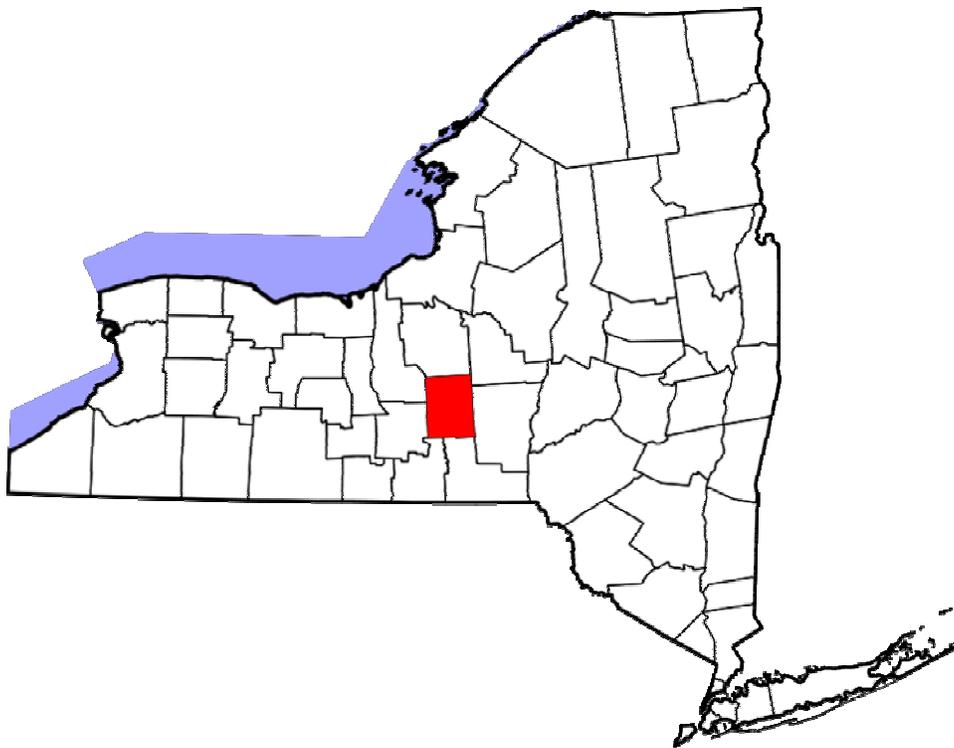


NEW YORK STATE REAL PROPERTY TAX
ADMINISTRATION IMPROVEMENT GRANT STUDY

CORTLAND COUNTY



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December 18, 2008

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I. Executive Summary

Background

In the autumn of 2007, the Office of Real Property Services (NYSORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and municipal officials to study reform opportunities for their local property tax systems. Additional applications have already been received for the 2008-2009 grant cycle. The final deadline for grant applications has passed and 52 counties will be receiving grants expecting to total \$4.8 million.

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 particulars of their county, local officials can determine what form of assessment administration will work best for both their taxpayers and the taxing jurisdictions.

The study must examine at least one model of assessing that ensures that all parcels within the county are treated as if they are within one common assessing jurisdiction. This means that all parcels throughout the county would be assessed using the same level of assessment and consistent valuation processes.

The goal of the program is to achieve common treatment (including a common level of assessment/equalization rate) for all parcels in a county, which 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?"

Current Assessment Structure in New York State

It is without question that New York State has one of the most confusing and complex real property tax structures within our nation. According to the New York State Office of

Real Property Services (“NYSORPS”), there are 1,128 distinct assessing units in New York State. Each assessing unit has the ability to specify their own level of assessment and their reassessment cycle. Many municipalities reassess on an annual basis while some municipalities have not assessed since the Civil War¹. As one can see from the following chart, almost 60% of these assessing units are comprised of less than 2,500 parcels.

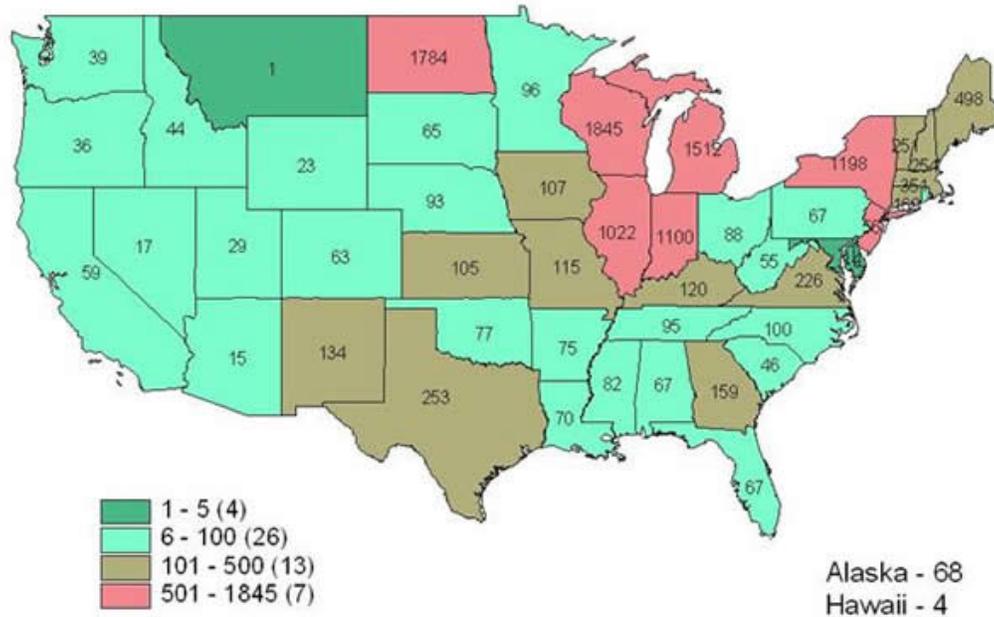
New York State's Assessing Jurisdictions (Does not include 145 village assessing units)			
Number of Parcels	Number of Assessing Units	Cumulative	Cumulative Percent
< 1,000	139	139	14%
1,001 - 2,500	444	583	59%
2,500 - 5,000	222	805	82%
5,000 - 10,000	101	906	92%
10,001 - 20,000	47	953	97%
20,000 - 50,000	21	974	99%
> 50,000	9	983	100%

Source: NYSORPS

Out of all the states in the United States, only three states (Michigan, North Dakota and Wisconsin) have more independent assessing units than New York State. The following map lists the total number of assessing units for each state.

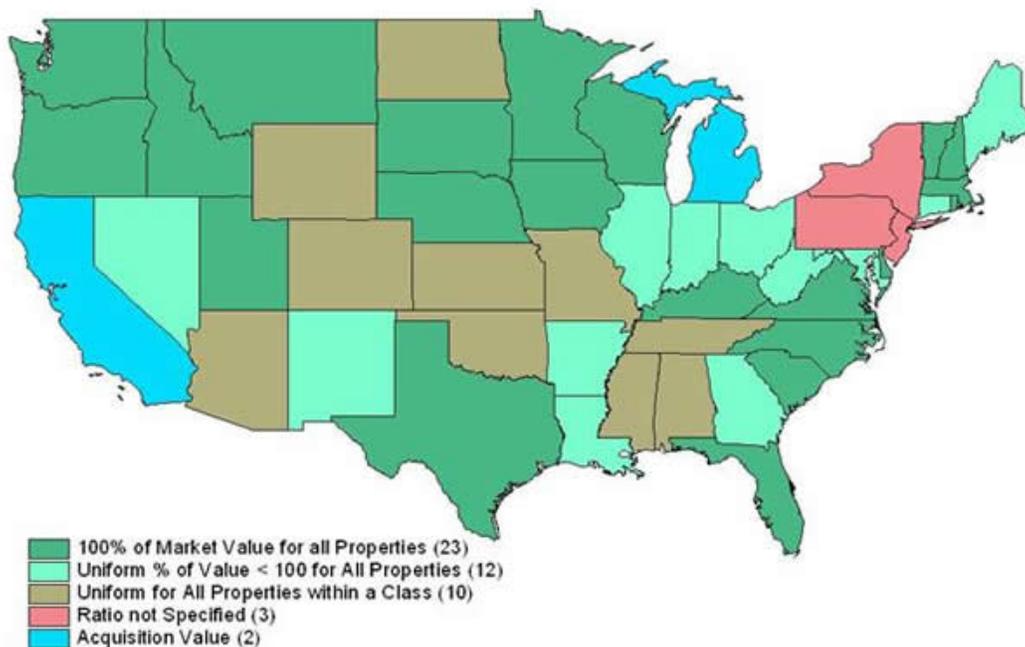
¹ Office of Real Property Services – Reforming New York’s Real Property Tax System

Assessing Jurisdictions by State



It is also noteworthy that New York is one of only three states where a specific level of assessment is not mandated. The following map shows the State Assessment Standards within the United States.

State Assessment Standards



This inconsistent level of assessment further complicates the matter of apportioning school taxes by 683 school districts over 2,900 municipal segments. Most states require that assessed value be reflective of the market value of the property. Twelve states require all assessments to be at a uniform percentage of market value while another ten states require a uniform percentage of market value between property classes. Based upon the 2008 Assessment Rolls that were filed in Cortland County, the equalization rate ranges from 79% (Town of Virgil) to 100% (Various).

Currently in New York State there are only two Countywide Assessing Units – Nassau and Tompkins County. Within these two assessing units, only Tompkins County is a true Countywide Assessing Unit as Nassau County still retains some local municipal assessing jurisdictions.

