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I Introduction

In the autumn of 2007, the New York State Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and municipal officials to study reform opportunities for their local real property assessment systems.

Compared to almost all other states, New York's property tax system is complex and confusing, particularly for taxpayers. New York is one of only 3 states that doesn't have a statewide standard of assessing. It is one of 12 states that doesn't mandate a reassessment cycle. Meanwhile, it has nearly 700 school districts that criss-cross 1,128 assessing units (compared to a national median of 85 assessing units).

The intent of the grant program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the data of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions, alike.

The system must uniformly affect every parcel within the County and must result in the following performance standards:

- A common level of assessment (LOA) for all of the 29 Towns within Allegany County.
- A common database of assessment, inventory, pictures, and valuation data for all the assessing units within the County.
- A single assessment for every parcel in the County.
- Consistent Assessment Administration Standards (i.e., regular reassessment cycles; timely verification, correction and transmittal of sales data; current and accurate inventory collection and maintenance; etc) for all assessing units within the County.

The goal of this study is to identify a system (or systems) that provide a mechanism for obtaining and maintaining equitable assessments, that is understandable to taxpayers, and that functions efficiently and consistently. The study includes (1) analysis of the current assessment system in Allegany County; (2) a description of several options available to achieve a common level of assessment and a common reassessment cycle for all municipalities within the County. **It should be noted that this study is not intended to identify every operational detail of the options described, and that any decision to implement or further explore options will require additional analysis.**

The study includes a comparative analysis of current and projected costs in personnel, equipment, and services/supplies for one or more of the options as compared to the present system. The option(s) studied will use the staffing requirements as if the system were operating under the standards of the International Association of Assessing Officers. The study will include an analysis of the pathway and timetable for migrating from the current assessment system to an alternative system, and give specific suggestions for easing the transition

functionally, financially, and legislatively. The final section of this Study will be dedicated to suggestions as to how the State might better utilize its resources to assist in the transition for Towns and Counties.

II Executive Summary

The following Study gives the Allegany County Legislature the current status of their Town assessing units and some various options that are available to consolidate all or part of this important function.

It is important for the reader to understand the fundamentals of the Real Property Tax System. Property owners are taxed based upon their perceived wealth which is demonstrated by the value of their real property. This is why it is absolutely essential that assessments are kept current and accurate each and every year. In fact, the Real Property Tax Law (RPTL 305) requires assessments within each assessing unit to be maintained at a "uniform percentage of market value."

Definition - RPTL §305
Standard of Assessment

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

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform
This would include County Assessing Units

The duties of the assessor include discovering, listing and valuing all real property within their assessing unit.

The goal of this Study is to define an assessment system that will achieve common treatment for all parcels in Allegany County. The goals listed below are worthy of attainment regardless of which option is pursued.

- Transparency - "Is it simple enough for taxpayers to understand?"
- Equity - "Does it treat every parcel the same way?"
- Efficiency - "Is it the lowest cost for a given level of service?"

The following two models with five options have been described in some detail. The one important consideration for all of these assessment models is that in order to achieve equity and a 100% level of assessment throughout the County is that those Towns that are not at that level will need to complete a town-wide revaluation. The estimated added cost of that of 100% process using assessors or outside contractors for data collection/verification and valuation is as follows:

Costs of Meeting the Performance Standards		
Within the Current Assessment System		
Allegany County's Current Assessment System Costs		
County Budget for Real Property Tax Services (Net)		\$453,347
Town Budgets for Municipal Assessing (Net)	+	\$384,736
Total Current Costs of Assessing Within the County	=	\$838,083
Additional Costs To Comply Under Current System		
Cost of Bringing All Parcels Up To The Performance Standards (100%)		
2,595 Parcels x \$40/parcel*		
Total Initial Costs:		\$103,800
Offsetting Available State Aid Incentives		
Reassessment Aid of up to \$5 x 2,595 Parcels	-	\$12,975
Net Initial Cost To Attain Countywide Equity Within		\$90,825
Allegany County's Current Assessment System		
*This figure represents either an "in house" or contracted data verification and reassessment of 2,595 parcels. The cost of such a project would depend on the condition of the data in the various Towns and the size of the project.		
This figure is for data reverification and valuation services. Projects from scratch without reasonable inventory data to work from could run as high as \$40-\$60/parcel.		
For purposes of this Study we will use an average figure of \$40/parcel.		

The cost of providing all Allegany County property owners with an assessment system that is equitable, transparent and efficient could be a one-time cost of up to \$35/parcel after subtracting the \$5 State Aid. But when coupled with some of the structural modifications described in this report and the various financial incentives for re-structuring, together with incentives for maintaining the assessments, there are annual cost savings which can be achieved and eventually offset this initial up front expense.

The report examines two major types of Assessing Systems: Single Unit Models and Multiple Unit Models. They are further broken out into five options:

Single Assessing Unit Models

- Option #1 – County Run Assessing
- Option #2 – Coordinated Assessing with one County Run Coordinated Assessing Program (CAP)

Multiple Assessing Unit Models

- Option #3 – Coordinated Assessing Programs (CAPs) with Inter-Municipal Agreements.
- Option #4 – Towns Contracting with the County (RPTL1537)
- Option #5 – A revolutionary hybrid option that would require the State to pass a Cycle Bill that would provide financial aid for municipalities to meet the common LOA of 100% and then have the Valuation Date frozen every 4 years to avoid further Equalization Rate Studies and the need for Annual Reassessment.

As mentioned above, once all of the parcels in the County have a common assessment level of 100%, there will be savings realized along with fair taxation for all taxpayers. By subtracting the annual operational costs of the various options from the current costs of assessing within the County, which is \$838,083, the range of savings will be ongoing. This can offset the initial start-up costs for establishing an equitable assessment program for taxpayers. In the case of Single Assessing Units, the overall savings to the taxpayers under the County-Run option should run approximately \$12,756 a year from what is currently being paid. In the County-Wide CAP option there would be an approximate cost to the taxpayers of (\$121,891). In the case of Multiple Assessing Units models, the overall savings to the taxpayers is estimated between \$12,756 to \$84,547 from what is currently being paid for Assessment Services in the Towns and the County.

For Allegany County, based on data collected and analyzed, the emphasis of the study is to review the County-Run and the Multiple Assessing Unit Model using RPTL1537 Agreements (see Appendix) to contract with the County. Twenty-six out of the twenty-nine Towns have recently conducted State supported reassessment projects. Any consolidation of the Assessment function into a single unit is something that may be considered only when all of the Towns attain a 100% Equalization Rate or level of assessment (LOA). When this is achieved the other individual goals of transparency, equity, and efficiency will automatically be attained. The costs of accomplishing this task (as shown on the table on the following page) to bring all parcels within the County into conformance with the following standards:

- Common Level Of Assessment at 100%
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices
- Each parcel has only one assessment, which has already been accomplished through the prior elimination of any assessing unit villages.

For purposes of this Study and to make the Assessment System more understandable, equitable, and cost effective it is recommended that the New York State Office of Real Property Services (NYSORPS) introduce legislation to accomplish these goals. At the very least, there should be a mandatory cycle bill. This would mandate that all assessing units in the State must reassess all parcels on a regular basis (most likely every three years). The other critical piece that would be needed is some type of funding mechanism to help municipalities offset some of the initial costs. For Towns that have not reassessed in some time the cost of completing a data re-verification and reassessment project could run \$40 per parcel. If done by an outside contractor the typical costs run about \$30 for the data collection and about \$30 for the valuation portion. If they are required to do the data mailers, impacts and informal meetings, as well as grievance and support, the total package can total \$80 per parcel or more. If the Assessor does some or all of this work these costs can be less. All levels of government are facing difficult budget situations, and without some State assistance, it would be a serious burden on local municipalities to fully fund these initiatives. The top portion of the table below displays an overview of the cost comparisons less the State Aid available, of the different options for the initial one-time start-up costs (savings). The lower portion

demonstrates the ongoing annual operational costs for maintaining all parcels in the County at a uniform assessment standard with their Annual Savings after State Aid is subtracted.

