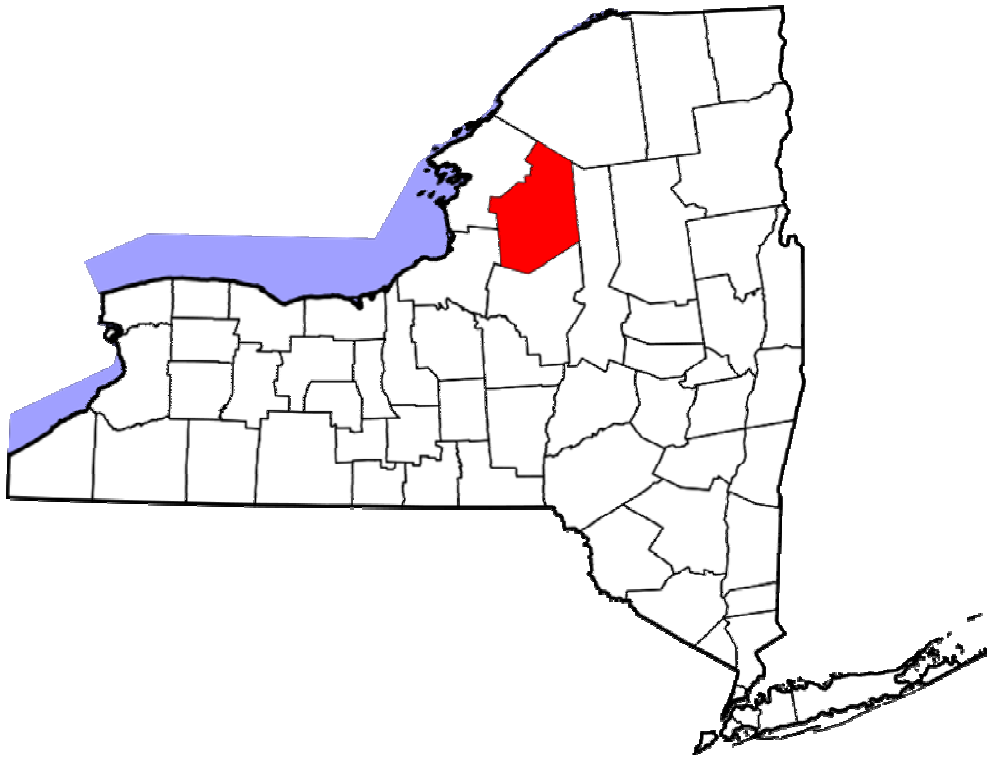


NEW YORK STATE REAL PROPERTY TAX  
ADMINISTRATION IMPROVEMENT GRANT STUDY

LEWIS COUNTY



Prepared by:  
CAMAConsultants  
Jay Franklin, IAO  
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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 War<sup>1</sup>. 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%

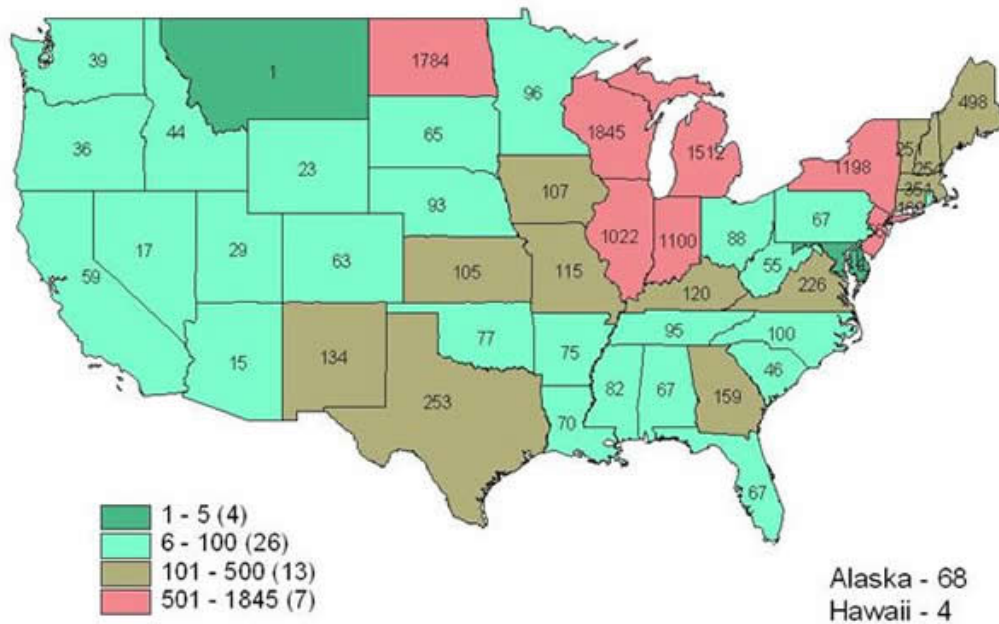
Source: NYSORPS

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.

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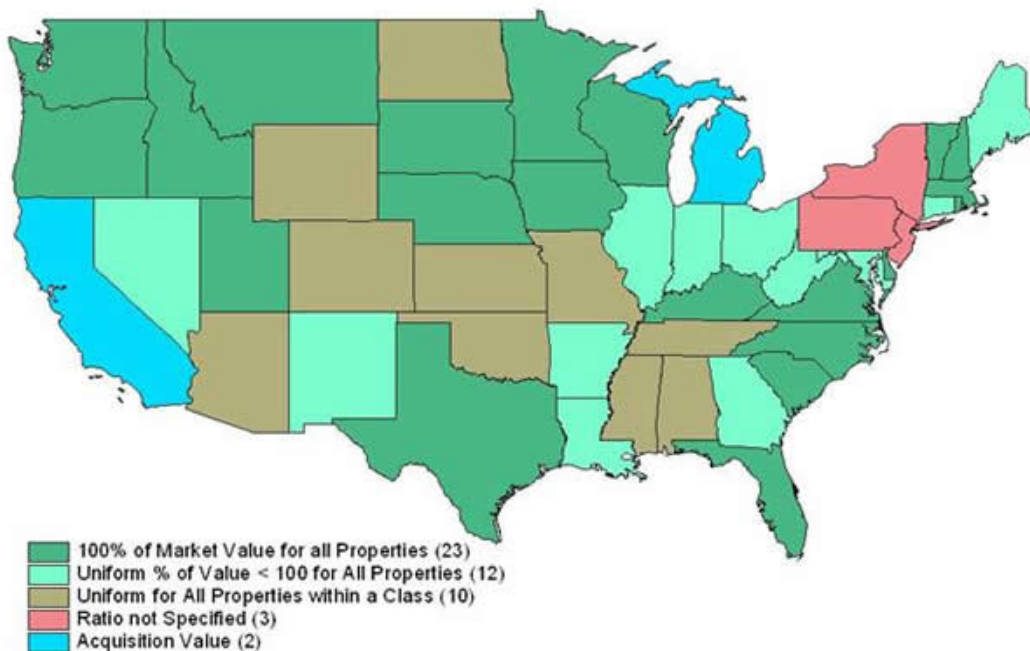
<sup>1</sup> Office of Real Property Services – Reforming New York’s Real Property Tax System

## 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 Lewis County, the equalization rate ranges from 6.00% (Town of West Turin) 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 Lewis County

There are currently 17 assessing town and two assessing villages within Lewis County. Seven towns have joined together and formed four Coordinated Assessment Programs while the remaining 10 town assessment jurisdictions employ a combination of sole assessors (8) and appointed three-person Board of Assessors (2). The two assessing unit villages appear to employ the Village Board as the assessor. For the 2008 Assessment Roll, twelve municipalities performed a revaluation and had 100% Level of Assessment and 100% Equalization Rate. The remaining five town assessing jurisdictions had their stated Level of Assessment accepted by New York State as their Equalization Rate. The consolidation of the assessment function has already begun in Lewis County. To date, 50% of the towns participate in CAPS and 82% of the towns share assessors.

Out of the nine villages that are within Lewis County, only the Village of Croghan and the Village of Lyons Falls have retained their status as an individual assessing unit, essentially duplicating the service that is already provided by the town assessment unit. According to NYSORPS, the Village of Lyons Falls has expressed interest in rescinding its assessing unit status when the Town of West Turin completes a reappraisal. This

duplication of services makes a complex property assessment administration function even more complex in many ways. If a property owner wishes to contest their assessment they must do so at both the Town and Village Level. In addition when filing for a real property tax exemption, applications must be filed at both municipal levels as well. As an assessing village, a Level of Assessment does not need to be stated on the Assessment Roll nor is the village assessor required to have any certification by NYSORPS.

Based upon an analysis of the last three budget years, the total amount of spending for the assessment function in Lewis County including all town and village assessing units<sup>2</sup> and the County Real Property Tax Services Department is estimated to be \$665,207 or \$28.13/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 Lewis County. This report is intended for informational purposes only. This report is not an endorsement of any alternative form of assessment administration nor is it an endorsement of the current assessment structure within Lewis 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 an initial grant for up to \$7/parcel.

As an example, if three municipalities with the average number of parcels for towns in Lewis County were to form a Coordinated Assessment Program those

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<sup>2</sup> No cost was added for village assessing units as there appears to be no

towns could end up spending \$19,482 more for the assessing function (see page 30). However, the towns that formed the CAP would be eligible for a one-time payment of up to \$7/parcel. In this scenario, that would translate into a \$29,211 one-time payment from the State of New York.

If a Countywide CAP, managed by the County, which encompasses all towns was to be formed in Lewis County, the estimated cost would be \$694,594 or \$29.37/parcel. This estimate amounts to approximately \$29,387 more than what is currently spent on the assessment function in Lewis County. It is anticipated to cost approximately \$458,000 to transition to this structure with an anticipated \$174,918 in state aid available to help offset this cost. This brings the total out of pocket cost to an estimated \$283,082 for a Countywide CAP (managed by the County).

### **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.

#### **Full Assessment Function**

The cost as compared to existing costs if three municipalities were to assign the full assessment function to Lewis County, including the processing of all exemption and data input of sales, would mean an additional expenditure of \$19,482/year (see page 35). In addition, Lewis County would be eligible for a one-time payment of \$1/parcel. In this



scenario, that would translate into a \$4,173 one-time payment from the State of New York.

If all towns were to assign the assessment function to Lewis 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 \$665,795 or \$28.15/parcel. This is only \$587 more than what is currently spent on the assessment function. It is anticipated to cost approximately \$458,000 to transition to this structure with an anticipated \$70,947 in state aid available to help offset this cost. This brings the total out of pocket cost to an estimated \$387,053.

### **Optional Services the County could provide to the Local Municipalities**

#### **Pre-Decisional Collaboration/Valuation Specialist**

This county service agreement would provide a much-needed resource at the county level to the local assessment jurisdiction in regards to valuation verification. (For the 2008 Assessment Roll, twelve jurisdictions have a 100% Level of Assessment). Also, this position would be able to compile a regional valuation factor file, which is utilized when valuing commercial properties. This option would cost Lewis County approximately \$65,000.

### **Countywide Assessment Program**

Based upon the analysis performed and included within this study, it is estimated that a move to a Countywide Department of Assessment would cost Lewis County approximately \$41,831 more per year given current annual expenditures at the Town, Village and County level as the estimated budget for a Countywide Department of Assessment is \$707,038. This is compared to a theoretical Countywide Department of Assessment utilizing Tompkins County as a baseline comparison and International Association of Assessing Officials guidelines.

The cost to transition to a Countywide Department of Assessment for Lewis County is estimated at \$458,000. This transitional cost only applies to the cost of moving the assessment function to the County and does not include costs to upgrade any existing service at the County level (ie GIS program upgrade etc).