Current Assessment Structure in Cortland County

There are currently 16 assessing jurisdictions within Cortland County. Six towns have joined together and formed three Coordinated Assessment Programs (CAP) while the remaining 10 assessment jurisdictions employ all sole assessors. In addition to providing the assessment services for one of the CAPs (Preble and Scott), Cortland County also has an agreement with the Towns of Cuyler and Homer to provide their assessment services. For the 2008 Assessment Roll, five municipalities performed a revaluation and had 100% Level of Assessment and 100% Equalization Rate. The remaining eleven assessing jurisdictions had their stated Level of Assessment accepted by New York State as their Equalization Rate.

There are three villages within Cortland County, however all have abolished their assessing unit status and have adopted the town assessment roll thus eliminating this duplication of effort that exists in some other counties.

Based upon an analysis of the last three budget years, the total amount of spending for the assessment function in Cortland County including all assessing units and the County Real Property Tax Services Department is estimated to be \$580,136 or \$25.95/parcel.

Summary of Assessment Administration Improvement Options

The analysis that is included in this study reflects the data that was ascertained regarding the Real Property Assessment Administration practices within Cortland County. This report is intended for informational purposes only. This report is not an endorsement of any alternative assessment structure, nor is it an endorsement of the current assessment structure within Cortland County. This report is also not intended to identify every operational detail of the options described within. Any move to implement or further explore options will require additional specifics.

Coordinated Assessment Programs (CAP)

The Coordinated Assessing Program (CAP) allows for two or more municipalities to share an assessor under a formal agreement, but retain their status as an assessing unit. This agreement allows the municipalities to apply and receive a one time state aid payment for up to \$7/parcel.

If a Countywide CAP, managed by the County, that encompasses all towns within the county was to be formed in Cortland County, the estimated cost would be \$548,578 or \$24.54/parcel. This estimate amounts to approximately \$31,558 less than what is currently spent on the assessment function in Cortland County. It is anticipated to cost approximately \$363,710 to transition to this structure, including a cost for a partial county revaluation and a partial setup cost for a new office structure, with an anticipated \$278,283 in state aid available to help offset this cost. This brings the total out of pocket cost to an estimated \$85,427.

In order to transition to this assessment structure, each Town Board would have to approve an agreement to form the coordinated assessment unit. The following timeline would provide for an orderly transition.

Public Relations Campaign	-	Jan Year 1	-	Oct Year 1
Town Board Agreements	-	Nov Year 1		
Formation of Department	-	Dec Year 2	-	Dec Year 2
Countywide Revaluation	-	Jan Year 3	-	May Year 3
<u>First Consolidated Assessment Roll to be filed</u>	-		-	<u>July Year 3</u>

Countywide Department of Assessment

Based upon the analysis performed and included within this study, it is estimated that a move to a Countywide Department of Assessment would save Cortland County approximately \$31,558 per year given current annual expenditures at the Town, Village and County level. The total cost of a County Department of Assessment for Cortland County is \$548,578.

The cost to transition to a Countywide Department of Assessment for Cortland County is estimated at \$363,710, including a cost for a partial county revaluation and a partial setup cost for a new office structure. There is an estimated \$312,998 in state aid available to offset the transitional costs bringing the total out of pocket expense to \$50,712.

In a Countywide Department of Assessment, all properties would be treated in the same consistent manner. A single equalization rate and a single reappraisal cycle would be attained through this transition. A single consolidated database would be utilized as well.

In order to transition to a Countywide Department of Assessment, a double public referendum would have to be passed inside the City of Cortland and in the towns outside as a whole. The following timeline provides for an orderly transition to a Countywide Department of Assessment.

Public Relations Campaign	-	Jan Year 1	-	Oct Year 1
Public Referendum	-	Nov Year 1		
Formation of Department	-	Dec Year 1	-	Dec Year 2
Countywide Reassessment	-	Jan Year 3	-	May Year 3
<u>First Countywide Assessment Roll to be filed</u>	-		-	<u>July Year 3</u>

This time frame allows for a well thought out and developed public relations campaign and ends with a countywide assessment roll in third year.

Optional County Service Agreements

Section 1537 of the Real Property Tax Laws allows an assessing unit and a county to enter into an agreement for appraisal services, exemptions service, or assessment services. This is considered an agreement for the provision of a 'joint service' for the purposes of article five-g of the general municipal law. This interpretation takes into the fact that with this agreement the county would not have the power to perform any of the above duties in the absence of the agreement.

Cortland County already is using this option extensively with exceptional results.

Based upon the current assessor staff in place within the county, it is anticipated that Cortland County would be able to take on the assessment function for all towns in the County within the next two assessor reappointment cycles ending in year 2019. However, if a town wishes to contract with the county, they may do so even during the interim years between assessor reappointment dates.

Full Assessment Function

If all towns were to assign the assessment function to Cortland County under Section 1537 of the Real Property Tax Law, the estimated cost of the combined assessment/County Real Property Tax Service Agency

would be approximately \$538,778 or \$24.10/parcel. It is anticipated to cost approximately \$363,710 to transition to this structure, including a cost for a partial county revaluation and a partial setup cost for a new office structure, with an anticipated \$173,542 in state aid available to help offset this cost. This brings the total out of pocket cost to an estimated \$190,168

In order to transition to this assessment structure, each Town Board and the County Legislature would have to agree to the agreement to form the consolidated assessment unit. It is anticipated that a full transition where the county would provide the assessment function for all of the towns could happen by the 2019 assessor appointment year. The same procedure applies, regardless of the number of towns contracting with the county. For the purposes of this study, the towns would enter into an inter-municipal agreement stating the common level of assessment and reassessment cycle.

The following chart shows the summary of the cost of the current and alternative assessment structures that would provide for all properties within Cortland County to be treated in the same equitable manner.

	Current Structure that is in place to provide equitable assessments to all properties	Countywide Department of Assessment	Countywide CAP – Managed by County	All munis contract with County for assessment services under RPTL 1537
One time Start up Costs	\$69,923	\$50,712	\$85,427	\$190,168
Total Annual Operational Costs	\$580,136	\$548,578	\$548,578	\$538,778
Cost Per Parcel	\$25.95	\$24.54	\$24.54	\$24.10

The following chart lists the key points for each structure available for assessment administration in Cortland County. For comparison purposes, only the “Key

Points” of each structure are listed as depending on the point of view, each could either be considered an advantage or a disadvantage.

Each available option out of the four reviewed in this study has the capability of producing an assessment structure for Cortland County that has a single equalization rate and single reassessment cycle structure. This may result from a change to an alternative form of assessment administration or by utilizing inter-municipal agreements that mandate a reassessment cycle and a single level of assessment within the county under the current structure.

Options for Assessment Administration	Key Points
Current Structure	<ul style="list-style-type: none"> • 6 Year Political Appointments • Accountability • Local Home Rule • Part time staff/hours • Multiple Equalization Rates • Multiple Reassessment Cycles • Towns defend Certiorari Actions
Countywide Department of Assessment	<ul style="list-style-type: none"> • Single Equalization Rate <ul style="list-style-type: none"> ◦ Minimize tax shifts • Single Reassessment Cycle • Removed from Town Level • Full time staff/hours • County Civil Service Employees • Assessor not a political appointee • Multiple Appraisal Staff • County defends Certiorari Actions
Countywide CAP	<ul style="list-style-type: none"> • Single Equalization Rate <ul style="list-style-type: none"> ◦ Minimize tax shifts • Single Reassessment Cycle • Removed from Town Level • Full time staff/hours • Multiple Appraisal Staff • 6 Year Political Appointments • City must change assessment change • County defends Certiorari Actions
Countywide 1537	<ul style="list-style-type: none"> • Full time staff/hours • Possibility for single equalization rate and reassessment cycle • Multiple Equalization Rates • Multiple Reassessment Cycles • Removed from Town Level • County Civil Service Employees • County defends Certiorari Actions

II. The Job of the Property Assessor

The task of being a property assessor is a vast and complex one to say the least. The most basic definition of an assessor is “a local government official who estimates the value of real property within {a county}, city, town, or village’s boundaries. This value is converted into an assessment, which is one component in the computation of real property tax bills.”²

The International Association of Assessing Officers lists the following eight main tasks performed by assessors while completing an assessment roll.

1. Locating and identifying all taxable property in the jurisdiction
2. Making an inventory of the quantity, quality and important characteristics of all taxable property.
3. Estimating the value of each taxable property
4. Determining the extent of taxability of each property
5. Calculating the assessed value of each property.
6. Preparing and certifying the assessment roll of the entire jurisdiction.
7. Notifying owners of the assessed value of their properties.
8. Defending value estimates and valuation methods.

There are many different forms that an effective assessment system may take. Many states delegate the assessing function at the county level, while some delegate that authority at the town level. Some states even retain the authority to assess property at the state level.

Regardless of which level of government performs the assessing function, the following list³ provides policy and administrative features of an effective assessment system.

- Legal Support
- Annual Reappraisal
- Periodic ratio studies that measure the relationship between appraised values and independent estimates of market values (usually sales prices)
- Adequate budget

² Source – Office of Real Property Services – “Job of the Assessor”

³ Source – IAAO Property Appraisal and Assessment Administration

- Competent Staff
- Effective training programs
- Effective internal controls
- Complete maps and property data
- Accurate sales data
- Modern Data Processing
- Effective Valuation techniques
- Active Public relations

The main three things that should be considered on a macro level when deciding what form of assessment administration is best for each individual municipality is:

1. Transparency – from the public’s standpoint, they want to believe and to be able to understand what the purpose of the assessment function is. They need to feel confident that it is being carried out in a fair and equitable manner.
2. Efficiency – from the legislature’s standpoint, they want the best service to be provided at the lowest cost to the taxpayer of the local municipality.
3. Equity – from the assessor’s standpoint, they want the assessment roll to be the most fair and to provide the most equity as possible.

