

**ADMINISTRATIVE
CORRECTION OF ERRORS**

(Real Property Tax Law, Art. 5, title 3)

Administrative Correction of Errors

Office of Counsel
NYS State Board of Real Property Services
WA Harriman State Campus
Albany, NY 12227

This outline was prepared by staff of Counsel's Office of the State Board of Real Property Services. Assessment officials are urged to direct questions concerning the administrative correction of errors procedures with their municipal attorneys or with Counsel's Office staff at (518) 474-8821.

Real Property Tax Law, Art. 5, title 3

§ 559. Application of title.

No county charter or local law may be adopted which is inconsistent with the provisions of correction of errors provisions.

Provisions of all general, special, local or other laws which are inconsistent with the correction of errors provisions are inapplicable to municipal corporations to which title 3 applies, but if not inconsistent, apply to such municipal corporation.

Correction of errors provisions apply to all municipal corporations except New York City.

§ 550. Definitions.

1. "Assessment roll" means the assessment roll as it exists from the time of its tentative completion to the time of the annexation of a warrant for the collection of taxes.

6. "Tax roll" means a final assessment roll upon which taxes have been extended and to which a warrant has been annexed.

5. "Tax levying body" means the governing board of a municipal corporation which annexes a warrant for the collection of taxes to a final assessment roll.

4. "Improvement" means real property as defined in RPTL, §102(12)(b), and which has been separately described and valued on the property record card, field book or other final work product of the assessor.

2. "**Clerical error**" means:

(a) an incorrect entry of assessed valuation on an assessment roll or on a tax roll which, because of a mistake in transcription, does not conform to the entry for the same parcel which appears on the property record card, field book or other final work product of the assessor, or the final verified statement of the board of assessment review [BAR]; or

* (b) an entry which is a mathematical error present in the computation of a partial exemption; or

(c) an incorrect entry of assessed valuation on an assessment roll or on a tax roll for a parcel which, except for a failure on the part of the assessor to act on a partial exemption, would be eligible for such partial exemption; or

* (d) an entry which is a mathematical error present in the computation or extension of the tax; or

*(e) an entry on an assessment roll or on a tax roll which is incorrect by reason of a mistake in the determination or transcription of a special assessment or other charge based on units of service provided by a special district; or

(f) a duplicate entry on an assessment roll or on a tax roll of the description or assessed valuation, or both, of an entire single parcel; or

(g) an entry on an assessment or tax roll which is incorrect by reason of an arithmetical mistake by the assessor appearing on the property record card, field book or other final work product of the assessor; or

(h) an incorrect entry on a tax roll of a releived school tax or releived village tax which has been previously paid; or

(i) an entry on a tax roll which is incorrect by reason of a mistake in the transcription of a releived school tax or releived village tax.

3. "**Error in essential fact**" means:

(a) an incorrect entry on the taxable portion of the assessment roll, or the tax roll, or both, of the assessed valuation of an improvement to real property which was destroyed or removed prior to taxable status date for such assessment roll; or

(b) an incorrect entry on the taxable portion of the assessment roll, or the tax roll, or both, of the assessed valuation of an improvement to real property which was not in existence or which was present on a different parcel; or

(c) an incorrect entry of acreage on the taxable portion of the assessment roll, or the tax roll, or both, which acreage was considered by the assessor in the valuation of the parcel and which resulted in an incorrect assessed valuation, where such acreage is shown to be incorrect on a survey submitted by the applicant; or

(d) the omission of the value of an improvement present on real property prior to taxable status date; or

(e) an incorrect entry of a partial exemption on an assessment roll for a parcel which is not eligible for such partial exemption; or

(f) an entry pursuant to RPTL, Art. 19 on an assessment or tax roll which is incorrect by reason of a misclassification of property which is exclusively used for either residential or non-residential purposes.