Allegany County Assessment Models Cost Savings & Aid Comparisons	Single Assessing Unit Models			Multiple Assessing Unit Models		
	Option #1: County-Run Assessing	Option #2 County CAP	Option #3 Current Structure w/additional consolidation & Inter-municipal agreement	Option #4 All Munis contract w/County under RPTL 1537	Option #5* Current Structure, Reassessment Cycle w/matching Valuation Date *Allegany Version	
Start-up Costs:						
Establish Equitable assessments at a common level throughout the County [Reassess 3 Towns or 2,585 parcels @ \$40]	\$103,800	\$103,800	\$103,800	\$103,800	\$103,800	
Available State Aid for reassessment [2,595 parcels @ up to \$5] (Town Aid for 3 Towns)	-\$12,975	-\$12,975	-\$12,975	-\$12,975	-\$12,975	
State Consolidation Aid [24,668 parcels @ up to \$7 - one time payment][6 Towns have already rec'd Aid]	\$0	-\$172,676	Varies	Varies	Varies	
State Consolidation Aid for County Run Assessing, RPTL 1537, 33,671 parcels @ up to \$7	\$0	\$0	\$0	\$0	\$0	
State Aid for County Run Assessing Referendum Approval, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	-\$67,342	\$0	\$0	\$0	\$0	
State Consolidation Aid for County providing services, RPTL 1537, 33,671 parcels @ \$1	\$0	-\$33,671	\$0	-\$33,671	\$0	
State Aid IF County Managed County-Wide CAP, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	-\$67,342	\$0	\$0	\$0	
Total One Time Start-up Costs:	-\$212,214	-\$182,864	\$90,825	\$57,154	\$90,825	
Operational Costs After Attaining 100% L.O.A.:						
Towns Assessment Office Costs (Net)	\$0	\$0	Varies	\$0	\$1,538,944 ³	
County Real Property Tax Dept Costs (Net)	\$903,347 ¹	\$453,347	\$453,347	\$903,347 ¹	\$1,813,388 ³	
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$572,407 ²	\$0	\$0	\$0	
Additional cost of annually maintaining assessments at a common level of Assessment throughout the County, State Aid for Annual Reassessment [33,671 parcels @ up to \$5]	\$83,808	\$102,575	\$83,808	\$90,335	\$134,093	
	-\$168,355	-\$168,355	-\$168,355	-\$168,355	-\$336,710	
Current Annual Operational Costs for Towns, Cities, & County:	\$838,083	\$838,083	\$838,083	\$838,083	\$838,083	
Total Annual Operational Costs for Equity:	\$825,327	\$959,974	\$825,327	\$825,327	\$1,049,905	
Total Annual Savings (Costs):	\$12,756	(\$121,891)	\$12,756	\$12,756	(\$211,822)	

Notes:
1 Cost of County Dept estimated by adding 10 staff @ \$30,000/yr plus 50% fringe benefits= \$450,000 to the current budget (Net) of \$453,347 which then totals \$903,347
2 Estimated \$17/parcel based upon similar costs in Allegany County and other similar counties
3 Assumes a 4 year cycle. Operational Costs are based on a 4 year program, then computed to an annual cost
4 Partially built into staffing cost estimate; 10% added for additional expenses, i.e. appraisal assistance, printing, postage, mileage, BAR, etc.
5 Partially built into staffing cost estimate; 10% added for additional expenses (same as #4 above), then because it is a 3 year program 40% was attributed to a given year.
6 In this 4-year cycle option the State Aid would be \$10 for the first year and then \$0 for the following 3 years until the next reassessment.

III Existing System

A) Description of the Duties and Responsibilities of County Directors and Assessors.

As in all Counties in New York State, with the exception of Tompkins and Nassau where they have Countywide Assessing, there are two public officials that carry out the work of coordinating the assessment process: the County Director and the local Assessors.

In Allegany County there is a County Real Property Tax Service Office comprised of the Real Property Tax Director, a Tax Assessment Supervisor, a Real Property Tax Service Aid, an Account Clerk, Tax Map Supervisor, and a Tax Map Technician.

The duties and responsibilities of the Real Property Tax Office include:

Statutory

- Prepare tax maps, maintain them in current condition, and provide copies to assessors
- Provide advisory appraisal to towns
- Advise assessors on procedures for the preparation and maintenance of assessment rolls, property record cards, appraisal cards, and other records and documents relating to real property assessment and taxation
- Provide appraisal cards in such form as shall be prescribed by the state board in quantity needed for use in the preparation of assessment records
- Cooperate and assist in the training programs provided by the state board
- Provide administrative support, cooperation, and assistance to acting boards of assessment review
- Provide the county equalization agency with information that may be useful in the operation of that agency
- Prepare and furnish an annual report to the legislative body of the County, a copy of which shall be sent to the State Board which report shall contain at least such information required by the legislative body of the County and the State Board and prepare such additional reports as may from time to time be required by the legislative body or the State Board.
- Conduct Board of Assessment Review Training
- Conduct Assessor Orientation Training

When Authorized By The County Legislature

- Assist in the disposition and sale of real property acquired by the county as a result of tax sale.
- Perform the duties imposed upon the recording officer of the county in relation to reports of transfers of real property.
- Supply towns with assessment rolls or other forms for use in connection with the preparation of assessment rolls or the collection of property taxes.

General

- Responsible for RPS computer file maintenance and processing
- Perform computer systems maintenance and initiation of new computer programs with responsibility for overseeing systems
- Produce town and county, school and village tax bills, tax rolls, cross reference lists, and collector's lists by the statutory deadline for each taxing jurisdiction.
- Establish and maintain a comprehensive real property tax service program to assist in the development of equitable assessment practices
- Maintain a variety of records and statistical data for control and reporting purposes most of which are computerized
- Maintain ownership information of each parcel on the assessment roll
- Direct and train field and office staff
- Prepare and submit annual reports
- Assist assessors on unique valuation problems
- Prepare annual budget for real property tax services department
- Prepare apportionments, rate and warrants
- Perform corrections of errors as allowed by real property tax law
- Assists town, county, school, state officials, and others in matters pertaining to real property taxation

The County is currently using CD's to maintain a current database at the County. The twenty-nine Towns update the County database by submitting CD's seven times a year to coincide with statutory requirements of reporting to the State and local rolls/bills preparation.

Some of the duties and responsibilities of the Municipal Assessors include:

- Locate property and collect inventory data
- Determine ownership of property
- Maintain ownership information of each parcel on the assessment roll
- Notify owners where and when data is available for inspection
- Value all real property at a uniform level of assessment
- Process exemptions
- Mail notices of increased assessment or other changes
- File a Tentative Assessment Roll
- Answer questions regarding tentative roll
- Defend values
- Attend meetings of the Board of Assessment Review, Small Claims, Certioraris
- File a Final Assessment Roll
- Attend required continuing education and professional conferences
- May manage assessment office
- May meet with property owners, media, and other government officials
- Analyze local data such as market sales, interest rates, and market trends.
- Prepares challenge for equalization rate if necessary

1) Existing Collaborations

For many years the New York State Office of Real Property Services has provided additional aid monies (currently up to \$7/parcel) to groups of municipalities who consolidate their assessment functions, share an assessor and achieve a common level of assessment. Besides the obvious municipal cost benefits related to consolidation, the Coordinated Assessing Program (CAP) reduces the number of assessment officials who need to be trained and certified and reduces the number of individual equalization rates that need to be computed by the State. There is currently one active CAP in Allegany County. The Towns of Alma and Wellsville became CAP #2 on January 1, 2002. There were two other CAPs: CAP #1 – the Towns of Caneadea and Rushford & CAP #3 – the Towns of Allen and Birdsall that both became inactive 1/1/07 and 1/1/08 respectively.