III. Current Assessment Practices in Cortland County

Assessment Structure

Currently there are 16 assessing jurisdictions within Cortland County. Out of these 16 assessing jurisdictions, six towns have formed a Coordinated Assessment Program (CAP) under Real Property Tax Law Section 579. The remaining 10 town assessing jurisdictions employ sole appointed assessors. In addition to providing the assessment function for one of these CAPS (Preble and Scott), Cortland County provides the assessment function for the Towns of Homer and Cuyler.

For the 16 assessing jurisdictions, there are only five individuals occupying these positions which show that the consolidation of the assessment function has been in place in Cortland County for many years. Freetown, Harford, Homer and Solon employ a part time clerical staff position while the City of Cortland and the Town of Cortlandville employ a full time clerical staff position.

There are three villages within Cortland County, however all have abolished their assessing unit status and have adopted the town assessment roll, thus eliminating this duplication of effort that exists in some other counties.

The Cortland County RPTS employs an office of five full time employees and one part time employee. Cortland County also contracts with a local town assessor for valuation assistance, including all reappraisal work performed by the county. Work that is contracted to the County Real Property Tax Services include tax rolls/tax bills, assessor reports, RPS support, miscellaneous processing and printing and the processing of corrections/refunds. The County also assists local assessors in orientation and training. Cortland County does all tax mapping for all municipalities within the County. The County provides the assessment function for four towns in the county along with providing support for reassessment projects in the other towns.

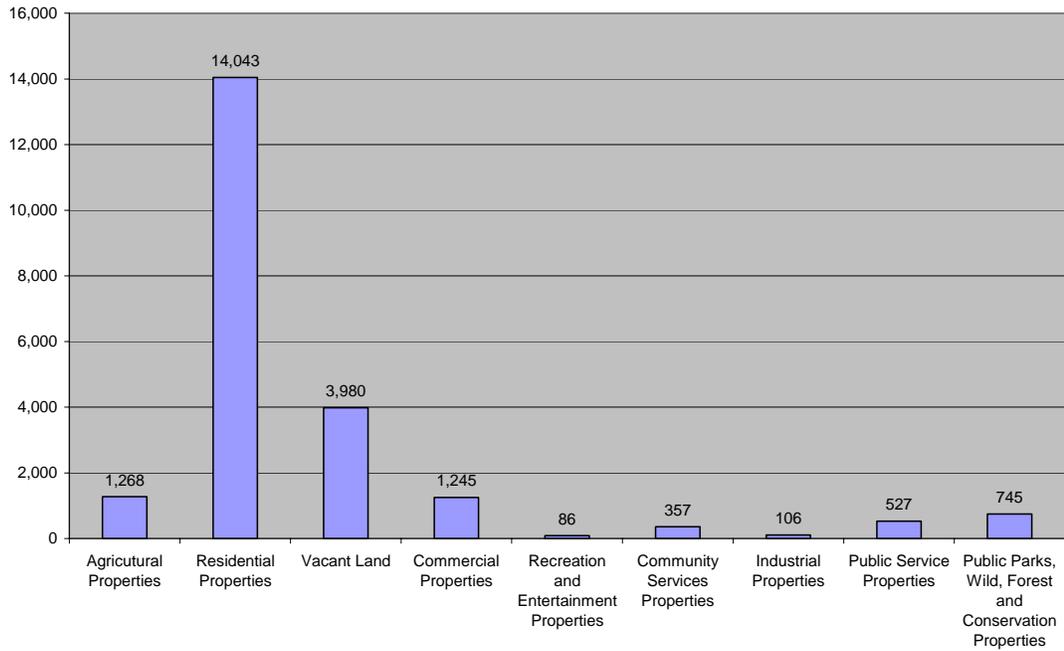
There are currently 22,357 parcels of real property located within the county. The Town of Taylor has the lowest number of parcels of real property with 477 while the City of Cortland has the most number of parcels of real property with 5,078. There are eleven towns that have less than 1,000 parcels or real property within their boundaries. The median number of parcels in a town in Cortland County is 771.

Cortland County currently uses the state provided RPSv4 (Build 2008) CAMA⁴ database for the process of recording all physical inventory on the real property parcels within its boundaries. This easy-to-use windows based program uses a relational database structure that integrates easily into external data management systems. Cortland County uses RPSv4 to print tax rolls as well as an in-house program to print tax bills. The County currently hosts RPSv4 for the majority of towns within the county with access to the database available via an online connection. The other three towns that do not use this connection option use replication to synch their assessment files with the county's database.

The predominate property class within Cortland County is residential – comprising 63% of all parcels. If this property class is combined with the agricultural and vacant land property classes – this combination comprises 86% of all parcels.

⁴ CAMA – Computer Assisted Mass Appraisal

2008 Cortland County Property Class Count



Indicators of Assessment Equity

As of the end of 2008, there were three towns that are in the Annual Aid Program and two towns that received Triennial Assessment Aid. By qualifying for this aid, the state has certified that all properties in each of these three municipalities have adjusted assessed values to reflect the fair market value of each individual parcel. In doing so, these municipalities have been able to take advantage of up to \$5/parcel state aid.

Out of the remaining eleven town municipalities that did not perform a revaluation in 2008, there are seven towns⁵ that are planning to perform a reassessment for either the 2009 or 2010 Assessment Roll year.

The following chart shows all sixteen assessing jurisdictions along with their 2008 Final Equalization Rate and the assessor's 2008 Stated Level of Assessment.

⁵ Freetown, Cuyler, Harford, Solon and Virgil – 2009. Cortlandville and Homer – 2010.

Municipality	2008 Eq. Rate	2008 LOA of various property types	Latest Reassessment
Cortland	100.00	100.00	2008
Cincinnati	96.00	96.00	2007
Cortlandville	88.00	88.00	2005
Cuyler	76.00	76.00	2005
Freetown	88.00	88.00	2005
Harford	88.00	88.00	2005
Homer	88.00	88.00	2005
Lapeer	96.00	96.00	2007
Marathon	96.00	96.00	2007
Preble	100.00	100.00	2008
Scott	100.00	100.00	2008
Solon	82.00	82.00	2004
Taylor	100.00	100.00	2008
Truxton	90.00	90.00	2006
Virgil	79.00	79.00	2005
Willet	100.00	100.00	2008

It is important to note that all of the local assessing jurisdictions have had their 2008 local stated Level of Assessment accepted as the Equalization Rate. By having the Level of Assessment confirmed as the Equalization Rate, it allows for accurately adjusted exemptions (ie Veterans, Agricultural Land, STAR).

In respect to other counties, the assessment rolls for Cortland while at a fraction of market value, appear to be on average very equitable based on assessment equity statistics obtained from the New York State Office of Real Property Services. For the municipalities in Cortland County, the coefficient of dispersion⁶ (COD) averages 16.41 for all property class types. This statistic is well within the

⁶ Coefficient of Dispersion – The average deviation of a group of observations (assessment ratios, for example) from the mean or, preferably, the median ratio expressed as a percentage of that mean or median. A standard measure of assessment equity..

acceptable figure of 20.00 as outlined by the International Association of Assessing Officers. This figure ranges from 11.89 in the Town of Cortlandville to 24.37 in the Town of Taylor. The COD is only slightly over 20 for two towns and one CAP.⁷

Reviewing the last reassessment activity within each municipality, all sixteen have performed a revaluation within the last five assessment roll years (back to 2004). However, this lack of a consistent reappraisal cycle can lead to an inequitable distribution of the tax burden, as property value trends can move differently from one town and one property to the next. However, during the last twenty years all reappraisal activity in the county has been performed under the guidance of only two individuals, namely David Briggs and Larry Fitts. By only having two individuals provide the reappraisal work for the towns in the county, consistency was achieved in both the data collection and valuation aspects of the reappraisal projects.

Current Assessment Roll Cycles

Currently all fifteen town assessment offices use the standard Assessment Roll Calendar as specified by the Real Property Tax Law. The only exception to this schedule is the date for Grievance Day. Only the City of Cortland uses a different calendar as specified by their county charter. Any change to the city's calendar would require a charter change. In any alternative form of assessment administration to be reviewed in the study, the assessment calendar for the City of Cortland would need to be changed to resemble that of the rest of the county. The differences in these calendars can provide for confusion for property owners in the county. All of the towns currently use the following for their important dates:

⁷ Taylor, Willet and CAP 119901 (Freetown and Harford)

Tentative Roll Date	=	May 1
Grievance Day	=	Various ⁸
Final Roll	=	July 1
Budget Approval	=	November 20
Tax Levy	=	December 31
Tax Lien	=	January 1

The City of Cortland uses the following for their important dates:

Fiscal Year	=	Jan 1 – Dec 31
Valuation Date	=	July 1, Current Year
Taxable Status Date	=	August 1
Tentative Roll Date	=	August 1
Grievance Day	=	1 st Tuesday after the 1st Monday in Sept.
Final Roll	=	October 1
Tax Levy	=	Dec 15
Tax Lien	=	Jan 15

Current Assessment Grievance Procedures

There are currently sixteen Board of Assessment Reviews (three and five person boards are present in Cortland County) that meet on a yearly basis to act upon filed assessment based grievances.

The following chart shows the applicable grievance days within each town. The typical date for Grievance Day is normally the fourth Tuesday of the month of May. However, this date may be changed according to the New York State Real Property Tax Law Section 512 (1-a) by local law passed by the Town Board.

⁸ See Section Titled “Current Grievance Procedure” for more information

MUNICIPALITY	GRIEVANCE DAY
Cortland	First Tuesday after Labor Day
Cincinnatus	4 th Tuesday of May
Cortlandville	4 th Tuesday of May
Cuyler	4 th Thursday of May
Freetown	2 nd Monday of June
Harford	4 th Tuesday of May
Homer	4 th Tuesday of May
Lapeer	4 th Tuesday of May
Marathon	4 th Tuesday of May
Preble	4 th Wednesday of May
Scott	4 th Thursday of May
Solon	4 th Wednesday of May
Taylor	2 nd Wednesday after 4 th Tuesday of May
Truxton	4 th Tuesday of May
Virgil	4 th Thursday of May
Willet	4 th Wednesday of May

Each Town Board of Assessment Review is comprised of three, four or five individuals appointed by the Town Board of each municipality to serve a five-year term. It is mandated by New York State Real Property Tax Law that each Board of Assessment Review member attend one training session at the start of each five-year term. The task of training each Board of Assessment Review member falls upon the County Real Property Tax Director.