With available aid programs, Lewis County would stand to net approximately \$154,841 with a transition to a Countywide Department of Assessment as the available aid is in excess of the out of pocket expense to transition to this form of assessment administration.

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.

### **Transition Timeline to Countywide Department of Assessment**

In order to transition to a Countywide Department of Assessment, a public referendum would have to be passed inside the Villages of Lyons Falls, the Village of Croghan and in the towns outside as a whole. In addition, the two mentioned villages would have to rescind their status as an assessing village and agree to adopt the assessment roll of the county for village tax purposes.

Public Relations Campaign	-	Nov 2008	-	Oct 2009
Public Referendum	-	Nov 2009		
Formation of Department	-	Dec 2009	-	Dec 2010
Countywide Reassessment	-	Jan 2011	-	May 2013
<u>First Countywide Assessment Roll to be filed</u>	-		-	<u>2013</u>

This time frame allows for a well thought out and developed public relations campaign and ends with a countywide assessment roll in 2013 which is in the year in which all assessors will be eligible for reappointment.

The following chart shows the summary of the cost of the current and alternative assessment structures that would provide for all properties within Lewis 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	Countywide CAP – Managed by Towns	All munis contract with County for assessment services under RPTL 1537
One time Start up Costs	\$276,000	\$-154,841	\$283,082	\$330,380	\$387,053
Total Annual Operational Costs	\$665,207	\$707,038	\$694,594	\$694,594	\$665,795
Cost Per Parcel	\$28.13	\$29.90	\$29.37	\$29.37	\$28.15



## 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.”<sup>3</sup>

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 list<sup>4</sup> 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

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<sup>3</sup> Source – Office of Real Property Services – “Job of the Assessor”

<sup>4</sup> 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.

A valuable tool that has emerged in the field of property valuation is GIS (Geographic Information Systems). A well defined and thought out GIS program is beneficial to the assessment community in many ways. The ability to perform spatial data selections, overlay aerial photography with the parcel boundaries and to have the ability to integrate geographical data into the assessment valuation model can only improve assessment function.

### **III. Current Assessment Practices in Lewis County**

#### **Assessment Structure**

Currently there are 19 assessing jurisdictions including 2 assessing villages within Lewis County. Out of these 19 assessing jurisdictions, seven towns have formed a Coordinated Assessment Program (CAP) under Real Property Tax Law Section 579. The remaining twelve town assessing jurisdictions employ a combination of sole appointed assessors (10 municipalities) and three-person Board of Assessors (2 municipalities). Four municipalities are currently employing the same assessor (Diana/Greig and Lewis/West Turin) but are not taking advantage of a CAP. In total, there are 21 town assessor positions with 12 individuals occupying them. Also two municipalities include a personnel charge for an assessment clerk.

Currently, out of the nine villages within Lewis County, the Villages of Croghan and Lyons Falls have retained their authority as an assessing unit. To date, the other seven villages have opted to adopt the town's assessment roll as the basis for the village taxes. By the fact that these two villages remains a separate assessing unit, the properties that comprise these villages in their respective towns are assessed twice. In addition to this highly unnecessary duplication of effort, if a property owner wishes to contest their assessment or to file for a real property tax exemption, they must do so at both the village and town assessment offices. Also, the assessor in each of these municipalities appears to be the Village Board of Trustees and as a village assessor, the Office of Real Property Services does not require that the assessor have any certification or training.

Work that is contracted to the County Real Property Tax Services include tax rolls/tax bills, assessor reports, tax mapping, RPS support, miscellaneous processing and printing and the processing of corrections/refunds. In addition, Lewis County produces and mails at no additional costs to the local municipalities all data mailers and change of assessment notices. At no time does Lewis County charge back to the local municipalities for any service provided to them.

The Lewis County RPTS employs an office of five individuals. In addition to the Director, there is a RPS Specialist, one Senior Typist, one GIS Specialist and a Tax Map Technician.

There are no posted office hours for the local assessors' office hours on the Lewis County website. Only the Town of Grieg had the local assessor's office hours posted on their website.

There are currently 23,649 parcels of real property located within the county. The Town of Montague has the lowest number of parcels of real property with 538 while the Town of Croghan has the most number of parcels of real property with 2,530. There are six towns that have less than 900 parcels of real property within their boundaries. The average number of parcels per town in Lewis County is 1,391.

Lewis County currently uses the state provided RPSv4<sup>5</sup> (Build 2008) CAMA database for the process of recording all physical inventory of 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. Lewis County uses RPSv4 to print tax rolls as well as an in-house program to print tax bills. RPSv4 is distributed to the local towns via replication<sup>6</sup>.

The predominate property class within Lewis County is residential – comprising 49.3% of all parcels. If one combines the residential property class with the vacant land property class – this combination comprises 70.7% of all parcels.

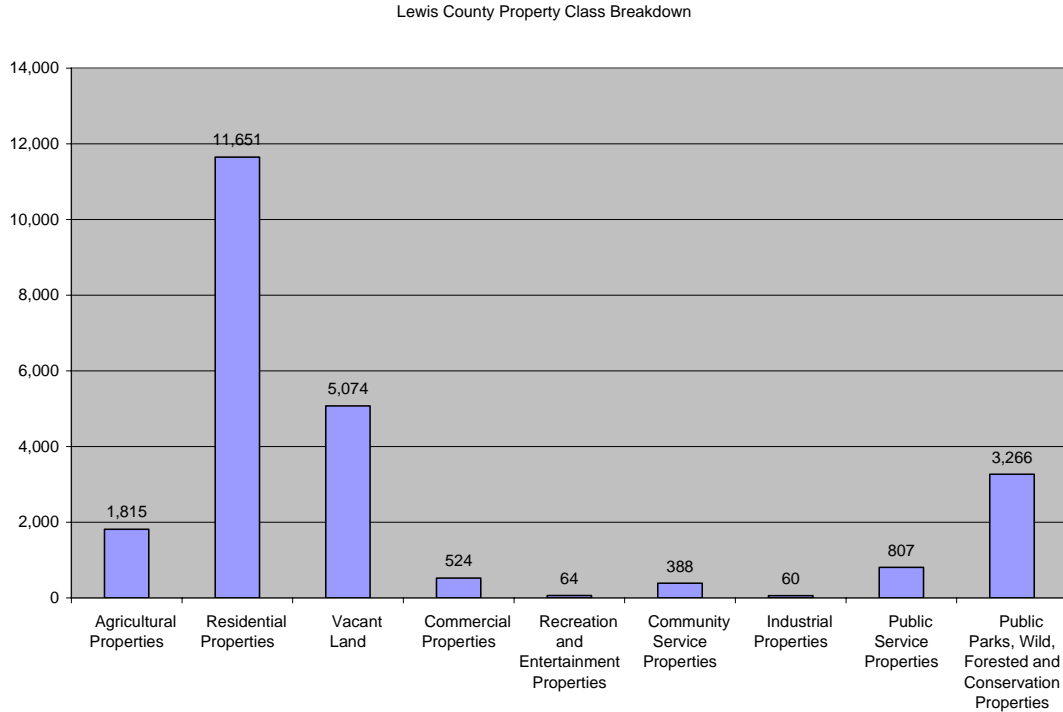
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<sup>5</sup> CAMA – Computer Assisted Mass Appraisal

<sup>6</sup> Replication is a technology for sharing information among databases. The Sybase relational database products used in RPS V4 allow for information to be passed from a remote database to a consolidated database, or vice versa. Using this technology will allow various copies of RPS V4 databases to remain synchronized. For example, cities and towns can use replication to pass their RPS changes to the county's copy of the data. The county can also use replication to pass changes out to the affected cities and towns. This would eliminate the need for sending copies of the entire file back and forth between sites.



There is a significant portion of the assessment roll that is listed as “Public Parks, Wild Forested and Conservation Properties” totaling 13.8% of the assessment roll.



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### **Indicators of Assessment Equity**

As of 2008, there were eleven towns in the Annual Assessment Program and one town in the Triennial Assessment Program<sup>8</sup>. By qualifying for this aid, the state has certified that all properties in each of these 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 five town municipalities that did not perform a revaluation in 2008, only the Town of Pinckney is planning to perform a reassessment for the 2009 Assessment Roll year.

<sup>7</sup> NYSORPS 2007 Assessment Roll Data

<sup>8</sup> The Triennial Aid Program will sunset with the 2011 Assessment Roll.

The following chart shows all 19 assessing jurisdictions along with their 2008 Final Equalization Rate and the assessor's 2008 Stated Level of Assessment.

Municipality	2008 Equalization Rate	2008 Level of Assessment	Latest Reassessment
Croghan	77.00	77.00	2004
Village of Croghan	18.85	N/A	
Denmark	100.00	100.00	2008
Diana	100.00	100.00	2008
Greig	100.00	100.00	2008
Harrisburg	52.50	52.50	1986
Lewis	100.00	100.00	2008
Leyden	100.00	100.00	2008
Lowville	96.00	96.00	2007
Lyonsdale	100.00	100.00	2008
Village of Lyons Falls	8.13	N/A	
Martinsburg	100.00	100.00	2008
Montague	100.00	100.00	2008
New Bremen	100.00	100.00	2008
Osceola	100.00	100.00	2008
Pinckney	48.00	48.00	1986
Turin	100.00	100.00	2008
Watson	100.00	100.00	2008
West Turin	6.00	6.00	?

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).

However this does not guarantee a fair and equitable distribution of the tax burden within all municipalities. For the twelve municipalities who have a 100% level of assessment, their coefficient of dispersion<sup>9</sup> (COD) averages 17.67 for all property class types. This figure is well within the acceptable figure of 20.00 as outlined by the International Association of Assessing Officers. But for the three

<sup>9</sup> 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. It is a standard measure of assessment equity.

municipalities who do not have a 100% level of assessment (and on whose assessment roll a COD was able to be calculated as they had more than 25 sales<sup>10</sup> over the prior three year period), the average COD was 31.23 which is well outside of the acceptable level. This statistic shows that there is a wide range of assessment to sale price ratios which leads to an inequitable distribution of the tax burden. This statistic is the worst in the Town of West Turin (46.97) and possibly stems from the fact that they have not performed a reappraisal since at 1954.

Reviewing the last reassessment activity within each municipality, fourteen have performed a revaluation within the last five assessment roll years (back to 2004). It appears that two towns have not performed a revaluation since 1986 while another town has not performed a revaluation since prior to 1954. 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 property to the next. Also within school districts that cross municipal boundaries, changes in the Equalization Rate can cause dramatic tax shifts from one year to the next.

### **Current Assessment Roll Cycles**

Currently all 17 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. All of the towns currently use the following for their important dates:

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<sup>10</sup> The towns of Harrisburg and Pinckney did not have 25 sales over a three year period and therefore the NYSORPS did not calculate a COD for those towns.

Fiscal Year	=	January 1 – December 31
Valuation Date	=	July 1, Previous Year
Taxable Status Date	=	March 1
Tentative Roll Date	=	May 1
Grievance Day	=	Various <sup>11</sup>
Final Roll	=	July 1
Budget Approval	=	November 20
Tax Levy	=	12/31
Tax Lien	=	1/1

**Current Sales Processing Procedure**

Once an RP-5217 transfer report is filed at the County Clerk’s office, a copy is transferred to the Real Property Tax Services Department along with a copy of the deed on a daily basis. The transfers are then read by the tax map unit. The sale is entered into SalesNet, an online application created by the NYSORPS to facilitate the timely transmittal of real property sales transactions. After the sale is transmitted via SalesNet a report is then generated that can be imported into RPSv4 to allow for the easy recording of the real property sale. It is the assessor’s responsibility to verify the sales transaction and to make any necessary changes to the file as needed.

