manual updates
- Legislative changes to mobile homes and STAR
  - RPS will provide a systematic mechanism to identify and remove STAR exemptions from properties which are no longer eligible.
  - expected in the early spring of 2022 (in time to prepare for 2022 assessment rolls).



# Upcoming RPSV4 2020 Enhancements

## Add RPS content to Online Assessment Community

- Most updates are already available.
- Additional access will allow users to self-service for all annual updates and patches, including cost delivery (Cost is typically distributed via regional staff).
- Expected summer of 2022 (before the next cost update is made available).



# ACES Updates - Status

- Wrapping up design for the main system
- System is broken down into 144 functional areas
- Development is 74% complete
- 15% of the application has passed functional testing
- Project Change Request is in process





# ACES Updates - Training

- Majority of Assessment Administration (AA) and tax functionality will be delivered by end of year.
- After areas are tested, we'll move them into the training environment.
- Beginning next year, pilots will be able to access parts of the system for informal training. Data for most pilot jurisdictions will be moved into training environment.
- Valuation modules (CAMA) will follow AA and Tax.





# Web Update




Department of  
Taxation and Finance

# New Online Assessment Community

 **Department of Taxation and Finance**

 Geoffrey Gloak

 Menu Online Assessment Community

## Assessment Community

Welcome to the ORPTS Online Assessment Community

To access reports and tools, select *Menu* in the upper left-hand corner of this page.

# How Soon We Forget ...



# New Online Assessment Community

Filter

## Tax Staff

▶ Star Reports

IVP Tool

▶ IVP Tool Reports

RPSV4 Updates

Sales Reports

State Owned Land Reports

Data Warehouse Query

Valuation Guidelines

▶ Public Tools



# Data Collection Manuals

- Congratulations and thanks to the RPTAC Valuation Issues Team!
- County Director members:
  - Sean Mathews, Rockland
  - Terie Huseby, Tioga
  - Beth Sadlon, Herkimer



# Nineteen Years Later

Visit [Assessor Manuals](#)

- [Changes to the commercial and RFV manuals](#)
- [Commercial](#) (214 pages)
- [Residential, farm, and vacant land](#) (141 pages)
- [Structure codes](#)



# Coming Soon

- Updated Forestry Manual
- Upload Files Application
- More RPSV4 updates
- More flexibility to add content “behind the paywall”





# STAR Update



Department of  
Taxation and Finance

# One Significant STAR Change for 2022

**Beginning with 2022 assessment rolls, the following are only eligible for the STAR credit (no longer eligible for the STAR exemption) as long as the manufactured home is included in the landowner's assessment:**

- manufactured homes in parks, and
- manufactured homes on land that is owned by someone else.

# Benefits

## Increased benefit amounts:

- STAR credit for manufactured homes is based on a minimum full value of \$20,000.
- Manufactured home park owners will no longer be entitled to a 2% administrative fee for passing STAR exemption savings along to unit owners.

# Notifications

- We will send letters to impacted owners of manufactured homes.
- We will automatically switch most to the STAR credit.
- We will tell (and remind) the rest to switch to the STAR credit.

# Recent STAR Q&As



Department of  
Taxation and Finance

# STAR Question #1

**May a new homeowner in a manufactured home park who will receive a veterans or senior exemption also receive a STAR exemption?**



# STAR Answer #1

No. New homeowners are not eligible for the STAR exemption. New homeowners should register for the STAR credit. We recommend sharing this [STAR fact sheet](#) with new homeowners.



# STAR Question #2

2021 – Manufactured home has been separately assessed because the owner qualified for the senior citizens exemption. The owner has also been receiving an Enhanced STAR exemption.

2022 – Their income will render them ineligible for the senior citizens exemption.

**May they continue to receive the STAR exemption in 2022?**





# STAR Answer #2

No. Since they won't be eligible for the senior citizens exemption in 2022, their unit will have to be included in the 2022 assessment of the park. STAR exemptions may no longer be granted to manufactured homes that are included in the assessment of parks.

To continue receiving STAR benefits without interruption, they should register for the STAR credit.



# STAR Question #3

2021 – A manufactured homeowner received the STAR exemption while their unit was included in the assessment of the park.

2022 – They'll begin receiving the senior citizens exemption, so they'll be separately assessed.

