

Sullivan County



CENTRALIZED PROPERTY TAX ADMINISTRATION PROGRAM ASSESSMENT STUDY

Presented To
The Sullivan County Legislature
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Presented By
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I. Executive Summary:

In 2007 the New York State Office of Real Property established the Centralized Property Tax Administration Program (hereinafter "CPTAP") to encourage counties to study reforms of their assessment systems. In March, 2008 Sullivan County was awarded a \$50,000 grant to study the current system within Sullivan County and to offer the County Legislative Body alternatives in an attempt to reform the current system to ensure that all real property within Sullivan County is treated equally.

The goal of this study is to review the current system and to offer alternatives that will improve the performance of the New York's real property tax system to achieve the following:

1. Equity – the system treats every parcel the same way;
2. Transparency – the system is simple enough for taxpayers to understand; and
3. Efficiency – the lowest cost for a given level of service is achieved.

The ultimate goal is to develop a system that could result in a common level of assessment or equalization rate for all parcels within the County.

New York State's real Property tax system is arguably the most complex property tax system in the nation. While most states have less than 100 assessing

jurisdictions, New York State has 1,128 assessing units. Additionally, while most states have a statutory reassessment cycle and a statewide standard of assessment, New York State allows each assessing jurisdiction to determine its own level of assessment, requiring only that within that assessing jurisdiction, all real property be assessed at a uniform percentage of value. Furthermore, there is no standard reassessment cycle. Many municipalities within New York State reassess annually, while others have not reassessed since before the Civil War.

II. Sullivan County History and Demographics

In order to effectively evaluate the alternatives for a Centralized Property Tax Assessment Administration program, it is important to understand the history and demographics of Sullivan County. In 1683, when New York State established its first twelve counties, Sullivan County was wholly contained as a part of Ulster County. On March 27, 1809, the New York State Legislature, concerned over the handling of legal affairs in the region, separated Sullivan County from Ulster County. The name was chosen to honor General John Sullivan, a Revolutionary War hero.

Sullivan County is located in the southern part of the State of New York. It is southeast of Binghamton and southwest of Albany. It is separated, on its western border, from Pennsylvania by the Delaware River. The county starts about 75 miles northwest of New York City and is nestled firmly within the Catskill Mountains, making it a very desirous second home community. Its northeast corner is within the Catskill Park.

The geography of Sullivan County consists of rolling hills, and many brooks and lakes, and has an average altitude of 1500 feet. The highest point in Sullivan County is a 3,118 foot peak unofficially known as Beech Mountain, near Hodge Pond, a subsidiary summit to Mongaup Mountain across the Ulster County line. The lowest point is along the Delaware River. Additionally, there are no cities in Sullivan County and the county is very rural.

Sullivan County is comprised of approximately 1,011 square miles total with a land area of approximately 984 square miles and 27 square miles of water. Population density consists of approximately 73.2 people per square mile according to the 2000 census.

Sullivan County is bordered by Delaware County, New York on the northern border, Ulster County, New York on the northeast border, Orange County, New York on the southeast border, Pike County, Pennsylvania on the southwest border and Wayne County, Pennsylvania on the western border.

According to the 2000 Federal Census Bureau, the population is 73,966. Recent estimates completed by the US census bureau in 2006 show 76,588 residents. The county seat is the Village of Monticello, in the Town of Thompson.

Sullivan County had always been a popular tourist destination with many outdoor recreational activities such as hunting, fishing, golfing, boating, skiing and mountain climbing, amongst others. Its most notable legacies have been the resort complexes of the Borscht Belt, the 1969 Woodstock festival and the Monticello Raceway, which now includes a Racino. Sullivan County had been home to many famous hotels, including the Concord Hotel. Now only a few remain.

From August 15-17, 1969, approximately 500,000 people gathered at the Sullivan County's Town of Bethel at Max Yasgur's farm to hear the Woodstock Festival, one of the most memorable and famous rock concerts ever held. Today, the site is now known as the Bethel Woods Center for the Arts, which holds many concerts and other events and includes a Museum dedicated to the memory of that famous concert and the sixties era, in particular.

III. Current System

Local governments, counties, towns, cities villages and school districts, must be able to accurately predict both their revenues and expenses during each fiscal year. Revenue sources, such as state and federal aid, service and licensing fees, sales tax revenue, etc. are deducted from the total expense necessary to provide services to determine the real property tax levy. The tax levy is then distributed to the owners of real property within the taxing jurisdiction in the form of real property taxes. New York State law has determined that the fair way to distribute the levy amongst property owners is to base the amount that property owner will

pay on the estimated market value of their real property. Therefore, the real property tax is an ad valorem tax, or a tax based on value.