**Current Assessment Grievance Procedures**

There are currently 19 Board of Assessment Reviews (three and four person boards are present in Lewis 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

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<sup>11</sup> See Section Titled “Current Grievance Procedure” for more information

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.

<b>MUNICIPALITY</b>	<b>GRIEVANCE DAY</b>
Croghan	4th Tuesday of May
Village of Croghan	3rd Tuesday of February
Denmark	1st Thursday of June
Diana	1st Tuesday after Grievance Day
Greig	4th Thursday of May
Harrisburg	4th Wednesday of May
Lewis	1st Tuesday of June
Leyden	4th Tuesday of May
Lowville	4th Tuesday of May
Lyonsdale	4th Thursday of May
Village of Lyons Falls	3rd Tuesday of February
Martinsburg	4th Tuesday of May
Montague	1st Monday of June
New Bremen	4th Tuesday of May
Osceola	4th Wednesday of May
Pinckney	4th Wednesday of May
Turin	4th Wednesday of May
Watson	4th Wednesday of May
West Turin	4th Tuesday of May

Each Town Board of Assessment Review is comprised of three or four 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 Assessment Practice Survey**

The following data was obtained via a survey<sup>12</sup> that was sent out to the 15 sole assessors and 2 Chairpersons of the Board of Assessors. Sixteen<sup>13</sup> out of the 17 surveys were returned.

<sup>12</sup> For full results of the survey please see Appendix A

<sup>13</sup> The Town of Pinckney did not return the survey.

Average Work Hours per Week for Assessor= 16  
     Answered blank = 9  
 Average Work Hours per Week for Clerk = 14  
     Answered blank = 12  
 Average Square Footage of Office = 219  
 Number of New Houses = 200  
     Range = 3 (Martinsburg) to 35 (Greig)  
 Total Building Permits = 1,115  
     Range = 15 (Martinsburg) to 205 (Lowville)  
 Number of Offices with a Computer = All  
 Number of Offices with an Internet Connection = All  
 Number of Offices with a Word Processing Program = All  
 Number of Offices with a Spreadsheet Program = All  
 Number of Offices with a Database Program = 15  
 Number of Offices with a CAMA Database = 15  
 Number of Offices with a Digital Camera = All  
 Number of Assessors with Institute of Assessing Officials (IAO)  
     Designation = 3

**Availability of Assessment Data**

Currently, real property assessment related data for Lewis County is posted on the internet by Lewis County. This information is open to the public free of charge unlike other municipalities that may charge for this type of access

Lewis County uses an in-house application to display the real property assessment information online. Included in this data are ownership information, building information, land size, assessment and taxable values. 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 among the property owners.

Within the Lewis County Real Property Tax Services Department, there is one computer available for public use. This computer uses the state provided RPSv4 database to display the real property assessment information contained within, however this database is often out of date as it is only a backup copy that is not updated on a regular basis. 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 a section 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 data<sup>14</sup> 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

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<sup>14</sup> [http://www.orps.state.ny.us/ref/asmtdata/local\\_data.htm](http://www.orps.state.ny.us/ref/asmtdata/local_data.htm)

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 a insignificant level, then the cost of litigation does not offset the lower expectant tax bills.

The following chart<sup>15</sup> shows the number of Small Claim Assessment Review Hearings and the number of Certiorari's that were filed in Lewis County in 2006-2007.

<u>Type of Review</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Small Claims Assessment Review	8	15	1
Tax Certiorari Activity	4	5	4

#### 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.

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<sup>15</sup> Office of Court Administration and Lewis County RPTSA



## 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. In Lewis County, only the Town of Greig has the assessor's office hours posted on their town webpage (4 hours a week). The office hours for the remaining 18 assessment offices can not be found online. However, according to a survey sent to the assessment jurisdictions, of the seven responses for Number of Hours Assessor is in the Office per Week, the average number of hours was 16. For the remaining 11 assessment offices, no response was given for the number of office hours incurred per week. The lack of availability of the assessor in each town does not seem to be convenient to the public.

Also, in some municipalities in New York State the assessor is still an elected position where the winning candidate may or may not have the training required to perform their job to the best of their abilities. For those assessors that are appointed on a six-year cycle there is a possibility that 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 political interference is not conducive to a professional assessor's ability to perform their job duties effectively.

Finally, without a statewide standard assessment cycle or level of assessment, the same house in Lewis 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 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 Lewis 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.

Revenue could not be extracted from this budget analysis. However this will not affect the end analysis, as revenue is absent from the estimated countywide Department of Assessment as well. The majority of revenue for a local assessment office is in the form of state aid from the State of New York. Since this section of the study is not designed to analyze the cost/benefit of participating in any aid program as offered by the State of New York but is rather looking at strictly the cost of the assessment function, it was determined that revenue would not be included in this study.

The following chart<sup>16</sup> 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.

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<sup>16</sup> For a full analysis of the local municipal and county RPTSA budgets, refer to Appendix B

	2006	2007	2008	<b>Current Cost</b>
Personnel	358,726	424,635	430,998	<b>430,998</b>
Equipment	7,807	13,533	6,000	<b>8,000</b>
Contractual	101,419	150,102	133,025	<b>135,000</b>
Fringes <sup>17</sup>	76,579	87,494	91,209	<b>91,209</b>
Total Cost	544,531	675,764	661,232	<b>665,207</b>
Cost Per Parcel	<b>23.03</b>	<b>28.57</b>	<b>27.96</b>	<b>28.13</b>

For the basis of this study, **the reconciled cost of the current assessment administration in Lewis County is \$665,207 or \$28.13 per parcel.**

Based upon the current reconciled cost of the assessment administration function, there would be no added cost necessary for each town to be able to maintain a 100% level of assessment and to be a participant within the Annual Aide Program. This conclusion was based upon the average cost per parcel for the municipalities that are currently within the Annual Aid Program and the 4 towns that are not in the Annual Aid Program. It appears that the reasons that the four towns are not in the Annual Aid Program are purely political in nature as their budgets would seem to be financially conducive for this program.

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<sup>17</sup> Fringes are calculated at 35% for Lewis County and also includes payroll taxes at 10% for part-time town employees.



#### **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 payment 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.<sup>18</sup>

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 assessed valuation due to variations in the level of assessment.

Currently in Lewis County, there exists three CAPs encompasses six municipalities. In addition to these three CAPS, there is another CAP that includes the Town of Denmark and the Town of Champion in Jefferson County. However there are two sets of two municipalities (Diana & Greig, Lewis & West Turin) that share the same assessor but have yet to officially form a CAP.

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<sup>18</sup> Source – Office of Real Property Services

Estimated Cost

Example using Three Towns

This study is not intended to recommend any specific creation of CAPs within Lewis County. However, the following chart shows a cost analysis of a theoretical situation if three ‘average’ individual towns were to form a CAP. This cost analysis was used as a full time assessor could be utilized based upon IAAO standards for parcel count and staffing requirements.

Current Cost			Estimated Cost <sup>19</sup>	
Staff Salary <sup>20</sup>	\$45,214		Appraiser Salary	\$59,814
			Office Staff Salary	\$39,882
Equipment	\$3,000		Equipment	\$1,000
Contractual	\$36,000		Contractual	\$3,000
Total Cost	\$84,214		Total Cost	\$103,696

There are many options as to how the cost would be distributed to the individual towns that make up the CAP. For example, the cost could be distributed by the percentage of the total number of parcels present in each town or by percentage of the total taxable value present in each town.

In addition, the three municipalities that would agree to form this theoretical CAP would be eligible for a one-time payment of up to \$7/parcel or approximately \$29,211 (total combined).

While the creation of individual CAPS within Lewis County will increase the efficiency and effectiveness of the assessment function within those municipalities, it will still not create a common level of assessment and

<sup>19</sup> Estimated Staff Salary includes a 35% fringe benefit payment estimate.

<sup>20</sup> Current Staff Salary was estimated by taking the average salary cost per parcel (\$9.85) and multiplying by the average number of parcels in a town (1,391) and included 10% fringe.

reappraisal cycle for all municipalities within the County (unless all towns form a countywide CAP or have a formal agreement to do so).

### Countywide CAP

The estimated cost of a Countywide CAP would be approximately \$694,594 or \$29.37/parcel based upon an office staffing of 11 individuals. It is estimated that the current staffing of five individuals in the County RPTSA would have to be supplemented with a staff of six individuals for the Valuation/Assessment Division. To review a full estimated Countywide CAP budget analysis, please refer to Appendix E-2.

The Countywide CAP would best be staffed with a Director of Assessment who would be the sole assessor for the county. In addition to the Director of Assessment, a Valuation Specialist and three Real Property Appraisers would have to be utilized to accurately appraise the real property in the county on a yearly basis in accordance with RPTL 305. In order to help process the multitude to real property exemptions that are available in New York State, a full time clerical position would have to be added as well. Utilizing clerical staff to process exemptions helps free up the Real Property Appraiser's time so that they can focus on valuation issues.

If all towns were to form a single CAP, then all properties would be treated in a consistent manner. A single equalization rate, level of assessment and consolidated assessment database would be achieved as well.

### **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 account that with 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 New York State, seven counties are employing an official version of an Optional County Services agreement<sup>21</sup>.

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<sup>21</sup> Office of Real Property Services – The Counties of Cattaraugus, Clinton, Cortland, Essex, Herkimer, Orleans, Schuyler.

## **Possible County Services Agreements**

### **Full Assessment Services Contracted to County**

Perhaps the best avenue that can be undertaken through Section 1537 of the Real Property Tax Law is the assigning of the assessment function by the individual town to the County. In order for this assignment to take place, a majority vote by the town and the county must pass each governing legislative body.

In this cooperative form of assessing, there could be one single<sup>22</sup> equalization rate and one single assessment calendar for all towns that assign the assessment function to the county. By combining the assessment function of one or more individual towns, a full time professional appraiser can be hired to administer the functions of the assessment task. According to a survey that was sent out to the assessors within Lewis County, according to the seven responses that were received the average number of hours that the assessors say that they spend working in Lewis County is 16 hours per week. (Only the Town of Greig has the assessor's office hours posted on their town website). By having an assessor who would work a full 40-hour work week, the level of service would be improved by having this individual available to the public during normal working hours.

This study has not looked at the possible variations of each individual town assigning the assessment function to the county. Rather the following analysis is based strictly upon the average parcel size in the towns and the average cost per parcel of the local assessing function. Currently the average size for an assessment jurisdiction in Lewis County is 1,391 parcels. According to guidelines set by the International Association of Appraisal Officers, this translates into ~0.3 full time equivalents (FTE) for appraisal staff. The IAAO recommends one FTE appraisal staff for 5,000 parcels and 1.5 clerical office staff.

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<sup>22</sup> While each municipality would be assigned a separate equalization rate because the municipalities would be assessed under a single standard, this equalization rate could be the same for each municipality.

While the IAAO recommends that the total staff of the office be 2.5 FTEs, the half-time position could be obtained from existing staff at the County Real Property Tax Service Agency.

Estimated Cost

Example using Three Towns

The following chart shows a cost analysis of a theoretical situation if three individual towns were to assign the assessment function to the county. The assumption of using three towns was chosen as this combination represents the number of parcels where a full time appraiser position could be utilized.

This chart compares the average assessment administration cost of three individual town assessing budgets as compared to the additional cost added to the County Real Property Tax Services Department if the county were assigned the task of assessing three individual towns. The costs would then be charged back to the individual towns to ensure that no additional costs would be incurred by Lewis County in general and that the savings would be passed on to the individual towns that utilize this agreement.