**May they keep the STAR exemption in 2022?**



# STAR Answer #3

Yes. The STAR exemption they'd receive in 2022 would be considered the continuation of an existing exemption, not a new exemption. Therefore, it may be granted.



# Other STAR News

- By the end of this week, we will have issued more than 650,000 checks.
- Virtually all checks for school districts with September 30 due dates were issued by September 21, with 85% issued by September 15.



# Real Estate Market Trends



Department of  
Taxation and Finance

# In Case You Haven't Heard...

 **BUSINESS**

LIVE TV  



## Home prices hit another record high in June

By [Anna Bahney](#), CNN Business  
Updated 2:46 PM ET, Thu July 22, 2021

Home sales inched slightly higher in June as the inventory of available homes to buy increased, but home prices still remained on a tear, according to a report from the National Association of Realtors.

Consistently low inventory has pushed prices higher over the past year. The median price for an existing home in June hit an all-time high of \$363,300, up 23% over last year. That marks

# In Case You Haven't Heard...






INSIDER

Log in [Subscribe](#)

[HOME](#) > [REAL ESTATE](#)

## New York City real estate had a hot vax summer

Hillary Hoffower Sep 8, 2021, 8:30 AM



- It's a horrible time to be a New Yorker looking for a new pad, but a great time for NYC's economy.
- NYC real estate "recovered" as residents returned over the summer — meaning the high prices are back.
- Prices for rentals and sales are up, as are lease signings and buyer

# In Case You Haven't Heard...



SALE! 26 WEEKS FOR 99¢

Sign In



OUR BEST OFFER: 26 Weeks for 99¢! Get Digital Access Today

ACT NOW

## Report: Home prices in Columbia, Greene counties rise 40% in 12 months



**Roger Hannigan Gilson**  
Aug. 3, 2021 | Updated: Aug. 6, 2021 8:11 a.m.





# In Case You Haven't Heard...



# In Case You Haven't Heard...

[The Company & its Products](#) | [Bloomberg Terminal Demo Request](#) | [Bloomberg Anywhere Login](#) | [Customer Support](#)

[Menu](#) [Search](#) **Bloomberg** [Sign In](#) [Subscribe](#)

Cut through the chaos with real time updates on the news affecting the global economy.  
**Enable Notifications.** [Enable](#) [Later](#) [×](#)

Markets

## Historic Home Prices to Whack Owners in Next Year's Property Tax

By [Alexandre Tanzi](#)  
September 20, 2021, 11:00 AM EDT

- ▶ U.S. housing prices have been rising for most of the pandemic
- ▶ New York City suburbs dominate list with highest annual bills

# Current Status

- Just like you, we're continuing to review the market.
- We're taking all information into account, including data provided by assessors.



# Trends

- By the end of the summer, you've made your sales corrections.
- In the beginning of October, we begin to determine preliminary trends from Valuation Date to Valuation Date (July 1, 2020 to July 1, 2021).

# What We're Anticipating

- Given the strong market in most of the state, we expect to see increases (some of them significant) in market values.
- Assessors doing 2022 reassessments will increase their assessments to reflect the market.
- In other municipalities, the equalization rate will decrease.
- This is unusual, but not unheard of.



# Appraisal Methodology for Solar and Wind Projects



Department of  
Taxation and Finance

# New Methodology

The 2021-2022 Enacted State Budget established a process for the NYS Tax Department to develop a standard appraisal methodology for solar and wind energy systems with a nameplate capacity equal to or greater than one megawatt.

(A one megawatt solar farm typically covers five to ten acres.)



# New Methodology (cont.)

## The new law also requires:

- the appraisal model to use the discounted cash flow (income) approach for solar and wind energy systems, and
- discount rates to be applied to the models.



# Work With Key Stakeholders

In addition, the department must work in consultation with the New York State Assessors Association and the New York State Energy Research and Development Authority (NYSERDA).



# Assessor Role

Beginning with 2022 assessment rolls, assessors will use the model and discount rates to value and place assessments on affected energy systems.

**Note:** Municipalities will continue to have the flexibility to negotiate payment in lieu of taxes (PILOT) agreements.

# Getting Started

**In addition to consulting with the NYSAA and NYSERDA, we also gathered input from:**

- the Alliance for Clean Energy,
- the New York State Economic Development Council, and
- an array of renewable energy developers.