Assessors With Multiple Jurisdictions – Of the ten appointed assessors and three 3-person elected assessment boards in Allegany County, there are seven that assess for multiple jurisdictions within the County. See Table A-1 below:

Table A-1

MUNICIPALITIES		ASSESSMENT OFFICES		EXISTING COLLABORATION		
SWIS	Municipal Name	Type of Assessor	Assessor Name	Part of CAP?	Assessor Works for Multiple Municipalities?	Contract with County for Asmt Services?
0220	Alfred	Appointed	Sue Putt	No	Yes	No
0222	Allen	Appointed	Diane Carney	No	Yes	No
0224	Alma	Appointed	LouAnne Glass	Yes	Yes	No
0226	Almond	Appointed	Martha Thompson	No	Yes	No
0228	Amity	Appointed	Sandy Keenan	No	Yes	No
0230	Andover	Appointed	Martha Thompson	No	Yes	No
0232	Angelica	Appointed	Russ Heslin	No	Yes	No
0234	Belfast	Appointed	Sheri Collins	No	No	No
0236	Birdsall	Appointed	Russ Heslin	No	Yes	No
0238	Bolivar	Appointed	LouAnne Glass	No	Yes	No
0240	Burns	Appointed	Diane Carney	No	Yes	No
0242	Caneadea	Appointed	Russ Heslin	No	Yes	No
0244	Centerville	Appointed	Russ Heslin	No	Yes	No
0246	Clarksville	Appointed	Kay Reynolds	No	Yes	No
0248	Cuba	Elected (3)	Don Donovan	No	No	No
0250	Friendship	Appointed	Sue Putt	No	Yes	No
0252	Genesee	Elected (3)	Carol Palidar	No	No	No
0254	Granger	Appointed	Duane Ayler	No	No	No
0256	Grove	Appointed	Richard Morris	No	No	No
0258	Hume	Appointed	Russ Heslin	No	Yes	No
0260	Independence	Appointed	LouAnne Glass	No	Yes	No
0262	New Hudson	Appointed	Russ Heslin	No	Yes	No
0264	Rushford	Appointed	Russ Heslin	No	Yes	No
0266	Scio	Appointed	Sandy Keenan	No	Yes	No
0268	Ward	Appointed	Kay Reynolds	No	Yes	No
0270	Wellsville	Appointed	LouAnne Glass	Yes	Yes	No
0272	West Almond	Appointed	Martha Thompson	No	Yes	No
0274	Willing	Appointed	LouAnne Glass	No	Yes	No
0276	Wirt	Elected (3)	Alice Dunbar	No	No	No

Office Hours – In many of the smaller municipalities, the assessors are available by phone, and during active periods they do keep regular office hours. In the larger Towns the Assessors or their staff are available during regular hours on a year-round basis. It should be noted that the assessor’s job is very cyclical due to New York State’s Assessment Calendar and that time dedicated to working in the office should only be necessary during certain times of the year especially around the end of February just before Taxable Status Date in Towns. During other times meetings by appointment work out quite well for smaller municipalities. The hours listed on the following page are calculated as weekly averages for a full calendar year. It should also be noted that these hours do not reflect the total hours that an assessor works, but only the hours in the office. The Assessor’s duties and responsibilities take them outside of the office and into the field doing data collection, review of building permits, and valuation work. The breakdown of each Town office, the hours covered, along with any additional staff is shown on the following page at Table A-2.

Table A-2

MUNICIPALITIES		ASSESSMENT OFFICES			
SWIS	Municipal Name	Type of Assessor	Assessor Name	Accessibility to the Assessor on a Weekly Basis (Hours)	# Other Staff (excluding Assessors)
0220	Alfred	Appointed	Sue Putt	4	1
0222	Allen	Appointed	Diane Carney	By Appt.	
0224	Alma	Appointed	LouAnne Glass	30	2
0226	Almond	Appointed	Martha Thompson	2.5	1
0228	Amity	Appointed	Sandy Keenan	2	1
0230	Andover	Appointed	Martha Thompson	3	1
0232	Angelica	Appointed	Russ Heslin	37	4
0234	Belfast	Appointed	Sheri Collins	By Appt.	1
0236	Birdsall	Appointed	Russ Heslin	37	4
0238	Bolivar	Appointed	LouAnne Glass	5	1
0240	Burns	Appointed	Diane Carney	By Appt.	
0242	Caneadea	Appointed	Russ Heslin	37	4
0244	Centerville	Appointed	Russ Heslin	37	4
0246	Clarksville	Appointed	Kay Reynolds	3	1
0248	Cuba	Elected (3)	Don Donovan	15	3
0250	Friendship	Appointed	Sue Putt	4	1
0252	Genesee	Elected (3)	Carol Palidar	By Appt.	3
0254	Granger	Appointed	Duane Ayler	By Appt.	1
0256	Grove	Appointed	Richard Morris	By Appt.	1
0258	Hume	Appointed	Russ Heslin	37	4
0260	Independence	Appointed	LouAnne Glass	1.5	1
0262	New Hudson	Appointed	Russ Heslin	37	4
0264	Rushford	Appointed	Russ Heslin	37	4
0266	Scio	Appointed	Sandy Keenan	2	1
0268	Ward	Appointed	Kay Reynolds	By Appt.	1
0270	Wellsville	Appointed	LouAnne Glass	30	2
0272	West Almond	Appointed	Martha Thompson	By Appt.	1
0274	Willing	Appointed	LouAnne Glass	2	1
0276	Wirt	Elected (3)	Alice Dunbar	5	3

Current Town and County Costs – The average costs of performing the various assessment functions at the Town level run about \$11.43 per parcel, and about \$13.46 per parcel for the County Real Property Tax Office. The total annual cost of the current system using 2008’s Town Assessor’s and County Real Property Tax Service Office’s budgets were \$838,083 and when divided by 33,671 parcels is \$24.89/parcel. The Town of Wellsville has the largest number of parcels and represents just over 11% of all of the parcels within Allegany County. There are no assessing unit villages remaining in the County. See Table A-3 on the following page for specific details of the individual Town and County staffing, salaries, expenses, totals, parcel counts, and total costs per parcel.

Table A-3

MUNICIPALITIES		MUNICIPAL CHARACTERISTICS		
SWIS	Municipal Name	Total Budget for Assessment Function	Total Number of Parcels	Budget Per Parcel
0220	Alfred	\$11,934	1259	\$9.48
0222	Allen	\$4,925	563	\$8.75
0224	Alma CAP #2 ¹	\$10,000	1037	\$9.64
0226	Almond	\$11,885	1149	\$10.34
0228	Amity	\$10,740	1427	\$7.53
0230	Andover	\$11,500	1345	\$8.55
0232	Angelica	\$12,520	1116	\$11.22
0234	Belfast	\$17,200	1172	\$14.68
0236	Birdsall	\$9,550	583	\$16.38
0238	Bolivar	\$14,100	1590	\$8.87
0240	Burns	\$9,200	783	\$11.75
0242	Caneadea	\$14,041	1414	\$9.93
0244	Centerville	\$6,206	625	\$9.93
0246	Clarksville	\$12,500	1104	\$11.32
0248	Cuba ²	\$51,955	2244	\$23.15
0250	Friendship	\$21,400	1307	\$16.37
0252	Genesee	\$11,500	1201	\$9.58
0254	Granger	\$4,225	582	\$7.26
0256	Grove	\$6,400	675	\$9.48
0258	Hume	\$11,926	1201	\$9.93
0260	Independence	\$6,350	841	\$7.55
0262	New Hudson	\$12,850	768	\$16.73
0264	Rushford	\$16,675	1679	\$9.93
0266	Scio	\$12,000	1241	\$9.67
0268	Ward	\$4,450	437	\$10.18
0270	Wellsville CAP #2 ¹	\$44,654	3727	\$11.98
0272	West Almond	\$3,200	529	\$6.05
0274	Willing	\$7,900	1090	\$7.25
0276	Wirt	\$12,950	982	\$13.19
Total Town Costs w/Fringe:		\$384,736	33,671	\$11.43
Total County RPTS w/Fringe:		\$453,347	33,671	\$13.46
Countywide Costs for Assessing:		\$838,083	33,671	\$24.89
¹ Alma & Wellsville share expenses and services of their assessor.				
² There is an added expense factor included in this figure for a 2009 revaluation.				

Property Types Within the County

The 29 Towns Allegany County has a mix of urban, suburban, and rural properties with a large percentage of residential, and vacant land parcels as can be seen from Table A-4 below:

Table A-4

Property Class Codes	County-wide Statistics	Number of Parcels
100	Agricultural	1,251
200	Residential	19,929
300	Vacant Land	8,848
400	Commercial	1,068
500	Rec. & Entertainment	96
600	Community Service	758
700	Industrial	239
800	Public Service	871
900	Forest	611
	Totals:	33,671

Real Estate Trends in Allegany County

While nationally we are hearing of a significant downturn of the real estate market, here in Allegany County, like much of upstate NY, according to the analysis performed by ORPS and others, properties here have continued to appreciate at a rate of 1% to 3% over the last three years.