Current Cost		Estimated Cost <sup>23</sup>	
Staff Salary <sup>24</sup>	\$45,214	Appraiser Salary	\$59,814
Equipment	\$3,000	Office Staff Salary	\$39,882
Contractual	\$36,000	Equipment	\$1,000
		Contractual	\$3,000
Total Cost	\$84,214	Total Cost	\$103,696

For every three assessing jurisdictions that assign the assessment function to the county, it is estimated to cost an additional \$19,482/year. This figure would

<sup>23</sup> Estimated Staff Salary includes a 35% fringe benefit payment estimate.

<sup>24</sup> Current Staff Salary was estimated by taking the average salary cost per parcel (\$9.85) and multiplying by the average number of parcels in a town (1,391).

probably decrease as more towns were to assign the assessing function to the county.

Also, Lewis County would be eligible for a one-time payment of up to \$1/parcel from the State of New York.

### Countywide 1537 Agreements

The estimated cost if all towns were to assign the assessment function to the county would be approximately \$665,795 or \$28.15/parcel based upon an office staffing of 11 individuals. It is estimated that the current staffing of five individuals in the County RPTSA would have to be supplemented with a staff of six individuals for the Valuation/Assessment Division.

For this estimate, it is assumed that the Towns would appoint the least amount of assessors in order to provide for a full time appraisal staff. Based upon the number of parcels in the county, it is estimated that a valuation staff of five individuals would be sufficient to accurately value the parcels of real property in the county on a yearly basis in accordance with RPTL 305. Additionally one office staff position would have to be utilized to help process the multitude of real property tax exemptions offered in New York State. Utilizing clerical staff to process exemptions helps free up the Real Property Appraiser's time so that they can focus on valuation issues.

For a full look at the budget analysis, please refer to Appendix E-3.

### **Sales Processing**

Arguably one of the most important functions of the valuation process is the verification and processing of real property transactions. The best way to ensure accurate assessed values is to have current information regarding real property

transfers. Standardizing this procedure at a county level could bring many benefits to Lewis County.

First, standardizing the sales processing procedure at the County Real Property Tax Services Department allows all of the assessment valuation staff to have faith in the procedure that was undertaken to verify and process the sales transaction. All too often, when researching a sale outside of a particular assessor's jurisdiction, that assessor is left questioning the procedure that a real property transaction was verified. They also question whether, in fact, this is a valid arm's length transaction with an accurate current inventory.

Within Lewis County, there is a range of less than 5 sales per year to approximately 50 in an individual town. If an assessor has the ability to draw upon sales in a neighboring town to value a piece of real property and have confidence that the information is correct, it can only improve the accuracy of the valuation process.

The option to search for sales of real property transactions is available via the Assessment Community link on ORPS's web page. However, this application is cumbersome and often out of date. Employing a countywide sales database and utilizing the sales comparison modules with RPSv4 would increase the likelihood of accurate, equitable valuations.

### Estimated Cost

It is estimated that a  $\frac{3}{4}$  FTE<sup>25</sup> Data Collector position could verify and process all real property transactions within Lewis County. This estimate only includes full parcel sales and deeds of correction. It does not include parcel subdivisions.

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<sup>25</sup> FTE = Full Time Equivalent

A consolidated sales processing agreement would cost Lewis County approximately \$30,000.

This option provides a vital service in producing a fair and equitable assessment roll for the Assessment staff in Lewis County.

## **Optional Services the County could provide to the Local Municipalities**

### **Pre-Decisional Collaboration/Commercial Valuation Services**

According to Section 305 of the Real Property Tax Law, all properties must be assessed at a uniform percentage of market value each and every year. The task of analyzing the current assessment roll is a difficult and complex one that many in the assessment community do not have the tools or knowledge to complete. The Office of Real Property Services does perform some of these functions for the local assessment community in the form of Pre-Decisional Collaboration meetings. Unfortunately, this information is often provided to the local assessment community too late to actually use it in the preparation of the upcoming assessment roll. In addition to providing the analysis needed to determine the work for the upcoming assessment roll year, a Valuation Specialist would be able to assist the local municipalities in appraising commercial properties.

If Lewis County were to employ a Valuation Specialist whose primary job function was to analyze the real estate market within the county and provide constant valuation support to the local municipalities, the accuracy of the assessment rolls could be improved. By employing a Valuation Specialist who is well versed in the local trends of the real estate market, options for revaluing the local assessing units could be delivered prior to the filing of the prior year's Final Assessment Roll. This timing would give the assessor adequate notification of

the upcoming workload that needs to be undertaken in order to ensure an equitable assessment roll.

Also, the Valuation Specialist would be utilized when comparing valuation estimates with the Office of Real Property Services each year when the Level of Assessment is either verified or a differing equalization rate is adopted by the State Board. While reviewing information regarding town-wide trends in appraisal equity statistics, it is helpful for the person creating those statistics to have a first hand knowledge of the data in order to explain anomalies that might otherwise go unexplained.

Another job function of the Valuation Specialist would be to assist in the valuation of commercial properties. The task of valuing commercial properties is very difficult due to the lack of available income and expense information. Typically, there are not enough similar properties within a small assessment jurisdiction to develop a reliable valuation factor<sup>26</sup> file to be used in the income approach to value. By combining information at a county level, a larger pool of data could be obtained to assist in the valuation process.

If a Valuation Specialist were to be employed by Lewis County, a single valuation factor file could be built into the RPSv4 CAMA database that is distributed to all towns. This valuation factor file would be compiled by the Valuation Specialist based upon data obtained through various means. The distribution of this valuation factor file would provide the local town assessor with a reliable starting point when valuing the commercial property within their town.

In addition to the creation of the valuation factor file, the Valuation Specialist could be utilized when valuing the more complex commercial properties. These are typically regional market properties, such as large scale industrial buildings or

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<sup>26</sup> A valuation factor file lists the typical income and expense ratios along with typical vacancy/collection and reserve for replacement rates for various types of commercial property.

golf courses. Typically this type of valuation requires specific training that not all assessor's may have taken.

### Estimated Cost

It is estimated that the cost of employing a Valuation Specialist would be \$65,000 (including fringe benefits). There is no state aid offered to offset this cost however the ability to have a knowledgeable valuation specialist on staff to verify each municipality's equalization rate is key in today's reliance on the real property tax. In addition, the ability to accurately and equitably value commercial properties might lead to a decrease in frivolous certiorari litigation.

This option provides a vital service in producing a fair and equitable assessment roll for the Assessment staff in Lewis County.



**V. Countywide Department of Assessment**

The section will look at a theoretical Countywide Department of Assessment. In no way is this section a recommendation that a Countywide Department of Assessment is the best assessment administration structure for Lewis County. However, if this is the solution to improving the assessment function in Lewis County, the following is a recommendation regarding the office structure.

Office Makeup

Based upon the size of Lewis County and the makeup of the parcel property classes (predominately residential), it is recommended that a Countywide Department of Assessment consist of 11 employees. The following is a breakdown of the job titles. (For a full job description of each position, please see Appendix D)

The Countywide Department of Assessment

- 1 Director of Assessment
- 1 Assistant Director of Assessment
- 1 Valuation Specialist
- 3 Real Property Appraisers
- 1 Assessment Account Specialist
- 2 Real Property Systems Specialist
- 1 GIS Specialist
- 1 Tax Map Technician

*This staffing is based upon International Association Assessing Officer guidelines and uses Tompkins County as a benchmark. This staffing schedule assumes competent individuals within each civil service class.*

## Various Assessment Functions Explained at the County Level

### Service to the Property Owners

The biggest concern with a Countywide Department of Assessment is the perceived lack of service with a transfer of the assessment function to the county.

The structure of the assessment unit does not in any way reflect upon the service that is provided by it. The level of service is strictly related to the actual individuals working in the position. Holding the individual constant, the level of service that could be provided at a Countywide Department of Assessment must be greater than the average assessment office in Lewis County strictly based on the assumption that the office would be open for a full forty hour workweek.

While there may be a transition period for the property owner to have to adjust to going to the County Department of Assessment office (or a satellite office), this period will not take a significant period of time.

### Assessment Review

Another area of concern with a Countywide Department of Assessment is the perceived lack of opportunity for a property owner to contest their assessment. A Countywide Department of Assessment needs to make sure there is ample opportunity for a property owner to do so. The first step that would be undertaken is to schedule Informal Assessment Review Periods each and every year during the months of February and March, regardless of the assessment cycle that is decided upon by the County Legislature. This informal period allows a property owner to present information regarding their property's value at a point in time where the RPA can take that information into account before placing a valuation on the Tentative Assessment Roll.

The second step that needs to be taken is the creation of a Local Advisory Board of Assessment Review for each town. These Local Advisory Boards of

Assessment Review would consist of between 3-5 appointees of the local Town Board. These boards would meet in the month of May, prior to the fourth Tuesday of May (Grievance Day), at each individual Town Hall.

The Local Advisory Board of Assessment Review does not have any authority to change a value on the Tentative Assessment Roll, but they would make a recommendation to the County Board of Assessment Review who would take that into consideration when they meet in executive session to decide each and every grievance. This added review stage allows a property owner to file a grievance with members of their own community where they may not be as intimidated as if they were to file with the next step, the County Board of Assessment Review.

The third step consists of the County Board of Assessment Review. This Board is appointed by the County Legislature for five-year terms and consists of between three to five appointees. These individuals would be the final decision makers of all grievances that are filed either directly with the County Board of Assessment Review or that were filed with the Local Board of Assessment Review, taking their recommendations into consideration. These individuals should be compensated for their service in the amount of \$250/person.

It is highly recommended that the County Board of Legislators take advantage of the provisions of Section 523 of the New York State Real Property Tax Law that allows for the appointing of up to two times the amount of current members of the Board of Assessment Review as Temporary Hearing Panel Members. By appointing these Temporary Hearing Panel Members, the County Legislature could appoint more specialized members to this final local review stage. It is recommended for Lewis County that the Legislature appoints members that would file three distinct boards consisting of: Commercial Board, Residential Board, and Rural/Farm Board. A property owner would be able to have a more thorough review of their grievance by taking advantage of these specialized hearing panels.

### Exemption Processing

Another major concern with a centralized assessment office stems from the filing and processing of the multitude of real property assessment exemption applications. Rather than being able to go to a Town Hall with questions regarding one's exemption application, a property owner would have to visit the County's Department of Assessment. In recognition of this change, the Countywide Department of Assessment must make the office helpful to the general public.

It is highly recommended that external exemption databases be developed to assist in the processing of the actual applications. By utilizing the capabilities of the relational database structure of RPSv4, more time could be spent assisting the general public rather than the tedious steps it takes to process an exemption application. Included in the additional relational databases is the ability to track the history of an individual property owner, along with notes regarding the activity that was taken in the past on each application. As the valuation staff is constantly in the field inspecting properties, it would not be out of the ordinary for an appraiser to actually drive to an applicant's property to obtain the information needed to process the exemption.

In order to ensure that all property owners are adequately notified of pending exemption filing deadlines, the Department of Assessment should utilize reminder email notifications, pre-recorded phone calls and postcards.

### Sales Processing

A very important part of the valuation process is the maintenance and correction of current real property sale transactions. In a Countywide Department of Assessment, one single procedural operation needs to be implemented to ensure that this vital service is done in a standard organized manner.

The first step in verifying a real property transaction is to review all RP-5217 (Real Property Transfer Forms) in order to determine whether the transaction is a possible arm's length sale. In simple terms, an arm's length transaction is a sale that is reflective of the market value of the property and where the seller and buyer were acting with no undue influence upon them. After this initial review of the RP-5217, a few concurrent steps should occur.