# Current Status

- On October 14, we published, the final discount rates and final appraisal model for 2022 assessments.
- On October 26, we'll host a webinar to walk through the new model.



# Questions and Answers

- More than 300 of you attended and submitted 200 questions at our August 31 webinar.
- We grouped the questions and published answers on September 24.
- The Q&A numbers below correspond to the numbers on the [webpage](#).



# Solar/Wind: Question #G2

**Will assessors use the new methodology to determine the assessment for solar and wind properties every year?**



# Solar/Wind: Answer #G2

Yes. The model will be updated annually, and assessors will use it to generate the value for every solar and wind project with a nameplate capacity of one megawatt or larger.



# Solar/Wind: Question #M2

**Why will the model be updated annually?**





# Solar/Wind: Answer #M2

The renewable energy industry is evolving and changing. Those changes will impact the forecasts built into the model's income approach. In addition, as solar and wind projects mature, new and revised information may affect the model.

The discount rates will also change annually to reflect economic changes.



# Solar/Wind: Question #G3

**Could the new methodology be used for a project smaller than one megawatt?**



# Solar/Wind: Answer #G3

No. The model is designed for projects of one megawatt or larger.



# Solar/Wind: Question #G4

**Can an assessor use this methodology to value a residential rooftop solar installation?**



# Solar/Wind: Answer #G4

No. Those projects are typically much smaller than one megawatt. Assessors will continue to value those installations as they have in the past.



# Solar/Wind: Question #G8

**Why didn't ORPTS use the cost approach to develop the methodology?**



# Solar/Wind: Answer #G8

The law (RPTL 575-b) requires the use of the discounted cash flow (income) approach.



# Solar/Wind: Question #G9

**If we change the assessment annually, including in years that we aren't doing municipal-wide reassessments, doesn't this constitute selective (or spot) assessing?**





# Solar/Wind: Answer #G9

No. RPTL 575-b requires the assessor to use the new methodology to value all projects of one megawatt or larger. The law also authorizes the department to annually update the discount rate and to update the model periodically, as appropriate.



# Solar/Wind: Question #G10

**One of the data inputs in the model is tax load.  
Where do I find the tax load for a project?**



# Solar/Wind: Answer #G10

The assessor is responsible for calculating the tax load (or overall full value tax rate ) for the project. This should reflect all property taxes applicable to the property, including town, county, village, school district, and special district tax rates.



# Solar/Wind: Answer #G10 (cont.)

## To calculate the tax load:

1. For each taxing jurisdiction, multiply the tax rate per thousand dollars of assessed valuation by the equalization rate.
2. Divide the product of Step 1 by one thousand.
3. Sum the results for all jurisdiction.



# Solar/Wind: Question #M3

**How does the model handle the value of the land, and how should we value the land if it is leased or very large?**



# Solar/Wind: Answer #M3

The user has the opportunity to enter the annual amount of a land lease into the model. If a value is entered in the Annual Ground Lease Payment field, then the model does not include a land value. The assessor should use a standard appraisal methodology to value the land.



# Solar/Wind: Answer #M3 (cont.)

If the property is not leased (the Annual Ground Lease Payment is \$0), then the model does value the land in conjunction with the plant itself. The present value of cash flow is the full market value of the plant and land.



# Solar/Wind: Question #M4

A solar company owns the parcel the solar farm is located on. Therefore, the Annual Ground Lease Payment is \$0 and the model includes the value of the land. How does the assessor know the value of the land to put on the assessment roll?





# Solar/Wind: Answer #M4

To arrive at a land value for the assessment roll, the assessor should value the land via standard appraisal methodology and apply the level of assessment to that value.



# Solar/Wind: Question #M5

**Why was 25 years selected as the discount period?**



# Solar/Wind: Answer #M5

The typical warranty period for a renewable energy project is 25 years.



# Solar/Wind: Question #P1

**How does the new methodology impact existing PILOTs?**



# Solar/Wind: Answer #P1

The answer depends on the terms of the existing PILOT agreement. If a PILOT under the agreement is calculated based on the assessed value of the project, the publication of this model will change the PILOT because the assessed value of the property will likely change. If the PILOT agreement sets the PILOT at a specific amount without regard to the assessed value of the property, the model may have no impact on the PILOT.



