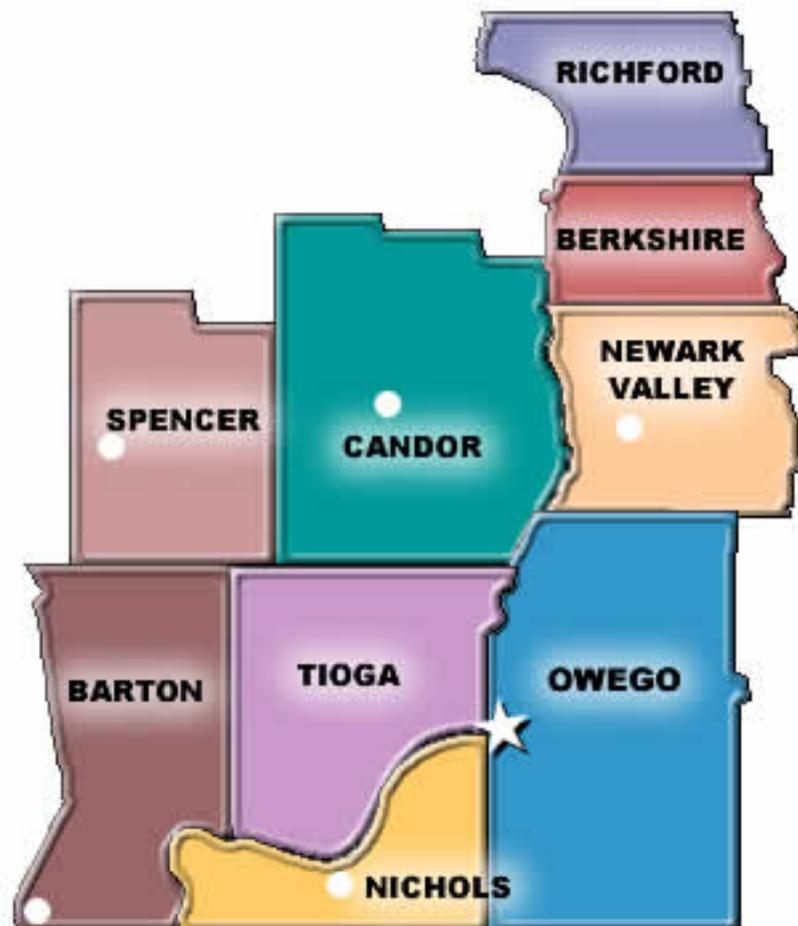


*Countywide Collaborative
Assessing Considerations
For
Tioga County*



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I Introduction

In the autumn of 2007, the New York State Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and municipal officials to study reform opportunities for their local real property assessment systems.

Compared to almost all other states, New York's property tax system is complex and confusing, particularly for taxpayers. New York is one of only 3 states that doesn't have a statewide standard of assessing. It is one of 12 states that doesn't mandate a reassessment cycle. Meanwhile, it has nearly 700 school districts that criss-cross 1,128 assessing units (compared to a national median of 85 assessing units).

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 data of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions, alike.

The system must uniformly affect every parcel within the County and must result in the following performance standards:

- (1) A common level of assessment for all 9 Towns within Tioga County.
- (2) A common database of assessment, inventory, pictures, and valuation data for all the assessing units within the County.
- (3) Consistent Assessment Administration Standards (i.e., regular reassessment cycles; timely verification, correction and transmittal of sales data; current and accurate inventory collection and maintenance; etc) for all assessing units within the County.
- (4) A single Assessment for every parcel.

The goal of this study is to identify a system (or systems) that provide a mechanism for obtaining and maintaining equitable assessments, that is understandable to taxpayers, and that functions efficiently and consistently. The study includes (1) analysis of the current assessment system in Tioga County; (2) a description of several options available to achieve a common level of assessment and a common reassessment cycle for all municipalities within the County. **It should be noted that this study is not intended to identify every operational detail of the options described, and that any decision to implement or further explore options will require additional specifics.**

The study includes a comparative analysis of current and projected costs in personnel, equipment, and services/supplies for one or more of the options as compared to the present system. The option(s) studied will use the staffing requirements as if the system were operating under the standards of the International Association of Assessing Officers.

The study will include an analysis of the pathway and timetable for migrating from the current assessment system to an alternative system, and give specific suggestions for easing the transition functionally, financially, and legislatively.

The final section of this Study will be dedicated to suggestions as to how the State might better utilize its resources to assist in the transition for Towns and Counties.

II Executive Summary

The following Study gives the Tioga County Legislature an idea of the current status of their local assessing units and some various options that are available to consolidate all or part of this important function.

The goal of this Study is to define a plan that will achieve common treatment (including a common level of assessment/equalization rate) for all parcels in Tioga 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?"

It is important for the reader to understand the fundamental of the Real Property Tax System. Property owners are taxed based upon their perceived wealth which is demonstrated by the value of their real property. This is why it is absolutely essential that assessments are kept current and accurate each and every year. In fact, the Real Property Tax Law (RPTL 305) requires assessments within each assessing unit to be maintained at a "uniform percentage of market value."

Definition - RPTL §305
Standard of Assessment

"All real property in each assessing unit shall be assessed at a uniform percentage of value..."

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform
This would include County Assessing Units

The duties of the assessor include discovering, listing and valuing all real property within their assessing unit.

The following two models with five options have been described in some detail. The one important consideration for all of these assessment models is that in order to achieve equity and a 100% level of assessment throughout the County is that those Towns that are not at that level will need to complete a town-wide revaluation. The estimated cost of that process using outside contractors for data collection/reverification and valuation is as follows:

Added Costs of Meeting the Performance Standards Within the Current Assessment System		
Tioga County's Current Assessment System Costs		
Current County Budget for Real Property Tax Services		\$144,018
Total Budget for Municipal Assessing	+	\$241,402
Total Current Costs of Assessing Within the County	=	\$385,420
Additional Costs To Comply Under Current System		
Cost of Bringing All Parcels Up To		
The Performance Standards (100%)*		\$826,000
Total Initial Costs:		\$826,000
Offsetting Available State Aid Incentives		
Reassessment Aid of up to \$5 x 20,650 Parcels	minus	\$99,695
Net Initial Cost To Attain Equity Within Tioga County's Current Assessment System		\$726,305
*This figure represents either an "in house" or contracted data reverification and reassessment of 20,650 parcels at an approximate cost of \$40 per parcel.		

Once you have dealt with this initial expenditure for giving your taxpayers an equitable, transparent, and efficient assessment system to work with then there are savings to be found in all of the described options. The cost of providing all Tioga County property owners with an assessment system that is equitable, transparent and efficient is considerable. But when coupled with some of the structural modifications described in this report and the various financial incentives for restructuring, together with incentives for maintaining the assessments, there are annual cost savings which can be achieved.

We are looking at two major types of Assessing Systems; Single Unit Models and Multiple Unit Models. They are further broken out into five subcategories:

Single Assessing Unit Models

- Option #1 – County Run Assessing
- Option #2 – Coordinated Assessing with one County Run CAP

Multiple Assessing Unit Models

- Option #3 – Implementing Coordinated Assessing Programs (CAPs) Where Possible and Binding all Assessing Units to Common Performance and Standards with an Inter-Municipal Agreement.
- Option #4 – Towns Contracting with the County
- Option #5 – A revolutionary hybrid option that would require the State to pass a Cycle Bill that will provide some financial aid for Towns to meet the common LOA of 100% and then have the Valuation Date frozen every 3 years to avoid further Equalization Rate Studies and the need for Annual Reassessment.

As mentioned above, once all of the parcels in the County are being treated the same, there will be savings realized along with fair taxation for all of your constituents. By subtracting the Annual Operational Costs of the various options from the cost of the current costs of assessing within the County which is \$385,420 you arrive at a range of savings that will be ongoing which can offset the initial start-up costs for establishing an equitable assessment program for your taxpayers.

In the case of Single Assessing Units, the overall savings to the County's taxpayers for County-Run Assessing should run about \$6,960 to a Cost for a County CAP of **(\$71,035)** a year from what is currently being paid out for less than ideal assessment standards. In the case of Multiple Assessing Units, the overall savings to the County's taxpayers should run between \$6,960 to \$38,921 from what is currently being paid for Assessment Services throughout the County.

This study is not intended to identify every operational detail of the models described. Any move to implement or further explore options will require additional analysis which I would be pleased to explore with you in the future.

For Tioga County we are taking a more in depth view of the Multiple Assessing Units Models. There are five out of nine Towns in the County that have not completed a reassessment project in over three decades and any consolidation of the Assessing function into a single unit is something that may be considered at a later date, but not until all of the Towns reach their individual goals of transparency, equity, and efficiency on their own.