Within the Towns various types and qualities of properties appreciate at varying rates however. Higher valued homes tend to increase in value at a faster rate than lower, less desirable homes. Because property assessments are based upon the current market value of these properties, when assessments are not kept current, in many cases the lower value properties, which are typically least able to pay, shoulder part of the tax burden that should be paid by the higher valued properties. The best way to approach this inequity is through frequently completed reassessments. In Allegany County 26 of the Towns have completed a reassessment project within the past three years. If a cycle bill is passed in the next year or two it would be a good plan to have the three Towns that have not conducted recent updates to start preparing for that event and begin field reviewing the inventories and keeping up the sales file so everyone would be prepared to update their assessed values at the same time.

Complex Properties within the County

There are a few complex properties such as Industrial and Utility that would be appraised by ORPS during a reassessment, if requested.

B) Indicators of Assessment Equity

Real Property Tax Law, Section 305, requires that assessing jurisdictions treat all parcels the same by assessing all real property at a uniform percentage of market value. The following statistical measures depict how consistently assessors are treating all parcels uniformly.

COD's - Coefficient of Dispersion

The Coefficient of Dispersion (COD) is a common statistical measure of uniformity. The lower the COD is, the more uniformity there is. According to the International Association of Assessing Officers (IAAO, www.iaao.org), an international association who sets the standards for assessment administration, for residential properties the relationship between assessed value and market value should have a COD of 15% or less. The description below should help clarify the acceptable ranges of these percentages:

The IAAO standards for uniformity when indicated by a COD are:	
Single-family residences	COD of 15% or less
Newer, more homogenous areas	COD of 10% or less
Income-producing property	COD of 20% or less
Larger, urban jurisdictions	COD of 15% or less
Vacant land and other unimproved property	COD of 20% or less
Rural residential and seasonal properties	COD of 20% or less
Newer mobile homes	COD of 15% or less
Older mobile homes / on acreage	COD of 20% or less
Mixed use properties	COD of 15% to 20%

In a municipality that is assessing at full market value and has a COD of 15%, a home worth \$100,000 is equally likely to have an assessment that is somewhere between \$85,000 (15% low) and \$115,000 (15% high). So even a municipality with a 15% COD can have disparities on individual property owner's tax bills. But, the lower the COD, the more uniformly the assessments are related to market value and the more fairly property owners are being treated.

As can be seen from Table A-5 on the following page, the 2007 equalization rates range from 73.00% to 100.00%, with the 2008 COD's ranging from 12.71% to 23.63%. According to IAAO standards for Allegany County, a COD of less than 15% would be acceptable for residential parcels and less than 20% for all other types of property such as income properties, farms, rural and vacant land. This statistical data suggests that the majority of Towns in Allegany County lie within or at least very close to the IAAO standards, but should consider preparing for a reassessment project in the near future regardless of the passage of a cycle bill.

Table A-5

MUNICIPALITIES		INDICATORS OF ASSESSMENT EQUITY					
SWIS	Municipal Name	2007 Eq. Rate	Latest LOA of Various Property Types	CAMA CODs for 2008	Latest Reassessment	*Latest State Aid	Next Planned Revaluation
0220	Alfred	100.00%	100.00%	15.98	2008	\$5,295	Annual
0222	Allen	100.00%	100.00%	13.62	2007	\$2,720	2009
0224	Alma	100.00%	100.00%	17.09	2007	\$4,970	2010
0226	Almond	91.64%	100.00%	18.51	2008	Failed	Annual
0228	Amity	75.00%	75.00%	17.61	1992		2010
0230	Andover	94.37%	100.00%	20.41	2008	Failed	Annual
0232	Angelica	100.00%	100.00%	15.77	2008	\$5,330	Annual
0234	Belfast	75.00%	75.00%	19.22	2008		2008 Fail
0236	Birdsall	100.00%	100.00%	18.46	2008	\$2,760	Annual/2009
0238	Bolivar	100.00%	100.00%	18.67	2007	\$7,575	2009
0240	Burns	100.00%	100.00%	17.66	2008	\$3,745	Annual
0242	Caneadea	84.00%	84.00%	13.06	2008		2008/Ann
0244	Centerville	100.00%	100.00%	14.37	2008	\$3,010	Annual
0246	Clarksville	73.00%	73.00%	20.63	1996		2009
0248	Cuba	78.00%	78.00%	23.38	2000		2009
0250	Friendship	77.00%	77.00%	23.63	1999		2010 or 2011
0252	Genesee	100.00%	100.00%	14.23	2008	\$5,825	Annual
0254	Granger	93.00%	93.00%	13.77	2005		
0256	Grove	100.00%	100.00%	17.54	2008	\$3,295	Annual
0258	Hume	100.00%	100.00%	12.71	2008	\$5,665	Annual/2010
0260	Independence	85.00%	85.00%	20.58	2005		
0262	New Hudson	100.00%	100.00%	19.44	2008	\$3,475	Annual/2009
0264	Rushford	100.00%	100.00%	19.19	2008	\$8,175	Annual
0266	Scio	76.00%	76.00%	17.23	1995		2011
0268	Ward	100.00%	100.00%	18.84	2008	\$2,120	Annual
0270	Wellsville	100.00%	100.00%	17.09	2007	\$17,655	2010
0272	West Almond	89.09%	100.00%	17.08	2004		Annual/2010
0274	Willing	100.00%	100.00%	15.93	2008	\$5,270	Annual
0276	Wirt	74.00%	74.00%	15.69	2008		2008
*These payments are for 2007. We are currently waiting for the 2008 payments.							
The amount of aid may be slightly less than \$5/parcel depending on the State Budget.							

PRD's – Price Related Differential

Another indicator of assessment equity is the statistic known as the Price Related Differential (PRD). The IAAO standard for the PRD is 0.98 to 1.03. PRDs below

0.98 indicate assessment progressivity, the condition in which low-value properties are under-assessed relative to high-value properties. PRDs above 1.03 indicate assessment regressivity in which high-value properties are under-assessed relative to low-value properties. See Table A-6 below for the individual Town figures. As can be seen from this chart a great majority of Towns are in the acceptable range, with just a few slightly outside.

Table A-6

SWIS	Municipal Name	CAMA PRDs for 2008
0220	Alfred	1.03
0222	Allen	1.00
0224	Alma	1.01
0226	Almond	1.01
0228	Amity	1.03
0230	Andover	1.04
0232	Angelica	1.02
0234	Belfast	1.03
0236	Birdsall	0.99
0238	Bolivar	1.03
0240	Burns	0.99
0242	Caneadea	1.00
0244	Centerville	1.02
0246	Clarksville	1.02
0248	Cuba	1.05
0250	Friendship	1.06
0252	Genesee	1.01
0254	Granger	1.01
0256	Grove	1.02
0258	Hume	1.01
0260	Independence	1.05
0262	New Hudson	1.05
0264	Rushford	1.04
0266	Scio	1.02
0268	Ward	0.97
0270	Wellsville	1.01
0272	West Almond	1.02
0274	Willing	1.01
0276	Wirt	1.01

Is the PRD for the individual Towns in an acceptable range? From the data currently available from the State as of this writing there are seven Towns that fall just outside the acceptable ranges and six of those lean towards being regressive. **In the case of regressive assessment rolls the lower valued properties are shouldering more than their fair share of the tax burden relative to higher valued properties.**

Reassessment Activity

According to ORPS, 26 Towns have conducted State supported reassessment projects within the past three years. Of these Towns many have coordinated with the State in entering into annual or triennial assessment projects. This level of

reassessment activity working with the State and the County demonstrates that these Towns are concerned about maintaining equity within your County. Those other Towns that have not reassessed in some time need to be encouraged to work towards better equity and performance standards. Starting that now and ramping up over the next couple of years will be much easier if a cycle bill passes and these towns are required in statute to meet certain standards. To better understand what a reassessment means, please read definition below:

Definition - Reassessment (RPTL §102)

Reassessment: "a systematic review of the assessments of all locally assessed properties, valued as of the valuation date of the assessment roll containing those assessments to attain compliance with the standard of assessment"

It is synonymous with the terms "revaluation" and "update"

Systematic review-or "systematic analysis": a methodical, thorough and regular review/examination of a municipality's assessments on an annual basis

- Maintain current inventory data
- Maintain current sales and market data
- Monitor and analyze the market
- Update assessments to maintain uniformity

Re-inspection means, at a minimum, observing each parcel from the public right-of-way to ascertain that the physical characteristics necessary for reappraisal are complete and accurate.