7. "**Unlawful entry**" means:

(a) an entry on the taxable portion of the assessment roll or the tax roll, or both, of the assessed valuation of real property which, except for the provisions of RPTL, §490, is wholly exempt from taxation; or

* (b) an entry on an assessment roll or a tax roll, or both, of the assessed valuation of real property which is entirely outside the boundaries of the assessing unit, the school district or the special district in which the real property is designated as being located, but not an entry on an assessment roll or a tax roll, or both, of the assessed valuation of real property assessed pursuant to RPTL, §500, subs. (2)-(5); or

(c) an entry of assessed valuation on an assessment roll or on a tax roll, or both, which has been made by a person or body without the authority to make such entry; or

(d) an entry of assessed valuation of state land subject to taxation on an assessment roll or on a tax roll, or both, which exceeds the assessment of such land approved by the state board; or

(e) an entry of assessed valuation of a special franchise on an assessment roll or on a tax roll, or both, which exceeds the final assessment thereof as determined by the state board pursuant to RPTL, §606(1), or the full value of that special franchise as determined by the state board pursuant to RPTL, §606(2) adjusted by the final state equalization rate established by the state board for the assessment roll upon which that value appears.

4-a. "**Omission**" or "omitted real property" means a parcel wholly omitted from the assessment roll or tax roll, taxable real property entered on the roll as wholly exempt real property, or an error in essential fact as defined in paragraph (d) of subdivision three of this section. An omission also includes taxable real property for which no school district or special district tax was levied because of a failure to include the property within the appropriate taxing district. An "omission" or "omitted real property" does not include real property assessed pursuant to RPTL, §500, subs. (2)-(5).

§ 552. Correction of errors on **tentative assessment rolls**

- All clerical errors, unlawful entries and errors in essential fact
- Error appears on current year's tentative roll or post-TSD filed senior citizen renewal (per option in RPTL, §467(8))
- Assessor transmits form RP-552 (1/06) to board of assessment review (for error in essential fact, must include (i) copy of property record card, field book or other final work product on which incorrect assessment was based, and (ii) copy of existing municipal record substantiating error)

If assessor acts on behalf of owner or person with standing to complain about assessment (i.e., correction will result in lower tax bill), assessor provides such owner or other person with copy of form RP-552. If RP-552 filed too late for grievance day hearing, complainant may send BAR his/her copy and BAR treats it as RP-553.

If assessor wants to increase an assessment, assessor sends form RP-552 to BAR and assessor must send owner a copy of RP-552 by certified mail at least five days before grievance day.

Changes ordered by BAR as result of RP-552 petitions to be included on BAR verified statement to assessor (filed per RPTL, §525(4)).

Note: Section 552 now probably of lesser import given assessment stipulation procedure of RPTL, §§524 and 525.

§ 553. Correction of **final assessment rolls**

- (a) Clerical error on current or preceding year's assessment roll resulting in assessed value or special assessment or other unit of service charge less than that actually on assessor's record
- (b) Clerical error on current year's assessment roll resulting in assessed value or special assessment or other unit of service charge more than that actually on assessor's record or board of assessment review's [BAR] verified statement
- (c) Omission from assessment roll of preceding year of taxable real property
- (d) Omission from assessment roll of current year of taxable real property
- (e) Unlawful entry appearing on current assessment roll
- (f) Error in essential fact on current assessment roll
- (f-1) Incorrect partial exemption granted on preceding year's roll for parcel not eligible for exemption (provided no transfer of title since that roll was filed)
- (g) State land assessment for current or preceding year less than State Board approved assessment
- (h) Special franchise assessment for current or preceding year less than final assessment as determined by the State Board pursuant to RPTL, §606(1), or the full value of that special franchise as determined by the State Board pursuant to RPTL, §606(2) adjusted by the final State equalization rate established by the Board for the assessment roll upon which that value appears.

Assessor may remove full or partial exemptions granted to properties that have been transferred to non-exempt owners - as omitted assessment (per RPTL, §520).

Assessor files form **RP-553 (1/06)** with BAR at least 10 days before so-called second meeting of BAR ¹ for errors described in paragraphs (a), (c), (d), (f), (f-1), (g) and (h) and for section 520 correction. (For error in essential fact, assessor must include (i) copy of property record card, field book or other final work product on which incorrect assessment was based, and (ii) copy of existing municipal record substantiating error.) For errors described in paragraphs (b) and (e), five days is sufficient (and no notice to owner is required).