It is important to note that the assessor plays no part in the determination of the levy. As stated above, the levy is determined by the cost to provide the services by the governing board of the taxing jurisdictions, county, town, village and school district less anticipated revenue. The assessor's job is to identify and estimate market values of all properties located within their municipality.

Sullivan County contains approximately 65,595 parcels throughout the 15 Towns and 6 Villages within its borders. They are as follows:

- Town of Bethel
- Town of Callicoon
- Village of Jeffersonville
- Town of Cohecton
- Town of Delaware
- Town of Fallsburg
- Village of Woodridge
- Town of Forestburgh
- Town of Fremont
- Town of Highland
- Town of Liberty
- Village of Liberty
- Town of Lumberland
- Town of Mamakating
- Village of Bloomingburg
- Village of Wurstboro

Town of Neversink
Town of Rockland
Town of Thompson
Village of Monticello
Town of Tusten

The assessing function in Sullivan County is currently performed at the town level. Each of the 15 towns is a separate assessing unit. The villages are no longer assessing units. As a result, the properties within the village borders are assessed by the assessor of the town in which the village lies. There are also, 12 different school districts, which are taxing entities within Sullivan County, but not assessing units.

Out of these 15 assessing units, only two towns have been involved in the annual reassessment program, both of which have opted not to reassess this year. Most of the jurisdictions participated in a county wide reassessment in the early 1990's, while the Towns of Forestburgh and Neversink have not reassessed in decades. Additionally, the Town of Delaware remains the only jurisdiction within Sullivan County that has an elected board of assessors, while the rest of the jurisdictions have sole appointed assessors. As a result, 17 assessors service the 15 municipalities. It should also be noted that presently, the Sullivan County Real Property Tax Services Office does not provide any assessment services to the 15 municipalities.

None of the jurisdictions have ever formed a Coordinated Assessment Program (CAP) pursuant to RPTL 579.

Although there is currently no formal collaboration for assessing throughout the municipalities in Sullivan County, there is some form of informal collaboration. The Sullivan County Assessor's Association has representation from each town and meets regularly each month. The County Director is also a member and attends these meetings each month. Additionally, there is a Sullivan County list serve via the internet to assist in open communication between assessing jurisdictions.

Real Property Tax Law 305 requires that "all real property in each assessing unit shall be assessed at a uniform percentage of value..." Value is defined as "market value" or the price at which a willing buyer would pay a willing seller for real property under normal circumstances. The percentage of value at which a municipality maintains its assessment is the level of assessment. Levels of assessment vary greatly throughout Sullivan County and range from a low of 3.9% to 100% for those municipalities that completed reassessments in 2008.

It is also important to note that the last time that the municipal-wide physical property data was collected varies from one municipality to the next over a period of approximately three decades. Only four of the fifteen municipalities have conducted reassessments since 2000. Only two towns were part of the annual

reassessments program in 2008, the Towns of Highland and Lumberland. They both went through town wide reassessments in 2003 and maintained their level of assessments at 100 percent throughout the program. As previously stated, this year both municipalities have opted not to continue in the annual reassessment program. This is of particular importance and will be further examined later in this report when discussing the necessary steps toward a centralized assessment program.

In Sullivan County, only the Towns of Highland and Lumberland have been involved in any type of reassessment cycle. More importantly, the town supervisors that responded to the questionnaire I sent while researching for this study indicated that they would not be in favor of a reassessment in their town. As a result, the first of the recommendations would be for the state to mandate a reassessment cycle for all municipalities. The Committee's suggestion would be to require each municipality to reassess at least every three and no more than every five years.

IV. Equalization Rates

In New York State the real property tax is a local tax. It is raised and spent by the local municipalities that include the villages, towns, cities, county and school districts. Many of the school districts cross assessing unit boundaries. Further complicating the concept of assessment equity is the fact that market trends vary across a municipality. For instance, real property in some neighborhoods increase in value at a different rate than others. There are many factors in Sullivan Count

that contribute to these shifts, such as, speculative purchases of real property in areas where there has been talk of casino gaming, as has been occurring in the Town of Thompson and the influx of second home buyers as a result of the events of September 11, 2001. As a result, unless there is reassessment each year by each assessing unit, the allocation of property taxes, specifically county and school taxes would be inequitable.

Inevitably, the New York State Office of Real Property Services (hereinafter "ORPS") is statutorily obligated to administer an equalization program, in order to assure equitable property tax allocation. ORPS must analyze assessments compared to sales activity in each assessing unit, and annually determine what proportion assessments indicate market value. The percentage that reasonably estimates that proportion is called an equalization rate and is used in the calculation to apportion tax liability between taxing jurisdictions that include multiple assessing units.