Current Sales Processing Procedure

The Real Property Tax Service Agency receives a copy of the deed and RP-5217 Transfer Report on a bi-weekly basis from the County Clerk's office. This deed is then read and processed by the tax map unit of the County RPTSA. Any changes to the tax map based upon the new deed or surveys are processed and a tax map revision sheet is created for the assessor. A copy of the deed, RP-5217 and other necessary information (survey, tax map revision sheet etc) are placed

into the Assessor's mailbox to be picked up by the Assessor at their earliest convenience. None of this information is available on-line.

Availability of Assessment Data

Currently, real property assessment related data for Cortland County is posted on the internet by Cortland County. This information is open to the public on a pay per view basis with rates available for monthly and yearly access.

Cortland County uses an application called Image Mate Online developed by Systems Development Group (SDG) out of Utica, New York to publish the information on the internet. Included in this system is the ability to link additional digital documents to the parcel related data that is extracted out of RPSv4. Examples of additional documents are digital photographs, sketches and tax maps. Also, posted on the county's website is a link to tax bill information including the prior year's tax bill information. All of this data is maintained and updated by the local assessor.

Perhaps of most importance to the property owner is a link to search for comparable properties. By utilizing this link, the property owner is able to verify the accuracy of their own assessment by comparing their property to both properties that have recently sold and by comparing their property to similarly assessed properties. Open access to the real property inventory is essential to help assist in creating a fair and equitable assessment roll and is helpful in fostering a sense of fair treatment amongst the property owners.

Within the Cortland County Real Property Tax Services Department, there are two computers available for public use. These computers use the state provided RPSv4 database to display the real property assessment information contained within. These computers are utilizing the live version of the database so is it up to

date⁹. The information contained within this database is strictly textual data. The public can view tax maps with the assistance of a tax map employee as well as get a print out of the tax map. There is no public access to any digital information (digital photographs/sketches, surveys, aerial photographs, tax map revisions sheets, deed history cards etc) that may be retained by the individual town assessors. Based upon data¹⁰ obtained from the NYS Office of Real Properties, 31 counties have some assessment related information displayed online.

Current Assessment Challenges

This study has not researched the number nor the validity of assessment based challenges – either through the formal grievance procedure, Small Claims Assessment Review or Certiorari filings. The number of formal complaints in no way reflects the current state of an assessment roll.

One could make an argument that if the assessment roll was significantly undervaluing property as opposed to the stated level of assessment, then no formal appeals would be made. Conversely, if the assessment roll was accurately depicting the level of assessment, an argument could be made that formal appeals could increase as it would be in the property owner's best interest to appeal to the court's Solomon-like approach to deciding formal appeals.

Also, the existing tax rate for the municipality needs to be taken into account when researching formal assessment challenges. If the tax rate reaches a significant level, it is in the complainant's best interest to file for a formal appeal. If the tax rate is at an insignificant level, then the cost of litigation does not offset the lower expectant tax bills.

⁹ The database is up to date for those municipalities that utilize the County's database for data entry. The towns that employ Frances Butler are as up to date as of the last she syncs her databases to the county database structure.

¹⁰ http://www.orps.state.ny.us/ref/asmtdata/local_data.htm

The following chart¹¹ shows the number of Small Claim Assessment Review Hearings and the number of Certiorari's that were filed in Cortland County in 2006-2007.

<u>Type of Review</u>	<u>2006</u>	<u>2007</u>
Small Claims Assessment Review	5	6
Tax Certiorari Activity	9	14

Advantages of Local Town Assessment Function

The New York State Assessor's Association (NYSAA) has published a pamphlet that lists the benefits of a Local Town Assessing Unit. The NYSAA breaks down the advantages into the following categories: Local Convenience, Professional Expertise, Accountability, and Cost.

The NYSAA stresses that the property owner should have the convenience of coming directly to their town hall in order to either discuss their assessment or to file a complex application for a real property tax exemption.

Disadvantages of Local Town Assessment Function

The same advantages that the NYSAA lists can also be a disadvantage at the Local Town Assessment Level. In the smaller municipalities, it is fiscally irresponsible to hire a full time assessor. The resulting part time assessor can then only be reached in their office at certain times of the week/month. Based upon information supplied by the County Real Property Tax Service Agency, only two assessors have set office hours while the remaining three assessors can only be reached via the phone to set up an appointment as they do not have any set office hours.

¹¹ Office of Court Administration

Due to the consolidation of the assessment function that has already occurred in Cortland County, two assessors hold full time office hours at a combination of their municipalities. David Briggs holds office hours in the morning at the Town of Cortlandville and in the afternoon at the City of Cortand where he also holds office hours for the Towns of Taylor, Willet and Virgil. Nedra Griswold, who is a County employee under Real Property Tax Law 1537 Service Agreements, holds office hours for the Town of Homer during the morning from Monday – Tuesday and hold office hours for the Towns of Cuyler, Preble and Scott from Monday – Tuesday in the afternoon and Wednesday – Friday (all day) at the County RPTSA. The remaining three assessors can only be reached via phone as they do not have set office hours available to the public.

Another disadvantage of the local assessment structure is that an assessor is hired for a six-year appointment. Once they have the training and skills necessary to perform their assessing functions to the best of their ability, they may not be reappointed. This non-reappointment may not be reflective of their work but only a reflection on the political atmosphere within the local municipality. Local politics are not conducive to a professional assessor's ability to perform their job duties effectively. Politics should not be taken into consideration when administering the Real Property Tax Law or valuing a piece of property.

Finally, without a statewide standard assessment cycle or level of assessment, the same house in Cortland County but in different towns could have dramatically different assessed valuations. Even though the equalization rate process is supposed to account for these differences in level of assessment, the process is inherently flawed as it is strictly a statistical estimation of the percentage of market value an assessment roll reflects, without any local knowledge of the real estate market taken into consideration. These differences in assessment cycle and level of assessment from one town to another can cause an inequitable distribution of the tax burden and dramatic tax shifts from one year to the next.

Cost of Current Assessment Administration

A calculation of the current cost of assessment administration function within Cortland County was obtained by reconciling the most recent three budget years (2006, 2007, 2008). It is important to reconcile the last years in order to remove any outlying expenditure that is not typical of the true cost of the assessment function.

The current Director of Real Property Services is employed as a part time employee however if the incumbent were to retire, this position would have to be staffed by a full time individual. The experience and expertise of the current Director of Real Property Services is not typical for that position and any newcomer to that position would have to be hired on a full time basis. For the purposes of this cost analysis, a full time County Director of Real Property Services is included in each of these budget years. It is important to include this funding for the current cost so that an accurate comparison could be drawn across the alternative options for the assessment structure.

The following chart¹² lists the actual costs for the three years that were analyzed. Also included in the chart is the reconciled current assessment administration cost that will be used throughout this study.

	2006	2007	2008	Current Cost
Personnel	404,024	414,479	444,792	444,792
Equipment	13,600	13,950	14,360	14,360
Contractual	99,164	124,406	136,610	130,000
Fringes	94,077	105,073	116,905	116,905
Revenue	92,500	86,800	125,921	125,921
Total Cost	518,365	571,108	586,745	580,136
Cost Per Parcel	23.19	25.54	26.24	25.95

For the basis of this study, **the reconciled cost of the current assessment administration in Cortland County is \$580,136 or \$25.95 per parcel.**

¹² For a full analysis of the local municipal and county RPTSA budgets, refer to Appendix B -1,2,3,4

IV. Alternative Assessment Administration Structures

Coordinated Assessing Program

The Coordinated Assessing Program (CAP) allows for two or more municipalities to share an assessor under a formal agreement but yet retain their status as an assessing unit. This agreement allows the municipalities to apply and receive an initial grant for up to \$7/parcel.

For each city and town in a CAP:

- the assessor prepares a separate assessment roll,
- the local law must specify the same percentage of value for assessments,
- the same assessment calendar is used,
- there are separate assessment appeal proceedings,
- identical equalization rates are established,
- separate equalization rate challenges can be filed,
- separate and different tax rates will be used for each local government in a school district or within a county.

There are approximately 62 CAPs comprised of 141 municipalities that are currently in place statewide.¹³

A major benefit of a CAP is that municipalities are able to pool resources and provide a better assessment function than what they could do on their own. Also, in a CAP all properties are treated in a uniform manner reducing the confusion that occurs when similar properties might have drastically different assessments due to variations in the level of assessment.

One negative aspect of a CAP is that the number of parcels of the combined assessing unit might be too large for a single assessor to handle during a year in which a reappraisal is taking place. This might be cause for an outside contractor to have to be hired to assist in this task.

¹³ Source – Office of Real Property Services

Currently in Cortland County, there exist three CAPs encompassing six municipalities. However there are multiple instances where towns share the same assessor but have yet to officially form a CAP.

Estimated Cost

Countywide CAP

In a Countywide CAP, managed by the County, there would be one assessor for all municipalities within the County. This individual would be in charge of four individuals who would provide the assessment function. In addition, the existing County Real Property Tax Service Agency would continue to exist with the exception of any valuation staff which would be part of the appraisal division of the CAP.

The estimated cost of a Countywide CAP would be approximately \$548,578 or \$24.54/parcel based upon an office staffing of ten individuals. It is estimated that the current staffing of five individuals in the County RPTSA would have to be supplemented with a staff of five individuals for the Valuation/Assessment Division. To review a full estimated Countywide CAP budget analysis, please refer to Appendix E-1.