# Solar/Wind: Question #P5

**If a taxing jurisdiction did not opt out of the RP 487 exemption and entered into a PILOT agreement before 2022, are existing projects grandfathered and the new methodology will not apply for the PILOT duration?**



# Solar/Wind: Answer #P5

The new methodology applies to all projects of one megawatt or larger.



# Solar/Wind: Question #P6

**Will some existing PILOT agreements need to be modified as a result of this new methodology?**





# Solar/Wind: Answer #P6

You should consult with local counsel on the agreement(s) in your municipality.



# Solar/Wind: Question #E1

**Is the exemption for solar, wind, or certain other energy systems (487) still in effect for plants regardless of their size?**



# Solar/Wind: Answer #E1

The exemption authorized by RPTL 487 continues to be in effect, except where a locality has opted out of the exemption. If a solar or wind plant is one megawatt or larger, you will use the appraisal model to determine its value for purposes of the exemption.



# Solar/Wind: Question #E2

**If a town owns the solar or wind plant, will it still be wholly exempt under this new methodology?**



# Solar/Wind: Answer #E2

If a generating facility is exempt from taxation under RPTL 406 it will continue to be exempt. Municipalities will use the new methodology to generate the value of the property, which will then be wholly exempt.



# Solar/Wind: Question #E3

**Does the law establishing this new methodology (RPTL 575-b) eliminate the penalty for converting agricultural land to a solar project?**



# Solar/Wind: Answer #E3

No. The conversion payments authorized by Agriculture and Markets Law Sections 305 and 306 still apply to the development of solar generating facilities.



# Solar/Wind: Question #S1

**How can an assessor get specific values to enter into the model from developers?**





# Solar/Wind: Answer #S1

Developers are aware of the new law, and can be expected to provide information when needed. Assessors have the authority to contact the developer for information, just as they do for other types of properties.



# Solar/Wind: Question #S2

**Before using the model each year, should we first contact the developers for updated information?**



# Solar/Wind: Answer #S2

You may wish to contact the developers annually to be aware of any changes to the plant.



# Solar/Wind: Question #S4

**After the methodology is finalized, will there be someone at ORPTS that we can contact with questions?**

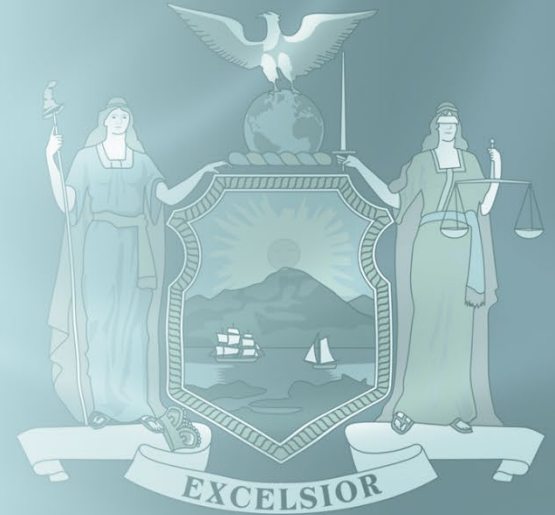


# Solar/Wind: Answer #S4

Yes. We're developing a new mailbox. In the meantime, you can continue to use [renewables.model.comments@tax.ny.gov](mailto:renewables.model.comments@tax.ny.gov).