By way of example, suppose that a school district contains properties in two towns. The school needs to raise a million dollars in its tax levy. Town A is the larger town, market trends are stable and they perform town wide reassessments on an annual basis and the equalization rate has been established at 100% of market value. Their tax base is thirty million dollars. Town B is smaller, with lower average property sales values and conducts reassessments on a three year cycle and the equalization rate has been established at 90% of market value.

Town B's tax base is eighteen million dollars. Therefore the total gross tax base is forty-eight million dollars for the entire school district.

In order to fairly distribute the tax liability each town must be equalized as follows:

Town A:	30,000,000 (tax base) divided by 100% =	30,000,000
Town B:	18,000,000 (tax base) divided by 90% =	20,000,000

The school tax levy will then be apportioned as follows:

Total equalized tax base = 50,000,000

Town A will pay 60% of the tax levy (30,000,000 divided by 50,000,000)
Town A's tax liability will be \$600,000 (1,000,000 x 60%)
Town A's tax rate will be \$20.00 per \$1,000 of taxable assessed value
((\$600,000 share of the tax levy divided by 30,000,000 tax base)

Town B will pay 40% of the tax levy (20,000,000 divided by 50,000,000)
Town B's tax liability will be \$400,000 (1,000,000 x 40%)
Town B's tax rate will be \$22.222 per \$1,000 of taxable assessed value
((\$400,000 share of the tax levy divided by 18,000,000 tax base)

If two similar properties, one locate in Town A and one located in Town B, have an estimated market value of \$100,000 the tax liability will be as follows:

The Town A property assessed at \$100,000. The tax liability is \$2,000.00
The Town B property assessed at \$90,000. The tax liability is \$2,000.00

While the equalization rate does provide some balance, its greatest shortcoming is that there can be only one rate per assessing unit. If values are not equitable within the municipal boundaries, the single equalization rate cannot be truly indicative of the proportion of assessments to market value. The real estate market is constantly changing as the factors that affect property values change. Constant vigilance to provide the best estimates of current market value is required to truly achieve equity for taxpayers.

Moreover, since there has been no standard reassessment throughout its assessing units, and given the fact that the values of properties within the assessing units increase or decrease at different rates from year to year, ORPS provides each of the municipalities with equalization rates. Those rates for 2008 are as follows:

List of Certified 2008 State Equalization Rates

Municipal Code	Municipal Name	State Equalization Rate	Date Established
482000	Town of Bethel	46.00	7/21/08
482200	Town of Callicoon	49.50	7/30/08
482400	Town of Cochection	62.00	8/4/08
482600	Town of Delaware	50.50	7/30/08
482800	Town of Fallsburg	49.00	8/6/08
483000	Town of Forestburgh	7.75	7/30/08
483200	Town of Fremont	61.00	7/30/08
483400	Town of Highland	100.00	7/25/08
483600	Town of Liberty	63.09	7/21/08
483800	Town of Lumberland	100.00	8/4/08
484000	Town of Mamakating	45.90	7/30/08
484200	Town of Neversink	3.90	7/30/08
484400	Town of Rockland	55.00	7/30/08
484600	Town of Thompson	65.50	7/21/08
484800	Town of Tusten	51.00	8/4/08

Note: An equalization rate of 100 means that the municipality is assessing property at 100 percent of market value. An equalization rate of less than 100 means that a municipality's total market value is greater than its assessed value. An equalization rate of greater than 100 means that the municipality's total assessed value is greater than its total market value. Finally, if all municipalities assessed property at 100 percent of market value each year, then there would be no need for equalization rates.

V. Duties

As in all Counties in New York State, with the exception of the two Counties that already have Countywide Assessing, Tompkins and Nassau, the coordinated assessment process is conducted by the County Director and the local Assessors.

Sullivan County's Department of Real Property Tax Services is headed by the Real Property Tax Director who is appointed by the Sullivan County Legislature based upon a recommendation of the County Manager. Currently, in addition to the Director, the office is comprised of a Tax Map Supervisor, two Senior Tax Map/GIS Technicians, two Tax Map/GIS Technicians, a Real Property Tax Services Coordinator and a Real Property Tax Services Aide. The current operation costs of the Sullivan County RPTS Department totals: \$616,669.

The County Department of Real Property Tax Services has the following statutory duties:

1. Prepare tax maps, maintain them in current condition and provide copies of same to the assessors.
2. Advise assessors on the procedures for the preparation and maintenance of assessment rolls, property record cards, appraisal cards, and other records and documents relating to real property assessment and taxation.

3. Provide appraisal cards in such form as shall be prescribed by the state board in quantity needed for use in the preparation of assessment records.
4. Cooperate and assist in the training programs provided by the state board.
5. Provide administrative support, cooperation and assistance to acting boards of assessment review.