First, a sales verification letter should be mailed to the new buyer. In this letter, it should list the current inventory that is on file with the county in order to have the buyer verify that information. Since this is the first contact with the buyer, a "Welcome Package" is highly recommended. Some information that could be included in this "Welcome Package" is a list of important real property dates, a listing of exemptions available within the County, a STAR application (if applicable) and last, but certainly not least, a letter welcoming the buyer into the community, expressing the multitude of ways the Department of Assessment can assist them.

Second, in addition to the sales verification letter, a thorough search of realtor websites and the Multiple Listing Service should be performed at this time. Often times, the information that is available through these platforms is not the same information that a property owner would typically be willing to share with the property assessor. These places are also good resources for photographs of the sale property where access to the property may be denied to the assessment staff.

Third and finally, if no information can be verified through the first two steps, then a site visit needs to occur as close to the time of sale as possible. Typically in a real property transfer, the majority of the work to the property was either done immediately before or after the real property transfer. In order to determine exactly what sold and in what condition the inventory was in at the time of sale, a site visit is needed as close to the time of sale as possible.

After the information is verified regarding the sale, any corrections that need to be made should be done to the RPSv4 CAMA database and then these sales should be re-transmitted to ORPS for distribution via their online application. Based upon the volume of sales within Lewis County, it is recommended that this transmittal occur on a monthly basis. Since sales are the cornerstone to the real property valuation process, the most up-to-date information should be distributed in a timely fashion.

#### Maintenance of Assessment Data

Under a Countywide Department of Assessment, specific standards need to be developed and followed in order to maintain a consistent, standard, and consolidated database of real property inventory. Due to some inherent limitations<sup>27</sup> of the current state provided database RPSv4, external databases need to be created in assist in the maintenance of real property inventory. In order to value commercial properties, a commercial property inventory database should be created in order to maintain accurate inventory, reconcile Income and Expense Statements, create a Valuation Factor File and to be able to reconcile valuation estimates from one year to another.

On a yearly basis, all roads within the county need to be driven at least once in order to verify if any physical changes have occurred in that area of the county. Unfortunately, for the work of the assessor, not all improvements that are done to a property are done with a building permit. In fact, there are many home improvements that can be done that can add significantly to value that do not need a building permit. These improvements need to be captured and updated in a timely fashion.

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<sup>27</sup> RPSv4 was created as a one-stop database for all assessment units in New York State during the middle 1990s. While this database is very simplistic and has many useful functions for the local assessor however there are still some faults with it such as the listing of commercial inventory, most notably apartment inventory as RPSv4 only allows collection of up to 3 bedroom units.

In addition to discovering work that was completed without a building permit, wholly exempt properties can be verified for compliance with the New York State Real Property Tax Law. There are many instances where a not-for-profit organization currently receiving the benefits of being tax exempt for real property taxation purposes, rents out a portion of their property to a non-qualifying business operation. This act needs to be reflected on the tax roll and the only way this can often be discovered by the assessor, is to be in the field.

It is highly recommended that a procedural manual be developed to help standardize the collection and maintenance of data. While NYSORPS does offer a data collection guide, there is room for interpretation. For example, there exists much debate over the use of codes that are used to describe the condition of the property. Is a new house in Good condition? Normal condition for “new house”? How is a ‘hillside ranch’ recorded? These questions are just two that need to be answered and adhered to when developing and maintaining a consistent real property inventory database.

It is highly imperative that the Department of Assessment has a good working relationship with each local municipality’s building/zoning department. This relationship is needed so that all permitted work on a property is forwarded to the Department of Assessment to ensure that these changes are made to the inventory of the property and to the assessment (if necessary). Also, when a question arises regarding a particular property, the knowledge that is present in the local zoning/building office can greatly assist the data collection efforts of the appraiser.

### Reassessment Cycle

One of the most confusing aspects of the New York State Real Property Tax Law is in regard to the Assessment Cycle. While the New York State Real Property

Tax Law mandates a yearly reassessment cycle, there is no agency that has the authority to enforce Section 305 of the Real Property Tax Law. All too often, this section of the Real Property Tax Law is ignored.

In practice, the determination of the Assessment Cycle would be the responsibility of the Lewis County Legislature as there is no state agency that has the authority to enforce the existing law. In absence of any directive by the Legislature, the assessor would have the authority to state the level of assessment for the assessment roll.

Regardless of the reassessment cycle that is determined by the Legislature, in accordance with Real Property Tax Law Section 305, all properties must be valued at a uniform percentage of market value on a yearly basis. In order to determine if all properties are at a uniform percentage of market value, all properties must be assessed at 100% fair market value and then reduced to the uniform percentage of market value as stated by the assessor. In effect, Real Property Tax Law Section 305 legislates that a reassessment, revaluation or update must occur each and every year.

The staffing level of 11 that is recommended for the Department of Assessment is adequate to perform traditional reassessments on a yearly basis or a triennial basis. Since the main goal of the assessment function is to equitably assess all properties at a uniform percentage of market value, as long as Section 305 is strictly adhered to, a uniform standard of assessment is being applied to each property within the county.

This study cannot recommend the traditional Annual or Triennial Reassessment Cycle as that decision is political in nature. However, this study will recommend that the Real Property Tax Law is strictly followed and that all properties are assessed at a uniform percentage of market value on a yearly basis to ensure the equity distribution of the tax burden. The staffing level indicated for Countywide



Department of Assessment is sufficient to ensure an equitable assessment roll. If an annual reassessment program is chosen, up to \$5/parcel in state aid would be available to help assist in preparing a full market value assessment roll.

### Benefits of a Countywide Assessing Unit

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 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 assessed valuations. This common level of assessment and common reappraisal cycle stops the equalization rate from causing dramatic shifts in the tax burden within the counties taxing jurisdictions.

Another added benefit is that there will be more than one assessor who is familiar with a certain town. This is beneficial when an assessor is out of the office and a property owner is looking for an answer to their inquiry. The cross training that is utilized in a Countywide Department of Assessment is highly desirable.

#### Countywide Assessing Budget

The following chart shows an estimated budget for an 11-person countywide assessing unit. This 11-person budget assumes that all work will be done in-house. This includes all data collection, property valuation, exemption processing and tax bill production work.

The task of performing all of the appraisal functions within the Countywide Department of Assessment cannot be taken for granted. This work can only be performed with an adequately trained and experienced appraisal staff. While the structure of a countywide assessment office place may be optimal for providing a high level of service, it is still up to the individual occupying the role as to what

the actual level of service will be. This structure alone will not create better service to the property owners than a town assessment office.

Salaries were estimated comparing the Civil Service grading within Lewis County to similar job titles in Tompkins County. For example, within the Lewis County job grading scale, the job title of Planner is graded the same as a Real Property Appraiser position within Tompkins County while the job title of Senior Account Clerk Typist is the same as an Assessment Account Specialist in Tompkins County. The remaining salaries are then calibrated from these two salaries.

Personnel Costs	=	\$477,454
Equipment Costs	=	\$10,000
Supplies	=	\$16,000
Contractual	=	\$36,475
Fringe Benefits	=	\$167,109
<b><u>Total County Cost</u></b>	<b>=</b>	<b><u>\$707,038</u></b>

This analysis does not include any available aid programs that are present for Quality Assessing including the Triennial Assessment Aid or the Annual Assessment Aid. Based upon the staffing levels analyzed in this section, either program could be undertaken without any outside contractor assistance. (Please see Appendix E-1 for the full line item budget)

**The total Countywide Department of Assessment's budget is estimated to be \$707,038 or \$29.90/parcel.**



**VI. Current Assessment Function vs Countywide Department of Assessment**

The following chart shows the Current Baseline Municipal Budget versus an Estimated Countywide Assessing Budget.

	<b>Current Baseline Municipal Budget</b>	<b>Estimated Countywide Assessing Budget</b>
Personnel	\$430,998	\$477,454
Equipment	\$8,000	\$26,000
Contractual	\$135,000	\$36,475
Fringe Benefits	\$91,209	\$167,109
Total Cost	<u>\$665,207</u>	<u>\$707,038</u>
Cost Per Parcel	<b>\$28.13</b>	<b>\$29.90</b>

It is estimated to cost Lewis County approximately an additional \$41,831 (or \$1.77/parcel) per year by consolidating the assessment function at the county level.

A change to an alternative assessment structure will not necessarily improve the assessment function within Lewis County as the quality of the assessment function is more dependent on the individuals working in the relevant positions rather than the actual structure of it. However by utilizing full time positions, this has to potential to attract more qualified individuals.

Comparison of Other County Assessment Administration Costs<sup>28</sup>

	Lewis County	Columbia County	Tompkins County	Madison County
Population	26,472	62,363	101,055	69,826
Total Parcels	23,649	35,835	34,510	37,142
Personnel				
Local Assessment	238,560	527,275	704,537	437,530
County RPTS	192,438	268,160		166,904
Total Personnel	430,998	799,435	704,537	604,434
Equipment	8,000	14,100	84,304	22,000
Contractual	135,000	250,000	41,550	125,472
Fringe Benefits	91,209	146,447	260,679	133,941
Contractor Payments		30,000		
BAR Expense				9,100
Total Expenses	\$665,207	\$1,239,982	\$1,091,070	\$894,847
Cost Per Capita	\$25.13	\$19.88	\$10.80	\$12.82
Cost Per Parcel	\$28.13	\$34.60	\$31.62	\$24.09

<sup>28</sup> CAMA Consultants was contracted to perform this study for the counties named above except for Tompkins County. The data compiled in this list was gathered in the same manner in all of the three cases. Tompkins County data was obtained through information gathered at the Tompkins County Department of Assessment. Madison County information is still preliminary and subject to change.

## **VII. The Countywide Department of Assessment – The Transition**

### **Introduction**

This section will look at a theoretical Countywide Department of Assessment and the steps that need to be taken in order to make that transition. In no way is this section a recommendation that a Countywide Department of Assessment is the best assessment administration structure for Lewis County. However, if this is the solution selected to improve the assessment function in Lewis County, the following analysis and recommendations will hold true.

### **History**

The last time that this transition occurred in New York State was in 1968 when the voters of Tompkins County approved a measure to consolidate the assessing function at the County level. This transition effectively transferred the assessment function from village, city and town government to county government.

Tompkins County therefore became the first county in the state to provide professional assessment administration to village, city and towns. (Nassau County had for many years provided a similar service but mainly for county tax purposes. To this date, there are still separate assessing units within Nassau County, for example, the City of Glen Cove still assesses property for city tax purposes).

Even back in 1968 in Tompkins County, it was recognized that the entire situation regarding real property tax administration should be examined and a higher degree of professional service should be available to the general public.

Since Tompkins County is unique in their setup as a countywide assessing unit, one very important part of the charter process worth mentioning is that it provides for both local and county administrative review of assessed values. This very important provision assures that the property owner has at least two opportunities for an independent review of the assessed value. This provision allows the

property owner within Tompkins County the opportunity for far more administrative review than any other county in New York State.

When Tompkins County transitioned to a countywide assessing unit, the decision was not made as a cost savings measure. The main reason behind the decision to move forward with that measure was to increase the professionalism and the quality of service that was provided to the taxpayers of Tompkins County.

Another reason the consolidation effort occurred was the retirement of many of the assessors within the county and the lack of qualified individuals to replace them. While there is no concrete data as to the number of assessors within Lewis County that are contemplating retirement, a succession plan should be reviewed as there will maybe a significant number of retirements that could dramatically affect the current assessor positions within the county. In 2013, all assessors will need to be reappointed again for 6-year terms.