If all towns were to form a CAP, then all properties would be treated in a consistent manner. An identical equalization rate for each municipality, identical level of assessments and a consolidated assessment database would be achieved as well.

Countywide Department of Assessment

An under-utilized option for the structure of the assessment function in New York State, as opposed to other states, is the Countywide Department of Assessment. Currently in New York State there are only two Countywide Assessing units:

Nassau and Tompkins. The last time this transition happened was in 1970 when Tompkins County passed a public referendum to switch to a Countywide Assessment unit. (Nassau County transitioned to Countywide in 1938).

In this form of assessment structure, the County assumes all assessment function for the towns and employs a single assessor who also acts as the County Director of Real Property Tax Services.

This switch to a Countywide Assessing Unit for Tompkins County was not done as a cost savings measure. The driving force behind this switch was to provide a more professional full time appraisal office to the property owners of Tompkins County. Additionally, there were numerous town assessors who were retiring and there was a lack of qualified individuals to replace them. A succession plan should be in place in Cortland County.

The New York State Office of Real Property Services lists the top ten benefits of a countywide assessing unit as:

1. County assessing eliminates tax shifts resulting from changing equalization rates within the county.
2. Assessment equity may improve as a result of more regionalized data, analyses, and market monitoring.
3. With county assessing, individual municipalities and school districts would no longer be the focus of scrutiny regarding reassessments.
4. Taxpayers would likely have more confidence in the tax system if they could see that its administration was highly professional, efficient, and equitable.
5. In rural areas, where municipalities are thinly populated, county assessing would result in sufficient pooling of resources to attract or maintain highly qualified and competent assessment officials at a potentially lower per-parcel cost.

6. In urban/suburban areas with large cities and large prosperous towns, interactions between assessing offices and the departments responsible for planning, zoning, highway maintenance, E- 911 and other functions could be improved and expanded.
7. Counties, which have larger stakes in tax certiorari cases, typically would have greater resources with which to defend assessments.
8. County assessing would permit increased specialization of assessing staff in regard to specific types of properties, including utilities, industrial properties and complex commercial properties.
9. Assessing staff and resources could be reallocated to respond to emergencies or other events that require coordination across municipal boundaries.
10. The number of entities with which utilities and other owners of widely distributed property must deal with would be greatly reduced.

To elaborate, the single greatest advantage to a Countywide Department of Assessment is that all properties within the county's boundaries are treated in a uniform manner. This treatment removes the confusion that exists when neighboring similar properties have dramatically different assessment. This common level of assessment and common reappraisal cycle stops the equalization rate from causing dramatic shifts in the tax burden within the County's taxing jurisdictions. Additionally, a common database would be created for all parcels in Cortland County.

Another added benefit is that there will be more than one appraiser who is familiar with a certain town. This is beneficial when an appraiser is out of the office and a property owner is looking for an answer to their inquiry. It is also beneficial if the unfortunate incident of a long term leave is encountered by the Department of Assessment. The cross training that is utilized in a Countywide Department of Assessment is highly desirable.

Under the current real property tax administration rules, the reimbursement for continuing education is only available for the assessor position. Under this form of assessment administration, only the assessor would be eligible for reimbursement while the cost of continuing education of the remaining appraisal staff would be a responsibility of the county.

Estimated Cost

It is estimated to cost approximately \$548,578 or \$24.54/parcel to staff a countywide Department of Assessment. It is anticipated to cost approximately \$363,710 to transition to this form of assessment administration with \$312,998 available in state aid to offset this cost. The total out of pocket expense to transition to a county Department of Assessment would be \$50,712.

To review a full estimated Countywide Department of Assessment budget analysis, please refer to Appendix E-2.

Optional County Services Agreements (RPTL 1537)

Section 1537 of the Real Property Tax Laws allows an assessing unit and a county to enter into an agreement for appraisal services, exemptions service, or assessment services. This is considered an agreement for the provision of a 'joint service' for the purposes of article five-g of the general municipal law. This interpretation takes into consideration that without this agreement the county would not have the power to perform any of the above duties in the absence of the agreement.

Section 1537 states:

1. (a) 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, in the manner provided by this section. Such an agreement shall be considered an agreement for the provision of a "joint

service" for purposes of article five-G of the general municipal law, notwithstanding the fact that the county would not have the power to perform such services in the absence of such an agreement.

(b) Any such agreement shall be approved by both the assessing unit and the county, by a majority vote of the voting strength of each governing body.

(c) In the case of an assessing unit, no such agreement shall be submitted to the governing body for approval, unless at least forty-five days prior to such submission, the governing body shall have adopted a resolution, subject to a permissive referendum, authorizing the assessing unit to negotiate such an agreement with the county; provided, however, that such prior authorization shall not be required for an agreement to amend, cancel or terminate an existing agreement pursuant to this section.

2. (a) An agreement between an assessing unit and a county for appraisal services shall provide for the county to appraise all real property within such assessing unit for assessment purposes.

(b) The county shall employ appraisers and other technical personnel to make the appraisals of such properties. No person shall be employed by the county and assigned professional appraisal duties, which relate to the assessment of real property for purposes of taxation unless such person meets the minimum qualification standards established by the state board. Such appraisal personnel shall attend courses of training and education prescribed by the state board.

(c) Such appraisals shall be completed no later than the taxable status date of the assessing unit, and shall be submitted by the county director to the assessor in the form and containing such information as shall be prescribed by the state board.

(d) Appraisals furnished pursuant to this section shall serve as the basis of the assessment of the property so appraised.

(e) Such an agreement may further provide that in any administrative or judicial proceeding to review an assessment which is based upon a county

appraisal, the county shall provide such testimony and other evidence as may be necessary to defend such appraisal.

3. An agreement between an assessing unit and a county for exemption services shall provide for the county to review applications for exemption and determine the eligibility of the applicants for such exemptions. Such agreement may further provide that in any administrative or judicial proceeding to review an assessment in which the denial of an exemption is at issue, the county shall provide such testimony and other evidence as may be necessary to defend its denial of exempt status.

4. An agreement between an assessing unit and a county for assessment services shall provide for a person, other than the county director of real property tax services, to be selected by the assessing unit to perform assessment 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. Provided, however, that no such agreement for assessment services may be entered into by an assessing unit which has exercised the option to retain elective assessors pursuant to law.

Currently in Cortland County, four municipalities have contracted with the County to provide the assessment function for the town. Based upon the current assessor staff that is in place within Cortland County, it is anticipated that the option of taking over the assessment function for all municipalities in the County will present itself within the next two assessor reappointment cycles (by the year 2019) as this is a good likelihood all of the assessors currently working for the individual towns will be retired at that point.

Based upon the educational requirements that are currently in place set by the New York State of Real Property Services for an assessor, it is very difficult to find a qualified individual willing to work for a town on a part time basis. Even a certified fee appraiser lacks some of the basic requirements set forth by the NYSORPS for an assessor position. This lack of qualified individuals to replace

the current assessor staff in the county might present a problem to Cortland County in the near future.

If the time comes where the assessment function is transferred to the County under Real Property Tax Law 1537 Agreements, for the purposes of this study, the municipalities would agree to a common level of assessment and reassessment cycle. By treating all properties in the same manner, the distribution of the property tax levy would be performed in a fair and equitable manner. Additionally, the equalization rate process is removed from the county's apportionment of taxes removing the undue influence of this on the distribution of the tax burden.

Even though the equalization rate process is supposed to account for these differences in level of assessment, the process is inherently flawed as it is strictly a statistical estimation of the percentage of market value an assessment roll reflects, without any local knowledge of the real estate market taken into consideration. The local knowledge that is applied while keeping all properties at the same level of assessment removes the possibility that dramatic changes in the equalization determined by a statistical analyst with little or no knowledge of the specifics of the real estate market in Cortland would affect the tax distribution.

With the experience gained already by providing the assessment services to some of the towns in the county, it appears that Cortland County is in a great position to assume the assessment functions for the rest of the towns.

While the assessors would be appointed by the individual towns, they would be county employees however they would be subject to all provisions that are required by the NYSORPS for an assessor. This fact will make the continuing education requirements for the assessor to be reimbursable by NYSORPS. For the basis of this analysis, it is assumed that the individual towns would appoint the least amount of individuals in order to minimize the cost.

The towns can contract with the county to provide the assessment function at any point in time. This contractual agreement can even occur during the interim years between the assessor reappointment dates.

Cost Estimate

While it is anticipated that a conversion to an assessment structure where the county provides the assessment function for all towns in the County would not take place until 2019, the following analysis will look at the cost of this structure in 2008 dollars.

According to IAAO standards, for an assessing unit the size of Cortland County, an appraisal staff of 5 individuals would be necessary.

The following staffing would be adequate to provide for equitable assessments to the property owners of Cortland County.

- Director of Real Property (1)
- Real Property Information Specialist (1)
- Secretary (1)
- Tax Map Technician (2)
- Real Property Assessor (5)

Based upon this ten person staffing level, it is estimated that the cost to provide the assessment function under 1537 agreements would be approximately \$538,778 or \$24.10/parcel.

To review a full estimated “Countywide 1537 Agreements budget” analysis, please refer to Appendix E-3.

V **Current State Aid Programs**

In recent years, NYSORPS has offered many different programs to entice local assessing jurisdictions to increase the accuracy of their assessment rolls.

The cost to improve the function of assessment administration can be substantial, especially in municipalities where assessed values have not been kept up to date or physical inventory has not been maintained.

According to the NYSORPS, they have changed their aid programs from ones that have encouraged an initial reassessment to the programs that are available today that not only encourage an initial reassessment but also encourage municipalities to keep reassessing properties each and every year at a 100% fair market value.