In addition, the County Director of Real Property Tax Services has the following statutory duties:

1. Coordinate any county-wide revaluation program.
2. Prepare and furnish an annual report to the legislative body of the county, a copy of which shall be sent to the state board which report shall contain at least such information required by the legislative body of the county and the state board and prepare such additional reports as may from time to time be required by the legislative body of the county or the state board.
3. Provide to the County Clerk, upon request, the tax map identification numbers of all parcels identified by the Clerk as within an agricultural district.
4. Identify to the County Clerk by tax identification number, those parcels within the county which have received agricultural assessments within the past year.

5. Serve on any county agriculture and farmland protection board established in the county.
6. Conduct Board of Assessment Review training
7. Conduct Assessor Orientation training
8. Serve as Correction of Errors Officer

The County does not currently maintain RPSv4 (the state assessment software) records in house, that function is currently is performed by the Assessor. The county updates owner and parcel information in the ImageMate database which is available to the public through public terminals located in the Real Property Tax Services Office and on the County website, via the internet. The county updates its RPSv4 information via a CD three times a year.

The County is in the process of converting its paper tax maps into a GIS database that will tie in to the assessment inventory information available to taxpayers online. Although the County's website is up and running and available to the taxpayers, the GIS database is not yet available.

As previously stated there are currently fifteen towns with fourteen appointed and three elected assessors. The operational costs for these fifteen assessing jurisdictions totals: \$817,537 based upon 2005 figures received by the New York State Office of Real Property Services.

Assessment Office Budgets

Towns	Total Costs	Parcels	Price Per Parcel	Appointed Elected	Assessor		Support	
					Full	Part	Full	Part
Bethel	\$73,743	7553	\$9.76	Appointed	1		1	
Callicoon	\$38,079	2556	\$14.90	Appointed	1			
Cochecton	\$18,004	1675	\$10.75	Appointed	N/A		N/A	
Delaware	\$24,293	1958	\$12.41	Elected		3		
Fallsburg	\$141,013	9132	\$15.44	Appointed	1		2	1
Forestburgh	\$25,515	1282	\$19.90	Appointed		1		
Fremont	\$19,962	2034	\$9.81	Appointed		1		
Highland	\$54,489	2752	\$19.80	Appointed	N/A		N/A	
Liberty	\$72,510	6295	\$11.52	Appointed	1		1	
Lumberland	\$47,034	2998	\$15.69	Appointed	1			2
Mamakating	\$95,726	8435	\$11.35	Appointed	1		1	1
Neversink	\$42,772	2926	\$14.62	Appointed	1		1	
Rockland	\$37,701	3629	\$10.39	Appointed	1			
Thompson	\$102,959	10306	\$9.99	Appointed	1			1
Tusten	\$23,737	2064	\$11.50	Appointed		1		
Totals	\$817,537	65595	\$12.46					

*Please note that the above costs were established from 2005 data received from the ORPS which were used due to a lack of response by assessors and supervisors to questionnaire sent to research this study. The parcel count is from the 2008 final assessment rolls. As a result, \$per parcel estimates may be slightly higher than contained in this report.

The duties and responsibilities of a town assessor include the following:

1. Locate property and collect inventory data.
2. Determine ownership of property.
3. Maintain ownership information of each parcel.
4. Notify owners where and when data is available for inspection.
5. Value all real property at a uniform level of assessment.
6. Exemption administration.

7. Mail notices of increases assessments or other changes as required by law.
8. File a Tentative Assessment Roll.
9. Answer questions regarding tentative roll.
10. Defend values.
11. Attend meetings of Board of Assessment Review and give testimony.
12. File a Final Assessment Roll.
13. Prepare and submit annual reports.
14. Attend required continuing education and professional conferences.
15. Manage assessment office.
16. Meet with property owners, media and other government officials.
17. Analyze local data such as market sales, interest rates and market trends.
18. Prepares challenges for equalization rate if necessary.

VI. County Assessing Options

Pursuant to the Real Property Tax Law there are alternatives available to the existing assessment system in Sullivan County. Pursuant to RPTS 1530 and 1540, there is County Assessing, in which the county would perform all of the functions currently performed by the town assessors, including but not limited to data collection, valuation and exemption administration. Alternatively, pursuant

to RPTL 579, two or more assessing units can pass local laws to share an assessor to form a Coordinated Assessing Unit. This can also be done on a County wide basis. Finally, RPTL 1537 allows one or more assessing units to contract with the County for assessing services, such as appraisal services, exemption services, or assessment services. For the purposes of this study, I mainly focused on the County Assessing option, however, I also discuss each option in further detail.