We set out the costs of accomplishing this task of bringing all parcels within the County into conformance with the following standards:

- Common Level Of Assessment at 100%
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices
- Each parcel has only one assessment. Currently two out of three Tioga County villages have already decided to simply adopt the Town assessments. This has been a Statewide trend for many years and now with increased budget concerns it is even more important for villages to adopt the Town assessment rolls.

For purposes of this Study, we are assuming that in order for the State to make our Assessment System more understandable, equitable, and cost effective that it will be introducing some new legislation to accomplish this. At the very least there should be a mandatory cycle bill that will bring all assessing units in the State to a point where they must reassess every parcel on a regular basis (most likely every three years). The other critical piece that would be needed would be some type of funding mechanism for the Towns to be able to afford the initial project. For Towns that have not updated in such a long time the cost of completing a reverification of data and valuation project can run around \$40 per parcel. All levels of government are facing difficult budget situations, but without some State assistance, it would be a serious burden on local municipalities to fully fund any of these initiatives. The top portion of the table below will give you an overview of the cost comparisons of the different

options for the initial one-time start-up costs. The lower portion then shows the ongoing annual costs for maintaining all parcels in the County at a uniform assessment standard.

Tioga County Assessment Model Cost/Aid Comparison

	Single Assessing Unit Models			Multiple Assessing Unit Models		
	Option #1	Option #2	Option #3	Option #4	Option #5	Option #6
Current Structure that is in place - modified to provide equitable assessments to all properties.	County-Run Assessing	County CAP	Current Structure w/additional consolidation & inter-municipal agreement	All Munis contract w/County under RPTL 1537	Current Structure, Reassessment Cycle w/matching Valuation Date	
Start-up Costs:						
Establish Equitable assessments at a common level throughout the County [Reassess 7 of 9 Towns, 20650 parcels @ \$40]. (Town Cost)	\$826,000	\$826,000	\$826,000	\$826,000	\$826,000	\$826,000
Available State Aid for reassessment [19839 parcels @ \$5] (Town Aid)	(\$99,695)	(\$99,695)	(\$99,695)	(\$99,695)	(\$99,695)	(\$99,695)
State Consolidation Aid [16478 parcels @ \$7 - one time payment, (Towns of Berkshire, Newark Valley, Nichols, Owego, Richford and Spencer)]	\$0	\$0	Varies	\$0	\$0	\$0
State Consolidation Aid for County Run Assessing, RPTL 1573, 25527 parcels @ \$7	\$0	(\$178,689)	\$0	\$0	\$0	\$0
State Aid for County Run Assessing Referendum Approval, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cplap/applications.cfm]	\$0	(\$51,054)	\$0	\$0	\$0	\$0
State Consolidation Aid for County providing services, RPTL 1573, 25527 parcels @ \$1	\$0	\$0	\$0	(\$25,527)	\$0	\$0
State Aid IF County Managed County wide CAP, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cplap/applications.cfm]	\$0	\$0	\$0	(\$51,054)	\$0	\$0
Total One Time Start-up Costs:	\$726,305	\$496,562	Varies	\$534,378	\$700,778	\$726,305
Operational Costs:						
City/Town/Village Assessment Dept. Costs	\$241,402	\$0	Varies	\$0	\$0	\$241,402
County Real Property Tax Dept Costs	\$144,018	\$144,018	\$144,018	\$456,018	\$144,018	\$144,018
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$0	\$0	\$0	\$0
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$84,239	\$45,602	\$84,239	\$45,602	\$45,602	\$33,696
State Aid for Annual Reassessment [24632 parcels @ \$5]	(\$123,160)	(\$123,160)	(\$123,160)	(\$123,160)	(\$123,160)	(\$41,053)
Current Annual Operating Costs:	\$385,420	\$385,420	\$385,420	\$385,420	\$385,420	\$385,420
Total Annual Operational Cost of Option:	\$346,499	\$378,460	Varies	\$456,455	\$378,460	\$378,062
Total Annual Savings/(Costs):	\$38,921	\$6,960	Varies	(\$71,035)	\$6,960	\$7,358

Notes:
 1 Cost of County Dept estimated by adding 8 staff @ \$26,000/yr plus 50% fringe benefits [\$312,000] to the current budget of \$144,018.
 2 Estimated \$15/parcel based upon similar costs in Tioga County and other counties.
 3 Estimated \$3/parcel for 25527 parcels + 10% for additional expenses
 4 Partially built into staffing cost estimate: 10% added for additional expenses
 5 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only.
 6 Partially built into staffing cost estimate; 10% added for additional expenses, then because it is a 3 year program 40% was attributed to a given year.
 7 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only. Divided over 3 years.

III Existing System

a) Description of the duties and responsibilities of the County Real Property Tax Service Office & the Assessment Offices.

As in all Counties in New York State, with the exception of Tompkins and Nassau where they have Countywide Assessing, there are two public officials that carry out the work of coordinating the assessment process: the County Director and the local Assessors.

In Tioga County there is a County Real Property Tax Service Office comprised of a Real Property Tax Director, an Administrative Assistant, and a part-time Clerk.

The duties and responsibilities of the Real Property Tax Office include:

Statutory

- Prepare tax maps, maintain them in current condition, and provide copies to assessors
- Provide advisory appraisal to towns
- Advise assessors on 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
- 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
- Cooperate and assist in the training programs provided by the state board
- Provide administrative support, cooperation, and assistance to acting boards of assessment review
- Provide the county equalization agency with information that may be useful in the operation of that agency
- 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 or the State Board.
- Conduct Board of Assessment Review Training
- Conduct Assessor Orientation Training

When Authorized By The County Legislature

- Assist in the disposition and sale of real property acquired by the county as a result of tax sale.
- Perform the duties imposed upon the recording officer of the county in relation to reports of transfers of real property.
- Supply towns with assessment rolls or other forms for use in connection with the preparation of assessment rolls or the collection of property taxes.

General

- Responsible for RPS computer file maintenance and processing
- Perform computer systems maintenance and initiation of new computer programs with responsibility for overseeing systems
- Produce town and county tax bills, tax tolls, X-ref lists, and collector's lists by Dec. 25 or submit files to other vendor for processing
- Establish and maintain a comprehensive real property tax service program to assist in the development of equitable assessment practices
- Maintain a variety of records and statistical data for control and reporting purposes most of which are computerized
- Direct and train field and office staff
- Assist assessors on unique valuation problems
- Prepare annual budget for real property tax services department
- Prepare apportionments, rate and warrants
- Perform corrections of errors as allowed by real property tax law
- Assists town, county, school, state officials, and others in matters pertaining to real property taxation

The County is already using either replication, as in the case of the Town of Owego, or their County Citrix Servers for all other Townships in order to maintain a current and common database. As the Towns and the County already meet this criteria and no further expenditure should be anticipated. The County also placed their current assessment or tax rolls onto the Internet for public access through the ImageMate program.

The final step to bring the current system into compliance with the proposed performance standards would be to have all of the Towns enter into intermunicipal agreements that would establish regular assessment cycles; timely sales verification, correction, and transmittal of sales data; and current and accurate inventory collection and maintenance practices for all assessing units within the County.

Descriptions and Duties of the Municipal Assessing Offices

There are ten assessing units all with appointed assessors. There are no elected assessors. There are six assessors that serve as the assessor in the 9 Town offices. The Village of Waverly, in the Town of Barton, remains an assessing village and has its own assessor. Properties located in that village are assessed by the Village for Village purposes, and also by the Town for County, Town, and School purposes. Of the seven assessors two currently have professional designations. The current operational costs for all of these local assessing units total: \$241,402.

Some of the duties and responsibilities of a Town Assessor include:

- Locate property and collect inventory data
- Determine ownership of property
- Maintain ownership information of each parcel on the assessment roll
- Notify owners where and when data is available for inspection

- Value all real property at a uniform level of assessment
- Process exemptions
- Mail notices of increased assessment or other changes
- File a Tentative Assessment Roll
- Answer questions regarding tentative roll
- Defend values
- Attend meetings of the Board of Assessment Review
- File a Final Assessment Roll
- Prepare and submit annual reports
- Attend required continuing education and professional conferences
- May manage assessment office
- May meet with property owners, media, and other government officials
- Analyze local data such as market sales, interest rates, and market trends
- Prepares challenge for equalization rate if necessary

b) Existing Collaborations

For many years the New York State Office of Real Property Services has provided additional aid monies (currently up to \$7/parcel) to groups of municipalities who consolidate their assessment functions, share an assessor and achieve a common level of assessment. Besides the obvious municipal cost benefits related to consolidation, the Coordinated Assessing Program (CAP) reduces the number of assessment officials who need to be trained and certified and reduces the number of individual equalization rates that need to be computed by the State.

