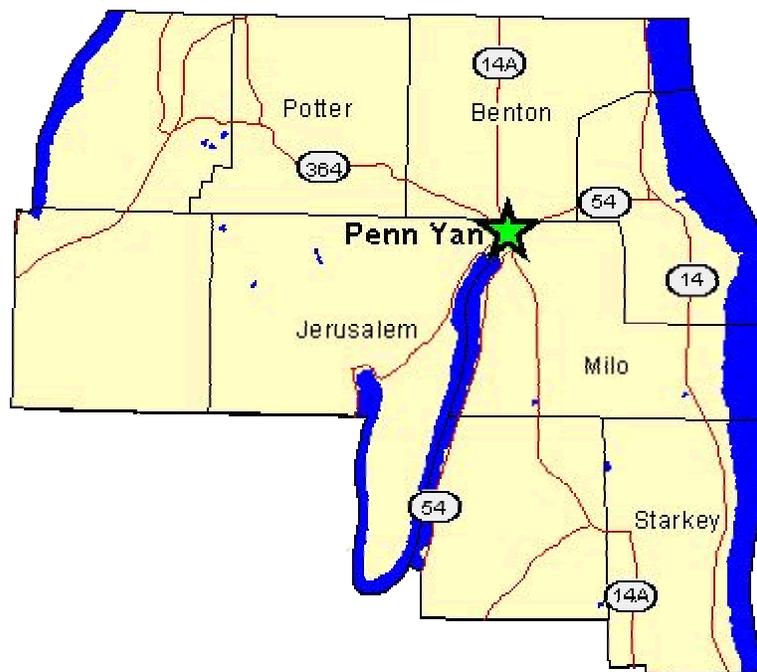


*Countywide Collaborative
Assessing Considerations
For
Yates County*



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www.Assessor.com

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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 Yates 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.

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 Yates County (2) a description of the 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 Yates County Legislature the current status of their local assessing units and some various options that are available to consolidate all or part of this important function.

It is important for the reader to understand the fundamentals 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 goal of this Study is to define an assessment system that will achieve common treatment (including a common level of assessment/equalization rates) for all parcels in Yates 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?"

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 all of the Towns will simply need to coordinate a future town-wide revaluation for the same year and then maintain that schedule. Fortunately in Yates County the Towns have been keeping their assessments up, and there should be no major expense for a countywide system to be put in place whether at the local or County level.

Costs of Meeting the Performance Standards		
Within the Current Assessment System		
Yates County's Current Assessment System Costs		
Current County Budget for Real Property Tax Services		\$174,840
Total Budget for Municipal Assessing	+	\$309,269
Total Current Costs of Assessing Within the County	=	\$484,109
Additional Costs To Comply Under Current System		
Cost of Bringing All Parcels Up To The Performance Standards (100%)		
0 Parcels x \$40/parcel*		\$0
Total Initial Costs:		\$0
Offsetting Available State Aid Incentives		
Reassessment Aid of up to \$5 x 15,716 Parcels	-	\$78,580
Net Initial Cost To Attain Countywide Equity Within		(\$78,580)
Yates County's Current Assessment System		
*This figure represents either an "in house" or contracted data verification and reassessment of 15,716 parcels. The cost of such a project would depend on the condition of the data in the various Towns and the size of the project. If some Towns joined together for an RFP or did this "in house", then the costs could be reduced. This figure is for data reverification and valuation services. Projects from scratch without reasonable inventory data to work from could run as high as \$60-\$80/parcel. For purposes of this Study we will use an average figure of \$40/parcel. As nine of the Towns are on Regular Reassessment Cycles there is no need to pursue any changes at this time.		

The cost of providing all Yates County property owners with an assessment system that is equitable, transparent, and efficient is very affordable based upon the work that has been ongoing for some years now. And when coupled with some of the structural modifications described in this report and the various financial incentives for re-structuring, 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 options:

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 current costs of assessing within the County, which is \$484,109, you arrive at a few options that offer you a range of savings that will be ongoing. These savings can be used to offset the initial transitional costs for establishing an equitable assessment program for your taxpayers.