VII. Property Physical Data Collection

The accuracy and conformity of the physical data collection for each and every property located within a municipality is the cornerstone of fair and equitable assessment practices. The data collected includes, but is not limited to, the location, site improvements, land size, land use, residential property characteristics, additional structures, commercial uses, commercial building construction types, commercial site improvements, and income and expense data. This information is necessary for both, the property that is the subject of the assessment and the sale properties used for comparison. Ultimately, this data is used in the determination of market value, assessed value and the resulting determination of property taxes.

To ensure equity for all real property tax payers, the collection and recording of real property data must be accurate and consistent throughout the municipality. As previously stated, in Sullivan County real property data has been collected municipality (town) wide as recently as 2003 and as long ago as 1978. Therefore,

within each assessing unit there is a measure of consistency, but not with respect to the County as a whole.

Town of Assessment	Last Reassessment	Last Municipal Wide Data Collection
Bethel	1996	1990
Callicoon	2002	2002
Cochecton	N/A	N/A
Delaware	1991	1991
Fallsburg	1992	1992
Forestburgh	1978	1978-1979
Fremont	2002	2002
Highland	2003	2003
Liberty	N/A	N/A
Lumberland	2003	2003
Mamakating	1999	1998
Neversink	N/A	1998
Rockland	2002	2002
Thompson	2004	2004
Tusten	1991	1990

Furthermore, although presumably each assessing unit currently collects physical property data in conformance with the New York State Office of Real Property Services data collection procedures, there is no way to determine if there is consistency between the municipalities within the County or various school districts. As a result, any assessment consolidation program, whether it consists of County Assessing, Consolidated Assessment Units, or County Assisted Service programs, must include a county wide physical property data collection process, even with respect to those municipalities that collected recently.

In discussions with various appraisers and reassessment experts, data collection projects typically represent approximately 50 to 60% of the total cost of a reassessment. As a result of the topography and unique nature of the parcels in Sullivan County, a county wide reassessment would be estimated at approximately \$90.00 per parcel. Therefore, per parcel cost of a data collection project for Sullivan County would cost between \$45 and \$54 for a total county wide project equaling approximately between \$2,950,000 and \$3,540,000.

VIII. Reassessment

A reassessment is defined as “a systematic review of assessments of all locally assessed properties, valued as of valuation date of the assessment roll containing those assessments to attain compliance with the standard of assessment.” In Sullivan County, as previously stated only two municipalities have been involved in the annual reassessment program as recently as 2008, while other municipalities have not reassessed in decades. In any event, if Sullivan County were to centralize or consolidate its assessing functions, it would be necessary to reassess all parcels in Sullivan County, most likely, by the use of a contractor.

Having had discussions with contractors that have done a reassessment, I have estimated that a reassessment project for Sullivan County would cost approximately \$90 per parcel. I base this figure on an average cost of \$75 to \$80 per parcel for Counties containing more parcels and more urban properties than Sullivan County. As noted by revaluation contractors, economy of scale indicates that if smaller parcel count municipalities were part of any centralized assessment

program, the per parcel reassessment cost would be greater than in municipalities with larger parcel counts. Therefore, I have estimated that a county wide reassessment project would cost Sullivan County approximately \$5,900,000. ($\$90.00 \times 65,595 = \$5,903,550$) (Please note that this figure includes the cost of county wide data collection.)

The above figure would be off set by the \$5 per parcel state aid of approximately \$327,975. ($\5.00 multiplied by 65,595 parcels)

IX. County Assessing

By definition, county assessing removes the responsibility of property assessment for tax purposes from the local municipalities and places it with the county. Under this scenario, the County would have to adopt a local law, subject to a mandatory county wide referendum. Since Sullivan County does not contain any cities, the referendum would have to pass in the County by simple majority.

Currently, only Nassau County and Tompkins County carry the county wide assessment responsibility. As recently as 2005, Fulton County voters defeated the issue in a referendum.

Pursuant to New York State RPTL Sections 1530 and 1540, under a county assessing system the Real Property Tax Services Agency would no longer be mandated and the Director of Real Property Services would be replaced by a Director of Assessment. The County Legislature would appoint a Director of

Assessment for either a six-year term of office or civil service appointment. All other employees in the department, including appraisers, tax map technicians and clerical staff would be civil service employees.

If county assessing were adopted, the county would become a single assessing unit, with a single equalization rate calculation based on the aggregate assessed value to market ratio of the entire county (RPTL 1214). The County Legislature would determine the revaluation schedule. In addition, "once a full value revaluation has been implemented, RPTL 305(3) authorizes the governing body of an assessing unit to direct the assessor to assess all property at a uniform percentage of value", which may be a fraction of market value. (Opinion of ORPS Counsel 7-96)

To evaluate the county assessing option for Sullivan County, the committee looked at the two existing County Assessing units, Tompkins and Nassau. Tompkins County consists of approximately 34,317 parcels of real property, annually reassesses all properties at 100% of fair market value and is fairly rural with the exception of the City of Ithaca. Nassau County consists of over 420,000 parcels of real property, assesses property at 0.32% of market value and is situated on Long Island. Therefore, the committee felt that Tompkins County would serve as a more appropriate model in determining the viability of the County Assessing option for Sullivan County. In evaluating the Tompkins County model, this committee went to the offices of the Tompkins County

Assessor and met with key staff in that office, including the County Assessor, Valeria Coggin.