CAPs –

- The Towns of Candor & Tioga formed one CAP.
- The Town of Barton formed a three-town CAP with the Towns of Chemung and VanEtten in Chemung County.

Assessors With Multiple Jurisdictions – Of the seven assessors in Tioga County, four assess in multiple jurisdictions and three of them with Townships outside of Tioga County. See Table A-1 below:

Table A-1

MUNICIPALITIES		ASSESSMENT OFFICES		EXISTING COLLABORATION		
SWIS	Municipal Name	Type of Assessor	Assessor Name	Part of CAP?	Assesses for Multiple Municipalities?	Contract with County for Asmt Services?
492000	Barton	Appointed	Edwards, C	Yes	Yes	No
492001	Village of Waverly	Appointed	Dugan, J	No	No	No
492200	Berkshire	Appointed	Edwards, C	No	Yes	No
492400	Candor	Appointed	Spaulding, D.	Yes	Yes	No
492600	Newark Valley	Appointed	Raison, C	No	No	No
492800	Nichols	Appointed	Spaulding, D.	No	Yes	No
493000	Owego	Appointed	Klett, A.	No	No	No
493200	Richford	Appointed	Butler, F.	No	Yes	No
493400	Spencer	Appointed	Deal, R.	No	Yes	No
493600	Tioga	Appointed	Spaulding, D.	Yes	Yes	No

Office Hours – In many of the smaller municipalities, the assessors are available by phone, and during active periods they do keep regular office hours. In the CAP Towns and the larger Towns the Assessors are available during regular hours on a year-round basis. It should be noted that the assessor’s job is very cyclical due to New York State’s Assessment Calendar and that time dedicated to working in the office should only be necessary during certain times of the year especially around the end of February just before Taxable Status Date. During other times meetings by appointment work out quite well for smaller municipalities. Some assessors also have their home phone published so that taxpayers may call them at home at any time to answer questions or resolve any concerns. The hours listed below are calculated as weekly averages for a full calendar year. It should also be noted that these hours do not reflect the total hours that an assessor works, but only the hours in the office. The Assessor’s duties and responsibilities take them outside of the office and into the field doing data collection, review of building permits, and valuation work.

The breakdown of each office, the hours covered, along with any additional staff is shown below at Table A-2:

Table A-2

MUNICIPALITIES		ASSESSMENT OFFICES					
SWIS	Municipal Name	Type of Assessor	Assessor Name	IAO or Other Professional Designation	Number of Hours Assessor is in Office per week	# Other Staff (excluding Assessors)	Staff Equivalent
492000	Barton	Appointed	Edwards, C		16	1	N.A.
492001	Village Waverly	Appointed	Dugan, J				
492200	Berkshire	Appointed	Edwards, C		4		N.A.
492400	Candor	Appointed	Spaulding, D.	IAO	14		N.A.
492600	Newark Valley	Appointed	Raison, C		7		N.A.
492800	Nichols	Appointed	Spaulding, D.	IAO	7		N.A.
493000	Owego	Appointed	Klett, A.		40	2	N.A.
493200	Richford	Appointed	Butler, F.		0		N.A.
493400	Spencer	Appointed	Deal, R.	IAO, CCD	4		N.A.
493600	Tioga	Appointed	Spaulding, D.	IAO	14		N.A.
	County RPTS		Hawken, B		35	1.4	

At the time of this writing the only anticipated change in the staffing of these offices is that the Town of Spencer assessor will be retiring at the end of this year. Since the Town has not had a revaluation since prior to 1954, it could use this opportunity to bring on a full-time assessor to update the records for a future revaluation.

c) Municipal Characteristics

Looking at the average costs of performing the assessment functions at the Town level run just about \$15.00 per parcel. The total annual cost of the current system using last years Town Assessors and County Real Property Tax Service Office's budgets is \$385,420.

The Town of Barton's budget, in the chart below, includes costs for a part-time contractor for this past year's reassessment. The overall Town cost for assessing services as a percentage of the entire Town budget averages 3%. To better understand what a reassessment means, please read definition below:

Definition - Reassessment (RPTL §102)

Reassessment: "a systematic review of the assessments of all locally assessed properties, valued as of the valuation date of the assessment roll containing those assessments to attain compliance with the standard of assessment"

It is synonymous with the terms "revaluation" and "update"

Systematic review-or "systematic analysis": a methodical, thorough and regular review/examination of a municipality's assessments on an annual basis

- Maintain current inventory data
- Maintain current sales and market data
- Monitor and analyze the market
- Update assessments to maintain uniformity

Re-inspection means, at a minimum, observing each parcel from the public right-of-way to ascertain that the physical characteristics necessary for reappraisal are complete and accurate.

Reappraisal means developing and reviewing an independent estimate of market value for each parcel by the appropriate use of one or more of the three accepted approaches to value (cost, market, and income).

The percent of residential parcels run from 51% in the Town of Richford to 71% in the Town of Owego. The Town of Owego has the largest number of parcels and represents over 37% of all of the parcels within Tioga County.

There is still one assessing unit village in the County. The Village of Waverly contains 1,717 parcels and has a budget of \$9,544. Section 1402 of the Real Property Tax Law provides Assessing Villages the procedure enabling them to relinquish their assessing responsibilities to the Town and end this duplication of efforts. Both Villages of Owego and Newark Valley chose this option several years ago. In order to achieve the goals of this study, the Village of Waverly would need to follow suit and relinquish its assessing unit status.

See Table A-3 below for specific details:

Table A-3

MUNICIPALITIES		MUNICIPAL CHARACTERISTICS						
SWIS	Municipal Name	Staff Equivalent	Total Budget for Assessment Function	Percent of Municipal Budget	Total Number of Parcels	Number of Residential Parcels	Percent of Parcels Residential	Budget per parcel
492000	Barton	2	\$44,000	8.97%	3,966	2,750	69%	\$11.09
492001	Village of Waverly	1	\$9,544		1,717			\$5.56
492200	Berkshire	1	\$5,850	1.95%	813	486	60%	\$7.20
492400	Candor	1	\$21,000	1.96%	2,876	1,829	64%	\$7.30
492600	Newark Valley	1	\$13,628	2.56%	2,039	1,357	67%	\$6.68
492800	Nichols	1	\$3,000	.86%	1,383	889	64%	\$2.17
493000	Owego	3	\$100,580	4.62%	9,498	6,783	71%	\$10.59
493200	Richford	1	\$6,700	1.21%	919	465	51%	\$7.29
493400	Spencer	1	\$18,550	2.69%	1,826	1,090	60%	\$10.16
493600	Tioga	1	\$18,550	3.09%	2,208	1,481	67%	\$8.40
	County RPTS		\$144,018		--	--	--	--
	Total		\$385,420		25,527			\$15.10

Property Types Within the County

Except for the Village of Owego, the county is mostly rural with a large number of agricultural, residential, and vacant land parcels as can be seen from Table A-4 below:

Table A-4

Property Class Codes	County-wide Statistics	Number of Parcels
100	Agricultural	835
200	Residential	17123
300	Vacant Land	5176
400	Commercial	997
500	Rec. & Entertainment	88
600	Community Service	373
700	Industrial	95
800	Public Service	479
900	Forest	361
	Totals:	25527

Real Estate Trends in Tioga County

Due to an influx of high paying jobs within the region, there continues to be a premium price paid for the higher end residential properties. While nationally we are hearing of a downturn of the real estate market, here in Tioga County, like much of upstate NY, according to the analysis performed by ORPS and others, properties continue to appreciate at a rate of 4% to 9% per year over the last few years.

Within the Towns various types and qualities of properties appreciate at varying rates however. Higher valued homes tend to increase in value at a faster rate than lower, less desirable homes. Because property assessments are based upon the current market value of these properties, when assessments are not kept current, in many cases the lower value properties, who are typically least able to pay, shoulder part of the tax burden that should be paid by the higher valued properties. The best way to approach this inequity is through frequent complete reassessments.

The overall real estate market trends do not seem to vary significantly between the municipalities. This fact would be helpful in eventually maintaining a uniform level of assessment throughout the County.

Complex Properties within the County

There are a few marginally complex properties which could use the services of the Office of Real Property Services. Some of these are Tioga Downs, Lockheed Martin's campus, and Inergy's Central New York Oil & Gas facility. During reassessments ORPS could provide advisory appraisals of these properties.

d) Indicators of Assessment Equity

Real Property Tax Law, Section 305, requires that assessing jurisdictions treat all parcels the same by assessing all real property at a uniform percentage of market value. The following statistical measures depict how consistently assessors are treating all parcels uniformly.