In Single Assessing Units, the overall expenses to the County's taxpayers should run from a savings of \$76,476 to a savings of \$170,165 a year. In the case of Multiple Assessing Units, the savings to the County's taxpayers should run between \$59,216 to \$170,165. If the current local assessment structure was left in place and the Towns coordinated their revaluation efforts, there would be an annual cost savings of up to \$30,169.

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 Yates County, based on data collected and analyzed, the emphasis of the study will be to do an in-depth view of the current and a County-Run Assessing Unit Model. Of the nine towns in the County, six are Annual and two are Triennial reassessment Towns, with one reassessing on an as needed basis. Given this level of dedication to assessment equity consolidation of the Assessing function into a County-Run Assessing Unit is something that may be considered by the Legislature at any time. The question then becomes, if it's working, why fix it? The recommendations for bringing all parcels within the County into conformance are:

- Common Level Of Assessment at 100%
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices
- Common centralized database for assessments and inventories
- Each parcel has only one assessment

For purposes of this Study and to make the Assessment System more understandable, equitable, and cost effective, we are recommending to the State to introduce legislation to accomplish these goals. At the very least there should be a mandatory cycle bill. This would mandate that all assessing units in the State must reassess all parcels on a regular basis (most likely every three years). The other critical piece that would be needed is some type of funding mechanism to help municipalities offset some of the initial costs. All levels of government are facing difficult budget situations, and without some State assistance, it would be a serious burden on local municipalities to fully fund these initiatives annually.

The top portion of the table below will give you an overview of the savings comparisons less the State Aid available of the different options for the initial one-time start-up savings. The lower portion then shows the ongoing annual operational

savings for maintaining all parcels in the County at a uniform assessment standard with their Annual Savings after State Aid is subtracted.

Yates County Assessment Models Cost Savings & Aid Comparisons	Single Assessing Unit Models			Multiple Assessing Unit Models		
	Option #1: County-Run Assessing	Option #2 County CAP	Option #3 Current Structure w/additional consolidation & inter-municipal agreement	Option #4 All Munis contract w/County under RPTL 1537	Option #5 Current Structure, Reassessment Cycle w/matching Valuation Date	
Start-up Costs:						
Establish Equitable assessments at a common level throughout the County [Reassess 9 Towns or 15,716 parcels @ \$40]	\$0	\$0	\$0	\$0	\$0	
Available State Aid for reassessment [15,716 parcels @ up to \$5] [Town Aid for 9 Towns]	-\$78,580	-\$78,580	-\$78,580	-\$78,580	-\$78,580	
Slate Consolidation Aid [12,596 parcels @ up to \$7 - one time payment]	\$0	-\$88,172	Varies	Varies	Varies	
Slate Consolidation Aid for County Run Assessing, RPTL 1573, 15,716 parcels @ up to \$7	\$0	\$0	\$0	\$0	\$0	
Slate Aid for County Run Assessing Referendum Approval, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cplap/applications.cfm]	\$0	-\$31,432	\$0	\$0	\$0	
Slate Consolidation Aid for County providing services, RPTL 1573, 15,716 parcels @ \$1	\$0	-\$15,716	\$0	-\$15,716	\$0	
Slate Aid if County Managed County-Wide CAP, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cplap/applications.cfm]	\$0	-\$31,432	\$0	\$0	\$0	
Total One Time Start-up Costs:	-\$78,580	-\$220,024	-\$78,580	-\$94,296	-\$78,580	
Operational Costs:						
Town's Assessment Office Costs	\$309,269	\$0	Varies	\$0	\$927,807 ³	
County Real Property Tax Dept Costs	\$174,840	\$174,840 ¹	\$174,840	\$356,840	\$524,520 ³	
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$267,172 ²	\$0	\$0	\$0	
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$48,411	\$44,201	\$48,411	\$35,684	\$58,093	
State Aid for Annual Reassessment [15,716 parcels @ up to \$5]	-\$78,580	-\$78,580	-\$78,580	-\$78,580	-\$235,740	
Current Annual Operational Costs:	\$484,109	\$484,109	\$484,109	\$484,109	\$484,109	
Total Annual Operational Costs vs Options	\$453,940	\$407,633	Varies	\$313,944	\$424,893	
Total Annual Savings:	\$30,169	\$76,476	Varies	\$170,165	\$59,216	