Tompkins County consists of 34,317 parcels of real property, of which 5,565 are vacant, and contains one city, nine towns and six villages. It is 468 square miles with a population of 96,501 according to the 2000 federal census bureau. It is the home of Cornell University and Ithaca College and is in the Finger Lakes region. In comparison, Sullivan County is approximately twice the size in terms of parcel count and slightly more that two times the size in terms of square miles.

The Tompkins County Assessment Department consists of a Director of Assessment, an Assistant Director of Assessment, one Senior Valuation Specialist, one Valuation Specialist, five Real Property Appraisers, two Real Property Services Support/ Administrative Assistants, two Assistant Assessment Account Specialists, one GIS Technician and a half-time position from Information Technology for a total of 14.5 employees. The Tompkins County Assessment office has been performing county assessing since 1970 and has collected and maintained property assessment data since then.

The Tomkins County Assessment Department 2009 budget is as follows:

Personnel	\$ 704,537
Fringe Benefits	\$ 260,679
Equipment	\$ 84,304
Contractual	\$ 41,550
Total expenses	\$1,091,070
Anticipated Revenues	\$ 230,000
Total County Cost	\$ 861,070
Total Cost per Parcel	\$ 25.09

Additionally, because of its relatively small size and the location of the Assessment Department in the City of Ithaca, which is centrally located, the greatest distance a taxpayer would have to travel to the offices would be approximately 20 to 25 miles. As a result, Tomkins County has no satellite offices. In Sullivan County, consideration would need to be given to establishing and staffing at least one satellite office in the northwestern part of the County, at least on a part-time basis. Additionally, because of a lack of public transportation, there may even need to be a second satellite office in the southwestern part of the County. These costs must be considered. I would estimate the cost of such satellite offices, including equipment, to be approximately \$50,000.00 each for a total of approximately \$100,000.00 annually. Of course, this cost may be offset by using existing town office space pursuant to an inter-municipal agreement.

In order to consider a Sullivan County administered real property assessment program, we must also review the staffing needs and the ability of the current Real Property Tax Services Office to accommodate same. Additional office space would be necessary. Furthermore, there would be a need for dedicated county owned vehicles for appraisers, valuation staff and data collectors.

One of the key ingredients to success is to find qualified individuals to perform the assessing functions, since Sullivan County provides no assessment services at this time. One requirement would be to create a sufficient number of valuation and appraisal positions with adequate funding.

At the current time, there is no centralized database at the County Level. The town assessors maintain the RPSv4 software at the town level and three times each year, the County's programs, including the ImageMate application, which is available on the County's web site, are updated. Ownership and parcel information is updated in-house, by County staff, on a regular basis. It is inevitable that once consolidation happens, the new single assessing unit would require a centralized database to function efficiently.

When the committee visited the Tompkins County offices, we were very impressed with their operating systems. As a result, I asked Sullivan County's Chief Information Officer, Lorne Green to provide me with an estimate of technical costs to efficiently run the county assessing functions. Mr. Green has had over ten years of experience in management information systems.

He estimates the following reasonable and appropriate start up costs to perform those functions as follows:

Purchase of Server Hardware	\$ 10,000
Purchase of MSOL based Real Property Assessment and management software package	\$125,000
Contracting with an outside .NET application Development professional to design and develop a custom set of applications specific to Sullivan County's needs to manage, record and administer the Real Property Assessment process	\$115,000
Total Cost for Technology:	\$250,000

(Please note that this would be a one time expense)

In order to implement a Sullivan County Assessment program, several events would need to take place. They are as follows:

1. The first step would be a county wide public relations campaign to educate the public regarding the county wide assessment program and the need for a county wide reassessment. Any type of major change will most likely be met with great resistance. We must educate the public regarding the steps necessary to achieve equity. Given the cost of such a project, the public must be given sufficient information so that they can make intelligent decisions regarding the future of the County's assessment program. It should be noted that we must first educate local government officials including Town, Village and School District Boards. In addition, education sessions with public should be held at different locations throughout the County.