The following lists each aid program that the State of New York offers along with a brief explanation of each.

Annual Aid Program

The program allows for a payment of up to \$5/parcel for an assessing jurisdiction that annually reassesses all properties and maintains a 100% of market value level of assessment. Also, all properties must be reappraised and physically inspected at least once during a six-year period. The Countywide Department of Assessment Staff Structure allows for participation in either an annual or triennial assessment aid program,

If the County were to adopt a Countywide Reassessment structure, this program could bring in up to approximately \$111,785 to Cortland County every year.

Triennial Aid Program

The program allows for a payment of up to \$5/parcel once every three years for an assessing jurisdiction that conducts a reassessment including a physical inspection of all properties every three years.

If the County were to adopt a Countywide Assessment structure, this program would bring in approximately \$111,785 to Cortland County once every three years. This aid will sunset with the 2011 Assessment Roll.

Consolidation Incentive Aid Initiative

If two or more assessing jurisdictions merge their assessing functions into a coordinated assessment program (CAP) and employ a single assessor, they are entitled to a one-time payment of up to \$7 per parcel.

If all towns were to form a CAP, this aid program would bring in approximately \$104,741 to Cortland County.

County Aid Incentive

A one-time payment to a county of \$1/parcel is available when a county provides data collection, appraisal and other related services to a local municipality that currently maintains its status as an assessing unit but takes advantage of county assistance.

This one time aid program would bring in approximately \$17,043 to Cortland County.

Countywide Assessment

A one-time payment to a county of \$2/parcel who after a public referendum agrees to merge all assessment functions at the county level.

This one time aid program would bring in approximately \$44,714 to Cortland County.

A one time State Consolidation Aid payment of up to \$7/parcel for the consolidation of the assessment function.

This one time aid program would bring in approximately \$156,499 to Cortland County

County Coordinated Assessment Program

An additional one time payment of \$2/parcel to a county if the county manages the assessment function and if all properties are included.

This aid program would bring in approximately \$44,714 to Cortland County.

Breaking News

With the announcement of Governor Paterson's directive to cut state spending, ORPS has announced that they will abide by this directive by cutting state aid and reimbursement payments by 2% for the remainder of the 2008-2009 State Fiscal year. The figures that are demonstrated above and throughout the report do not reflect this 2% reduction.

As the State Budget situation is a very fluid one to say the least, any and all grant/aid programs included in this study must be verified to confirm their existence prior to assuming the programs are still available after the publication of this study.

Also a newly created grant program, the 2008-09 Local Government Efficiency Grant Program, has recently been announced. This program needs to be researched further as this program could possibly represent a large funding source for a transition to a Countywide Department of Assessment. This program might also not survive budget cuts at the state level. The deadline to apply for this grant program is January 15, 2009.

VII Recommendations to Improve the Assessment Function in New York State

There are many avenues that the State of New York can take to improve the assessment function that occurs within its boundaries. The following three recommendations would provide the most immediate improvements. Changes to the assessment function are often not politically popular, however these improvements are considered likely to gain approval.

1. **Provide Maintenance Aid Payments to Municipalities that are in compliance with Section 305 of the Real Property Tax Law.**

Currently within the New York State Real Property Tax Law, Section 305 specifies that all properties must be assessed at a uniform percentage of value, not full market value. However, both the Annual and Triennial Aid programs require a 100% level of assessment.

If the assessment roll is in compliance with Section 305, then the tax burden will be equitably distributed among the taxpayers within the municipality. All too often, a revaluation is confused with a “revenue generator” for a municipality. First and foremost, the assessment community is concerned with equity. If this equity is achieved, then maintenance aid should be provided to a municipality to assist in keeping this equity on the assessment roll.

2. **Mandate a Reassessment Cycle**

In order to provide for an equitable assessment roll, a reappraisal must be undertaken on a regular basis as values become inequitable. With the tools that are available in the industry today, assessed values could be kept up to date without the assistance of a private revaluation company if the updates were done on a consistent basis.

With the mass appraisal techniques available, either through trending or multiple regression analysis, a town assessor can keep values up to date by performing the work in-house even at a fraction of value.

A reappraisal cycle could either be tied to a number of years or to be tied to an acceptable range for a standard of assessment such as a Coefficient of Dispersion of Price Related Differential.

3. Abolish Elected Assessors

Perhaps the most outdated aspect of the assessment function in New York State is the elected assessor position. Politics should never enter the assessment office. All decisions regarding the assessment function are specifically outlined in either the Real Property Tax Law or in general appraisal techniques outlined by the Appraisal Institute.

4. Training Reimbursement for Additional Valuation Staff

As the current Real Property Tax Law stands, only the title of Assessor is reimbursed for required continuing educational requirements. All other job titles involved in the valuation process, such as Real Property Appraiser are not given this same consideration.

As it stands currently, the training reimbursement package offered by the New York State Office of Real Property Services is a disincentive to consolidate the assessment function at the county level.

5. Re-examination of Real Property Tax Exemptions

In today's assessors' offices, too much time is spent with the administrative tasks of processing real property tax exemptions. This clerical work takes away from the time that could be devoted to the valuation of real property.

As it currently stands, there are far too many local option real property tax exemptions. The multitude of exemptions causes' confusion for the property owner when trying to determine which exemption (and at what level) they might be eligible to apply to receive.

Additionally, in recent history the New York State Legislature has taken the unfortunate path of granting single parcel tax exemption legislation. The main goal of assessment administration (and of this grant study program) is to treat every parcel fairly and equitably. These single parcel exemption bills do anything but this.

It is recommended that no additional real property tax exemptions be enacted until a commission can be charged with looking into this aspect of the assessment administration function.

Appendix A

Appendix A-1

MUNICIPALITIES		ASSESSMENT OFFICES		EXISTING COLLABORATION	
Municipal Name	Type of Assessor	Assessor Name	Part of CAP?	Assessor Works for Multiple Municipalities?	Contract with County for Asmt Services?
Cortland	Sole	David Briggs		Yes	
Cincinnati	Sole	Frances Butler		Yes	
Cortlandville	Sole	David Briggs		Yes	
Cuyler	Sole	Nedra Griswold		Yes	Yes
Freetown	Sole	Lawrence Fitts	119901	Yes	
Harford	Sole	Lawrence Fitts	119901	Yes	
Homer	Sole	Nedra Griswold		Yes	Yes
Lapeer	Sole	Frances Butler	119902	Yes	
Marathon	Sole	Frances Butler	119902	Yes	
Preble	Sole	Nedra Griswold	119903	Yes	Yes
Scott	Sole	Nedra Griswold	119903	Yes	Yes
Solon	Sole	Lawrence Fitts		Yes	
Taylor	Sole	David Briggs		Yes	
Truxton	Sole	William Bearup			
Virgil	Sole	David Briggs		Yes	
Willet	Sole	David Briggs		Yes	

Appendix A-2

MUNICIPAL CHARACTERISTICS					
Municipal Name	Total 2008 Budget for Assessment Function	Total Number of Parcels	Number of Residential Parcels	Percent of Parcels Residential	2008 Budget per parcel
Cortland	\$96,744	5,078	3,914	77%	\$19.05
Cincinnati	\$7,770	690	389	56%	\$11.26
Cortlandville	\$73,061	4,073	2,564	63%	\$17.94
Cuyler	\$7,040	734	331	45%	\$9.59
Freetown	\$3,050	579	269	46%	\$5.27
Harford	\$4,400	628	295	47%	\$7.01
Homer	\$42,615	2,971	2,056	69%	\$14.34
Lapeer	\$4,460	492	240	49%	\$9.07
Marathon	\$8,905	1,115	665	60%	\$7.99
Preble	\$12,305	849	505	59%	\$14.49
Scott	\$10,973	760	415	55%	\$14.44
Solon	\$6,550	703	387	55%	\$9.32
Taylor	\$5,420	477	215	45%	\$11.36
Truxton	\$7,490	781	409	52%	\$9.59
Virgil	\$24,150	1,645	935	57%	\$14.68
Willet	\$5,800	782	454	58%	\$7.42

MUNICIPALITIES	INDICATORS OF ASSESSMENT EQUITY					
Municipal Name	2008 Eq. Rate	2008 LOA of various property types	COD residential	Latest Reassessment	Aid Type	Planned Reassessment
Cortland	100.00	100.00	11.22	2008	Triennial	
Cincinnati	96.00	96.00	14.13	2007		
Cortlandville	88.00	88.00	11.89	2005		
Cuyler	76.00	76.00	19.13	2004		2009
Freetown	88.00	88.00	20.67	2005		2009
Harford	88.00	88.00	20.67	2005		2009
Homer	88.00	88.00	20.67	2005		2010
Lapeer	96.00	96.00	14.54	2007		
Marathon	96.00	96.00	14.54	2007		
Preble	100.00	100.00	17.65	2008	Annual	
Scott	100.00	100.00	17.65	2008	Annual	
Solon	82.00	82.00	17.82	2003		2009
Taylor	100.00	100.00	24.37	2008	Annual	
Truxton	90.00	90.00	14.29	2005		
Virgil	79.00	79.00	13.02	2004		2009
Willet	100.00	100.00	20.67	2008	Triennial	