Notes:
 1 Cost of County Dept estimated by adding 4 staff @ \$35,000/yr plus 30% fringe benefits= \$182,000 to the current budget of \$174,840 which then totals \$356,840
 2 Estimated \$17/parcel based upon similar costs in Yates County and other counties.
 3 Assumes a 3 year cycle. Operational Costs are based on a 3 year program, then computed to an annual cost.
 4 Partially built into staffing cost estimate; 10% added for additional expenses, i.e. appraisal assistance, printing, postage, mileage, BAR, etc.
 5 Partially built into staffing cost estimate; 10% added for additional expenses (same as #4 above), then because it is a 3 year program 40% was attributed to a given year.

III Existing System

A) Description of the Duties and Responsibilities of County Directors and Assessors.

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 Yates County there is a County Real Property Tax Service Office comprised of a Real Property Tax Director, a Senior Account Clerk Typist, and a Tax Map Technician.

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 appraisals 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 field train office staff
- Assist assessors on unique valuation problems
- Prepare annual budget for real property tax services department
- Prepare apportionments, rates, 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 updates the RPS Assessment/Inventory file by means of CD's. The County is not currently using either replication over the Internet or a Citrix server in order to maintain a centralized current and common database.

The County is currently developing a GIS database that will tie in assessment and inventory information and eventually be available to taxpayers online.

The Yates County R.P.T.S. Office is headed by the County Director, which is a position that is appointed by the County Legislature for six-year terms. The current operational costs of the RPTS Department totals: \$174,840.

There are nine Towns with five appointed in eight of the Towns and one sole-elected Assessor. One of the appointed assessors serves as the Assessor in a 2 Town CAP #1. A CAP is considered a single assessing unit. There are no Assessing Unit Villages in Yates County. All Villages have previously adopted the Town rolls. The current operational costs for these eight local assessing units totals: \$309,269.

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

1) 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 –

There is only one CAP in Yates County at this time and it consists of the Towns of Barrington and Starkey.

Assessors With Multiple Jurisdictions –

Of the six assessors in Yates County, one assesses in three Towns and one assesses the two-town CAP and the other four each assess for a single Township. See Table A-1 below:

Table A-1

MUNICIPALITIES		ASSESSMENT OFFICES		EXISTING COLLABORATIONS	
SWIS	Municipal Name	Type of Assessor	Assessor Name	Part of CAP?	Assessor Works for Multiple Municipalities?
572000	Barrington	Appointed	Anthony C. DeStephen	CAP #1	Yes
572200	Benton	Appointed	Mary W. Lilyea		Yes
572400	Italy	Appointed	Carol Wolfe		No
572600	Jerusalem	Sole-Elected	Alan B. Comstock		No
572800	Middlesex	Appointed	Patrick Grimaldi		Yes
573000	Milo	Appointed	Randy H. Deal		Yes
573200	Potter	Appointed	Mary W. Lilyea		Yes
573400	Starkey	Appointed	Anthony C. DeStephen	CAP #1	Yes
573600	Torrey	Appointed	Mary W. Lilyea		Yes

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 #1 Towns and in 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	Accessibility to the Assessment Office on a Weekly Basis	# Other Staff (excluding Assessors)
572000	Barrington	Appointed	Anthony C. DeStephen	Part Time	
572200	Benton	Appointed	Mary W. Lilyea	Full Time	
572400	Italy	Appointed	Carol Wolfe	Part Time	
572600	Jerusalem	Sole-Elected	Alan B. Comstock	Full Time	1.0
572800	Middlesex	Appointed	Patrick Grimaldi	Part Time	
573000	Milo	Appointed	Randy H. Deal	Full Time	1.0
573200	Potter	Appointed	Mary W. Lilyea	Part Time	
573400	Starkey	Appointed	Anthony C. DeStephen	Full Time	1.0
573600	Torrey	Appointed	Mary W. Lilyea	Part Time	

2) Municipal Characteristics

Current Town and County Costs – Looking at the average costs of performing the assessment functions at the Town level currently run \$19.68 per parcel. The total annual cost of the current system using last years Town Assessor’s and County Real Property Tax Service Office’s budgets was \$484,109 or \$30.80 per parcel.