# Legislation



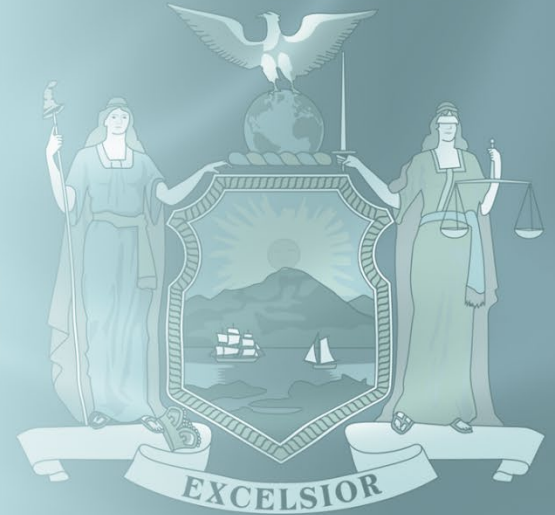
Department of  
Taxation and Finance

# Presenters

- Joe Gerberg
- Tobias Lake
- Ellen Krejci
- Mike Trajbar



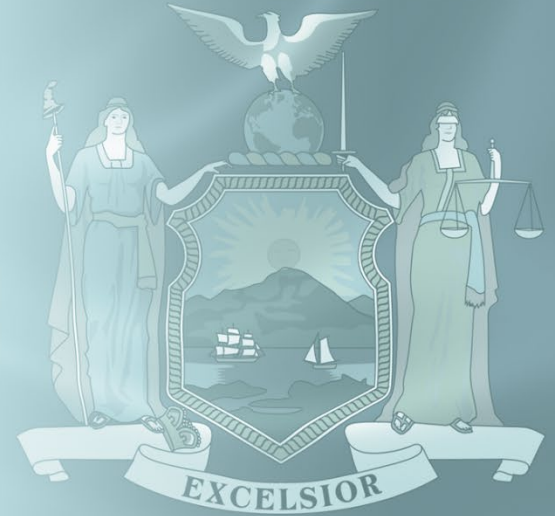
# Introduction and Overview



Department of  
Taxation and Finance



# Valuation



Department of  
Taxation and Finance

# Selection of Comparable Sales (#5, Pending)

## For mixed use and non-residential properties outside New York City

- Set forth elements to be considered when selecting comps.
- Similar use or use at time of sale in same real estate market.



# Selection of Comparable Sales (cont.)

## Properties would be required to be similar in:

- age
- condition
- use or use at time of sale
- type of construction
- location
- design
- physical features
- economic characteristics, such as occupancy and market rent



# COVID



Department of  
Taxation and Finance

# Tax Enforcement Moratorium (Part of #3)

- **Note:** numbers 7, 8, and 9 have expired.
- Prohibits sale or enforcement of most tax liens until 1/15/22.



# STAR Delinquency (#10, Pending)

Forbids removal of Basic STAR exemptions for past-due RPTs until the end of COVID State disaster emergency.



# Termination of Municipal Services (#57)

- Expands 2020 legislation that imposed moratorium on termination of utility services, including those provided by municipalities
- Restricts re-levying of unpaid municipal utility bills
  - until 12/21/21, no re-levy if customer had “change in financial circumstances” due to COVID emergency
  - until 6/30/22, re-levy permitted but 30-day notice must be given
  - but no re-levies for customers with deferred payment agreements
- Expires 7/1/22



# Public Bodies and Remote Meetings (Part of #3)

Allows public meetings to be held fully remotely until 1/15/22



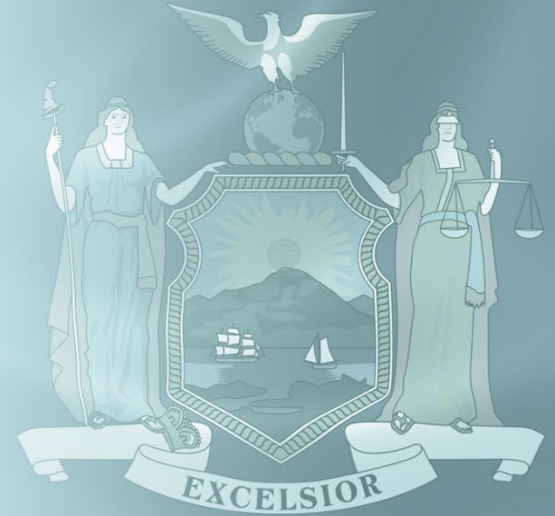


# Grievance Process in Suffolk County (#55)

- Reopens grievance period for certain nonprofit orgs
- Only for 2020 and 2021 assessment rolls



# Exemptions



Department of  
Taxation and Finance

# COVID and Exemption Application Deadlines (#11)

- Allowed deadlines to be extended at local option to 7/15/2021.
- Did **not** eliminate 467 & 459-c renewal requirements for 2022.