At least 10 days before second meeting, assessor must notify owner by certified mail, return receipt, of petition to make correction described in paragraph (a), (c), (d), (f), (f-1), (g) or (h). Notice must include RP-553 and information when and where BAR will meet.

Assessor should follow same notice schedule for section 520 correction. **Form RP-520-Ntc (rev. 9/01)** may be used to notify taxpayer.

If BAR has any RP-553 petitions from assessor (and/or copies of RP-554 or RP-556 from county director), BAR meets on designated day to consider petitions. If no petitions are filed, BAR chairperson may cancel meeting (with notice to BAR, assessor and county director).

BAR has same powers and duties at second meeting it has with respect to grievance day. BAR files verified list of changes with tax levying body within five days of meeting; copy to assessor for filing with final assessment roll. Assessor notifies tax levying body of §520

¹ BAR is to schedule "second" meeting(s) at grievance day (RPTL, §525(2)(b)). Meeting must be at least 15 days after filing of final roll AND cannot be more than 90 days nor less than 20 days before issuance of tax warrant. Since there may be several separate warrants issued, there may be several "second" meetings. BAR is to notify assessor, tax levying bodies and county director of date(s).

additions on [RP-520/551 \(1/95\)](#). Tax levying body incorporates changes into tax rate computations. For prior year corrections, property is taxed at corresponding fiscal years' tax rates.

§ 551-a. Failure to extend tax.

Where tax has been levied by or on behalf of a municipal corporation or special district, but has not been extended against the final assessment of a parcel entered on the tax roll, the collecting officer may add the appropriate tax to the tax roll of the current year pursuant to the procedure set forth in §551-a.

The collecting officer extends the tax by applying the tax rate of the municipal corporation or special district for the preceding year or current year, as the case may be. For a tax not extended on the tax roll of the preceding year, the collecting officer enters on the tax roll of the current year the assessed value of the parcel as listed on the tax roll of the preceding year.

Upon extension of the tax, the collecting officer notifies the owner of such property, identifying the parcel by the description appearing on the tax roll, stating the municipal corporation or special district on behalf of which such tax is extended, the tax year in question, the assessed value of the parcel, the tax rate used, and the amount of the tax. The notice must also advise the owner of his right to review.

The owner of property or other person who would be entitled to file a grievance may petition the county director within 10 days of the mailing of the notice to object to the addition of such extension on the tax roll. The county director immediately reports his findings with respect to the validity of the action of the collecting officer to the appropriate tax levying body.

The tax levying body examines the report of the county director and issues a determination, copies of which are to be served upon the complainant, the collecting officer and the county director.

If an owner objects to the extension of the tax in the manner provided, he or she will have 30 days from the determination of the tax levying body to pay such tax without interest. In any other case, the owner shall have 30 days from the date the notice was mailed to pay the tax without interest.

§ 554. Correction of errors on **tax rolls**.

Owner or person entitled to file grievance may, at any time prior to expiration of tax warrant, file form **RP-554 (9/04)** with county director for correction of clerical error, error in essential fact, or unlawful entry on tax roll.² (For error in essential fact, application must include (i) copy of property record card, field book or other final work product on which incorrect assessment was based, and (ii) copy of existing municipal record substantiating error. For unlawful entry per RPTL, §550(7)(a), application must include assessor's statement that property should have received wholly exempt status.)

Within 10 days, county director is to investigate claimed error with any necessary assistance from municipal officials. Upon completion of investigation, county director submits written report and recommendation (with copies of RP-554 application) to tax levying body. If same error appears on current assessment roll, county director also submits copy of RP-554 to BAR which treats it as if it were form RP-553.

Tax levying body examines application and report and decides if error exists.

If it rejects application, it makes notation on RP-554 and notifies applicant explaining rejection.

If it approves application, it makes notation on form RP-554 and enters correct extension of taxes. It notifies officer having jurisdiction of tax roll of approved application and notifies taxpayer of approval.

All applications filed with records of tax levying body.

Officer having jurisdiction of tax roll, corrects tax roll as per order and collects corrected tax. Order and approved application annexed to or filed with tax roll as part thereof.