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 54% in the Town of Italy to 71% in the Town of Jerusalem. The Town of Milo has the largest number of parcels and represents over 22.15% of all of the parcels within Yates County. See Table A-3 below for specific details:

Table A-3

MUNICIPALITIES		MUNICIPAL CHARACTERISTICS				
SWIS	Municipal Name	Total Budget for Assessment Function	Total Number of Parcels	Number of Residential Parcels	Percent of Parcels Residential	Budget Per Parcel
572000	Barrington	\$29,875	1,226	758	62%	\$24.37
572200	Benton	\$28,114	1,329	846	64%	\$21.15
572400	Italy	\$25,000	1,151	621	54%	\$21.72
572600	Jerusalem	\$63,012	3,387	2,412	71%	\$18.60
572800	Middlesex	\$19,200	1,267	791	62%	\$15.15
573000	Milo	\$64,000	3,481	2,357	68%	\$18.39
573200	Potter	\$17,000	995	538	54%	\$17.09
573400	Starkey	\$42,210	1,894	1,264	67%	\$22.29
573600	Torrey	\$20,858	986	635	64%	\$21.15
	City/Towns Totals:	\$309,269	15,716	10,222	65%	\$19.68
	County Budget (Net)	\$174,840	15,716			\$11.12
	Overall Cost of Assessment:	\$484,109	15,716	10,222	65%	\$30.80

Property Types Within the County

Yates County has the four villages of Penn Yan, Dundee, Rushville, and Dresden, which are mostly residential. The County is also fortunate to be bounded by three of the Finger Lakes: Canandaigua Lake, Keuka Lake and Seneca Lake, which have become well developed over the years. The balance of the parcels are mostly rural vacant and finely maintained farms. Having Keuka College in our area also generates business opportunities and a fair share of commercial properties. The makeup of the various parcel classifications can be seen from the Table A-4 below:

Table A-4

Property Class Codes	County-wide Statistics	Number of Parcels
100	Agricultural	1,293
200	Residential	10,222
300	Vacant Land	2,764
400	Commercial	543
500	Rec. & Entertainment	47
600	Community Service	334
700	Industrial	51
800	Public Service	311
900	Forest	151
	Totals:	15,716

Real Estate Trends in Yates County

Due to a steady demand for lakefront properties, 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 Yates County, like much of the Upstate Region, according to the analysis performed by ORPS and others, properties continue to appreciate at a rate of about 3% to 10% per year over the last few years depending on the type of properties

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. In Yates County all nine towns have been doing a fine job in completing variously scheduled cyclical reassessments to maintain equity for their taxpayers.

Complex Properties within the County

There are very few complex properties in Yates County that would need the valuation services of the Office of Real Property Services. An example of what might qualify for an advisory appraisal could be the abandoned Morton Salt Plant in Himrod. During reassessments ORPS can provide advisory appraisals of unusual properties if requested.

B) 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 the 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.

Due to the fact that all Towns in the County completed reassessment projects this past year, the 2008 COD's demonstrate the equity that comes with maintaining equity on a regular basis as can be seen from Table A-5 below:

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. **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.** The PRD statistics for 2008 are shown below in Table A-5:

Table A-5

MUNICIPALITIES		INDICATORS OF ASSESSMENT EQUITY						
SWIS	Municipal Name	Latest 2008 Eq. Rate	Latest LOA of Various Property Types	Residential CODs for 2008	Residential PRDs for 2008	Latest Reassessment	Type of Aid	Next Planned Revaluation
572000	Barrington	100.00%	100.00%	13.93	1.04	2008	Triennial	
572200	Benton	100.00%	100.00%	6.83	1.01	2008	Annual	2009
572400	Italy	100.00%	100.00%	6.71	1.03	2008	Annual	2009
572600	Jerusalem	100.00%	100.00%	14.25	1.09	2008		
572800	Middlesex	100.00%	100.00%	7.02	1.02	2008	Annual	2009
573000	Milo	100.00%	100.00%	8.65	1.03	2008	Annual	2009
573200	Potter	100.00%	100.00%	10.87	1.05	2008	Annual	2009
573400	Starkey	100.00%	100.00%	13.93	1.04	2008	Triennial	
573600	Torrey	100.00%	100.00%	9.31	1.01	2008	Annual	2009
The amount of aid may be slightly less than \$5/parcel depending on the State Budget.								
Latest State Aid figures are Pending as of this writing.								

