

**NYS Department of Taxation and Finance  
Office of Real Property Tax Services  
Procedures for 2025 Special Equalization Rates for certain parts of cities and towns**

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**Section 1 Initiation of Action on Segment Special Equalization Rates**

- a. The Commissioner may initiate a review of data in the possession of the Office of Real Property Tax Services (ORPTS) to determine if establishment of a special equalization rate for a segment is warranted.
- b. The chief executive officer or governing body of any municipal corporation in which a segment lies or any taxpayer aggrieved by the current level of assessment in a segment of a city or town being substantially different than the overall level of assessment for that city or town may submit a signed request for the establishment of a special equalization rate for a segment.

**Section 2 Request for special equalization rate for a segment of a city or town**

- a. The request must be filed no later than 180 days prior to the last date set by law for the levy of taxes on the assessment roll for which a special equalization rate for a segment is sought. In most cases this will be March 1.
- b. The request should preferably be a signed request and must include the applicant's name and address, the name of the taxing jurisdiction and the identification of the segment for which the segment special equalization rate is requested.
- c. If no segment special equalization rate has been previously requested then the request should also include data showing that the level of assessment in the segment is substantially different from the level of assessment for the town. If a segment special equalization rate has been previously requested and included such data then no data needs to be included with the request.
- d. Any data submitted with the request is examined to see if it indicates that a segment special equalization rate may need to be established. An indicated segment special equalization rate is calculated pursuant to Section 3 of these Procedures using ORPTS data for the segment and from ORPTS State equalization rate data for the town. The indicated segment special rate is tested pursuant to Section 4 of these Procedures to determine if it should be established or not.
- e. Receipt of a request shall be acknowledged by notice to the applicant, the chief executive officer and assessor of the assessing unit in which the segment lies, the district superintendent of the affected school district, the chief executive officer of the affected taxing jurisdiction, the assessor of each municipal corporation which would be affected by the establishment of the segment special equalization rate, and the county director.

**Section 3 Computation of a special equalization rate for a segment.**

- a. Upon receipt of a request, State Office staff will determine whether a market value survey has been conducted for the segment as required by section 1230, Article 18 or Article 19 of the RPTL. If so, that segment survey data will be used to calculate the indicated segment special equalization rate, and for purposes of these procedures this will be referred to as the Segment Survey Method. This segment survey based special equalization rate is computed in a manner similar to a State equalization rate. If no such segment survey exists, State Office staff will calculate the indicated segment special equalization rate in one of two ways. One way is to apply the town-wide market value ratio for each

major type of property, as determined in the State equalization rate that would otherwise be used in the apportionment, against the assessed value of locally assessed taxable real property in that type in the school district segment. For purposes of these procedures, this will be referred to as the Property Type Method. The second way involves the same calculation as above for property types other than residential. For residential property, a sales ratio study will be conducted. The study is done using the valuation date of the State equalization rate that would otherwise be used in the apportionment of the school levy. This will be referred to as the Residential Sales Ratio Method. Where a residential sales ratio study can be conducted that meets the criteria of sufficient residential sales data as defined in the Procedures for the 2025 **(2024 if prior final roll assessed value data is used)** State Equalization Rates for Cities, Towns, Village Homestead Assessing Units and Counties then the Residential Sales Ratio Method will be used to calculate the indicated segment special equalization rate. If a residential sales ratio study cannot be conducted that meets the criteria for sufficient residential sales data as defined in the Procedures for the 2025 **(2024 if prior final roll assessed value data is used)** State Equalization Rates for Cities, Towns, Village Homestead Assessing Units and Counties then the Property Type Method will be used to calculate the indicated segment special equalization rate.

- b. When computing a segment special equalization rate pursuant to this section, the assessed value of the taxable real property equals the total assessed value of the locally assessed properties in the segment on the assessment roll that will be used in the levy of the 2025-2026 school tax. If the final roll is not available the segment rate may be computed using the assessed value data on the tentative roll. If neither the final nor the tentative roll is available then the prior final roll assessed value data may be used.
- c. The market value ratios used to calculate the full value estimates of property types A, B, C and D in the Property Type Method and property types B, C and D in the Residential Sales Ratio Method are those used in the calculation of the State equalization rate that would otherwise be used in the apportionment of the 2025-2026 school levy. When the State equalization rate that would otherwise be used in the apportionment of the 2025-2026 school levy is not available then the market value ratios will be those used in the apportionment of the 2024-2025 school levy. The market value ratio used to calculate the full value estimate of property type A in the Residential Sales Ratio Method is the ratio determined in paragraph (a) of this section, determined as of the residential sales ratios used in the same year's State equalization rate as the market value ratios used for property types B, C and D. The full value estimate of the segment in the Segment Survey Method is determined in the same manner as the full value estimate for a town in the Procedures for the 2025 **(2024 if prior final roll assessed value data is used)** State Equalization Rates for Cities, Towns, Village Homestead Assessing Units, and Counties.
- d. The indicated segment special equalization rate is the result of dividing the total assessed value of locally assessed taxable real property of the segment from paragraph (b) of this section by the total full value estimate of the segment from paragraph (c) of this section.
- e. The indicated segment special equalization rate calculated in paragraph (d) of this section is used to determine whether the five or ten percent threshold of section 4 of these procedures is met.