Reappraisal means developing and reviewing an independent estimate of market value for each parcel by the appropriate use of one or more of the three accepted approaches to value (cost, market, and income).

Data Quality

Over the last three years, the total number of arm's length residential real property sales in Allegany County has averaged 563. The majority of the Towns do verify sales information but most only check the physical description data for non-sale properties in preparation for revaluations.

Building permits are used as a primary source for new construction information within each municipality, and the records are maintained at both the Assessor's Offices and in the Building or Code Officer's Office. The Assessors also drive the roads within their Towns to look for new structures that may not have had a building permit issued or that may not have required one in the case of some agricultural structures.

Most of the municipalities have photos for each improved parcel either in property record folders or on their computer file or both. Some of these in the files are the older black & white or color Polaroid's that were used in the 1960's. Today almost all assessors have gone to the less expensive, yet fine quality digital images, which can be easily uploaded and stored on their local stand-alone RPS computers.

C) Real Property Administration System

Much to the credit of the County Real Property Tax Office and the Assessors within the County all Towns are currently on the most current version of the State's Real Property System (RPS) software, which is annually paid out of the County Real Property Tax Office Budget and subsequently charged back to the Towns. RPS is a software package produced by NYSORPS and is in use in the majority of municipalities Statewide to maintain assessments, sales and inventory data, and perform market analysis with the assistance of the staff at the County and in some cases the Western Regional Office, if requested.

The municipalities maintain the assessment files daily and hand deliver, or County Staff pick up the backup CD's. This schedule occurs seven times a year and is used in the preparation of tentative and final assessment rolls, school and town/county tax rolls. Assessment rolls, tax rolls, and bills, are produced by the County in addition to printing data inventory mailers, valuation sheets, cross-reference sheets, and special reports for the Assessors. The Assessors and NYSORPS do all of the analysis and valuation processing. This work is done through an informal agreement between the County and the Towns, however a 1537 Agreement (see Addendum) could be entered into by all parties, which under the current Aid Programs would give the County a one-time payment of \$1/parcel or approximately \$33,000.

IV Two Models with Five Consolidation Options That Are Being Described

A) Single Assessing Unit Models

The following two models address the goals of this study by moving Allegany County to a single assessing unit. In so doing, in order to comply with the RPTL 305, assessing units would maintain a uniform level of assessment throughout the County, and apply common valuation standards.

Definition - RPTL §305
Standard of Assessment

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

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform
County Assessing Units

Option #1 – County Run Assessing

County-run assessing removes the responsibility of property assessment for tax purposes from the municipalities and places it with the county. In this option the county would have to pass a local law and put the issue to a countywide referendum. To be approved there would need to be a single referendum where it would need to pass by a majority of the votes in all of the Towns together.

Provisions for County Assessing - Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum.

- In towns considered as a single unit
- In cities considered as a single unit
- In assessing villages considered as a single unit
- If no cities or assessing villages, only a simple majority is required

Currently only Nassau County and Tompkins County carry the countywide assessment responsibility.

If county assessing were adopted, the county would become a single assessing unit with a single equalization rate developed by NYSORPS based on the aggregate

assessed value to market value of the entire county (RPTL §1214). In order to maintain a uniform level of assessment a revaluation cycle schedule would need to be established. In addition, “once a full value revaluation has been implemented, RPTL 305 (3) authorizes the governing body of an assessing unit to direct the assessor to assess all property at a uniform percentage of value”.

Currently, State aid monies paid in support of assessment administration are paid only when the assessing unit has achieved full market value that is verified by the State.

Historically the referendums that have been placed on the ballot a number of times in various Counties since 1991 and have been defeated. This option, as well as the next Single Assessing Unit Option #2, would need to be carefully considered as the twenty-nine Towns within the County are served by a group of qualified assessors who have established themselves within the communities they serve at a salary that is commensurate with their expertise and workload. In a County-Run system Civil Service rules come into play and those details would need to be explored if this option is considered.

If the County were to decide to implement County-Run Assessing, the following is an example relative to eventually going to County-Run Assessing with the intent to maximize the State Aid received within a 5-year timeline and all parcels will be at a uniform level by 2013:

- 2009 - Year #1: Some Towns reassess - all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year. They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.
- 2010 - Year #2: Some other Towns reassess - all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year (a different CAP than formed in Year #1). They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.

Both CAPs enter into an inter-municipal agreement to maintain the same LOA.

- 2011 – Year #3: Some other Towns reassess – all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year. They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.

The new CAP enters into the inter-municipal agreement to maintain the same LOA.

- 2012 - Year #4: The three CAPs transition to a single CAP that is managed by the County. The County gets the \$2 aid for a County managed CAP.
- 2013 – Year #5: County run assessing is put on the ballot, and if passed entitles the County to the \$7 and the \$2 aid.

This is an example on how to maximize the current Aid programs that are offered and arrive at a County-Run program. There are many alternative paths available to arrive at the type of program your County Legislature may want to ultimately pursue. If you would like to learn more about any of these paths to equitable Countywide assessments, please feel free to contact your local Batavia Regional Office of Real Property Services representative.

Once all towns are at 100% LOA, the County would be the single assessing unit for Allegany County. As a result there would be Town costs, but there would be a need for additional staffing at the County level. Using I.A.A.O. standards of one staff person for every 2,500 parcels that would require an addition of 10 full-time employees in the Real Property Tax Office. A lot of the expertise would probably come from the existing local assessment offices.

Option #2 – Coordinated Assessing With One Countywide C.A.P.

This option has much of the same structure as having County Run Assessing by referendum (Option #1) but without having to place it on the ballot and in this case it cost is higher than what is currently in place.

There would be one appointed assessor for the entire County, and other current assessors may well be brought into the Countywide CAP for appraising, data collection, exemption, and valuation work. All Towns would need to be brought up to a uniform level of assessment before this could be put into place. Other issues are that Towns would have to abolish the elected assessor position, and appoint a sole assessor. All of the villages within Allegany County have already given up their Assessing Status so this would not be an issue.

This CAP could be formed at the County by agreement with all Towns or by any Assessor that all of the Towns would be willing to appoint to handle this consolidated system. A more detailed explanation of this program can be found in the Appendix at the end of this Study. (See page 35)

To implement this option the following actions would need to take place:

Phase 1. Towns agree to the plan, which is to work toward a Countywide CAP. They realize they will need to select ONE assessor, but that others may be brought into the system to assist that assessor. That assessor could be a County employee, or could be an independent contractor. Maybe the Towns would form an assessment administration committee charged with selecting and overseeing the assessor throughout their 6-year term.

Phase 2. The assessor is selected and the first group of Municipalities are CAPed with him/her as the assessor. These would be the towns that are all at 100% at the time. At that same time he/she would be named assessor in all of the other towns and retain some of the existing assessors as staff to administer the roll.

Phase 3. The assessor and staff would reassess each of the non –100% towns and

bring them into the CAP. The assessor and staff would be paid by the Towns based on an agreed upon formula included in the inter-municipal CAP agreement.