Reassessment Activity

All Towns had reassessment projects that were completed for the 2008 rolls. Six out of the nine Towns will be conducting revaluations again in 2009.

Data Quality

Over the last three years the total number of residential arm's length real property sales in Yates County has averaged 359. 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 that are easily uploaded to their RPS Software program and cost much less.

C) Real Property Administration System

The County Director and about half of the Assessors within the County are currently using most current version of the State's Real Property System (RPSV4, build 2008) software. The balance of the Towns are using a product known as TSL, which is fairly compatible with RPS, a software package produced by ORPS and in use statewide. These programs are used to maintain assessment administration, sales and inventory data, and market analysis with the assistance of the staff at the Western Regional Office in Batavia. The license fees for RPS are determined by ORPS annually. The Towns maintain the assessment files and bring in backup CD's to the County when requested by the County Director's Office. All reports to ORPS, assessment rolls, tax rolls, and bills are produced at the County. During reassessments the valuation processing for the Towns is done either in house, at the County, or with the assistance of ORPS and the resulting values returned to the centralized database at the County at regular intervals. See Table A-6 below:

Table A-6

MUNICIPALITIES		ASSESSMENT ADMINISTRATION SYSTEM					
SWIS	Municipal Name	System Used:		Annual Cost	Processing Responsibility		
		Assessment & Inventory	Analysis/ Valuation		ORPS' Reports	Rolls & Bills	Analysis/ Valuation
572000	Barrington	RPSV4	RPSV4	\$650	RPTD	RPTD	RPTD
572200	Benton	TSL	TSL	\$750	RPTD	RPTD	RPTD
572400	Italy	RPSV4	RPSV4	\$1,000	RPTD	RPTD	RPTD
572600	Jerusalem	TSL	TSL	\$750	RPTD	RPTD	RPTD
572800	Middlesex	RPSV4	RPSV4	\$1,000	RPTD	RPTD	RPTD
573000	Milo	RPSV4	RPSV4	\$1,300	RPTD	RPTD	RPTD
573200	Potter	TSL	TSL	\$750	RPTD	RPTD	RPTD
573400	Starkey	RPSV4	RPSV4	\$650	RPTD	RPTD	RPTD
573600	Torrey	TSL	TSL	\$750	RPTD	RPTD	RPTD
Total RPS Software Licensing Fees for the Towns:				\$7,600			
*For CAPed Towns, the total parcel count of all towns determines the RPS fee and then is apportioned.							
MUNICIPALITIES		ASSESSMENT ADMINISTRATION SYSTEM					
		Databases		Communication		Use of GIS	Who Handles IT Support
		Location	How Updated	Speed	Capacity		
572000	Barrington	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
572200	Benton	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
572400	Italy	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
572600	Jerusalem	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
572800	Middlesex	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
573000	Milo	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
573200	Potter	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
573400	Starkey	Local/Cnty	CD's	Modem	Adequate	Often	Cty & State
573600	Torrey	Local/Cnty	CD's	No Email	Adequate	Often	Cty & State

IV Two Models with Five Consolidation Options That Are Being Described

A) Single Assessing Unit Models

The following two models address the goals of this study by moving Yates County to a single assessing unit. In so doing, in order to comply with the RPTL 305, assessing units would maintain a uniform level of assessment throughout the County and 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. ¹(Opinion of Counsel 7-96 – see Appendix) 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, as well as the next Single Assessing Unit Option #2, would need to be carefully considered as the Towns within the County are served by a small group of highly qualified assessors who have established themselves within the communities they serve at a salary that is commensurate with their expertise and workload. In a County Run system the rules of Civil Service come into play and the salary ranges may not meet the needs of the current assessors or future assessors who would be needed as retirements take place. Once everyone reached a 100% LOA the cost savings would be as shown on Table A-7 at the end of Option #2.