COD's - Coefficient of Dispersion

The Coefficient of Dispersion (COD) is a common statistical measure of uniformity. The lower the COD is, the more uniformity there is. According to the International Association of Assessing Officers (IAAO, www.iaao.org), an international association who sets standards for assessment administration, for residential properties the relationship between assessed value and market value should have a COD of 15% or less. The description below should help clarify the acceptable ranges of these percentages:

The IAAO standards for uniformity when indicated by a COD are:

Single-family residences	COD of 15% or less
Newer, more homogenous areas	COD of 10% or less
Income-producing property	COD of 20% or less
Larger, urban jurisdictions	COD of 15% or less
Vacant land and other unimproved property	COD of 20% or less
Rural residential and seasonal properties	COD of 20% or less
Newer mobile homes	COD of 15% or less
Older mobile homes / on acreage	COD of 20% or less
Mixed use properties	COD of 15% to 20%

In a municipality that is assessing at full market value and has a COD of 15%, a home worth \$100,000 is equally likely to have an assessment that is somewhere between \$85,000 (15% low) and \$115,000 (15% high). So even a municipality with a 15% COD can have disparities on individual property owner's tax bills. But, the lower the COD, the more uniformly the assessments are related to market value and the more fairly property owners are being treated.

As can be seen from Table A-5 below, the latest equalization rates run from 3.50% to 100.00%, with 2007 residential COD's running from 14.93% to 30.16%, and overall COD's running from 17.30% to 34.58%. For 2007 only the Town of Nichols achieved an acceptable residential COD of 14.93%. Since those CODs were computed, two towns, Barton and Richford, have completed town wide reassessments which should remedy their uniformity problems. According to IAAO standards for Tioga County, a COD of less than 15% would be acceptable for residential parcels and less than 20% for all other types of property such as income properties, farms, and vacant land. For 2007 the Towns of Candor and Tioga fell within the acceptable range for all other types of property. Those that are highlighted did not meet the IAAO criteria.

Table A-5

MUNICIPALITIES		INDICATORS OF ASSESSMENT EQUITY							
SWIS	Municipal Name	Latest Eq. Rate	Latest LOA of Various Property Types	COD Residential	COD (all)	Latest Reassessment	Latest State Aid	Aid Type	Planned Reassessment
492000	Barton	100.00%	100.00	20.1	20.78	2008	\$19,250	Triennial	2009
492001	Village of Waverly	48.08%				1983			
492200	Berkshire	3.50%	3.50	30.16	30.71	Prior to 1954			2009
492400	Candor	7.12%	9.00	15.1	17.3	Prior to 1954			
492600	Newark Valley	73.50%	73.50	15.97	20.08	2002			
492800	Nichols	25.54%	30.00	14.93	20.76	1974			
493000	Owego	78.00%	78.00	*	*	2003			
493200	Richford	100.00%	100.00	*	*	2007	\$4,500	Annual	2009
493400	Spencer	21.30%	21.30	23.01	34.58	1969			
493600	Tioga	7.12%	9.00	15.1	17.3	Prior to 1954			

*The State has not completed the calculation for the Towns of Owego and Richford and that is why these boxes are blank.

PRD's – Price Related Differential

Another indicator of assessment equity is the statistic known as the Price Related Differential (PRD). The IAAO standard for the PRD is 0.98 to 1.03. PRDs below 0.98 indicate assessment progressivity; the condition in which low-value properties are under-assessed relative to high-value properties. PRDs above 1.03 indicate assessment regressivity in which high-value properties are under-assessed relative to low-value properties. See Table A-6 for the individual Town figures. Those highlighted numbers are outside the acceptable range.

Is the PRD for the individual Towns in an acceptable range? From the data currently available from the State as of this writing there are only two Towns that fall within the acceptable range and they are Newark Valley and Nichols. Is there a large disparity between municipalities? There definitely is a large disparity between the Towns within Tioga County. It appears that aside from those two Towns, the majority of other Townships lean toward regressive assessment rolls. **In the case of regressive assessment rolls the lower valued properties are shouldering more than their fair share of the tax burden relative to higher valued properties.**

Table A-6

Tioga County Towns 2007- PRD	
Town of Barton	1.10
Town of Berkshire	1.17
Town of Candor	1.05
Town of Newark Valley	1.01
Town of Nichols	1.02
Town of Owego	NA*
Town of Richford	NA*
Town of Spencer	1.12
Town of Tioga	1.05

*Not Yet Available

Reassessment Activity

A reassessment project was completed for the 2008 roll in the Towns of Barton and Richford. Roll year 2009 reassessments are planned for Barton, Berkshire, and Richford.

Data Quality

Over the last three years, the total number of arm's length real property sales in Tioga County has averaged 626. The majority of the Towns do verify sales information but most only check the physical description data for non-sale properties in preparation for revaluations.

Building permits are used as a primary source for new construction information within each Town, and the records are maintained at both the Assessor's Offices and in the Building or Code Officer's Office. The Assessors also drive the roads within their Towns to look for new structures that may not have had a building permit issued or that may not have required one in the case of some agricultural structures.

Most of the Towns have photos for each improved parcel. Some of these are the older black & white or color Polaroid's that were used in the 1960's. Today almost all assessors have gone to digital images which are easily uploaded to their RPS Software program and cost much less.

Generally speaking the five Towns that have not conducted a reassessment project since prior to 1975 have fairly low performance standards with respect to equity and assessment administration.

e) Real Property Administration System

Much to the credit of the County Director and the Assessors within the County all Towns are currently on the most current version of the State's Real Property System (RPS) software. Previously there were two different systems in place which made maintenance and administration of the assessment records much more difficult.

RPS, a software package produced by ORPS and in use statewide, is now used in all Towns in Tioga County to maintain assessment administration, sales and inventory data, and market analysis with the assistance of the staff at the Central Regional Office in Syracuse. The license fees are determined by ORPS annually.

The County maintains the assessment files for all Towns, except the Town of Owego, through its Citrix Server at the County Office Building. The Town of Owego uses replication to maintain their data in a current condition at the County. In this manner all data is maintained and backed up at a centralized location. The County has also made this assessment and GIS data available to taxpayers online through a collaboration of the Tioga County GIS Dept. and the SDG Image Mate Online facility.

All reports to ORPS, assessment rolls, tax rolls, and bills are produced at the County by the Real Property Tax Director. During reassessments copies of the Towns' data are provided to them for use by valuation contractors. The valuation processing for the Towns is done by the contractors and the resulting values returned to the centralized database at the County. See Table A-7.

Table A-7

MUNICIPALITIES		ASSESSMENT ADMINISTRATION SYSTEM					
SWIS	Municipal Name	System Used:		Annual Cost	Processing Responsibility		
		Assessment & Inventory	Analysis/ Valuation		ORPS' Reports	Rolls & Bills	Analysis/ Valuation
492000	Barton	RPSV4	RPSV4	\$990	RPTD	RPTD	TOWNS
492001	Vill. Of Waverly	RPSV4	RPSV4	\$1,000	RPTD	RPTD	TOWNS
492200	Berkshire	RPSV4	RPSV4	\$850	RPTD	RPTD	TOWNS
492400	Candor	RPSV4	RPSV4	\$750	RPTD	RPTD	TOWNS
492600	Newark Valley	RPSV4	RPSV4	\$1,200	RPTD	RPTD	TOWNS
492800	Nichols	RPSV4	RPSV4	\$1,000	RPTD	RPTD	TOWNS
493000	Owego	RPSV4	RPSV4	\$1,750	RPTD	RPTD	TOWNS
493200	Richford	RPSV4	RPSV4	\$850	RPTD	RPTD	TOWNS
493400	Spencer	RPSV4	RPSV4	\$1,000	RPTD	RPTD	TOWNS
493600	Tioga	RPSV4	RPSV4	\$750	RPTD	RPTD	TOWNS
	Total RPS Fees			\$10,140			

MUNICIPALITIES		ASSESSMENT ADMINISTRATION SYSTEM					
		Databases		Communication		Extent & Use of GIS	IT Support
		Location	How Updated	Speed	Capacity		Who
492000	Barton	County	Citrix	Cable	Adequate	Some	County
492001	Vill. Of Waverly	County	Citrix	Cable	Adequate	Some	County
492200	Berkshire	County	Citrix	Cable	Adequate	Some	County
492400	Candor	County	Citrix	Cable	Adequate	Some	County
492600	Newark Valley	County	Citrix	Cable	Adequate	Some	County
492800	Nichols	County	Citrix	Cable	Adequate	Some	County
493000	Owego	Town/Cty	Replication	Cable	Adequate	Some	Cty/Town
493200	Richford	County	Citrix	Cable	Adequate	Some	County
493400	Spencer	County	Citrix	Cable	Adequate	Some	County
493600	Tioga	County	Citrix	Cable	Adequate	Some	County

The Tioga County R.P.T.S. Office is headed by the County Director and has one full-time staff member and another staff person that works an average of two days a week. The position of County Director is appointed by the County Legislature for six-year terms. The tax mapping function is currently contracted out to Weiler Mapping of Horseheads, NY. The current operational costs of the RPTS Department totals: \$144,018.