Other staff would be selected through the Civil Service process. The annual cost savings of this option is shown on Table A-8 below:

Allegany County Assessment Models Cost Savings & Aid Comparisons	Table A-8	Single Assessing Unit Models	
		Option #1: County-Run Assessing	Option #2 County CAP
Start-up Costs:	Current Structure that is in place - modified to provide equitable assessments to all properties. 2009-2013		
Establish Equitable assessments at a common level throughout the County [Reassess 3 Towns or 2,595 parcels @ \$40]	\$103,800	\$103,800	\$103,800
Available State Aid for reassessment [2,595 parcels @ up to \$5] (Town Aid for 3 Towns)	-\$12,975	-\$12,975	-\$12,975
State Consolidation Aid [24,668 parcels @ up to \$7 - one time payment](6 Towns have already rec'd Aid)	\$0	\$0	-\$172,676
State Consolidation Aid for County Run Assessing, RPTL 1537, 33,671 parcels @ up to \$7	\$0	-\$235,697	\$0
State Aid for County Run Assessing Referendum Approval, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	-\$67,342	\$0
State Consolidation Aid for County providing services, RPTL 1537, 33,671 parcels @ \$1	\$0	\$0	-\$33,671
State Aid IF County Managed County-Wide CAP, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	-\$67,342
Total One Time Start-up Costs:	\$90,825	-\$212,214	-\$182,864
Operational Costs After Attaining 100% L.O.A.:			
Towns Assessment Office Costs (Net)	\$384,736	\$0	\$0
County Real Property Tax Dept Costs (Net)	\$453,347	\$903,347 ¹	\$453,347 ²
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$572,407 ²
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$83,808	\$90,335 ⁴	\$102,575 ⁴
State Aid for Annual Reassessment [33,671 parcels @ up to \$5]	-\$168,355	-\$168,355	-\$168,355
Current Annual Operational Costs for Towns, Cities, & County:	\$838,083	\$838,083	\$838,083
Total Annual Operational Costs for Equity:	\$753,536	\$825,327	\$959,974
Total Annual Savings (Costs):	\$84,547	\$12,756	(\$121,891)

Notes:

1 Cost of County Dept estimated by adding 10 staff @ \$30,000/yr plus 50% fringe benefits= \$450,000 to the current budget (Net) of \$453,347, which then totals \$903,347.

2 Estimated \$17/parcel based upon similar costs in Allegany County and other counties.

3 Assumes a 3-year cycle. Operational Costs are based on a 3-year program, and then computed to an annual cost.

4 Partially built into staffing cost estimate; 10% added for additional expenses, i.e. appraisal assistance, printing, postage, etc.

5 Partially built into staffing cost estimate; 10% added for additional expenses (same as #4 above), then because it is a 3-year program 40% was attributed to a given year.

B) Multiple Assessing Unit Models

The following three options achieve efficiency in differing ways. They do not attempt to consolidate the assessing units into one, but for the most part leave the current assessing structure in place. They utilize inter-municipal agreements to establish the common performance standards. Their implementation costs vary, as do their annual savings when compared with the current structure. The table at the end of these three descriptions sets forth the cost comparison of these Multiple Assessing Unit Models.

The goal of the program is to achieve common treatment (including a common level of assessment/equalization rate) for all parcels in a county that will benefit taxpayers in the following ways:

- Transparency - "Is it simple enough for taxpayers to understand?"
- Equity - "Does it treat every parcel the same way?"
- Efficiency - "Is it the lowest cost for a given level of service?"

These next three models all fulfill the requirements of transparency and equity once they have all achieved:

- Common LOA at 100%, also in order to qualify for up to \$5 per parcel State Aid
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices
- Common Centralized database that is frequently updated

The question that remains is that of efficiency. As these systems have been in place for many years and the taxpayers have become accustomed to the levels of service, as well as the expertise of their local Assessors the costs may be slightly higher than in those Single Assessing Unit Models that follow more of the I.A.A.O. standards.

As with all of these many options, you may want to consider others in greater detail once all of the individual assessing units have achieved the equitable standards set forth in this Study. These following three options do not consolidate all of the assessing units into one, but in most cases leave the assessing units in place and have them enter into intermunicipal agreements to establish the common assessment standards. Their implementation costs vary as do their annual savings on maintaining these standards. The Table A-9 at the end of these three descriptions sets forth the cost comparison of these Multiple Assessment Models vs. the costs of the current structure once all parcels reach the equitable standards. Keep in mind that the annual costs of our current system is \$838,083.

Option #3 – Implementing Coordinated Assessing Programs (CAPS) Where Possible, And Binding All Assessing Units To Common Performance Standards With Inter-Municipal Agreements.

New York State Real Property Tax Law §579 allows two or more assessing units to

establish a coordinated assessment program (CAP) by adopting identical local laws without referendum. All municipalities that enter into a coordinated assessing agreement are then considered one assessing unit and are issued one Equalization Rate. Once all of the possibilities of combining more Towns into new or existing CAPS are considered, then all assessing units would enter into an umbrella agreement that would bind all CAPs and individual Towns to maintain the same level of assessment and the same valuation standards. This option is very useful in rural areas where the number of qualified assessors is limited. By two or more Towns joining forces, they can hire a professional assessor that, as separate municipalities, they could not afford.

Option #4 – Towns Contracting With The County

New York State Real Property Tax Law §1537 allows an assessing unit to enter into a joint services contract with the county to perform some or all of the assessing functions. Under §1537 agreements assessing units remain autonomous. The town still retains its appointing authority. Each one is individually analyzed for equalization rates, residential assessment ratios (RARs), reassessment aid, and STAR State aid. Immediate value may be recognized by the availability of such agreements to provide assistance in the event an assessor is unable or unavailable to fulfill their obligations. If a majority of towns wish to enter into such agreements, the County Real Property Tax Services Office would have the financial and staffing resources through these §1537 agreements, to not only continue to maintain tax maps, calculate the tax levy, provide information to taxpayers, train Board of Assessment Review members, and coordinate assessment revaluation schedules and advisory efforts, but also maintain the towns at the performance standards that will provide the transparency sought by your taxpayers.

If the individual Towns do not require full services they could still contract with the County for whatever services they felt they needed. Please see explanation on the following page.

How Do Towns Contract For County Services - RPTL §1537

Optional County Services

- An assessing unit and a county shall have the power to enter into, amend, cancel and terminate an agreement for appraisal services, exemption services or assessment services
- Considered an agreement for provision of "joint service" under Article 5-G of General Municipal Law

Agreements

- Agreement approved by both the assessing unit and the county, by majority vote of each governing body
- Assessing unit -a resolution subject to permissive referendum submitted at least 45 days prior to vote

Assessing Services

- Agreement shall provide for a person to be selected by the assessing unit to perform assessing services in accordance with such agreement
- Such person shall be deemed the assessor of the assessing unit and shall be subject to all provisions of law pertaining to assessors

Other County Services

Appraisal services

- County to appraise all real property in assessing unit for assessment purposes
- Appraiser must meet minimum qualification standards established by the State Board

Exemption Services

- County to review exemption applications and determine eligibility of applicants

Under this option the County and Towns would need to understand that in order to fulfill the goals of a Countywide uniform level of assessment with equity and transparency to the taxpayers, certain inter-municipal agreements would need to be drafted. Using this method to bring all of the Towns up to the same equitable standards offers both the County and Towns the opportunity to plan for the transition with the least impact on budgets and manpower.

In Allegany County there are already some services that are provided to the Towns, but they have done this informally and have not entered into 1537 agreements with the County Real Property Tax Service Office. This effort on the County's part shows a real commitment to establish equity, transparency, and standard valuation practices for the taxpayers of Allegany County. If it were decided to offer some specific services to all of the Towns there is still some State Aid available for this work if it is formalized in such an agreement.

Option #5 – This Option would require the State to pass a Cycle Bill that will provide some financial aid for Towns to meet the common LOA of 100% and then have the Valuation Date frozen every 4 years to avoid further Equalization Rate Studies and the need for Annual Reassessment.

The key to this option is having a four-year Cycle Bill passed and also having the Valuation Date frozen every four years. Once all Assessing Units within the County comply with the requirements of the assessment performance standards the Assessors will only need to reassess all properties to 100% LOA once every four

years. During the intervening years they would value all new construction using the base year established by the Valuation Date. The State Aid Program could also be modified whereby the Towns would still receive up to \$10/parcel during the revaluation year and then \$0 per parcel during the other three years for keeping up with inventory and sales verification, building permits, and the review of roughly 1/4 of the parcels within the Town each year. In this manner there would be an Equalization Rate of 100% each and every year that would result in the following:

- A real cost savings to ORPS in avoiding having to do further Equalization Rate Studies.
- An opportunity for the Assessors who are working hard to maintain 100% Equalization Rate every year through Annual Reassessment to reorganize and take the time needed to prepare for the next revaluation.
- An opportunity for the Taxpayers who feel that it is unfair that they are subjected to these Annual Updates to become more acquainted with the principles of real property taxation and what it will mean to them by having their property only revalued every four years.
- A system that would eventually have all parcels within the State being reassessed on the same schedule every four years and an annual Statewide Equalization Rate of 100%.