Applicants who file RP-554 with county director during interest-free period may pay corrected tax without interest within eight days of mailing of notice of approval. All others must pay usual interest, except no additional interest is imposed if corrected amount of tax is paid within eight days of date notice of approval is mailed to the taxpayer, unless the eight day period would end after the expiration of the warrant, in which case, the period for payment without additional interest ends upon expiration of the warrant.

Chief assessor or chair of assessors performs county director duties in county assessing units. Village assessor performs county director duties in villages except county director does so for non-assessing villages (RPTL, §1402(3)).

Tax levying body duties may be delegated to official empowered to authorize payment of bills without prior audit so long as correction does not exceed \$2,500 or lesser set amount.

² In villages that assess property, form **RP-554-v (9/04)** is used in lieu of RP-554.

§ 555. Changes in descriptions of real property on final assessment rolls.

Tax levying bodies, except school districts, are to examine final assessment rolls submitted to them for tax levy purposes to ascertain if the descriptions of real property on such rolls are sufficient for purposes of possible tax enforcement by tax sale. If not, the tax levying body may change those descriptions. If the change cannot be accomplished in time for the levy, the change is to be made for the next succeeding levy. The property is not to be taxed until the adequate description is obtained. It is to be treated as omitted property if necessary.

§ 554-a. Water and sewer district tax payments in the Town of Carmel, Putnam County.

Specific correction provision for Town of Carmel regarding 1995-2000 omission of certain sewer and water charges.

§ 556. **Refunds and credits** of taxes.

Tax levying body may refund or apply credit against outstanding tax for clerical error, unlawful entry or error in essential fact (except error in essential fact per §550(3)(d)). Application on form **RP-556 (1/06)** must be filed by person who paid tax or for which tax is outstanding with county director within three years of annexation of warrant. (For error in essential fact, application must include (i) copy of property record card, field book or other final work product on which incorrect assessment was based, and (ii) copy of existing municipal record substantiating error. For unlawful entry per RPTL, §550(7)(a), application must include assessor's statement that property should have received wholly exempt status.)³

Within 10 days, county director is to investigate claimed error with any necessary assistance from municipal officials. Upon completion of investigation, county director submits written report and recommendation (with copies of RP-556 application) to tax levying body. If same error appears on current assessment roll, county director also submits copy of RP-556 to BAR which treats it as if it were form RP-553.

Tax levying body examines application and report and decides if error exists.

If it rejects application, it makes notation on RP-556 and notifies applicant explaining rejection.

If it approves application, it makes notation on form RP-556, enters amount of refund or outstanding tax to be credited, and notifies taxpayer of approval.

Amounts refunded or credited are charges upon municipal corporations or special districts. Amounts charged to cities, towns and special districts to be included in next tax levy. School district to be charged back for relieved school tax.

For portions of outstanding taxes that are credited per §556, interest and penalties are to be reduced to extent that such interest and penalties were attributable to credited portion of tax, and no additional interest and penalties are imposed if the corrected amount of the tax is paid within eight days of the date on which notice of approval is mailed.

Chief assessor or chair of assessors performs county director duties in county assessing units. Village assessor performs county director duties in villages except county director does so for non-assessing villages (RPTL, §1402(3)).

Tax levying body duties may be delegated to official empowered to authorize payment of bills without prior audit so long as correction does not exceed \$2,500 or lesser set amount.

³ Note that if refund or credit is allowed for unlawful entry per §550(7)(b), assessor has authority to add property to current roll per §551 notwithstanding usual one year limit.

§ 556-b. Correction of **certain** errors, **substantial** in number and **identical** in nature⁴

Expedited procedure if same clerical error per RPTL, §550(2)(b), (d), or (e) or same unlawful entry per RPTL, §550(7)(b) [all noted by * in §550 definitions above] occurs with respect to a substantial number of parcels in the preparation of a tax roll.

A single application (**RP-556-b (9/04)**) filed with county director on behalf of all owners of property affected by the same clerical error or unlawful entry.

Within 10 days of receiving application, the county director investigates and issues a written report to tax levying body. If tax levying body determines that the claimed clerical error or unlawful entry has occurred, it shall immediately issue an order setting forth the corrected taxes and directing the officer having jurisdiction of the tax roll to correct the roll.