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 fully 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 selected assessor could be also be a qualified County employee working through a 1537 agreement with the Towns. The Towns could 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 locally administer the rolls.

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. Again, once everyone arrives at a 100% LOA, the costs of maintaining this level countywide should be revisited as economies of scale may enter into the picture which cannot be anticipated at this time. The annual costs of moving to one of the Single Assessing Unit Models versus keeping the current local structure in place and simply modifying some of the procedures and reassessment calendars can be seen from the Table A-7 below:

Yates County Assessment Models Cost Savings & Aid Comparisons	Table A-7	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 9 Towns or 15,716 parcels @ \$40]	\$0	\$0	\$0
Available State Aid for reassessment [15,716 parcels @ up to \$5] (Town Aid for 9 Towns)	-\$78,580	-\$78,580	-\$78,580
State Consolidation Aid [12,596 parcels @ up to \$7 - one time payment]	\$0	\$0	-\$88,172
State Consolidation Aid for County Run Assessing, RPTL 1573, 15,716 parcels @ up to \$7	\$0	-\$110,012	\$0
State Aid for County Run Assessing Referendum Approval, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	-\$31,432	\$0
State Consolidation Aid for County providing services, RPTL 1573, 15,716 parcels @ \$1	\$0	\$0	-\$15,716
State Aid If County Managed County-Wide CAP, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	-\$31,432
Total One Time Start-up Costs:	-\$78,580	-\$220,024	-\$213,900
Operational Costs:			
Town's Assessment Office Costs	\$309,269	\$0	\$0
County Real Property Tax Dept Costs	\$174,840	\$356,840 ¹	\$174,840
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$267,172 ²
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$48,411 ⁴	\$35,684 ⁴	\$44,201 ⁴
State Aid for Annual Reassessment [15,716 parcels @ up to \$5]	-\$78,580	-\$78,580	-\$78,580
Current Annual Operational Costs:	\$484,109	\$484,109	\$484,109
Total Annual Operational Costs vs Options	\$453,940	\$313,944	\$407,633
Total Annual Savings:	\$30,169	\$170,165	\$76,476

Notes:

- 1 Cost of County Dept estimated by adding 4 staff @ \$35,000/yr plus 30% fringe benefits= \$182,000 to the current budget of \$174,840 which then totals \$356,840.
- 2 Estimated \$17/parcel based upon similar costs in Yates County and other counties.
- 3 Assumes a 3-year cycle. Operational Costs are based on a 3-year program, and then computed to an annual cost.
- 4 Partially built into staffing cost estimate; 10% added for additional expenses.
- 5 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.

B) Multiple Assessing Unit Models

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.

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%, which also qualifies them for up to \$5 annual maintenance aid
- Common reassessment cycle for all municipalities
- Common inventory and sales verification practices

The question that remains is that of efficiency. As these systems have been in place for many years and the taxpayers have become accustomed to the various levels of service, as well as the expertise of their local Assessors the costs may be slightly higher than in those Single Assessing Unit Models that follow more of the I.A.A.O. standards.

As with all of these many options, you may want to consider others in greater detail once all of the individual assessing units have achieved the equitable standards set forth in this Study. These following three options do not consolidate all of the assessing units into one but in most cases leave the assessing units in place and have them enter into intermunicipal agreements to establish the common assessment standards. Their implementation costs vary as do their annual savings on maintaining these standards. In Table A-8 at the end of these three descriptions sets forth the cost comparison of these Multiple Assessment Models vs. the costs of the current structure once all parcels reach the equitable standards. Keep in mind that the annual costs of our current system is \$484,109.

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 modified whereby the Towns would still receive up to \$5/parcel during the revaluation year and perhaps up to \$5 per parcel 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
- 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-8 below, once the Towns reach a uniform level of assessment of 100%, then there will be a total reassessment aid of up to \$78,580 given each 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 7 towns coming to \$88,172.