Appendix A-4

Municipality	Municipal Assessment Offices			Existing Collaboration of Assessment Function			Municipal Characteristics			Indicators of Assessment Equity			
	Type of Assessor	# of Assessor Office Hours	Total Office Hours	CAP	Assessor works for multiple munis	Contract with County	Total Budget of Asmt	Number of Parcels	Number of Residential Parcals	2008 Eq Rate	2008 Level of Assessment	COD	Year of Most Recent Reassessment
Cortland	Sole	20	35		Yes		96,744	5,078	3,914	100.00	100.00	11.22	2008
Cincinnati	Sole	0	0		Yes		7,770	690	389	96.00	96.00	14.13	2007
Cortlandville	Sole	20	35		Yes		73,061	4,073	2,564	88.00	88.00	11.89	2005
Cuyler	Sole	29	29		Yes	Yes	7,040	734	331	76.00	76.00	19.13	2004
Freetown	Sole	0	0	119901	Yes		3,050	579	269	88.00	88.00	20.67	2005
Harford	Sole	0	0	119901	Yes		4,400	628	295	88.00	88.00	20.67	2005
Homer	Sole	16	16		Yes	Yes	42,615	2,971	2,056	88.00	88.00	20.67	2005
Lapeer	Sole	0	0	119902	Yes		4,460	492	240	96.00	96.00	14.54	2007
Marathon	Sole	0	0	119902	Yes		8,905	1,115	665	96.00	96.00	14.54	2007
Preble	Sole	29	29	119903	Yes	Yes	12,305	849	505	100.00	100.00	17.65	2008
Scott	Sole	29	29	119903	Yes	Yes	10,973	760	415	100.00	100.00	17.65	2008
Solon	Sole	0	0		Yes		6,550	703	387	82.00	82.00	17.82	2003
Taylor	Sole	20	35		Yes		5,420	477	215	100.00	100.00	24.37	2008
Truxton	Sole	0	0				7,490	781	409	90.00	90.00	14.29	2005
Virgil	Sole	20	35		Yes		24,150	1,645	935	79.00	79.00	13.02	2004
Willet	Sole	20	35		Yes		5,800	782	454	100.00	100.00	20.67	2008

Appendix B

2006 Local Assessment Function Budget

2006	# of Parcels	Equipment/				Total Cost	Cost Per Parcel
		Personnel	Office Expenses	Contractual	Fringes		
Cortland	5,078	46,400	11,600		4,640	62,640	12.34
Cincinnati	690	5,543		8,350	554	14,447	20.94
Cortlandville	4,073	54,676	2,000	5,000	5,468	67,144	16.49
Cuyler	734	6,400			640	7,040	9.59
Freetown	579	2,200		400	220	2,820	4.87
Harford	628	3,500		550	350	4,400	7.01
Homer	2,971	28,000		12,200	2,800	43,000	14.47
Lapeer	492	3,100		9,550	310	12,960	26.34
Marathon	1,115	7,600		19,900	760	28,260	25.35
Preble	849	6,500			650	7,150	8.42
Scott	760	8,000			800	8,800	11.58
Solon	703	5,000		600	500	6,100	8.68
Taylor	477	3,700			370	4,070	8.53
Truxton	781	6,200		450	620	7,270	9.31
Virgil	1,645	15,000		7,650	1,500	24,150	14.68
Willet	782	5,000		300	500	5,800	7.42
Local Assessment	22,357	206,819	13,600	64,950	20,682	306,051	13.69
	Revenue						
County Real Property	92,500	165,560		34,214	62,319	169,593	
Total Cost		372,379	13,600	99,164	83,001	475,644	21.27

2007 Local Assessment Function Budget

2007	# of Parcels	Personnel	Equipment/ Office Expenses	Contractual	Fringes	Total Cost	Cost Per Parcel
Cortland	5,078	47,800	11,950	30,000	4,780	94,530	18.62
Cincinnati	690	5,700		8,925	570	15,195	22.02
Cortlandville	4,073	57,518	2,000	5,000	5,752	70,270	17.25
Cuyler	734	6,400			640	7,040	9.59
Freetown	579	2,200		400	220	2,820	4.87
Harford	628	3,500		550	350	4,400	7.01
Homer	2,971	28,700		7,000	2,870	38,570	12.98
Lapeer	492	3,300		3,700	330	7,330	14.90
Marathon	1,115	7,600		9,000	760	17,360	15.57
Preble	849	6,500			650	7,150	8.42
Scott	760	7,000			700	7,700	10.13
Solon	703	5,000		500	500	6,000	8.53
Taylor	477	3,000		2,120	300	5,420	11.36
Truxton	781	6,200		450	620	7,270	9.31
Virgil	1,645	15,000		7,650	1,500	24,150	14.68
Willet	782	5,000		300	500	5,800	7.42
Local Assessment	22,357	210,418	13,950	75,595	21,042	321,005	14.36
	Revenue						
County Real Property	86,800	172,416		48,811	72,955	207,382	
Total Cost		382,834	13,950	124,406	93,997	528,387	23.63

2008 Local Assessment Function Budget

2008	# of Parcels	Personnel	Equipment/ Office Expenses	Contractual	Fringes	Total Cost	Cost Per Parcel
Cortland	5,078	49,440	12,360	30,000	4,944	96,744	19.05
Cincinnati	690	5,700		1,500	570	7,770	11.26
Cortlandville	4,073	60,055	2,000	5,000	6,006	73,061	17.94
Cuyler	734	6,400			640	7,040	9.59
Freetown	579	2,500		300	250	3,050	5.27
Harford	628	3,500		550	350	4,400	7.01
Homer	2,971	29,650		10,000	2,965	42,615	14.34
Lapeer	492	3,600		500	360	4,460	9.07
Marathon	1,115	7,800		325	780	8,905	7.99
Preble	849	11,186			1,119	12,305	14.49
Scott	760	9,975			998	10,973	14.44
Solon	703	5,500		500	550	6,550	9.32
Taylor	477	3,000		2,120	300	5,420	11.36
Truxton	781	6,400		450	640	7,490	9.59
Virgil	1,645	15,000		7,650	1,500	24,150	14.68
Willet	782	5,000		300	500	5,800	7.42
Local Assessment	22,357	224,706	14,360	59,195	22,471	320,732	14.35
County Real Property	125,921	188,441		77,415	83,358	223,293	
Total Cost		413,147	14,360	136,610	105,829	544,024	24.33

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Personnel Services	165,560	172,416	188,441
Expenses	34,214	48,811	77,415
Fringe Benefits	62,319	72,955	83,358
Revenue	92,500	86,800	125,921
Total Cost Real Property Tax Service	<u>169,593</u>	<u>207,382</u>	<u>223,293</u>

Appendix C

Parcel Class Breakdown

	Agricultural Properties	Residential Properties	Vacant Land	Commercial Properties	Recreation and Entertainment Properties	Community Services Properties	Industrial Properties	Public Service Properties	Public Parks, Wild, Forest and Conservation Properties	Totals
Cortland	1	3,914	329	645	17	93	27	50	2	5,078
Cincinnati	39	389	189	27	4	21		13	8	690
Cortlandville	116	2,564	828	304	28	50	35	128	20	4,073
Cuyler	81	331	161	7	4	16	1	23	110	734
Freetown	81	269	171			5		23	30	579
Harford	71	295	94	4	1	12		35	116	628
Homer	245	2,056	401	140	6	32	16	50	25	2,971
Lapeer	40	240	157	1	1	9	3	15	26	492
Marathon	60	665	253	61	5	26	10	31	4	1,115
Preble	75	505	138	14	3	13	8	18	75	849
Scott	60	415	165	7	3	10		6	94	760
Solon	76	387	164	3	1	9	1	20	42	703
Taylor	52	215	150	3		16		6	35	477
Truxton	103	409	160	8	5	11		23	62	781
Virgil	114	935	411	14	6	19	1	62	83	1,645
Willet	54	454	209	7	2	15	4	24	13	782
Totals	1,268	14,043	3,980	1,245	86	357	106	527	745	22,357

Appendix D

Appendix D

Job Duties of the Countywide Assessment Staff

Management

The Director of Assessment

In a countywide assessment department, the need for both an assessor and a County Real Property Tax Director is removed and the Director of Assessment fills both of these roles. This position would best be filled through the typical civil service process. By adhering to this process, this removes the Director of Assessment from the political realm. The sole responsibility for filing a fair and equitable assessment roll falls on the shoulders of the Director of Assessment and the further this position can be from under the umbrella of politics, the more independent that individual can be.

Along with the responsibility of filing a fair and equitable assessment roll, the Director of Assessment would be the supervisor for the entire office, including both the field and the office staff. An important role that the Director of Assessment needs to play is that of a public relations officer. It is vital that the Director of Assessment makes the office policies, the New York State Real Property Tax Law and the assessment function as transparent as possible to the general public. The more open the office is with regards to property record cards, sales information, etc, the more the public will have faith that the assessment function is functioning well. The Director of Assessment would also serve the typical role of the County Real Property Tax Director in regards to the verification of any refunds/correction to the tax roll.

The Director of Assessment has final authority in determining the Level of Assessment that is stated on the Assessment Roll. While the decision on the actual appraisal cycle remains with the County Legislature, it is the decision of

the Director of Assessment to verify the Level of Assessment that is present on the Assessment Roll. It is imperative that the Director of Assessment follows Real Property Tax Law Section 305 to ensure uniformity and equity within the Assessment Roll.

In addition to being certified by the Office of Real Property Services as a Real Property Appraiser, a Director of Assessment must also be certified as a County Real Property Tax Director prior to appointment.

The Appraisal Staff

Valuation Specialist

The Valuation Specialist would be primarily in charge of the high level commercial properties. This would also include all properties for which a Certiorari action is filed. The Valuation Specialist would also be responsible for directing the valuation staff function to ensure that the appraisal work to be undertaken for the year will guarantee that the Assessment Roll will be at the Level of Assessment as stated by the Director of Assessment.

The Valuation Specialist would also be responsible for the internal functions of the office. This ranges from everything from coordinating the integration of all external databases with the chosen CAMA database to the filing of the annual value verification documentation with the Office of Real Property Services.

This position would also be responsible for valuing all Roll Sections except for the Taxable Properties. This individual would have to interact with ORPS to assist in valuing Taxable State Owned Land, Special Franchise Properties and Public Utility properties. It is highly recommended to utilize the expertise available at ORPS to value all of these types of unique properties.