If tax levying body approves application, it orders the refund of any excess taxes paid with respect to said error or unlawful entry. The amount of any taxes, including relieved school taxes so refunded, are a charge upon each municipal corporation, special district or school district to the extent provided in §556.

If RP-556-b is filed during interest-free period, the applicant and all owners of property affected by the clerical error or unlawful entry may pay the corrected tax as determined by the tax levying body without interest, if payment is made within eight days of the date on which the corrected tax bill is mailed. One copy of an approved application and the order are to be annexed to the tax roll and warrant, or filed therewith by the officer having jurisdiction of the roll and shall become a part thereof.

If the tax levying body rejects application, it must notify the applicant.

⁴ This is a refund provision.

§ 557. **Cancellations and rejections** of certain **delinquent** taxes returned to county treasurer.

After the return of unpaid taxes, if the county treasurer determines that a taxable property in a city or town has been assessed in duplicate for any year or years, assuming no tax sale of the property has yet occurred, the county treasurer may cancel one of the duplicate taxes. The treasurer then charges back and apportions the amount to the city or town as appropriate.

The county treasurer is to examine the accounts of tax arrears and may reject all taxes charged on real property so inaccurately described that the taxes cannot be enforced. The treasurer notifies the mayor or supervisor of the rejected taxes who is to cause an accurate description to be made and returned to the treasurer.

§ 558. **Cancellation of void** taxes.

The county legislature may cancel any unpaid tax levied or imposed by such county against property of New York State or the United States where it is determined that the lien of such tax cannot be enforced. The county legislature may also direct the cancellation of any unpaid tax levied or imposed by such county where the lien of such tax is rendered permanently unenforceable by operation of the provisions of any statute. The amount of any such cancelled tax is a charge upon the county to the extent of the county taxes that were so cancelled and upon the cities and towns or special districts thereof to the extent of the respective city, town or special district taxes that were so cancelled. Amounts so charged to cities, towns and special districts shall be included in the next ensuing tax levy.

The county legislature may cancel any unpaid school tax relevied by such county pursuant to RPTL, §1330(5) or §1332(5) or any unpaid village tax relevied by such county pursuant to RPTL, §1442(4) against property of the state or the United States where it is determined that the lien of such tax cannot be enforced, or where the lien of such tax is rendered permanently unenforceable by operation of the provisions of any statute. The amount of any tax so cancelled shall be charged against the school district or village which levied such tax. The amount so charged against a school district or village shall be withheld by the county treasurer from any moneys which shall become payable by him to such school district or village by reason of taxes which shall thereafter be returned to him as uncollected by such school district or village. No such cancellation of any unpaid school taxes or no such charge shall be made by the county legislature against any such school district or village unless ten days' notice thereof by mail shall be given to the school authorities thereof.

Where a city, town or village has the power to enforce the collection of delinquent taxes, such city, town or village shall have the same powers and duties concerning the cancellation of void taxes as is granted to counties pursuant to the foregoing provisions of this section. Void taxes may be cancelled and the amount of such cancelled taxes shall be apportioned and charged back to the appropriate county, village, school district or special district in the manner provided in the foregoing provisions of this section.

§ 551. Entry by assessor of **omitted** real property on current assessment roll.

Assessor, upon his or her own or upon request of a taxpayer, may enter on the current assessment roll, prior to its tentative completion, any parcel shown to have been omitted from the preceding year's assessment roll at the valuation of that year, or if not then valued, at a valuation assessor determines for the preceding year.

Assessor may add parcels that received full or partial exemptions on prior roll but that were transferred to non-exempt owners (per RPTL, §520). Form **RP-551-Ntc (10/00)** may be used to notify taxpayer.

A special franchise assessment after apportionment thereof by the assessor, if necessary, or an assessment of state land subject to taxation for the preceding year which is less than the assessment thereof approved by the state board, shall be entered at the valuation determined by the state board.

Real property assessed pursuant to this section is to be taxed at the tax rate or tax rates for the preceding year. The amount of tax or taxes levied pursuant §551 are to be deducted from the aggregate amount of taxes to be levied for the current year. Form **RP-520/551 (1/95)** may be used to notify tax levying body.