An Estimate of the Cost to have Tioga County's Existing System Comply with the Desired Performance Standards with Respect to Equity and Assessment Administration.

First there would be the need to bring all parcels within the County up to a 100% level of assessment. In order to do this seven out of the nine Towns would need to perform a complete revaluation of a total of roughly 20,650 parcels at an approximate total cost of \$40 per parcel or **\$826,000**. This is assuming the two Towns now at 100% continue to maintain their current level of assessment. This would bring all Towns to a common LOA. If any of these Towns entered into new CAPs then there would be an offsetting of aid payment of up to \$7 per parcel. There would also be an aid payment of up to \$5 per parcel for every parcel revalued.

IV Two Models with Five Consolidation Options That Are Being Described

1. Single Assessing Unit Models

The following two models address the goals of this study by moving Tioga County to a single assessing unit. In so doing, in order to comply with the RPTL 305, that assessing unit would maintain a uniform level of assessment throughout the County, and it would apply common valuation standards.

Definition - RPTL §305
Standard of Assessment

"All real property in each assessing unit shall be assessed at a uniform percentage of value..."

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform
County Assessing Units

Option #1 – County Run Assessing

By definition county assessing removes the responsibility of property assessment for tax purposes from the municipalities and places it with the county. In this scenario the county would have to pass a local law and put the issue to a countywide referendum. To be approved the referendum must pass by a majority of the County as a whole.

Provisions for County Assessing - Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum.

- In towns considered as a single unit
- In cities considered as a single unit
- In assessing villages considered as a single unit
- If no cities or assessing villages, only a simple majority is required

Currently only Nassau County and Tompkins County carry the countywide assessment responsibility.

Pursuant to NYS Real Property Tax Law §1530 and §1540, under a county assessing system, the Real Property Tax Services Agency would no longer be mandated and a Director of Assessment would replace the Director of Real Property Services. 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 value ratio of the entire county (RPTL §1214). The County Legislature would determine the revaluation schedule. In addition, ¹“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 fractional market value. (Opinion of Counsel 7-96) Currently, State aid monies paid in support of assessment administration are paid only when the assessing unit has achieved full market value which is verified by the State.

Historically this has been placed on the ballot a number of times in various Counties since 1991 and has been defeated. This option would also take a great deal of time and planning to coordinate and implement given the widely varying levels of assessment in the Tioga County Townships. In addition to public relations, the political hurdles and phasing in the staffing of the County Assessor’s office, the data for six out of the nine Townships would need to be re-verified and then revalued at the same Level of Assessment as the remaining three. This would include over 20,000 parcels assuming those currently at 100% would continue on annual reassessment. Realistically, this could not be achieved any earlier than the 2012 assessment roll. This option may be considered in greater detail once all of the individual assessing units achieve the equitable standards set forth in this Study. Once everyone reaches a 100% LOA the cost savings would be as shown in Table A-8.

If the County were to decide to implement County-Run Assessing, the following is an example relative to eventually going to County-Run Assessing with the intent to maximize the State Aid received within a 5-year timeline:

- Year #1: Some Towns reassess - all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year. They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.
- Year #2: Some other Towns reassess - all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year (a different CAP than formed in Year #1). They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.

Both CAPs enter into an inter-municipal agreement to maintain the same LOA.

- Year #3: Some other Towns reassess - all achieving the same LOA. They get \$5/parcel aid. They CAP for that roll year. They get \$7/parcel aid. The County hires/subcontracts with an Assessor. They contract with the County for assessment services. The County gets the \$1/parcel RPTL 1537 aid.

The new CAP enters into the inter-municipal agreement to maintain the same LOA.

- Year #4: The three CAPs transition to a single CAP that is managed by the County. The County gets the \$2 aid for a County managed CAP.
- Year #5: County run assessing is put on the ballot, and if passed entitles the County to the \$7 and the \$2 aid.

This is an example on how to maximize the current Aid programs that are offered and arrive at a County-Run program. There are many alternative paths available to arrive at the type of program your County Legislature may want to ultimately pursue. If you would like to learn more about any of these paths to equitable Countywide assessments, please feel free to contact your local Regional Office of Real Property Services representative or me to give you further assistance.

Option #2 – Coordinated Assessing With One Countywide C.A.P.

Definition of a Coordinated Assessment Program - RPTL §579

Two or more assessing units may establish a coordinated assessment program (CAP) by entering into an agreement meeting certain criteria. A sample agreement is available on ORPS' website in the State Aid section.

Establishment of a CAP

CAP Agreement

- Approved by majority vote of voting strength of each governing body (local law not required)
- At least 45 days before taxable status date (usually March 1 of each year)
- Copy of agreement filed with State Board by taxable status date

Type of Agreements

Without direct County involvement

- Enter into a municipal cooperative agreement providing for a single assessor to be appointed in all of the participating assessing units

With direct County involvement

- Enter into an agreement with the county to provide assessment services to all of the participating assessing units (RPTL §1537)

Additional Criteria

Single Appointed Assessor

- Same individual shall be appointed to hold the office in all of the participating assessing units
- Effective no later than 60 days after the date on which the agreement is effective

Standard of Assessment

- Effective with the first assessment roll...all real property shall be assessed at the same uniform percentage of value in all of the assessing units participating in the coordinated assessment program throughout the term of the agreement
- Same assessment calendar

Modifications to Program

Addition of New Participants

- Agreement may be amended to add one or more assessing units to program

Withdrawal of Participants

- Assessing units may withdraw from program

Termination of Program

- By at least 50% of assessing units
- By County if involved

Statutory Deadlines Apply for All Modifications

Equalization Rates

- Common market value survey (considered a single survey unit)
- Identical equalization rates established for all of the participating assessing units

Rate Complaints

- Towns may file individual complaint (copy to others)
- Other towns may support, object or comment
- Any change will apply to all towns

Judicial Review (copy to other towns)

- Any change will apply to all towns

This option has much of the same results as having County Run Assessing by referendum (Option #1) but without having to place it on the ballot. There would be one appointed assessor for the entire County, and other current assessors may well be brought into the Countywide CAP for appraising, data collection, exemption, and valuation work. All Towns would need to be brought up to a uniform level of assessment before this could be put into place. This CAP could be formed at the County by agreement with all Towns or by any Assessor that all of the Towns would be willing to appoint to handle this consolidated system.

To implement this option the following actions would need to take place:

Phase 1. Towns agree to the plan, which is to work toward a Countywide CAP. They realize they will need to select ONE assessor, but that others may be brought

into the system to assist that assessor. That assessor could be a County employee, or could be an independent contractor. Maybe the Towns would form an assessment administration committee charged with selecting and overseeing the assessor throughout their 6-year term.

Phase 2. The assessor is selected and the first group of Towns are CAPed with him/her as the assessor. These would be the towns that are all at 100% at the time. At that same time he/she would be named assessor in all of the other towns and retain some of the existing assessors as staff to administer the roll.

Phase 3. The assessor and staff would reassess each of the non –100% towns and bring them into the CAP. The assessor and staff are paid by the Towns based on an agreed upon formula included in the inter-municipal CAP agreement.

This option may also be considered in greater detail once all of the individual assessing units achieve the equitable standards set forth in this Study.

As can be seen from the Table A-8 below, the start-up costs under the County-Run system are considerably lower, and the annual operational costs are relatively the same as the current annual operating costs. Keep in mind that the ongoing annual costs of your current assessment system is \$385,420. Although to make the necessary changes to get to an equitable standard of assessing you would have those up front expenses, the savings in most of these models would help defray those initial costs and give your taxpayers a fair, transparent, and sustainable system.