Before the transition in Tompkins County, there was approximately 20 assessors (both elected and appointed), most of them working on a part-time basis. After the consolidation, only 5 full-time professional assessors were required (total number of real property parcels was only 22,000 in 1970). This level of staffing allowed for a periodic in-house revaluation thus reducing the cost for an outside contractor to perform the much needed periodic revaluations.

### **Transition**

The transition to a countywide assessing unit is a complex task, to say the least and one that should not be taken lightly. As New York State is a local home rule state, an extensive public relations campaign needs to be undertaken to inform the general public of the change in the assessment function. Even the New York State Assessor's Association has been very vocal about their opposition to the transfer of the assessment administration function to the county. This public



relations campaign cannot end with the transition but must be a continual program in order to keep the residents best informed regarding the real property administration program.

A common misconception of a transition to a countywide assessing unit is that it is a loss of local control of the assessment function. While the control of the assessment function would now be at the county level, the control of the department is still in effect 'local'. Each taxing jurisdiction retains the right to opt in/out of real property tax exemptions as allowed by the State of New York. As there would now only be one single equalization rate for the County, the state would exhibit less control over the dramatic shifts in the tax burden caused by changing equalization rates.

The one piece of local control that is lost with a transition to a countywide assessing unit is that the Assessor is now a civil servant. The Assessor no longer serves at the whim of the local Town Board or is elected by the town serving six-year appointments. The removing of the Assessor from the political realm can only improve the assessment function, as there is no room for political interpretations in the Real Property Tax Law. As a civil servant the Assessor can focus strictly upon enforcing the Real Property Tax as it is written.

In order to transition to a countywide assessing unit, the County Board of Legislators must first pass a resolution authorizing a public referendum. To be approved, the referendum must not only pass countywide but must also pass within the Villages of Croghan and Lyons Falls AND in the towns outside of these two villages as a whole. For instance, if every voter decided to elect to enact countywide assessing in the towns outside of the villages but the referendum would fail by 1 vote within the two villages, the referendum would fail as a whole.

Upon passage of this double referendum, the transition process can begin. The first consideration would be to establish a single level of assessment for all municipalities located within Lewis County. A common misconception is that a ‘blended’ equalization rate would be developed. This could not be the case as Section 305-2 of the Real Property Tax Law clearly states:

*“All real property in each assessing unit shall be assessed at a uniform percentage of value (fractional assessment) except that, if the administrative code of a city with a population of one million or more permitted, prior to January first, nineteen hundred eighty-one, a classified assessment standard, such standard shall govern unless such city by local shall elect to be governed by the provisions of this section.”*

To simply ‘average’ the current equalization rates into a single one would plainly not satisfy the most important provision within the real property tax law. A blended equalization rate would penalize the municipalities with a Level of Assessment lower than the blended equalization rate and would unduly benefit the municipalities whose Level of Assessment was greater than the blended equalization rate.

Based upon the status of the data within the municipalities in Lewis County, a simple combining the assessment information into a centralized database would be sufficient. As the assessment data for the majority of the properties within Lewis is kept up to date and is consistent based upon the Office of Real Property Services data collection guidelines, a full countywide reappraisal would not be necessary to ensure a consistently recorded inventory on the beginning countywide assessment roll. It is estimated that approximately 5,000-6,000 parcels would have to data collected in order to verify the accuracy of their inventory. Based upon estimates derived from revaluation companies, the cost of data collecting 6,000 parcels would be approximately \$276,000.

In addition to achieving a consistently recorded inventory on the assessment roll, a base year reappraisal would have to occur due to the differences in the equalization rate among the towns in the county, however the expertise exists within the county to be able to perform the revaluation without contracting the work out to a revaluation company. The appraisal work can easily be accomplished by utilizing the current valuation staff in the towns.

A proper location must be decided upon for the Department of Assessment. Consideration will have to be given, as this would be a department that would serve all the residents of Lewis County. The location should be somewhat centrally located so that the trip to the office should not be a burden to any resident. Reviewing the physical makeup of Lewis County, it is **recommended that the Village of Lowville serve as the best location for the Department of Assessment. Based upon the size of the office, it is recommended that at least 4,500 square feet of office space be utilized.** However based upon the size, climate and geography of Lewis County, satellite offices across the county might have to be utilized so as not to cause a hardship for property owners who are in need of the services provided by the Department of Assessment. These satellite offices might only have to be utilized during certain times of the year, especially around the exemption filing deadline.

The next important function would be the hiring process. Civil Service Examinations would have to be scheduled for the appropriate job titles. Once the County Legislature appoints a Director of Assessment, the rest of the hiring can now take place. Based upon the physical size and complexity of property class types of Lewis County, it is recommended that a staff of 11 people would adequately staff a Countywide Department of Assessment. These 11 civil servant positions would be broken up in the following manner.

- 1 Director of Assessment
- 1 Assistant Director of Assessment
- 1 Valuation Specialist
- 3 Real Property Appraisers
- 1 Assessment Account Specialist
- 2 Real Property Systems Specialist
- 1 GIS Specialist
- 1 Tax Map Technician

*This staffing is based upon International Association Assessing Officer guidelines and uses Tompkins County as a benchmark. This staffing schedule assumes competent individuals within each civil service class.*

Once a physical location has been determined and a staff has been hired, all assessment records must be combined and organized within a single record keeping system. At this point it is highly recommended that an Electronic Document Management System (EDMS) be employed. In an EDMS, all paper files would be scanned into a digital format, which could then be easily referenced by property and retrieved by a computer application. By using the EDMS, files can be easily duplicated to serve the public, the local municipality and the newly created Countywide Department of Assessment. It is highly recommended that this data be available on-line to help decrease the amount of foot traffic in the office and to make the data more available to the public.

**Timeline for Transition**

Public Relations Campaign	-	Nov 2008	-	Oct 2009
Public Referendum	-	Nov 2009		
Formation of Department	-	Dec 2009	-	Dec 2010
Countywide Reassessment	-	Jan 2011	-	May 2013
First Countywide Assessment Roll to be filed			-	2013

**Cost of Transition**

It must be recognized that there is a significant cost to transition to a countywide assessment structure from the current configuration. The majority of this cost would stem from a Countywide Reappraisal. However, a full countywide data collection and reappraisal would not be necessary as the real property inventory data in Lewis is up to date.

Based upon information provided by NYSORPS, for towns that completed a reappraisal with 5 years of the anticipated Countywide Revaluation year of 2011, the values on these municipalities could be statistically adjusted through trending in order to bring their values in line with the uniform percentage of value. Only four municipalities who have not reappraised since 2007 would have to have their values reviewed in the field.

The chart on the following page shows the most recent year of reappraisal and the total number of parcels that would have to be field reviewed for the Countywide Reappraisal.

Municipality	Year of Most Recent Reassessment	# of Parcels
<b>Croghan</b>	<b>2004</b>	<b>2,530</b>
Denmark	2008	1,518
Diana	2008	2,131
Greig	2008	1,961
<b>Harrisburg</b>	<b>1986</b>	<b>614</b>
Lewis	2008	836
Leyden	2008	1,191
Lowville	2007	2,098
Lyonsdale	2008	1,165
Martinsburg	2008	1,196
<b>Montague</b>	<b>2008</b>	<b>535</b>
New Bremen	2008	1,609
Osceola	2008	866
<b>Pinckney</b>	<b>1986</b>	<b>585</b>
Turin	2008	764
Watson	2008	2,313
<b>West Turin</b>	<b>?</b>	<b>1,737</b>
	<b>Total</b>	<b>6,051</b>

In order to perform the countywide revaluation in house, the need will exist to hire additional office staff to assist in the informal hearing process. It is unreasonable to assume that the existing office staff could handle an additional 3,000 – 4,000 property owners who have scheduled an informal assessment review hearing and are now requiring assistance. In addition, extra postage and supplies will be needed for both the Assessment Disclosure Mailings and the formal grievance procedure. It is estimated to cost \$40,000 for the extra staffing and \$15,000 for the extra postage. In addition to the \$276,000 for the data collection of approximately 6,000 parcels, the total expense for the countywide revaluation is estimated to be \$336,000.<sup>29</sup>

In addition to the cost for a countywide revaluation, costs would have to be incurred for the creation of the actual department. The chart on the following page shows a partial list of costs.

Transitional Costs

Computer Equipment (20)	=	\$20,000
Computer Server (1)	=	\$10,000
Telephones	=	\$2,000
Vehicles (3)	=	\$50,000
Supplies	=	\$10,000
Office Furniture	=	\$20,000
Public Relations	=	\$10,000
Cost for Staffing Reappraisal	=	\$60,000
Cost of Data Collection Reappraisal	=	\$276,000

(This is not a full list of cost associated with the transition. Costs estimates must be developed for the actual space feasibility study. Acquisition costs must be added into the figures if there is not current space available. If current space is

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<sup>29</sup> While the actual costs listed are \$55,000, an additional \$5,000 was included for incidentals.

available and a current office needs to be moved to a different space, that moving cost should also be included in this analysis. In addition, a wide spread public relations campaign would have to be undertaken to help explain the transition to the general public)

Based upon the above cost schedule, it is estimated that a conversion to a Countywide Department of Assessment would cost approximately \$458,000 however there are aid programs offered through New York State that will significantly offset this cost.

#### Available Aid Programs to Assist in the Transition

This estimated \$458,000 transition cost would be fully offset by the Consolidation Incentive Aid Program that would provide Lewis County \$165,543 state aid plus an additional \$47,298 (\$2/parcel) for forming a Countywide Assessing Department.

In addition to the Consolidated Incentive Aid Program, it is recommended that Lewis County apply for a Local Government Efficiency Grant. For 2008-2009, the State of New York has earmarked \$29.4 million for this aid program. There are three levels of this grant; Planning, Efficiency Implementation and Twenty First Century Demonstration Projects.

The first level, Planning, could provide for a grant of up to \$50,000 for study that reviews a county charter change for the consolidation effort. The second level, Efficiency Implementation, is similar to the prior year's Shared Municipal Incentive and could provide up to \$1,000,000 for the consolidation effort. Finally the last level, Twenty First Century Demonstration Projects, allows for a grant of up to \$400,000 per municipality for groups of local governments cooperatively engaging in transformative pilot projects. For the basis of this analysis, it is

assumed that Lewis County would be eligible for \$400,000 to assist in the transition to a Countywide Department of Assessment.

The total amount of available state aid under current aid program would be approximately \$612,841. This transitional aid could net Lewis County approximately \$154,841.



## VIII 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 Assessment structure, this program would bring in approximately \$118,245 to Lewis 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 \$118,245 to Lewis 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.

### County Aid Incentive

A one-time payment to a county of up to \$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 \$23,649 to Lewis County.*

### Countywide Assessment

A one-time payment to a county of up to \$9/parcel (\$7 for County Run Assessing and \$2 Referendum Approval) who after a public referendum agrees to merge all assessment functions at the county level.

*This one time aid program would bring in approximately \$212,841 to Lewis County.*

### County Coordinated Assessment Program

A one time payment of up to \$1/parcel to a county if the county manages the assessment function and if all towns don't participate.

*This aid program would bring in approximately \$23,649 to Lewis County.*

A one time payment of up to \$2/parcel to the county if the county manages the assessment function and if all towns participate.

*This aid program would bring in approximately \$47,298 to Lewis 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.



## **IX 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 State 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 at (3 or 6 years)**

In order to provide for an equitable assessment roll, a reappraisal must be undertaken on a regular basis. 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.

Mandating an assessment cycle assures that the assessment will not become inequitable due to differing appreciation and depreciation rates within a municipality.

**3. Abolish Elected Assessors and Require Additional Training for Assessor Positions**

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.