Yates County Assessment Models Cost Savings & Aid Comparisons	Table A-8	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 9 Towns or 15,716 parcels @ \$40]	\$0	\$0	\$0	\$0
Available State Aid for reassessment [15,716 parcels @ up to \$5] (Town Aid for 9 Towns)	-\$78,580	-\$78,580	-\$78,580	-\$78,580
State Consolidation Aid [12,596 parcels @ up to \$7 - one time payment]	\$0	Varies	Varies	Varies
State Consolidation Aid for County Run Assessing, RPTL 1573, 15,716 parcels @ up to \$7	\$0	\$0	\$0	\$0
State Aid for County Run Assessing Referendum Approval, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0	\$0
State Consolidation Aid for County providing services, RPTL 1573, 15,716 parcels @ \$1	\$0	\$0	-\$15,716	\$0
State Aid If County Managed County-Wide CAP, 15,716 parcels @ \$2 [http://www.orps.state.ny.us/cptap/applications.cfm]	\$0	\$0	\$0	\$0
Total One Time Start-up Costs:	-\$78,580	-\$78,580	-\$94,296	-\$78,580
Operational Costs:				
Town's Assessment Office Costs	\$309,269	Varies	\$0	\$927,807 ³
County Real Property Tax Dept Costs	\$174,840	\$174,840	\$356,840 ¹	\$524,520 ³
Cost of a County Consolidated Assessing Unit (CAP)	\$0	\$0	\$0	\$0
Additional cost of annually maintaining assessments at a common Level of Assessment throughout the County.	\$48,411	\$48,411	\$35,684	\$58,093
State Aid for Annual Reassessment [15,716 parcels @ up to \$5]	-\$78,580	-\$78,580	-\$78,580	-\$235,740 ³
Current Annual Operational Costs:	\$484,109	\$484,109	\$484,109	\$484,109
Total Annual Operational Costs vs Options	\$453,940	Varies	\$313,944	\$424,893
Total Annual Savings:	\$30,169	Varies	\$170,165	\$59,216

Notes:

- 1 Cost of County Dept estimated by adding 4 staff @ \$35,000/yr plus 30% fringe benefits= \$182,000 to the current budget of \$174,840 which then totals \$356,840.
- 2 Estimated \$17/parcel based upon similar costs in Yates County and other counties.
- 3 Assumes a 3-year cycle. Operational Costs are based on a 3-year program, and then computed to an annual cost.
- 4 Partially built into staffing cost estimate; 10% added for additional expenses.
- 5 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.

It should be noted that if this legislative concept (in Option #5) were coupled with previously described options in this study, such as County-Run Assessing, further, and very dramatic cost savings can be realized.

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 includes a Town-wide revaluation or update. With all of the nine Towns in the County having just completed revaluations in this past year, this should not be a significant hurdle towards implementation especially if the State ties enough funding to any mandatory cycle bill.

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 two

to three years or however long a timeframe is stated in any possible future legislation.

Starting as soon as practicable all of the Towns, with the help of the County and ORPS, should work together in establishing a date whereby they could coordinate their reassessment projects to be completed simultaneously. All of their assessment rolls have been kept current enough where this date would not need to be very far into the future. Perhaps starting with 2009 the Assessors could begin a data verification process looking towards a countywide revaluation for the 2011 assessment roll year. Hopefully by 2010 the State Legislature will pass a mandatory cycle bill and then all of the Towns can work with the provisions of the bill to meet the required timeframes.

Having all Towns reassess in the same year would make sense with or without a mandatory cycle bill. And all they would need to do is coordinate a future date on which they all agree to complete revaluations and enter into an intermunicipal agreement to that effect and they would be well on their way to meeting the I.A.A.O. assessment standards.

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.

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 during revaluation years and up to \$5/parcel payments during the off years for sales verification, building permits, reverifying 1/3 of the parcels, etc. In this manner the State would eventually have 100% Equalization 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, Biannual, or Triennial 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% Equalization 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. These have already been eliminated in Yates County.

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. Or as an Alternative require that all BOAR members take required training annually.

Loss of Experienced Assessment & ORPS Officials Due to Early Retirement

- Every 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 loose 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.

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 the 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 CAPCAP 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.