**Tioga County Assessment Model
Cost/Aid Comparison**

Table A-8

Single Assessing Unit Models

	Single Assessing Unit Models		
		Option #1:	Option #2
Current Structure that is in place - modified to provide equitable assessments to all properties.		County-Run Assessing	County CAP
Start-up Costs:			
Establish Equitable assessments at a common level throughout the County [Reassess 7 of 9 Towns, 20650 parcels @ \$40] (Town Cost)	\$826,000	\$826,000	\$826,000
Available State Aid for reassessment [19939 parcels @ \$5] (Town Aid)	5 (\$99,695)	5 (\$99,695)	5 (\$99,695)
State Consolidation Aid [16478 parcels @ \$7 - one time payment, (Towns of Berkshire, Newark Valley, Nichols, Owego, Richford and Spencer)]	\$0	\$0	(\$115,346)
State Consolidation Aid for County Run Assessing, RPTL 1573, 25527 parcels @ \$7	\$0	(\$178,689)	\$0
State Aid for County Run Assessing Referendum Approval, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	(\$51,054)	\$0
State Consolidation Aid for County providing services, RPTL 1573, 25527 parcels @ \$1	\$0	\$0	(\$25,527)
State Aid IF County Managed County wide CAP, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	(\$51,054)
Total One Time Start-up Costs:	\$726,305	\$496,562	\$534,378
Operational Costs:			
City/Town/Village Assessment Dept. Costs	\$241,402	\$0	\$0
County Real Property Tax Dept Costs	\$144,018	\$456,018 ¹	\$144,018
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$382,905 ²
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	3 \$84,239	4 \$45,602	4 \$52,692
State Aid for Annual Reassessment [24632 parcels @ \$5]	5 (\$123,160)	5 (\$123,160)	5 (\$123,160)
Current Annual Operating Costs:	\$385,420	\$385,420	\$385,420
Total Annual Operational Cost of Option:	\$346,499	\$378,460	\$456,455
Total Annual Savings/(Costs):	\$38,921	\$6,960	(\$71,035)

Notes:

- 1 Cost of County Dept estimated by adding 8 staff @ \$26,000/yr plus 50% fringe benefits [\$312,000] to the current budget of
- 2 Estimated \$15/parcel based upon similar costs in Tioga County and other counties.
- 3 Estimated \$3/parcel for 25527 parcels + 10% for additional expenses
- 4 Partially built into staffing cost estimate; 10% added for additional expenses
- 5 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only.
- 6 Partially built into staffing cost estimate; 10% added for additional expenses, then because it is a 3 year program 40% was
- 7 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only. Divided over 3 years.

2. Multiple Assessing Unit Models

The following three options address the goals of this study without moving Tioga County to a single assessing unit. They allow for, and encourage consolidation, but also allow for autonomy. Through binding agreements they require that the assessing units perform the same as each other. Each assessing unit would maintain a uniform level of assessment, they would agree to all maintain the same level of assessment, and they all would apply common valuation standards.

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?"

These next three models all fulfill the requirements of transparency and equity once they have all achieved:

- Common LOA at 100%, also in order to qualify for up to \$5 annual reassessment aid
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices
- Each parcel has only one assessment (through elimination of the Assessing Village) - Currently two out of three Tioga County villages have already decided to simply adopt the Town assessments. This has been a Statewide trend for many years and now with increased budget concerns it is even more important for villages to adopt the Town assessment rolls.

The following three options achieve efficiency in differing ways. They do not attempt to consolidate the assessing units into one, but for the most part leave the current assessing structure in place. They utilize inter-municipal agreements to establish the common performance. Their implementation costs vary, as do their annual savings when compared with the current structure. The table at the end of these three descriptions sets forth the cost comparison of these Multiple Assessing Unit Models.

Option #3 – Implementing Coordinated Assessing Programs (CAPS) Where Possible, And Binding All Assessing Units To Common Performance Standards With Inter-Municipal Agreements.

Definition of a Coordinated Assessment Program - RPTL §579

Two or more assessing units may establish a coordinated assessment program (CAP) by entering into an agreement meeting certain criteria. A sample agreement is available on ORPS' website in the State Aid section.

Establishment of a CAP

CAP Agreement

- Approved by majority vote of voting strength of each governing body (local law not required)
- At least 45 days before taxable status date (usually March 1 of each year)
- Copy of agreement filed with State Board by taxable status date

Type of Agreements

Without direct County involvement

- Enter into a municipal cooperative agreement providing for a single assessor to be appointed in all of the participating assessing units

With direct County involvement

- Enter into an agreement with the county to provide assessment services to all of the participating assessing units (RPTL §1537)

Additional Criteria

Single Appointed Assessor

- Same individual shall be appointed to hold the office in all of the participating assessing units
- Effective no later than 60 days after the date on which the agreement is effective

Standard of Assessment

- Effective with the first assessment roll...all real property shall be assessed at the same uniform percentage of value in all of the assessing units participating in the coordinated assessment program throughout the term of the agreement
- Same assessment calendar

Modifications to Program

Addition of New Participants

- Agreement may be amended to add one or more assessing units to program

Withdrawal of Participants

- Assessing units may withdraw from program

Termination of Program

- By at least 50% of assessing units
- By County if involved

Statutory Deadlines Apply for All Modifications

Equalization Rates

- Common market value survey (considered a single survey unit)
- Identical equalization rates established for all of the participating assessing units

Rate Complaints

- Towns may file individual complaint (copy to others)
- Other towns may support, object or comment
- Any change will apply to all towns

Judicial Review (copy to other towns)

- Any change will apply to all towns

New York State Real Property Tax Law §579 allows two or more assessing units to establish a coordinated assessment program (CAP) by adopting identical local laws without referendum. All municipalities that enter into a coordinated assessing agreement are then considered one assessing unit and are issued one Equalization Rate. Once all of the possibilities of combining more Towns into new or existing CAPS are considered, then all assessing units would enter into an umbrella agreement that would bind all CAPs and individual Towns to maintain the same level of assessment and the same valuation standards. This option is very useful in rural areas where the number of qualified assessors is limited. By two or more Towns joining forces, they can hire a professional assessor that, as separate municipalities, they could not afford.

Option #4 – Towns Contracting With The County

How Do Towns Contract For County Services - RPTL §1537

Optional County Services

- 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
- Considered an agreement for provision of "joint service" under Article 5-G of General Municipal Law

Agreements

- Agreement approved by both the assessing unit and the county, by majority vote of each governing body
- Assessing unit -a resolution subject to permissive referendum submitted at least 45 days prior to vote

Assessing Services

- Agreement shall provide for a person to be selected by the assessing unit to perform assessing 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

Other County Services

Appraisal services

- County to appraise all real property in assessing unit for assessment purposes
- Appraiser must meet minimum qualification standards established by the State Board

Exemption Services

- County to review exemption applications and determine eligibility of applicants

New York State Real Property Tax Law §1537 allows an assessing unit to enter into a joint services contract with the county to perform some or all of the assessing functions. Under §1537 agreements assessing units remain autonomous. The town still retains its appointing authority. Each one is individually analyzed for equalization rates, residential assessment ratios (RARs), reassessment aid, and STAR State aid. Immediate value may be recognized by the availability of such agreements to provide assistance in the event an assessor is unable or unavailable to fulfill their obligations. If a majority of towns wish to enter into such agreements, perhaps a Department of Assessment separate and distinct from the Real Property Tax Services Office may be warranted. The County RPTS would maintain tax maps, calculate the tax levy, provide information to taxpayers, train Board of Assessment Review members, and coordinate assessment revaluation schedules and advisory efforts. The individual or CAP Towns could then contract with the County for whatever services they felt they needed as a group.

Under this option the County and Towns would need to understand that in order to fulfill the goals of a Countywide uniform level of assessment with equity and transparency to the taxpayers, certain inter-municipal agreements would need to be drafted. Using this method to bring all of the Towns up to the same equitable standards offers both the County and the Towns the opportunity to plan for the transition with the least impact on budgets and manpower.

Option #5 – This Option would require the State to pass a Cycle Bill that will provide some financial aid for Towns to meet the common LOA of 100% and then have the Valuation Date frozen every 3 years to avoid further Equalization Rate Studies and the need for Annual Reassessment.

The key to this option is having a three-year Cycle Bill passed and also having the Valuation Date frozen every three years. Once all Assessing Units within the County comply with the requirements of the assessment performance standards the Assessors will only need to reassess all properties to 100% LOA once every three years. During the intervening years they would value all new construction using the

base year established by the Valuation Date. The State Aid Program could also be continued whereby the Towns would receive up to \$5/parcel during the revaluation year and perhaps some additional aid during the other two years for keeping up with inventory and sales verification, building permits, and the review of roughly 1/3 of the parcels within the Town each year. In this manner there would be an Equalization Rate of 100% each and every year which would result in the following:

- A real cost savings to ORPS in avoiding having to do further Equalization Rate Studies and perhaps an additional savings by not having to pay out up to \$5 every year for annually reassessing Towns.
- An opportunity for the Assessors who are working hard to maintain 100% Equalization Rate every year through Annual Reassessment to reorganize and take the time needed to prepare for the next revaluation.
- An opportunity for the Taxpayers who feel that it is unfair that they are subjected to these Annual Updates to become more acquainted with the principles of real property taxation and what it will mean to them by having their property only revalued every three years.
- A system that would eventually have all parcels within the State being reassessed on the same schedule every three years and an annual Statewide Equalization Rate of 100%.