2. A county wide referendum would have to pass, by a simple majority. With respect to the appointed assessors, their current terms do not expire until October 1, 2013. That would be the first opportunity for a change to County Assessing.
3. Proper staff and office space would need to be allocated and in place. There would need to be a determination regarding satellite offices.
4. The County would need to commit to the timetable and funding necessary to perform a county wide reassessment. A reassessment of this magnitude would necessarily be done by a contractor.
5. A county wide Board of Assessment Review would need to be established.
6. Finally, the County Attorney would need to make an assessment of current staffing since that office would necessarily be responsible for representing the County at the Board of Assessment Review and defending the County in any and all tax certs. and exemption challenges.

X. Projected Costs of A Sullivan County Assessment Program

Based on the location, cost of living and median household income, as determined by the 2000 federal census bureau, it is estimated that the Sullivan County costs would be approximately fifteen (15%) higher than those of Tompkins County. The following is the projected annual cost of County Assessing for Sullivan County.

65,595 parcels at \$27.50/parcel = \$1,803,900

Approximately \$1,800,000.00/year

In addition, it must be noted that if the County were to opt into the annual re-assessment program they would be eligible for \$5/parcel state aid each year the County remains in the program for an additional savings of approximate \$327,975. This additional aid would reduce the annual cost of County Assessing for Sullivan County to approximately \$1,475,000.00/year.

Start up costs for Sullivan County Assessing Program

County wide reassessment - 65,595 @ \$90.00/parcel	\$5,900,000
Less State Aid for reassessment 65,000 @ \$ 5.00/parcel	\$ 325,000
Total for Reassessment	\$5,575,000
Annual County Assessment Department Budget	\$1,800,000
Two Assessment Satellite Offices (this cost may be offset by using existing Town office space)	\$ 100,000
Total Annual Cost	\$1,900,000
Management Information Costs	\$ 250,000
Less State Aid for forming a county assessing unit. 65,595 @ \$ 7.00/parcel	\$ 459,165
Less State Aid for forming a County assessing unit. CPTAP 65,595 @ \$ 2.00/parcel	\$ 131,190
Total for first year	\$ 7,134,645

Total Estimated Annual cost for Sullivan County

Assessing Program

Annual County Assessment

Department Budget \$1,800,000

Assessment Satellite Offices \$ 100,000
(may be offset by using
Town existing office space)

Total \$1,900,000

* as stated above, it should also be noted that the annual cost of running a county assessment department could be offset by entering into the annual assessment program which would provide additional state aid on an annual basis of \$5.00/parcel or \$327,975.

XI. Benefits of County Assessing

The following are the major benefits of administering real property assessment on a county wide basis:

1. County becomes a single assessing unit.
2. There is only one Equalization Rate for the County.
3. There is only one Level of Assessment county wide.
4. One county wide reassessment schedule which can be either annual, tri annual or on some other basis.

X. Drawbacks of County Assessing

Some of the drawbacks of administering a real property assessment on a county wide basis are:

1. Start up costs to get to one single Level of Assessment.

2. Increased cost to the County for assessment and other related services such as the use of dedicated county vehicles, County Attorney increased staffing costs.
3. Public accessibility to the assessment functions may be limited. This is especially critical since Sullivan County has limited mass transportation options.
4. Continuing Education reimbursement by ORPS is only provided to the Assessor and the County would not be compensated for the training of the Real Property Appraisers.

XII. Other Options for a County Wide Assessing Program

There are several other options in New York State for municipalities to achieve a county wide assessing program.

County Contracted Scenario

RPTL 1537 allow assessing units to enter into agreement with the County to provide assessing services. Under this scenario, an assessing unit and the county could enter into agreements for the county to provide appraisal, exemption administration and/or other assessment related services. Depending on the level of services contained in the agreement, the County could be responsible for appraisal of all properties within the participating assessing units, review of all exemption applications and making eligibility determinations based upon ownership and/or data collection and data processing services.

Any such agreement must be approved by a simple majority vote by the governing bodies of both the assessing unit or units and the county. In order for an assessing unit to enter into any such agreement, they must pass a resolution authorizing said agreement 45 days prior to entering into same, subject to permissive referendum. Said agreements could thereafter be amended, cancelled or terminated without prior authorization.

In order to implement such a program depending on the level of services performed by the County on behalf of the participating assessing units, a review of current staffing would be required. For instance, in order to provide appraisal services, Sullivan County would need to employ appraisers who meet minimum qualification standards established by the state. In addition to this, as stated earlier in this report, New York State would not reimburse the County for any training required for said appraisers.

According to most of the town assessors in Sullivan County, exemption administration takes up approximately 80% of an assessors daily time, which could be used for other purposes. The assessor must make determinations regarding the ownership of the property, the use of the property and whether or not the ownership and/or the use sufficiently fits the criteria for eligibility for the exemption. There is also a great deal of public relations involved with exemption administration. The County could enter into such an agreement with the assessing units in which the County would take on the roll of exemption

administration. The County would be responsible to review applications for exemptions and determine the eligibility of the applicants.