# Senior Citizens Exemption

## Senior citizens exemption & income tax years (# 39, pending)

- Would specify the income tax years that apply to annual eligibility determinations
- For taxable status dates before April 15:
  - must use income tax return from two years ago
  - example: in 2022, use the 2020 income tax return
- For taxable status dates on or after April 15
  - must use income tax return from last year
  - example: in 2022, use the 2021 income tax return



# Real Property Tax Exemption Task Force (#54)

- Amends a law signed in 2020
- Changes composition of task force: adds legislators and President of NYSAA
- Removes from jurisdiction of the Tax Department
- Clarifies assistance to be provided by the department



# Alt Vets Exemption

## Alt vets exemption and Vietnam War dates (# 42, pending)

- Changes start date from 2/28/1961 to 11/1/1955
- End date unchanged, remains at 5/7/1975



# Residential Revaluation Exemption

## Residential revaluation exemption (# 38, pending)

- Local option for municipalities conducting full value revaluations.
- Allows adverse tax impacts on homeowners to be phased in over three years.

# Agricultural Exemption & Apiaries (#4)

- For gross sales:
  - law previously referred only to honey and beeswax
  - now it also refers to royal jelly, bee pollen, and propolis: if on “land used in agricultural production in conjunction with the same or an otherwise qualified farm operation”
- For agricultural structures exemption:
  - law previously just referred to honey, beeswax and bee storage
  - now it also refers to royal jelly, bee pollen, and propolis
- Replaces term “gross sales value” with “gross sales”





# Historic Barns (#13, Pending)

- Would amend definition of “historic barn”
  - “certified agricultural structure”
  - standards to depend on when built (before or after 1945)
  - OPRHP to set guidelines
- Would also make related changes to state tax credit

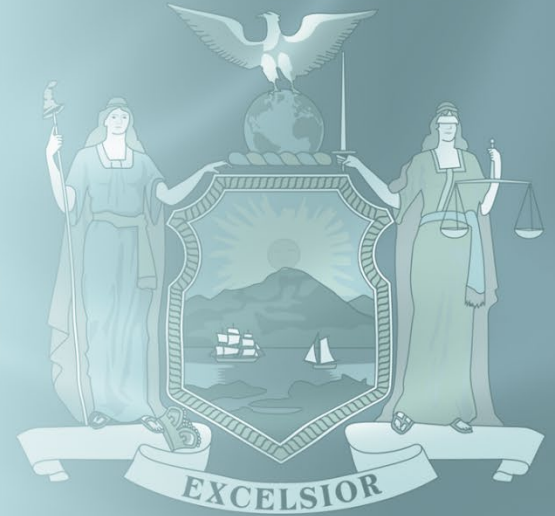
# Residential-Commercial Urban Exemption (#37)

## Modifies various restrictions enacted in 2020

- Clarifies types of eligible commercial uses
- Sets minimum residential portion of floor area at 40% (was 50%)
- Specifies that previously-vacant land may be eligible
- Deletes requirement that 75% of prior floor area be retained
- Clarifies when exemption may be revoked



# Miscellaneous



Department of  
Taxation and Finance

# RPT Relief Credit (Part of #1)

**For TPs with incomes  $< \$250,000$  and with RPTs  $> 6\%$  of income**

- Credit is % of excess
- % decreases as income increases
- Maximum credit is \$350
- No credit if amount would be  $< \$250$



# RPT Relief Credit (cont.)

- Only for taxable years 2021, 2022 and 2023.
- Paid through increased PIT refunds (or reduced liabilities). No separate checks issued.



# RETT – RPT Reporting (Part of #1)

- Allows RP-5217 and TP-584 forms to be combined and filed electronically, along with electronic payment of applicable taxes and fees.
- Tax commissioner would issue a receipt to be filed with county clerk. Receipt would take the place of a paper RP-5217 and TP-584.



# RETT – RPT Reporting (cont.)

- Parties to the transfer may continue to file on paper if they prefer.
- County clerks will be paid the same fees either way.
- System is under development, implementation date unknown.



# Chargebacks

## Chargebacks of Certiorari Refunds to Libraries (# 59, pending)

- Currently, chargebacks allowed only for school district public libraries.
- Bill would add association libraries, municipal public libraries, and special district public libraries.



# Adjustment of Tax Apportionment

## Adjustment of tax apportionment in one SD (# 56)

- Eastport-South Manor School District made error in apportionment of 2019-20 school tax levy.
- Correction was made over two years: part in 2020-21, part in 2021-22.
- The legislation ratifies this methodology.

# Village of Upper Nyack Assessor Position (#64)

- General rule for villages: assessor must be resident of village
- Rule for Upper Nyack: must be resident of Rockland or adjoining county





# Department of Taxation and Finance

**Efficiency • Integrity • Fairness**