This is a revolutionary idea, but one that would meet the needs of the Taxpayers, the Assessors, the local Legislators, and the State Office of Real Property Tax Services.

In addition to meeting the requirements of:

- 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?"

It would also be easily sustainable for everyone in the years to come.

As can be seen from the Table A-9 below once the Towns reach a uniform level of assessment of 100% then there will be a total reassessment aid of \$41,053 given every third year by the State to assist in maintaining this equitable standard. If the Towns that have not joined into CAPs as yet decide to do so, they will receive a one-time payment of up to \$7 per parcel with a total for those 6 towns coming to \$115,346.

It should be noted that if this legislative concept were coupled with previously described options in this study, such as County-Run Assessing, further, and very dramatic cost savings can be realized.

**Tioga County Assessment Model
Cost/Aid Comparison**

Table A-9

Multiple Assessing Unit Models

	Option #3	Option #4	Option #5
Current Structure that is in place - modified to provide equitable assessments to all properties.	Current Structure w/additional consolidation & Inter-municipal agreement	All Munis contract w/County under RPTL 1537	Current Structure, Reassessment Cycle w/matching Valuation Date
Start-up Costs:			
Establish Equitable assessments at a common level throughout the County [Reassess 7 of 9 Towns, 20650 parcels @ \$40] (Town Cost)	\$826,000	\$826,000	\$826,000
Available State Aid for reassessment [19939 parcels @ \$5] (Town Aid)	⁵ (\$99,695)	⁵ (\$99,695)	⁵ (\$99,695)
State Consolidation Aid [16478 parcels @ \$7 - one time payment, (Towns of Berkshire, Newark Valley, Nichols, Owego, Richford and Spencer)]	\$0	Varies	\$0
State Consolidation Aid for County Run Assessing, RPTL 1573, 25527 parcels @ \$7	\$0	\$0	\$0
State Aid for County Run Assessing Referendum Approval, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0
State Consolidation Aid for County providing services, RPTL 1573, 25527 parcels @ \$1	\$0	\$0	⁵ (\$25,527)
State Aid IF County Managed County wide CAP, 25527 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0
Total One Time Start-up Costs:	\$726,305	Varies	\$700,778
Operational Costs:			
City/Town/Village Assessment Dept. Costs	\$241,402	Varies	\$0
County Real Property Tax Dept Costs	\$144,018	\$144,018	\$456,018 ¹
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$0
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	³ \$84,239	³ \$84,239	⁴ \$45,602
State Aid for Annual Reassessment [24632 parcels @ \$5]	⁵ (\$123,160)	⁵ (\$123,160)	⁵ (\$123,160)
Current Annual Operating Costs:	\$385,420	\$385,420	\$385,420
Total Annual Operational Cost of Option:	\$346,499	Varies	\$378,460
Total Annual Savings/(Costs):	\$38,921	Varies	\$6,960

Notes:

- 1 Cost of County Dept estimated by adding 8 staff @ \$26,000/yr plus 50% fringe benefits [\$312,000] to the current budget of
- 2 Estimated \$15/parcel based upon similar costs in Tioga County and other counties.
- 3 Estimated \$3/parcel for 25527 parcels + 10% for additional expenses
- 4 Partially built into staffing cost estimate; 10% added for additional expenses
- 5 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only.
- 6 Partially built into staffing cost estimate; 10% added for additional expenses, then because it is a 3 year program 40% was
- 7 Reassessment Aid based upon Roll Sections 1, 3, 6 & 7 only. Divided over 3 years.

Currently Available State Aid

RPTL §1573

State Aid for Consolidation

Consolidation Incentive Aid:

- One-time payment of up to \$7 per parcel payable to new county assessing units
- One-time payment of up to \$7 per parcel payable to each participating assessing unit in a CAP
- 10 year commitment

State Aid for Reassessments

Reassessment Aid:

- Assessing units are eligible to receive state assistance for implementing a reassessment roll at 100% of value
- Annual aid -up to \$5 per parcel annually
- Requires annual review of all parcels to maintain uniform assessments
- Triennial aid -up to \$5 per parcel no more than once every three years (through 2011)
- Requires complete re-inspection and reappraisal of all parcels

One-time payment of up to \$1 per parcel payable to a County providing services in accordance with RPTL §1537

V Implementation of Countywide Assessment Uniformity

For this collaborative assessment program to work and benefit all of its participating Towns, everyone must be able to agree that there is a need for assessment equity within and between all Towns. There is little cost benefit in this program if the Towns are not willing to take the necessary steps to avail themselves of the various maintenance aid programs. To do this they need to bring their assessment rolls into compliance with the aid program's requirements, which include a Town-wide revaluation. With five out of the nine Towns in the County not having completed a revaluation for over 30 years this is probably the largest hurdle towards implementation. Even for recently revalued Towns it is sometimes difficult to find the political will to conduct revaluations with any fixed frequency.

If the Towns and the County are interested in pursuing Countywide Uniform Assessment Standards the following steps would need to be taken over the next three years:

Starting as soon as practicable the Towns of Berkshire and Spencer should begin a data collection looking towards a revaluation in both Towns for the 2010 assessment roll years respectively. These two Towns currently have the most regressive rolls in the County with COD's exceeding 30%. Once they complete their revaluations, they

need to either maintain their assessments at 100% individually or perhaps join an existing full valuation CAP.

The Town of Barton has completed a revaluation this year. Since it is already in a CAP with two Chemung County Towns, it could be awkward for them to go forward with any assessment cycle unless it coincides with another full value Town within Tioga County. Fortunately the Town of Berkshire shares the same assessor with the Town of Barton and is currently scheduled for a revaluation for 2009 so that possibility exists for them to enter into a CAP together leaving the two Towns in Chemung County still a CAP without any reimbursement concerns.

The Towns of Candor and Tioga have already formed a CAP with a total of 5,084 parcels so they could work up a plan for a revaluation to be completed in 2011.

As the Town of Owego represents over one-third of the total Countywide parcel count with 9,498 parcels, it would be a good plan to have them begin working out a data verification schedule with a planned revaluation date of 2012. This would give them enough time to work out a plan to accomplish this task and spread the cost out over a number of years.

The Towns of Newark Valley and Nichols have fairly equitable assessment rolls and their PRD's are the best in the County. It would make sense for both of them to consider completing revaluation projects for 2010. With a total parcel count of 2,039 and 1,383 respectively, it should not be that difficult to re-verify the data and update the values within that timeframe.

Currently the Town of Richford has signed up for annual reassessment, and so they will be maintaining their assessment rolls at 100% from now into the future.

By each assessing unit formulating a realistic plan to achieve the goals of this program by at least 2012, all those involved with Assessment Administration can look at the State Aid programs that might be available, and any new legislation that may pass and determine how they want to proceed to maintain their rolls in an equitable and efficient manner.

Once everyone has reached their 100% LOA and met the uniform assessment standards of the I.A.A.O., they can consider any of the options set forth in this Study to maintain their equitable assessments from that point on and save money doing it.

VI Some Suggestions for the State Office of Real Property Services

Regarding the Equalization Rate Process

- This idea is referred to in Option #5. Have the State enact a mandatory triennial cycle bill and freeze the Valuation Date statewide every three years. As the cycle bill would be a "mandate", certain aid payments like we have now would be anticipated, but the savings realized by ORPS in

avoiding much of the Equalization Rate process would certainly offset most, if not, all of this cost. Perhaps up to a \$5/parcel payment for each year an assessing unit stays within the triennial cycle program for maintaining a consistent sales verification process, building permit inspections, and reverifying at least 1/3 of the parcels every year. In this manner the State would eventually have 100% Eq. Rates every year with revaluations every three years on a Statewide basis. This would relieve the stress on the taxpayers, the assessors, ORPS, and the system as a whole.

- If the trends in various towns demonstrate the need for reassessments on an Annual, Bi-Annual, or Tri-Annual basis then a law giving them a 100% Equalization Rate during the intervening years should be considered. Many Town Boards do not want to see their rates ever drop below this level. During these uncertain economic times conducting annual reassessments to avoid even a slight drop from 100% Eq. Rate is an undue burden on the taxpayers, the assessors, the Town budgets, and the Regional Office support staff. Further, if all towns within a County agreed to conduct reassessments on the same cycle, be it Annual, Bi-Annual, or Tri-Annual, then the burden on the valuation staff at the State would be significantly reduced as would the costs to the Towns and the State. In consideration of these savings and to incentivise these cyclical programs, some form of aid should be put into place for Towns opting into one of these programs.