This is a revolutionary idea, but one that would meet the needs of the Taxpayers, the Assessors, the local Legislators, and the State Office of Real Property Tax Services.

In addition to meeting the requirements of:

- Transparency - "Is it simple enough for taxpayers to understand?"
- Equity - "Does it treat every parcel the same way?"
- Efficiency - "Is it the lowest cost for a given level of service?"

As can be seen from the Table A-9 on the following page, once the Towns reach a uniform level of assessment of 100% then there will be a total reassessment aid of \$336,710 given the year of the completed reassessment project by the State to assist in maintaining this equitable standard. If the Towns that have not joined into CAPs decide to do so, they will receive a one-time payment of up to \$7 per parcel with a total for the County coming to \$172,676. Six Towns have already received this Aid so the remaining 23 Towns only qualify under this program. (Under County-run Assessment the parcels from all Towns qualify whether they have received the Aid previously or not.)

It should be noted that if this legislative concept were coupled with previously described options in this study, such as County-Run Assessing, further, and very dramatic cost savings can be realized.

Allegany County Assessment Models Cost Savings & Aid Comparisons

Table A-9

Multiple Assessing Unit Models

		Option #3	Option #4	Option #5*
	Current Structure that is in place - modified to provide equitable assessments to all properties. 2009-2013	Current Structure w/additional consolidation & Inter-municipal agreement	All Munis contract w/County under RPTL 1537	Current Structure, Reassessment Cycle w/matching Valuation Date *Allegany Version
Start-up Costs:				
Establish Equitable assessments at a common level throughout the County [Reassess 3 Towns or 2,595 parcels @ \$40]	\$103,800	\$103,800	\$103,800	\$103,800
Available State Aid for reassessment [2,595 parcels @ up to \$5] (Town Aid for 3 Towns)	-\$12,975	-\$12,975	-\$12,975	-\$12,975
State Consolidation Aid [24,668 parcels @ up to \$7 - one time payment](6 Towns have already rec'd Aid)	\$0	Varies	Varies	Varies
State Consolidation Aid for County Run Assessing, RPTL 1537, 33,671 parcels @ up to \$7	\$0	\$0	\$0	\$0
State Aid for County Run Assessing Referendum Approval, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0	\$0
State Consolidation Aid for County providing services, RPTL 1537, 33,671 parcels @ \$1	\$0	\$0	-\$33,671	\$0
State Aid IF County Managed County-Wide CAP, 33,671 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0	\$0
Total One Time Start-up Costs:	\$90,825	\$90,825	\$57,154	\$90,825
Operational Costs After Attaining 100% L.O.A.:				
Towns Assessment Office Costs (Net)	\$384,736	Varies	\$0	\$1,538,944 ³
County Real Property Tax Dept Costs (Net)	\$453,347	\$453,347	\$903,347 ¹	\$1,813,388 ³
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$0	\$0
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$83,808 ⁴	\$83,808 ⁴	\$90,335 ⁴	\$134,093 ⁵
State Aid for Annual Reassessment [33,671 parcels @ up to \$5]	-\$168,355	-\$168,355	-\$168,355	-\$336,710 ⁶
Current Annual Operational Costs for Towns, Cities, & County:	\$838,083	\$838,083	\$838,083	\$838,083
Total Annual Operational Costs for Equity:	\$753,536	Varies	\$825,327	\$1,049,905
Total Annual Savings (Costs):	\$84,547	Varies	\$12,756	(\$211,822)

Notes:

1 Cost of County Dept estimated by adding 10 staff @ \$30,000/yr plus 50% fringe benefits= \$450,000 to the current budget (Net) of \$453,347, which then totals \$903,347.

2 Estimated \$17/parcel based upon similar costs in Allegany County and other counties.

3 Assumes a 3-year cycle. Operational Costs are based on a 3-year program, and then computed to an annual cost.

4 Partially built into staffing cost estimate; 10% added for additional expenses, i.e. appraisal assistance, printing, postage, etc.

5 Partially built into staffing cost estimate; 10% added for additional expenses (same as #4 above), then because it is a 3-year program 40% was attributed to a given year.

6 In this 4-year cycle option the State Aid would be \$10 for the first year and then \$0 for the following 3 years until the next reassessment.

Currently Available State Aid

RPTL §1573

State Aid for Consolidation

Consolidation Incentive Aid:

- One-time payment of up to \$7 per parcel payable to new county assessing units
- One-time payment of up to \$7 per parcel payable to each participating assessing unit in a CAP
- 10 year commitment

State Aid for Reassessments

Reassessment Aid:

- Assessing units are eligible to receive state assistance for implementing a reassessment roll at 100% of value
- Annual aid -up to \$5 per parcel annually
- Requires annual review of all parcels to maintain uniform assessments
- Triennial aid -up to \$5 per parcel no more than once every three years (through 2011)
- Requires complete re-inspection and reappraisal of all parcels

One-time payment of up to \$1 per parcel payable to a County providing services in accordance with RPTL §1537

V Implementation of Countywide Assessment Uniformity

For this collaborative assessment program to work and benefit all of its participating Towns, everyone must be able to agree that there is a need for assessment equity within and between all municipalities. There is little cost benefit in this program if they are not willing to take the necessary steps to avail themselves of the various maintenance aid programs. To do this they need to bring their assessment rolls into compliance with the aid program's requirements that include a Town-wide revaluation or update. Fortunately, Allegany County has over 90% of its Towns having completed a State supported revaluation within four years and this commitment makes moving forward with any of these plans well within the County's reach.

If the Towns and the County are interested in pursuing Countywide Uniform Assessment Standards the following steps would need to be taken over the next few years or however long a timeframe is stated in any possible future legislation.

Starting as soon as practicable the few Towns that have not had recent revaluations or updates should begin a data collection or verification project looking towards a

revaluation for some future agreed upon assessment roll year in order to have their potential triennial plan coincide with all of the other municipalities within the County.

Once these Towns complete their revaluation, they should consider maintaining their assessments at or near 100% through a Triennial Assessment program until a definitive cycle bill is passed and then all of the Towns will be ready at the same time.

All Towns would need to agree on a common date on which they all agree on a common revaluation cycle and enter into an intermunicipal agreement stating the same and they would be well on their way to meeting the assessment standards.

By each assessing unit formulating a realistic plan to achieve the goals of this program in a reasonable timeframe, all those involved with Assessment Administration can look at the State Aid programs that might be available, and any new legislation that may pass and determine how they want to proceed to maintain their rolls in an equitable and efficient manner.

Once everyone has reached their 100% LOA and met the uniform assessment standards of the I.A.A.O., they can consider any of the options set forth in this Study to maintain their equitable assessments from that point on and save money doing it.

VI Some Suggestions for the State Office of Real Property Services

Regarding the Equalization Rate Process

- This idea is referred to in Option #5. Have the State enact a mandatory triennial cycle bill and freeze the Valuation Date statewide every three years (four years as recommended by the Allegany Assessors, see their version in this Study). As the cycle bill would be a “mandate”, certain aid payments like we have now would be anticipated, but the savings realized by ORPS in avoiding much of the Equalization Rate process would certainly offset most, if not, all of this cost. Perhaps up to a \$5/parcel payment during revaluation years and up to \$5/parcel payments during the off years for sales verification, building permits, reverifying 1/3 of the parcels, etc. In this manner the State would eventually have 100% Equalization Rates every year with revaluations being conducted on either an Annual, Biennial or Triennial Statewide basis. This would relieve the stress on the taxpayers, the assessors, ORPS, and the system as a whole.
- If the trends in various towns demonstrate the need for reassessments on an Annual, Biennial, or Triennial basis then a law giving them a 100% Equalization Rate during the intervening years should be considered. Many Town Boards do not want to see their rates ever drop below this

level. During these uncertain economic times conducting annual revaluations to avoid even a slight drop from 100% Equalization Rate is an undue burden on the taxpayers, the assessors, the Town budgets, and the Regional Office support staff. Further, if all towns within a County agreed to conduct reassessments on the same cycle, be it Annual, Biennial, or Triennial, then the burden on the valuation staff at the State would be significantly reduced as would the costs to the Towns and the State. In consideration of these savings and to incentivize these cyclical programs, some form of aid should be put into place for Towns opting into one of these programs.