In addition, more training needs to be required of the assessment community. In today's technologically advanced society, there are many new tools that are available that go under-utilized by the assessment community. The use of GIS, multiple regression analysis and response surface valuation models are widely used in other states. The training for these types of tools is not found in New York State.

The assessment community in New York needs to look outside its boundaries and towards the International Association of Assessing Officers for guidance and assistance in bringing the assessment function into the 21<sup>st</sup> century.

#### **4. Abolish Village Assessing Units**

Perhaps the largest duplication of effort that exists in the New York State Real Property Tax Administration function occurs when two assessing jurisdictions value the same exact property for taxation purposes. There is not one single legitimate reason for this unnecessary duplication of effort.

In addition to the duplication of effort, a property owner must deal with multiple municipalities when either applying for real property tax exemptions or for filing an appeal on their assessed valuation.

Also the Village Assessor does not need to be certified by the Office of Real Property Services, thus the possibility exists that a highly unqualified individual is performing the essential duties of a property assessor without any training.

#### **5. 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.





# Appendix A



Lewis County - Muni Appendix A-1

MUNICIPALITIES		ASSESSMENT OFFICES			
Municipal Name	Type of Assessor	Assessor Name	IAO or Other Professional Designation	Number of Hours Assessor is in Office per week	# Other Staff ( <u>excluding</u> Assessors)
Croghan	3 Person Board	Linda Noftsier			0.00
Village of Croghan	Village Board				0.00
Denmark	Appointed	William Vargulick			0.00
Diana	Appointed	Erin Gratch		20	1.00
Greig	Appointed	Erin Gratch		16	1.00
Harrisburg	Appointed	Roger Tibbetts	YES		0.00
Lewis	Appointed	Brian Klossner			0.00
Leyden	Appointed	Donald Crofoot			0.00
Lowville	3 Person Board	Ron Terrillion			0.00
Lyonsdale	Appointed	Pete Rogers		20-30	0.00
Village of Lyons Falls	Village Board				0.00
Martinsburg	Appointed	Bonnie Lisk			0.00
Montague	Appointed	Denise Trudell	YES	5	0.00
New Bremen	Appointed	Erin Gratch		16	1.00
Osceola	Appointed	Denise Trudell	YES	5	0.00
Pinckney	Appointed	Cindy Shaw			0.00
Turin	Appointed	Donald Crofoot			0.00
Watson	Appointed	Erin Gratch		16	1.00
West Turin	Appointed	Brian Klossner			0.00

Office Hours were gathered from survey sent to Assessors

Lewis County - Muni Appendix A-2

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?
Croghan	3 Person Board	Linda Noftsier			
Village of Croghan	Village Board				
Denmark	Appointed	William Vargulick	229902	YES	
Diana	Appointed	Erin Gratch		YES	
Greig	Appointed	Erin Gratch		YES	
Harrisburg	Appointed	Roger Tibbetts		YES	
Lewis	Appointed	Brian Klossner		YES	
Leyden	Appointed	Donald Crofoot	239901	YES	
Lowville	3 Person Board	Ron Terrillion			
Lyonsdale	Appointed	Pete Rogers			
Village of Lyons Falls	Village Board				
Martinsburg	Appointed	Bonnie Lisk			
Montague	Appointed	Denise Trudell	239903	YES	
New Bremen	Appointed	Erin Gratch	239902	YES	
Osceola	Appointed	Denise Trudell	239903	YES	
Pinckney	Appointed	Cindy Shaw			
Turin	Appointed	Donald Crofoot	239901	YES	
Watson	Appointed	Erin Gratch	239902	YES	
West Turin	Appointed	Brian Klossner		YES	

<b>MUNICIPAL CHARACTERISTICS</b>					
Municipal Name	Total Budget for Assessment Function	Total Number of Parcels	Number of Residential Parcels	Percent of Parcels Residential	Budget per parcel
Croghan	\$24,350	2,530	1,255	50%	\$9.62
Village of Croghan	\$0	0	0	0%	NA
Denmark	\$21,198	1,518	791	52%	\$13.96
Diana	\$31,280	2,131	1,120	53%	\$14.68
Greig	\$24,900	1,961	1,106	56%	\$12.70
Harrisburg	\$7,736	614	178	29%	\$12.60
Lewis	\$12,808	836	356	43%	\$15.32
Leyden	\$17,950	1,191	630	53%	\$15.07
Lowville	\$31,550	2,098	1,292	62%	\$15.04
Lyonsdale	\$13,040	1,165	521	45%	\$11.19
Village of Lyons Falls	\$0	0	0	0%	NA
Martinsburg	\$14,100	1,196	401	34%	\$11.79
Montague	\$6,500	535	191	36%	\$12.15
New Bremen	\$21,095	1,609	920	57%	\$13.11
Osceola	\$12,590	866	359	41%	\$14.54
Pinckney	\$16,175	585	192	33%	\$27.65
Turin	\$7,720	764	328	43%	\$10.10
Watson	\$44,840	2,313	1,200	52%	\$19.39
West Turin	\$21,960	1,737	811	47%	\$12.64

MUNICIPALITIES	INDICATORS OF ASSESSMENT EQUITY							
Municipal Name	2008 Eq. Rate	2008 LOA of various property types	COD residential	COD (all)	Latest Reassessment	Latest State Aid	Aid Type	Planned Reassessment
Croghan	77.00	77.00	25.23	27.18	2004			
Village of Croghan	18.85	NA						
Denmark	100.00	100.00	12.76	17.39	2008	2008	Annual	
Diana	100.00	100.00	12.49	14.91	2008	2008	Annual	
Greig	100.00	100.00	9.44	15.00	2008	2008	Annual	
Harrisburg	52.50	52.50			1986			
Lewis	100.00	100.00			2008	2008	Annual	
Leyden	100.00	100.00	14.94	20.80	2008	2008	Annual	
Lowville	96.00	96.00	16.08	19.55	2007	2007		
Lyonsdale	100.00	100.00		19.24	2008	2008		
Village of Lyons Falls	8.13	NA						
Martinsburg	100.00	100.00		18.86	2008	2008	Annual	
Montague	100.00	100.00		8.09	2008	2008	Annual	
New Bremen	100.00	100.00	9.09	13.40	2008	2008	Annual	
Osceola	100.00	100.00		20.59	2008	2008	Annual	
Pinckney	48.00	48.00			1986			2009
Turin	100.00	100.00		21.26	2008	2008	Annual	
Watson	100.00	100.00	11.83	14.78	2008	2008	Annual	
West Turin	6.00	6.00	25.00	46.97				

Lewis County - Muni Appendix A-5

Municipality	Municipal Assessment Offices				Existing Collaboration of Assessment Function			Municipal Characteristics			Indicators of Assessment Equity			
	Elected/ Appointed	IAO/Other Professional Designation	# of Office Hours	Total Assessment Staff	CAP	Assessor works for multiple munis	Contract with County	Total Budget of Asmt	Number of Parcels	Percent of Residential Parcals	Eq Rate	Level of Assessment	COD	Year of Most Recent Reassessment
Croghan	3 Person			1				24,350	2,530	50%	77.00	77.00	27.18	2004
Village of Croghan	Village Board										18.85			
Denmark	Sole			1	229902	YES		21,198	1,518	52%	100.00	100.00	17.39	2008
Diana	Sole		20	2		YES		31,280	2,131	53%	100.00	100.00	14.91	2008
Greig	Sole		16	2		YES		24,900	1,961	56%	100.00	100.00	15.00	2008
Harrisburg	Sole	Y		1		YES		7,736	614	29%	52.50	52.50		1986
Lewis	Sole			1		YES		12,808	836	43%	100.00	100.00		2008
Leyden	Sole			1	239901	YES		17,950	1,191	53%	100.00	100.00	20.80	2008
Lowville	3 Person			1				31,550	2,098	62%	96.00	96.00	19.55	2007
Lyonsdale	Sole		20-30	1				13,040	1,165	45%	100.00	100.00	19.24	2008
Village of Lyons Falls	Village Board										8.13			
Martinsburg	Sole			1				14,100	1,196	34%	100.00	100.00	18.86	2008
Montague	Sole	Y	5	1	239903	YES		6,500	535	36%	100.00	100.00	8.09	2008
New Bremen	Sole		16	2	239902	YES		21,095	1,609	57%	100.00	100.00	13.40	2008
Osceola	Sole	Y	5	1	239903	YES		12,590	866	41%	100.00	100.00	20.59	2008
Pinckney	Sole			1				16,175	585	33%	48.00	48.00		1986
Turin	Sole			1	239901	YES		7,720	764	43%	100.00	100.00	21.26	2008
Watson	Sole		16	2	239902	YES		44,840	2,313	52%	100.00	100.00	14.78	2008
West Turin	Sole			1		YES		21,960	1,737	47%	6.00	6.00	46.97	Prior 1954

## Survey Sent to Assessors in Lewis County

Town	Office Hours	Total Hours	Clerk Hours	Office Sq Feet	New Houses per Year	Total Building Permits per Year	Assessment Data Online	DESIGNATIONS		
								IAO	State Assessor	Fee Appraiser
Croghan				256	20	145	N			
Denmark				200						
Diana	20		8	400 (shared)	20	150				
Greig	16		8	300	35	150	Y		Y	
Harrisburg				300	5-Jan	20	N	Y	Y	
Lewis				0	4	25	N	N	N	N
Leyden				900	8		Y			
Lowville					11	205				
Lyonsdale	20-30			400		100+	Y		Y	
Martinsburg				0 (home)	3	15	N			
Montague	5				12	25	Y	Y	Y	
New Bremen	16		16	200	25	100	Y		Y	
Osceola	5				12	25	Y	Y	Y	
Pinckney				NO SURVEY RETURNED						
Turin				900	8		Y			
Watson	16		24	121	25	100	Y			
West Turin				0	12	55	N	N	N	N



# Appendix B



**2006 Local Assessment Function Budget**

2006	# of Parcels	Personnel	Equipment	Contractual	Fringes	Total Cost	Cost Per Parcel
Croghan	2,530	16,000	2,000	3,000	1,600	22,600	8.93
Denmark	1,518	14,000		1,500	1,400	16,900	11.13
Diana	2,131	15,500		4,000	1,550	21,050	9.88
Greig	1,961	22,000		3,500	2,200	27,700	14.13
Harrisburg	614	4,260		600	426	5,286	8.61
<b>Lewis</b>	836	5,640		1,500	564	7,704	9.22
<b>Leyden</b>	1,191	14,200		1,850	1,420	17,470	14.67
Lowville	2,098	15,500	2,000	2,400	1,550	21,450	10.22
Lyonsdale	1,165	9,000		500	900	10,400	8.93
Martinsburg	1,196	10,000		74	1,000	11,074	9.26
Montague	535	2,000		500	200	2,700	5.05
New Bremen	1,609	19,800		4,000	1,980	25,780	16.02
Osceola	866	5,000		450	500	5,950	6.87
Pinckney	585	2,700		200	270	3,170	5.42
Turin	764	5,000	1,200	800	500	7,500	9.82
Watson	2,313	26,500		20,000	2,650	49,150	21.25
West Turin	1,737	8,800		4,000	880	13,680	7.88
Total	23,649	195,900	5,200	48,874	19,590	269,564	11.40
County Real Property		162,826	2,607	52,545	56,989	274,967	
Total Cost		358,726	7,807	101,419	76,579	544,531	23.03