The Valuation Specialist would play a significant part in the planning and preparation of the upcoming year's valuation schedule. The Valuation Specialist would still have town valuation responsibility and act as the Real Property Appraiser for that municipality.

The Valuation Specialist would be the primary appraiser in Small Claims Assessment Review (SCAR) cases. Depending on the number of SCARs filed each year, the Valuation Specialist would either coordinate the work among the Real Property Appraisers or would perform the appraisals on their own.

A Valuation Specialist would already be qualified as a Real Property Appraiser pursuant to Section 326 of the Real Property Tax Law. It is also recommended that a Valuation Specialist be certified by the New York State Department of the State as a Certified Real Estate Appraiser.

The Valuation Specialist would act as the Director of Assessment in his/her absence.

Real Property Appraisers

The Real Property Appraisers serve in a similar manner to that of the local town assessor. The main job function of the RPA is to value property – primarily residential, vacant and farm although there may be the occasion the RPA would have to collaborate with the Valuation Specialist on individual valuation/data collection projects. The RPA's would not have to process the multitude of real property tax exemptions with the exception of any that involve an increase to the assessed value (ie RPTL 421-f – Capital Improvements made to Residential Properties or RPTL 480a – Agricultural Building Exemptions). The remaining exemptions would be processed by the office staff which allows the RPA to value property.

The RPA also need to have good rapport with the townships that they are assigned in regards to dealing with the local Town Clerk's and Building office. In order to ensure the same (or better) level of service that currently exists at the local assessing level, the RPA needs to have a presence at the local town hall.

A very important aspect of the job of the RPA is the sales verification process. A standard process needs to be developed to ensure that each real property transfer is verified in the same manner to ensure consistency with the real property data.

While each RPA is assigned one or more municipalities to be responsible for all aspects of the valuation process (including data collection), it is highly recommended that the municipal responsibility is changed every 3-4 years (depending on the appraisal cycle voted on by the County Legislature). This revolving appraisal responsibility provides for a very high level of service as there is more than one RPA that has an in-depth knowledge of that particular municipality. A change in the appraisal responsibility also ensures a new pair of eyes every so often to review the property value in the municipality but more important it changes the person making decisions on the value in case of any personality conflict that exists between the RPA and an individual property owner.

To be appointed as a Real Property Appraiser, the candidate must have met the minimum qualifications as set forth by the Office of Real Property Services for a Real Property Appraiser pursuant to Section 326 of the Real Property Tax Law.

There are currently no continuing education requirements for a Real Property Appraiser. However, these positions serve as a pseudo-assessor for the towns within the county. As such, the County should impose the same standards of continuing education as is placed upon the office of the assessor. Therefore it is recommended that each RPA be required to fulfill at least 24 hours of continuing education per year on average. While the local town assessor is able to be

reimbursed for their training from the Office of Real Property Services, currently there exists no reimbursement for the continuing education of a Real Property Appraiser.

The Office Staff

Real Property Information Specialist

In today's modern technical office structure, the Real Property System (RPS) Information Specialist maintains all aspects of the digital data in the office. These duties include working with ORPS in maintaining and upgrading the RPSv4 database, working closely with the local municipalities to ensure a good line of communication either by running reports or providing digital data access, and most importantly the processing of assessment and tax rolls and the printing of tax bills. The RPS Information Specialist also assists to process all real property tax exemptions that are filed each year such as the Senior Citizens with Limited Incomes exemption, the Veterans exemption and the Enhanced STAR exemption.

Secretary

The Secretary acts as the office manager. This position is responsible for payroll, accounts payable and accounts receivable. The Secretary also serves as the backup for the Real Property Information Specialist in regards to the maintenance of the office databases. Another duty that is assigned to the Secretary is the processing of all real property tax exemptions that are filed each year such as the Senior Citizens with Limited Incomes exemption, the Veterans exemption and the Enhanced STAR exemption. This position is responsible for the processing of all straight real property transactions.

It is recommended that all office staff be required to take at least 24 hours of continuing education credits per year on average.

Mapping Staff

The Tax Map Technician would be responsible for the reading and processing of all real property related documents that are filed at the County Clerk's office.

These documents range from a typical deed to a survey map to a highway appropriation filed by the State of New York. These two positions would be responsible for providing both the RPAs and the RPS Information Specialist with the information needed to process real property transfers and all other documents that would affect the tax parcel boundaries.

Appendix E

Countywide CAP

Personnel Services

Administration \$125,430

Tax Map \$63,108

Appraisal \$182,000

Total Personnel Expense \$370,538

Expenses \$81,415

Fringe Benefits \$148,215

Total Expenses \$600,168

Revenue \$51,590

Total Assessment Function Budget **\$548,578**

or 24.54 /parcel

Title	2008 Budget	
Director of Assessment	63,290	
Valuation Specialist	42,000	
Real Property Appraiser (4)	35,000	140,000
Real Property Info Specialist	34,004	
Secretary	28,136	
Tax Map Technician (2)	31,554	63,108
	Personal Services	<u>370,538</u>
Expenses		
	Total Expenses	<u>81,415</u>
Fringe Benefits		
	Total Fringes	<u>148,215</u>
Revenue	51,590	
<u>Total County Cost</u>		<u>548,578</u>
	Total Parcels	22,357
	Cost Per Parcel	<u>24.54</u>

Countywide 1537 Agreements

Personnel Services

Administration \$125,430

Tax Map \$63,108

Appraisal \$175,000

Total Personnel Expense \$363,538

Expenses \$81,415

Fringe Benefits \$145,415

Total Expenses \$590,368

Revenue \$51,590

Total Assessment Function Budget **\$538,778**

or 24.10 /parcel

	Option #1:	Option #2	Option #3
Current Structure that is in place.	Countywide Department of Assessment	County CAP managed by county	All Munis contract w/County for assessment services under RPTL 1537
Start-up Costs: Establish Equitable assessments at a common level throughout the County Data Collection	181,710	181,710	181,710
Transitional costs for County-Run or County CAP managed by County (Computers, telephones, supplies, furniture..)	0	182,000	182,000
Start-Up Revenue Opportunities State Consolidation Aid [14963 parcels @ \$7 - one time payment,	0	0	-104,741
State Consolidation Aid for County Run Assessing, RPTL 1573, 22,357 parcels @ \$7	0	-156,499	0
State Aid for County Run Assessing Referendum Approval, 22,357 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	0	-44,714	0
State Consolidation Aid for County providing services, RPTL 1537, 17,043 parcels @ \$1	0	0	-17,043
State Aid IF County Managed County wide CAP, 22,357 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	0	0	-44,714
Reassessment Aid [\$5/parcel]	-111,785	-111,785	-111,785
Total One Time Start-up Costs:	69,925	50,712	85,427
Cost per parcel:	1.23	0.89	1.58
Operational Costs: City/Town/Village Assessment Dept. Costs	356,843		
County Real Property Tax Dept Costs	223,293	548,578	548,578
Total Annual Operational Costs:	580,136	548,578	548,578
Cost per parcel:	\$25.95	\$24.54	\$24.10

TERMINOLOGY

CAMA

Computer Assisted Mass Appraisal

Coordinated Assessment Program

[Section 579](#) of the Real Property Tax Law allows two or more cities or towns that are located in the same county, have the same level of assessment, and have the same assessor, to enter into an agreement to become a Coordinated Assessment Program, or CAP. This program offers a way for cities and towns in New York State to introduce cost efficiencies, new technology, valuation expertise and a change from part-time to full-time assessors.

Equalization Rate

At its simplest, an equalization rate is the state's measure of a municipality's [level of assessment](#) (LOA). This is the ratio of total assessed value (AV) to the municipality's total market value (MV). The municipality determines the AV; the MV is estimated by the state. The equalization rate formula is:

$$\frac{\text{Total Assessed Value (AV)}}{\text{Total Market Value (MV)}} = \text{Equalization Rate}$$

Equalization rates **do not** indicate the degree of uniformity among assessments within a municipality. (More information regarding uniformity is available from [Fair Assessments - A Guide for Property Owners](#).)

Level of Assessment

The Level of Assessment (LOA) is simply the percentage of full value at which properties are assessed within a community. For instance, an LOA of 50% would indicate that assessments are at half of the market value; an LOA of 100% represents a community that is assessing at full value.

Valuation Factor File

A file consisting of market based rents, expenses, capitalization rates and tax rates that assist in the mass appraisal process of valuing commercial properties based upon the income approach to value.

Special Thanks

I would like to especially thank the Cortland County Real Property Tax Service Agency, notably William Cinquanti, for their assistance in the creation of this study. I would also like to thank David Briggs for giving me my first position in the Assessment Field as a Data Collector for the Town of Cortlandville. I would also like to thank the New York State Office of Real Property Services for their involvement and contribution to the study.

In addition to the help from those mentioned above, I would also like to thank the following individuals, for without their assistance throughout the years, I would not have been able to develop the skills and knowledge necessary to perform the analysis included in this study.

Ms. Valeria Coggin
Mr. Donald P Franklin I
Mr. Donald P Franklin II
Mr. George Herren
Mr. Thomas G Payne
Mr. Stephen F Whicher

About the Author

Jay Franklin has been employed by the Tompkins County Department of Assessment for the last eleven years, serving as the Assistant Director of Assessment for the last seven years. Jay received the respected IAO designation in 2006.

In addition to his work at Tompkins County, Jay is President of CAMAConsultants. CAMAConsultants is a consortium of assessment and appraisal individuals whose purpose is to both inform and educate regarding the assessment function in New York State. In addition to performing studies for counties as they review the effectiveness of their current assessment structure, CAMAConsultants has provided statistical analysis for use in reappraisals for municipalities in New York State.