Finally, an assessing unit and the county can contract to provide a person, other than the County Director of Real Property Tax Services, to be selected by the assessing unit to perform assessment services. Said person shall be deemed the assessor of the participating assessing units but would be an employee of the county.

Finally, with respect to any of the potential services that could be provide pursuant to RPTL 1537, the County would also have to provide staff to support their actions, whether it is an appraisal of value, or denial of an exemption and to defend such actions and provide legal support for challenges both before the Board of Assessment Review or in Court.

Pursuant to these agreements provision could be made to charge the cost of providing such services back to the assessing units.

Under the RPTL 1537 agreements, assessing units remain autonomous and are each individually analyzed for equalization rates, RARs (residential assessment ratios), reassessment cycles and STAR state aid. Furthermore, should the County decide to enter into an agreement to provide any of these services for all of the

assessing units in the County, the County could receive a one time payment of \$1.00/parcel or approximately \$65,595.

Coordinated Assessing At the County Level

One final option for county wide assessment is pursuant to Real Property Tax Law 579 which provides for two or more assessing units within the same county to establish a coordinated assessment program by adopting identical local laws, without referendum, approving an agreement to enter into a coordinated assessing program. Such local laws must be adopted by each participating assessing unit at least sixty days before the first taxable status date (March 1) of an assessment roll to which such program is to apply. There are two such types of agreements.

The first type of agreement is one in which there is direct county involvement. Under this scenario, the assessing units would enter into an agreement with the County to provide assessment services to all of the participating assessing units pursuant to RPTL 1537. The second type of agreement is that in which there is no direct County involvement. Under this scenario, all of the participating assessing units would enter into a municipal cooperative agreement providing for a single assessor to be appointed in all of the participating assessing units. Regardless of the level of involvement on the part of the county, there would be a single appointed assessor to hold the office in all of the participating assessing units. The appointment must be effective no later than 60 days after the date on which the agreement is effective. There would be one level of assessment for all

of the participating assessing units. All municipalities that enter into a coordinated assessing agreement are then considered one assessing unit.

If all of the assessing units in Sullivan County were to participate in such a program with the County having direct involvement with same, the County would be required to establish a County Assessing Department, separate and distinct from that of the County Department of Real Property Tax Services to perform the assessment functions for the County as a whole. There would be a single appointed assessor for the county wide CAP and the County Department of Real Property Tax Services would continue to maintain the tax maps, calculate the tax levy, provide impartial information to the taxpayers, train Board of Assessment Review members and continue to coordinate and advise the assessment department thereby maintaining the separation of assessments and taxes.

There is also state aid available for consolidation of the assessment function under this type of program. The participating municipalities would be able to receive a one time payment of \$7.00 per parcel. If this consolidation is county wide and county run, the County would receive the one time payment of \$7.00 per parcel or approximately \$459,165.00. Additionally, the County would also be eligible for a consolidation payment by the state of \$2.00 per parcel or approximately \$131,190.00. These payments could be used to offset the start up cost of consolidation.

XIII. Conclusion

In attempting to create or develop any county wide assessing program, regardless of the model used, the first step would be to update all data county wide and to perform a county wide reassessment in a uniform manner. In my opinion, this can only be done through contracting with a reputable and experienced reassessment contractor and should not be done in house. As with any major change, if one of the above models is pursued, there will be a transition period which can be painful and extremely expensive. There will be a period of time in which to implement the change and it may take many years for it to become fully effective and efficient. The County Legislature in considering whether to move forward or not must consider if the assessment function could be performed better if it was performed by the County. Additionally, the County Legislature must also determine if it would be cost effective for the taxpayers. Finally, there would need to be a financial commitment on the part of the County Legislature to fully support such a program.

XIV. Recommendations of the Committee

The assessment officials in Sullivan County were asked for recommendations on how to improve the assessment function in New York State. The following are some of their recommendations for improving the real property tax assessment program statewide:

1. The most prevalent recommendation from both the assessment community and the local elected officials is a mandated reassessment cycle bill. This

would require municipalities to reassess on a periodic basis. They felt that reassessment should be required every three to five years.

2. Another recommendation would be for the state legislature to review the existing property tax exemptions in New York State. Although the perception amongst many is that exempting properties forgives taxes, however in reality, the exemptions only redistribute property taxes amongst taxpayers. Furthermore, in discussions with assessors, exemption administration takes up a considerable amount of time and increases workload. This time and energy could be put to better use for the collection of data and valuation of property.
3. It is suggested also that the State increase assessment aid payments. It is the opinion of the municipalities that there is insufficient aid currently in place and does not provide adequate incentive to the municipalities to improve assessment functions.