**2007 Local Assessment Function Budget**

2007	# of Parcels	Personnel	Equipment	Contractual	Fringes	Total Cost	Cost Per Parcel
Croghan	2,530	19,750	2,000	2,000	1,975	25,725	10.17
Denmark	1,518	16,500		4,500	1,650	22,650	14.92
Diana	2,131	20,100		26,402	2,010	48,512	22.76
Greig	1,961	22,000		18,500	2,200	42,700	21.77
Harrisburg	614	4,490		1,125	449	6,064	9.88
<b>Lewis</b>	836	6,725		500	673	7,898	9.45
Leyden	1,191	23,500		1,500	2,350	27,350	22.96
Lowville	2,098	18,500		19,000	1,850	39,350	18.76
Lyonsdale	1,165	11,400		500	1,140	13,040	11.19
Martinsburg	1,196	10,000		500	1,000	11,500	9.62
Montague	535	2,000		500	200	2,700	5.05
New Bremen	1,609	23,350		3,000	2,335	28,685	17.83
Osceola	866	6,900		500	690	8,090	9.34
Pinckney	585	4,500		800	450	5,750	9.83
Turin	764	5,200	1,000	1,000	520	7,720	10.10
Watson	2,313	34,400		6,100	3,440	43,940	19.00
West Turin	1,737	15,200		6,000	1,520	22,720	13.08
Total	23,649	244,515	3,000	92,427	24,452	364,394	15.41
County Real Property		180,120	10,533	57,675	63,042	311,370	
Total Cost		424,635	13,533	150,102	87,494	675,763	28.57

**2008 Local Assessment Function Budget**

2008	# of Parcels	Personnel	Equipment	Contractual	Fringes	Total Cost	Cost Per Parcel
Croghan	2,530	18,500	2,000	2,000	1,850	24,350	9.62
Denmark	1,518	15,180		4,500	1,518	21,198	13.96
Diana	2,131	24,800		4,000	2,480	31,280	14.68
Greig	1,961	22,000		700	2,200	24,900	12.70
Harrisburg	614	5,805		1,350	581	7,736	12.60
<b>Lewis</b>	836	9,825		2,000	983	12,808	15.32
Leyden	1,191	14,500	500	1,500	1,450	17,950	15.07
Lowville	2,098	19,500		10,100	1,950	31,550	15.04
Lyonsdale	1,165	11,400		500	1,140	13,040	11.19
Martinsburg	1,196	11,000		2,000	1,100	14,100	11.79
Montague	535	5,000		1,000	500	6,500	12.15
New Bremen	1,609	16,450		3,000	1,645	21,095	13.11
Osceola	866	6,900		5,000	690	12,590	14.54
Pinckney	585	4,500		11,225	450	16,175	27.65
Turin	764	5,200	1,000	1,000	520	7,720	10.10
Watson	2,313	34,400		7,000	3,440	44,840	19.39
West Turin	1,737	13,600		7,000	1,360	21,960	12.64
Total	23,649	238,560	3,500	63,875	23,856	329,791	13.95
County Real Property		192,438	2,500	69,150	67,353	331,441	
Total Cost		430,998	6,000	133,025	91,209	661,232	27.96

County Real Property Tax Services Budget 2006 - 2008

County Budget	2006	2007	2008
Personnel Services	162,826	180,120	192,438
Equipment/Other Capital	<u>2,607</u>	<u>10,533</u>	<u>2,500</u>
Contractual Expenses	<u>52,545</u>	<u>57,675</u>	<u>69,150</u>
Fringe Benefits	<u>56,989</u>	<u>63,042</u>	<u>67,353</u>
Total Cost Real Property Tax Service	<u><u>274,967</u></u>	<u><u>311,370</u></u>	<u><u>331,441</u></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
Croghan	220	1,255	345	49	3	38	6	119	495
Denmark	269	791	293	44	6	36	6	63	10
Diana	10	1,120	564	25	7	35	8	47	315
Greig	22	1,106	502	6	6	10	1	20	288
Harrisburg	145	178	166	2	0	5	1	62	55
Lewis	30	356	212	8	4	15	0	10	201
Leyden	154	630	249	30	2	23	6	65	32
Lowville	236	1,292	220	199	9	65	12	57	8
Lyonsdale	7	521	304	7	3	14	6	52	251
Martinsburg	194	401	298	28	3	25	2	90	155
Montague	1	191	88	3	0	3	0	4	245
New Bremen	134	920	324	35	6	20	7	64	99
Osceola	11	359	188	5	3	16	0	16	268
Pinckney	46	192	196	2	2	14	0	17	116
Turin	140	328	148	24	6	17	0	29	72
Watson	28	1,200	542	13	1	16	2	38	473
West Turin	168	811	435	44	3	36	3	54	183
	1,815	11,651	5,074	524	64	388	60	807	3,266



## 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 Board of Supervisors, 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.

#### Assistant Director

The Assistant Director of Assessment 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 Assistant Director of Assessment would also be responsible for directing the valuation staff function. The Assistant Director would have to work very closely with the two Valuation Specialists in order 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 Assistant Director 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 Assistant Director of Assessment would act as the Director of Assessment in his/her absence.

### The Appraisal Staff

#### Valuation Specialist

The Valuations Specialist's main job duty would be coordinating the Real Property Appraisal staff and the work projects that need to be undertaken for that year to ensure an equitable Assessment Roll. It is recommended that the Valuation Specialist be in charge of the residential appraisal staff while the Assistant Director of Assessment is in charge of valuing commercial 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.

## 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 Deputy Director of Assessment 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 Board of Supervisors). 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 System Specialist

In today's modern technical office structure, the Real Property System (RPS) 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 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.

### Assessment Account Specialist

The Assessment Account Specialist acts as the office manager. This position is responsible for payroll, accounts payable and accounts receivable. The Assessment Account Specialist also serves as the backup for the RPS Coordinator in regards to the maintenance of the office databases. Another duty that is assigned to the Assessment Account Specialist 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

Both the Tax Map Technician and the GIS Specialist 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 Specialist with the information needed to process real property transfers and all other documents that would affect the tax parcel boundaries.

# Appendix E



Title	2008 Budget	
Director of Assessment	65,000	
Assistant Director of Assessment	55,000	
Valuation Specialist	50,000	
Real Property Appraiser	44,307	132,922
Real Property System Specialist	80,642	
Assessment Account Specialist	27,588	27,588
Tax Map Technician	30,529	30,529
GIS Specialist	35,773	
	<b>Personal Services</b>	<u><b>477,454</b></u>
Computer Equip	3,000	
Office Equip	1,000	
Office Furnishings	2,000	
Computer Soft.	1,000	
Vehicles	3,000	
<b>Equipment</b>	<b>10,000</b>	
Office Supplies	8,000	
Auto Supplies	1,000	
Auto Fuel	5,000	
Printing	1,000	
Books	1,000	
<b>Supplies</b>	<b>16,000</b>	
Program Expense	2,250	
Legal Advertising	1,500	
Travel/Training	5,000	
Local Mileage	1,000	
Membership dues	2,225	
Service Contracts	5,000	
Professional Serv	2,000	
Postage	15,000	
Telephone	2,500	
<b>Contractual</b>	<b>36,475</b>	
	<b>Total Expenses</b>	<u><b>62,475</b></u>
Fringe Benefits		
	<b>Total Fringes</b>	<u><b>167,109</b></u>
<u><b>Total County Cost</b></u>		<u><u><b>707,038</b></u></u>
	<b>Total Parcels</b>	<b>23,649</b>
	<b>Cost Per Parcel</b>	<b>29.90</b>

## Countywide CAP

## RPTS Division Budget

Personnel Services	\$192,438
Equipment	\$2,500
Contractual Expenses	\$69,150
Fringe Benefits	\$67,353
Total Expense RPTS Division Budget	<u>\$331,441</u>

## Appraisal Division Budget

Personnel Services	\$271,109
Equipment	\$8,000
Fringe Benefits	\$84,044
Total Expense Appraisal Division Budget	<u>\$363,153</u>

Total Countywide CAP Budget \$694,594

or \$29.37 /parcel

## Countywide 1537 Agreements

## RPTS Division Budget

Personnel Services	\$192,438
Equipment	\$2,500
Contractual Expenses	\$69,150
Fringe Benefits	\$67,353
Total Expense RPTS Division Budget	<u>\$331,441</u>

## Appraisal Division Budget

Personnel Services	\$249,125
Equipment	\$8,000
Fringe Benefits	\$77,229
Total Expense Appraisal Division Budget	<u>\$334,353</u>

Total Countywide CAP Budget **\$665,795**

or \$28.15 /parcel

	Single Assessing Unit Models			Multiple Assessing Unit Models
	Option #1:	Option #2	Option #2	Option #3
Current Structure that is in place - modified to provide equitable assessments to all properties.	Countywide Department of Assessment	County CAP - Managed by the County	County CAP - Managed by the Towns	All Munis contract w/County for assessment services under RPTL 1537
<b>Start-up Costs:</b>				
Establish Equitable assessments at a common level throughout the County Data Collection @ \$46, Croghan, Harrisburg, Lowville, West Turin] ( <b>Town Cost</b> )	276,000	276,000	276,000	276,000
Transitional costs for County-Run or County CAP managed by County (Computers, telephones, supplies, furniture..)	0	182,000	182,000	182,000
<b>Start-Up Revenue Opportunities</b>				
State Consolidation Aid [14853 parcels @ \$7 - one time payment, (Towns of Croghan, Diana, Greig, Harrisburg, Lewis, Lowville, Lyonsdale, Martinsburg, Pinckey, West Turin )14853 parcels]	0	0	-103,971	-103,971
State Consolidation Aid for County Run Assessing, RPTL 1573, 23649 parcels @ \$7	0	-165,543	0	0
State Aid for County Run Assessing Referendum Approval, 23649 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	0	-47,298	0	0
State Consolidation Aid for County providing services, RPTL 1573, 23649 parcels @ \$1	0	0	-23,649	-23,649
State Aid IF County Managed County wide CAP, 23649 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	0	0	-47,298	-47,298
Local Government Efficiency 2008-2009 Grant Program. \$400,000 consolidation aid.		-400,000		
<b>Total One Time Start-up Costs:</b>	<b>276,000</b>	<b>-154,841</b>	<b>283,082</b>	<b>330,380</b>
<b>Cost per parcel:</b>	<b>11.67</b>	<b>-6.55</b>	<b>11.97</b>	<b>13.97</b>
<b>Operational Costs:</b>				
City/Town/Village Assessment Dept. Costs	333,766	0	363,153	363,153
County Real Property Tax Dept Costs	331,441	707,038	331,441	331,441
<b>Total Annual Operational Costs:</b>	<b>665,207</b>	<b>707,038</b>	<b>694,594</b>	<b>694,594</b>
<b>Cost per parcel:</b>	<b>\$28.13</b>	<b>\$29.90</b>	<b>\$29.37</b>	<b>\$29.37</b>



## Appendix F



## Total Staffing Comparison Current Assessing Structure vs Countywide Assessing Structure

Office	Appraisal Staff	Office Staff	# of Staff
Croghan	3		3
Village of Croghan			
Denmark	1		1
Diana	1	1	2
Greig	1		1
Harrisburg	1		1
Lewis	1	1	2
Leyden	1		1
Lowville	3		3
Lyonsdale	1		1
Village of Lyons Falls			
Martinsburg	1		1
Montague	1		1
New Bremen	1		1
Osceola	1		1
Pinckney	1		1
Turin	1		1
Watson	1		1
West Turin	1		1

County RPTS	0	5	5
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Total	21	7	<b>28</b>
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Countywide Assessing	Appraisal Staff	Office Staff	# of Staff
Unit	6	5	<b>11</b>



## 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.



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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 has presented papers to the International Association of Assessing Officers. 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. CAMAConsultants has developed and taught a class titled "Statistical Analysis and Trending."