Regarding Towns With No or Outdated Inventory

- In 1977 (Article 15-B, §1572 of the Real Property Tax Law) the State enacted a program that was referred to as "Attainment Aid." Attainment Aid was payable in incremental amounts totaling up to \$10 per parcel. That was dropped many years ago. With the State's new initiatives for improved assessing standards a new Aid program should be considered to help those towns that have opted not to conduct any revaluation projects. For the few towns that do not have adequate or even any inventory records, a new realistic State Aid program geared to help funding a data collection project and tied in with a mandatory reassessment cycle might move these towns to 100%.

The Real World Problem of Civil Service for County Assessing

1. One item that also needs to be considered for any assessment position created at the County level is Civil Service. As the author of this study, when I was reappointed in October of 2007 by my four towns in Schuyler County, I immediately recognized some common rules that needed to be addressed:

a. Once an assessor is provisionally appointed by the County, they are subject to Civil Service rule and law, and a test is required for that position. This test may have assessment questions on it, or it may contain strictly management questions on it depending upon the salary level they are started at. Their State certifications do not release them from this test. Although they are still appointed by the Towns, if they do not reach the top 3 on the results of the Civil Service exam, they may not be considered for the position.

b. When an assessor is hired by most Counties, the Human Resource Office will explain the number of hours that is considered full-time and that is typically 35 hours/week. Anything over this amount is often considered "comp time". For most counties this must be used within the month that it is earned or it is lost. The problem with this is that the assessor's job is extremely cyclical in nature. During the weeks that fall between January 1 and May 1 it is not unusual for an assessor to work 50–65 hours each and every week. During this period there is no realistic way for an assessor to use that comp time until perhaps after their tentative roll is completed on May 1. There needs to be some flexibility given to these positions in order for assessors to provide the same level of service to the Counties as they currently provide to the Towns.

Elimination of Assessing Unit Villages

- In the case of Assessing Villages, having taxpayers pay for two assessing units, one in the Town and another one in the Village is not only a duplication of services, but confusing when it comes time for revaluations or Grievance Days. If we are looking to save and consolidate services this would be an obvious one to consider.

Loss of Experienced Assessment & ORPS Officials Due to Early Retirement

- Everyone Assessor or ORPS Staff member I have talked with knows of some key person that is retiring within the next year or two. The Assessment profession is fairly unique and you can't easily find qualified or interested replacements as easily as you can with some positions. To help offset this loss of much needed expertise, I would suggest that the ORPS looks into the reasoning behind the NYS Retirement rule that allows someone to retire at age 55-62 and draw a maximum salary of \$30,000, but once they attain the age of 65 they can earn as much as they want. Our depleting ranks can ill afford to lose these qualified individuals during this critical transition phase.

A Town Assessment Report Card Much Like the School Report Card

- It was suggested many years ago that the State issue a Town Assessing Report Card that would be available to the news media and now on the Internet as well. This document would make any judgment on any municipality, but would set forth the statistical data and the meaning of that data and leave it up to the taxpayers to decide for themselves the quality of their assessment rolls. It is important that our local legislators read studies such as this one to gain a better understanding of where things stand in their communities. But it is the taxpayers that should have the information made available to them so they can be part of the decision making process.

Restructuring the Board of Assessment Review

- Many assessors feel that the BOAR process needs to be restructured. As a cost savings and as an improvement for property owners, the State should adopt legislation enabling municipalities to pass the responsibility of the BOAR to the County and allow for a County BOAR.

The Key To All Of These Recommendations

- We all recognize that the timing of these State initiatives, given the current condition of the State and local budgets, is less than optimal. However, the State also needs to recognize that if they want to make this work with local, town, and county budgets facing similar budget dilemmas, a realistic funding program will need to be put into place to help offset the costs of maintaining any cyclical assessment program. Any unfunded State mandates, such as the much needed cycle bill, during our current economic crisis would meet with much local resistance especially those towns with fractional assessing. One suggestion that has been made is to take the STAR refund monies and put them to better use by making everyone's' assessments more equitable. By investing that large sum of money into these initiatives for only one year would go to the real heart of the problem rather than covering it up by throwing money at it.

Appendix

Definition - Reassessment (RPTL §102)

Reassessment: "a systematic review of the assessments of all locally assessed properties, valued as of the valuation date of the assessment roll containing those assessments to attain compliance with the standard of assessment"

It is synonymous with the terms "revaluation" and "update"

Systematic review-or "systematic analysis": a methodical, thorough and regular review/examination of a municipality's assessments on an annual basis

- Maintain current inventory data
- Maintain current sales and market data
- Monitor and analyze the market
- Update assessments to maintain uniformity

Re-inspection means, at a minimum, observing each parcel from the public right-of-way to ascertain that the physical characteristics necessary for reappraisal are complete and accurate.

Reappraisal means developing and reviewing an independent estimate of market value for each parcel by the appropriate use of one or more of the three accepted approaches to value (cost, market, and income).

Definition - RPTL §305

Standard of Assessment

"All real property in each assessing unit shall be assessed at a uniform percentage of value..."

Value is defined as "market value"

May assess at any percentage of full value (a/k/a "Level of Assessment", or LOA)

Assessors sign an oath each year that all assessments are uniform and this would include County Assessing Units

Provisions for County Assessing

Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum.

- In towns considered as a single unit
- In cities considered as a single unit
- In assessing villages considered as a single unit

If no cities or assessing villages, only a simple majority is required

Definition of a Coordinated Assessment Program - RPTL §579

Two or more assessing units may establish a coordinated assessment program (CAP) by entering into an agreement meeting certain criteria. A sample agreement is available on ORPS' website in the State Aid section.

Establishment of a CAP

CAP Agreement

- Approved by majority vote of voting strength of each governing body (local law not required)
- At least 45 days before taxable status date (usually March 1 of each year)
- Copy of agreement filed with State Board by taxable status date

Type of Agreements

Without direct County involvement

- Enter into a municipal cooperative agreement providing for a single assessor to be appointed in all of the participating assessing units

With direct County involvement

- Enter into an agreement with the county to provide assessment services to all of the participating assessing units (RPTL §1537)

Additional Criteria

Single Appointed Assessor

- Same individual shall be appointed to hold the office in all of the participating assessing units
- Effective no later than 60 days after the date on which the agreement is effective

Standard of Assessment

- Effective with the first assessment roll...all real property shall be assessed at the same uniform percentage of value in all of the assessing units participating in the coordinated assessment program throughout the term of the agreement
- Same assessment calendar

Modifications to Program

Addition of New Participants

- Agreement may be amended to add one or more assessing units to program

Withdrawal of Participants

- Assessing units may withdraw from program

Termination of Program

- By at least 50% of assessing units
- By County if involved

Statutory Deadlines Apply for All Modifications

Equalization Rates

- Common market value survey (considered a single survey unit)
- Identical equalization rates established for all of the participating assessing units

Rate Complaints

- Towns may file individual complaint (copy to others)
- Other towns may support, object or comment
- Any change will apply to all towns

Judicial Review (copy to other towns)

- Any change will apply to all towns

Establishment of State Equalization Rates for Counties. – RPTL § 1214

The state board shall annually establish a state equalization rate for each county in the state and determine the full valuation of taxable real property therein. The state equalization rate established for any county assessing unit, other than a special assessing unit, shall also be established as the state equalization rate for each city, town and non-assessing unit village within such county.

How Do Towns Contract For County Services - RPTL §1537

Optional County Services

- 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
- Considered an agreement for provision of "joint service" under Article 5-G of General Municipal Law

Agreements

- Agreement approved by both the assessing unit and the county, by majority vote of each governing body
- Assessing unit -a resolution subject to permissive referendum submitted at least 45 days prior to vote

Assessing Services

- Agreement shall provide for a person to be selected by the assessing unit to perform assessing 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

Other County Services

Appraisal services

- County to appraise all real property in assessing unit for assessment purposes
- Appraiser must meet minimum qualification standards established by the State Board

Exemption Services

- County to review exemption applications and determine eligibility of applicants

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Assessments, generally (standard of assessment) (uniform percentage) (authority to choose)—Real Property Tax Law, §305:

In an assessing unit in which assessments are not at full value, the assessor determines the uniform percentage of value to be applied to the assessment of all real property, in the absence of any affirmative action by the local legislative body. However, where assessments are at full value, the authority to choose a standard of assessment of a uniform percentage of value is vested in the legislative body of the assessing unit, and not in the assessor.