

Real Property Tax Administration Committee

Minutes: February 3, 2016

Location: Indigo Hotel (Albany County)

In Attendance

Assessors

- Patrick Duffy
- Dennis Ketcham
- Todd Wiley
- Roger Tibbetts
- Terri Ross
- Warren Wheeler
- Curt Schoeberl

County Directors

- Laura Van Valkenburg
- Tim Murphy
- Suzette Booy
- Daniel Martonis
- Tom Bloodgood
- Eric Axelsen

ORPTS

- Teresa Frank
- Joe Gerberg
- Tim Maher
- Susan Savage

Additional persons present

- Matt Trapasso
- Hannelore Smith
- Phil Hembdt
- Paul Miller

Facilitator: Alan Kresge

Recorder: Jim McGovern

Get Organized

Previous minutes approved

Action Items

- RPS V4 Windows 10 compatibility - Mike Griffen was consulted and Windows 10 is not yet available for testing with RPS V4
- Agricultural primer update: Tim and Alan met with Bob Wright and Jeremy Kergel. Updates to the primer have been submitted to Counsel. Bob and Jeremy are working on implementing changes and hope to have the updated primer published soon.
- State statutory updates: This was tabled last meeting to allow items of concern to be brought forward. No items have been brought forward as of yet. This will be kept as an action item.
- Property class code team ORPTS members: Steve Beals is the new ORPTS member.

Introduction

Susan Savage made a short welcome statement.

Budget Update

Joe Gerberg discussed real property tax related budget items and provided a handout.

Appropriation items

- Local assistance remains at the same level as last year.
- Senate analysis misinterpreted funding changes to infer that ORPTS is being eliminated. ORPTS is not being eliminated. An accounting change has resulted in a change to DTF appropriations funding categories.
- Consolidation initiative: There is a proposed \$20 million award for a municipal consolidation or efficiency plan that would result in long term real property tax savings.

Statutory Items

- Convert STAR to personal income tax (PIT) credit for new homeowners. This would apply only to those who are not receiving STAR on the 2015 assessment roll.

A discussion then followed on aspects of this proposal. A question was asked about how those

Budget Update (cont)

who do not file an income tax return will be handled. They will file a standalone form. This is already done for some other credits. Mobile homes and co-ops will be treated the same as for the freeze credit: 25% of the amount for mobile homes and 60% for co-ops. Those who move from Basic to Enhanced STAR in 2016 are not required to move to the new credit since they had a STAR exemption on the 2015 assessment roll. Homeowners who are eligible to retain their STAR exemption may voluntarily elect to move to the new credit.

Assessors requested that there be guidance from DTF on the transition and the creation of a document for taxpayers and assessment officials. It was also suggested it will be necessary to have a well-crafted press release for use across the state to ensure uniform information distribution. Tim answered that DTF will work with the assessment community on the transition and public relations.

It was asked if there could be a RPS utility to identify affected parcels because many new 2016 applicants have already been entered. Tim responded that he will check with Mike Griffen on the possibility.

- STAR growth cap: The proposal caps STAR annual growth at 0% rather than the current 2%
- Mandatory IVP: IVP is currently optional for taxpayers. This proposal would require taxpayers to have their income verified by DTF for ESTAR beginning with the 2017 assessment roll. It was asked how Undetermined status would be dealt with? The answer is that those taxpayers will still have to submit tax forms to the Assessor. Assessors asked how the public will know to submit this information. The application and renewal forms will contain the necessary fields to collect the information.
- Late application for ESTAR and Senior exemption: This proposal expands the hardship provision for late applications to allow for late applications up until the last day for payment of school taxes without interest or penalty when due to hardship or good cause. The ESTAR provision allows for taxpayers to request the late application directly through DTF. Adjustments would be done through correction of errors by Assessors. The Senior provision offers taxing jurisdictions the local option to offer hardship or good cause late filing. Discussion on the Senior provision followed. It was asked if this is only where the current option for hardship has been adopted. The answer is no. This is a separate local option. Who makes the eligibility decision? The Assessor is responsible for deciding. The subject of appeal of the Assessor's decision was raised. There is no appeal through BAR or SCAR. Taxpayers could avail themselves of Article 78.

Budget Update (cont)

- Direct payment of STAR: This allows DTF to make direct payments to taxpayers in appropriate cases.
- Paul Miller provided a handout of last year's RPT legislation summary

RPS V5

Tim Maher updated the group. Staff continues to work on the new RFP. Adjustments are being made to so that vendors will be able to meet the requirements. Staff has met with the Governance Group regarding the RFP.

2016 Property Tax Freeze Credit

Tim provided an update on the continuing program.

This is the second year of the program and it now covers both school and municipal taxes. The vast majority of municipalities met their tax cap criteria. Schools are in the second year and had to meet their tax cap and have an approved efficiency plan. 97% of districts met these criteria.

One million credits have been mailed out so far with more going out every day. DTF is fielding roughly 500 calls a day on the subject. Most concern the calculation method of individual checks and questions on when a check will arrive.

Discussion and questions followed the information sharing. It was asked if DTF is involved in the efficiency plans. Tim responded no. The Division of Budget is responsible for those. Checks for the same area are not all going out at the same time. Why is this? The response was that there are many variables and data cross checks. DTF is not holding all checks in an area to wait for some. Checks are being mailed as they are ready. It was also asked when the process will be complete. Tim responded that the Commissioner has said that all checks will be mailed by the end of February. If taxpayers have questions or have not received a check, they should contact DTF directly.

Update on Communications/Next Steps

Matt Trapasso reported that there has been a realignment in the Communications Office. There is a new deputy commissioner and the office is now in two parts: Outreach and Constituent Services (for taxpayers and tax professionals) and Communications and Public Affairs (for the press, social media, and web management). The Communications Office now has an overarching theme of moving toward a

Update on Communications/Next Steps (cont)

customer service based organization. It wants to provide consistent feedback to enable notifications and actions.

Laura Fallon, the DTF web content manager, had a presentation on the DTF website and its functionality.

Laura explained the website and how to make better use of its search functions. She covered such topics as:

- Site layout
- Right Now question and answer functionality
- Portals Search filtering
- How to help build the Answer Center
- Specialty pages

Laura informed the group that the real property tax pages are next for a redesign. She has met with Regional Directors for layout ideas. DTF welcomes any input or suggestions. Ideas for collaboration included a survey and a design studio (brainstorming). The studio would include a RPTAC member.

Eric Axelsen raised the subject of content pages that do not get updated. Laura responded that those sorts of issues should be reported to her group and they will respond to them.

Laura handed out her contact information to everyone for future use.

Recoup Improper STAR Benefits

The 2015 budget contained a provision to allow DTF to recoup improperly granted STAR benefits for 2012 and 2013. There are about 3000 people subject to this in each of these years. DTF will begin reaching out to these people for repayment. They will have an opportunity to contest and can ultimately appeal to the State Board. DTF will send bills to subject property owners and it will become a State tax liability.

Property Class Codes for Building Shells

Todd Wiley informed the group that they are trying to complete this project. Alan will follow up with the codes that have been proposed. **(action item)**

Wrap Up

Next meeting is June in Albany. Exact location is yet to be determined.