Regarding Towns With No or Outdated Inventory

- In 1977 (Article 15-B, §1572 of the Real Property Tax Law) the State enacted a program that was referred to as "Attainment Aid." Attainment Aid was payable in incremental amounts totaling up to \$10 per parcel. That was dropped many years ago. With the State's new initiatives for improved assessing standards a new Aid program should be considered to help those towns that have opted not to conduct any revaluation projects. For the few towns that do not have adequate or even any inventory records, a new realistic State Aid program geared to help funding a data collection project and tied in with a mandatory reassessment cycle might move these towns to 100%.

The Real World Problem of Civil Service for County Assessing

1. One item that also needs to be considered for any assessment position created at the County level is Civil Service. As the author of this study, when I was reappointed in October of 2007 by my four towns in Schuyler County, I immediately recognized some common rules that needed to be addressed:
 - a. Once an assessor is provisionally appointed by the County, they are subject to Civil Service rule and law, and a test is required for that position. This test may have assessment questions on it, or it may contain strictly management questions on it depending upon the salary level they are started at. Their State certifications do not release them from this test. Although they are still appointed by the Towns, if they do not reach the top 3 on the results of the Civil Service exam, they may not be considered for the position.
 - b. When an assessor is hired by most Counties, the Human Resource Office will tell you that full-time is typically 35 hours/week. Anything over this amount is often considered "comp time". For most counties this must be used within the month that it is earned or it is lost. The

problem with this is that the assessor's job is extremely cyclical in nature. During the weeks that fall between January 1 and May 1 it is not unusual for an assessor to work 50–65 hours each and every week. During this period there is no realistic way for an assessor to use that comp time until perhaps after their tentative roll is completed on May 1. There needs to be some flexibility given to these positions in order for assessors to provide the same level of service to the Counties as they currently provide to the Towns.

Loss of Experienced Assessment & ORPS Officials Due to Retirement

- Every Assessor or ORPS Staff member I have talked with knows of some key person that is retiring within the next year or two. The Assessment profession is fairly unique and you can't find qualified or interested replacements as easily as you can with some positions. To help offset this loss of much needed expertise, I would suggest that ORPS look into the reasoning behind the NYS Retirement rule that allows someone to retire at age 55-62 and draw a maximum salary of \$30,000, but once they attain the age of 65 they can earn as much as they want. Our depleting ranks can ill afford to lose these qualified individuals during this critical transition phase.

A Town Assessment Report Card Much Like the School Report Card

- It was suggested many years ago that the State issue a Town Assessing Report Card that would be available to the news media and now on the Internet as well. This document would not make any judgment on any municipality, but would set forth the statistical data and the meaning of that data and leave it up to the taxpayers to decide for themselves the quality of their assessment rolls. It is important that our local legislators read studies such as this one to gain a better understanding of where things stand in their communities. But the taxpayers should also have the information made available to them so they can be part of the decision making process.

The Key To All Of These Recommendations

- We all recognize that the timing of these State initiatives, given the current condition of the State and local budgets, is less than optimal. However, the State also needs to recognize that if they want to make this work with local Town, City, and County budgets facing similar budget dilemmas, a realistic funding program will need to be put into place to help offset the costs of maintaining any cyclical assessment program. Any unfunded

State mandates, such as the much needed cycle bill, during our current economic crisis would meet with much local resistance especially those towns with fractional assessing. One suggestion that has been made is to take the STAR rebate monies and put them to better use by making everyone's' assessments more equitable. By investing that large sum of money into these initiatives for only one year would go to the real heart of the problem rather than covering it up by throwing money at it.

Appendix

Definition - Reassessment (RPTL §102)

Reassessment: "a systematic review of the assessments of all locally assessed properties, valued as of the valuation date of the assessment roll containing those assessments to attain compliance with the standard of assessment"

It is synonymous with the terms "revaluation" and "update"

Systematic review-or "systematic analysis": a methodical, thorough and regular review/examination of a municipality's assessments on an annual basis

- Maintain current inventory data
- Maintain current sales and market data
- Monitor and analyze the market
- Update assessments to maintain uniformity

Re-inspection means, at a minimum, observing each parcel from the public right-of-way to ascertain that the physical characteristics necessary for reappraisal are complete and accurate.

Reappraisal means developing and reviewing an independent estimate of market value for each parcel by the appropriate use of one or more of the three accepted approaches to value (cost, market, and income).

Definition - RPTL §305

Standard of Assessment

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

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform and this would include County Assessing Units

Provisions for County Assessing

Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum.

- In towns considered as a single unit
- In cities considered as a single unit

- In assessing villages considered as a single unit
- If no cities or assessing villages, only a simple majority is required
-

Definition of a Coordinated Assessment Program - RPTL §579

Two or more assessing units may establish a coordinated assessment program (CAP) by entering into an agreement meeting certain criteria. A sample agreement is available on ORPS' website in the State Aid section.

Establishment of a CAP

CAP Agreement

- Approved by majority vote of voting strength of each governing body (local law not required)
- At least 45 days before taxable status date (usually March 1 of each year)
- Copy of agreement filed with State Board by taxable status date

Type of Agreements

Without direct County involvement

- Enter into a municipal cooperative agreement providing for a single assessor to be appointed in all of the participating assessing units

With direct County involvement

- Enter into an agreement with the county to provide assessment services to all of the participating assessing units (RPTL §1537)

Additional Criteria

Single Appointed Assessor

- Same individual shall be appointed to hold the office in all of the participating assessing units
- Effective no later than 60 days after the date on which the agreement is effective

Standard of Assessment

- Effective with the first assessment roll...all real property shall be assessed at the same uniform percentage of value in all of the assessing units participating in the coordinated assessment program throughout the term of the agreement
- Same assessment calendar

Modifications to Program

Addition of New Participants

- Agreement may be amended to add one or more assessing units to program

Withdrawal of Participants

- Assessing units may withdraw from program

Termination of Program

- By at least 50% of assessing units
- By County if involved

Statutory Deadlines Apply for All Modifications

Equalization Rates

- Common market value survey (considered a single survey unit)
- Identical equalization rates established for all of the participating assessing units

Rate Complaints

- Towns may file individual complaint (copy to others)
- Other towns may support, object or comment
- Any change will apply to all towns

Judicial Review (copy to other towns)

- Any change will apply to all towns
-

Establishment of State Equalization Rates for Counties. – RPTL § 1214

The state board shall annually establish a state equalization rate for each county in the state and determine the full valuation of taxable real property therein. The state equalization rate established for any county assessing unit, other than a special assessing unit, shall also be established as the state equalization rate for each city, town and non-assessing unit village within such county.

How Do Towns Contract For County Services - RPTL §1537?

Optional County Services

- An assessing unit and a county shall have the power to enter into, amend, cancel and terminate an agreement for appraisal services, exemption services or assessment services
- Considered an agreement for provision of "joint service" under Article 5-G of General Municipal Law

Agreements

- Agreement approved by both the assessing unit and the county, by majority vote of each governing body
- Assessing unit -a resolution subject to permissive referendum submitted at least 45 days prior to vote

Assessing Services

- Agreement shall provide for a person to be selected by the assessing unit to perform assessing services in accordance with such agreement
- Such person shall be deemed the assessor of the assessing unit and shall be subject to all provisions of law pertaining to assessors

Other County Services

Appraisal services

- County to appraise all real property in assessing unit for assessment purposes
- Appraiser must meet minimum qualification standards established by the State Board

Exemption Services

- County to review exemption applications and determine eligibility of applicants
-

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Assessments, generally (standard of assessment) (uniform percentage) (authority to choose)—Real Property Tax Law, §305:

In an assessing unit in which assessments are not at full value, the assessor determines the uniform percentage of value to be applied to the assessment of all real property, in the absence of any affirmative action by the local legislative body. However, where assessments are at full value, the authority to choose a standard of assessment of a uniform percentage of value is vested in the legislative body of the assessing unit, and not in the assessor.