#### **Section 4 Limitations on establishment of a special equalization rate for a segment**

- a. A segment special equalization rate shall not be established for the purposes of these procedures if there would not be at least a 10 percent change in the share of the levy of at least one segment of the taxing jurisdiction as the result of the use of the indicated segment special equalization rate in place of the equalization rate which would otherwise be used for purposes of apportionment. The change in shares will be determined by comparing the shares computed using the State equalization rates against the shares computed by substituting the indicated segment special equalization rate and using the latest school tax levy apportionment data in the possession of the State Office. Provided, however, this limitation shall not apply where a segment special equalization rate is determined for another segment within the same assessing unit or taxing jurisdiction pursuant to these procedures or where a segment special equalization rate was established for that segment in the prior year and a change of at least 5 percent would occur for any segment in the taxing jurisdiction.
- b. No segment special equalization rate shall be certified later than the last date set by law for the levy of taxes on the assessment roll for which such segment special equalization rate is certified except that, in the case of a segment special equalization rate for a special district, such segment special equalization rate shall not be certified later than 15 days prior to the last date allowed by law for the levy of taxes.

- c. No segment special equalization rate shall be certified unless all affected municipal corporations can be notified at least 15 days prior to its establishment.
- d. Prior to the last date set by law for the levy of taxes on the assessment roll for which such segment special equalization rate would be certified, any segment special equalization rate may be rescinded where the segment special equalization rate is discovered to be incorrect.
- e. Where a material change in level of assessment is determined after the establishment of such segment special equalization rate, the segment special equalization rate may be adjusted for such change in level, provided it is adjusted prior to the levy of taxes for the taxing jurisdiction.

## **Section 5 Preliminary report to affected parties and final report to the Commissioner**

- a. For each timely request received, State Office staff will prepare a preliminary report containing the results from section 4 (a) above of simulating an estimate of the 2025-2026 school tax apportionment for the district containing the segment using the State equalization rate for the city or town and the indicated segment special equalization rate calculated using the Segment Survey Method, or the Property Type Method or the Residential Sales Ratio Method. Whenever this simulated apportionment results in at least a ten percent change in the share of the tax levy of any segment in the school district, the preliminary report will also state whether any other segments in the school district have a requested or initiated indicated segment special equalization rate that results in a more than a ten percent change in any segment levy. The preliminary report will also specify whether a sales ratio study used in the Residential Sales Ratio Method satisfied the standards for sales ratio studies in the procedures for the 2025 **(2024 if prior final roll assessed value data is used)** market value survey.
- b. For any segment for which the Commissioner directs State Office staff to review the possibility of a segment special equalization rate, State Office staff will prepare a preliminary report as required by paragraph (a) of this section for requests.
- c. The preliminary report prepared pursuant to paragraphs (a) or (b) of this section will be sent to all affected parties and they will be given 14 days to submit information and documentation in opposition to the preliminary report and making specific objections to any of the data used in calculating the indicated segment special equalization rate.
- d. State office staff will review the submitted information, if any, and prepare a final report to the Commissioner incorporating both the preliminary report results and the results of reviewing the submitted information, if any.

## **Section 6 Determination and establishment of a special equalization rate for a segment**

- a. For each request a State Office staff analysis will consist of calculating an indicated segment special equalization rate for the segment in accordance with section 3 of these procedures and ascertaining whether the five or ten percent threshold of section 4 of these procedures is met.
- b. The results of such analysis, the results of any review initiated by the Commissioner, and the results of the review by State office staff of any information submitted in response to the preliminary report will be made available in the final report prepared pursuant to section 5 of these procedures. A copy of the final report shall be mailed to each person who received a notification pursuant to paragraph (c) of section 2 of these procedures.
- c. Prior to the levy of taxes, based on this final report, the Commissioner shall determine whether or not the segment special equalization rate shall be established. If the Commissioner determines that a segment special equalization rate shall be established for the current year, the Commissioner will also establish the segment special equalization rate. If the Commissioner determines that the analysis and information indicate the need for a segment special equalization rate but that there is not enough data to calculate such a rate, the Commissioner shall order whatever action is necessary to obtain the data to calculate such rate in the future. This may include assessment roll data from the town, full value measurement data from the State Office, or tax levy apportionment data from the school district.
- d. The Commissioner's determination and any segment special equalization rate established shall be transmitted to affected parties as specified in paragraph (c) of section 2 of these procedures.

## Section 7 Applicability of Procedures

- a. The segment special equalization rates established pursuant to these procedures are for the part of a city or town within a particular school district as provided in sections 1314(2) and 1226(2) of the Real Property Tax Law, or within a special district as provided in sections 806 and 1226(2) of the Real Property Tax Law, or within a non-assessing unit village as provided in section 1226(3) of the real Property Tax Law.
- b. Segment special equalization rates are established pursuant to the Rules for Real Property Tax Administration 20 NYCRR 8186-5
- c. A special equalization rate for a segment is applicable where the average level of assessment for a municipality is substantially different than the level of assessment in a school district segment. Generally, this is due to the over- or under-assessment of a large property or class of properties which are not similarly represented in the school district segment as they are in the entire municipality.
- d. A segment special equalization rate will affect school tax apportionment to various degrees, but it is not a sole remedy for the following:
  1. When a municipality's tax rate is perceived as too high
  2. When an individual's assessment and/or tax bill is perceived as too high
  3. When a change in the school levy shares from the prior year result from levy changes determined by the school district
  4. When a change in the school levy shares result from changes in the quantity of property taxed in one or more of the municipalities in the school district

## Section 8 Definitions

In addition to the definitions set forth in section 102 of the Real Property Tax Law, when used in these procedures:

*Commissioner* - means the Commissioner of the New York State Department of Taxation and Finance.

*Locally assessed property* - means real property for which the assessed value is determined by the assessor, excluding wholly exempt properties, and in other than special assessing units excluding transportation properties of ceiling railroads (Real Property Tax Law, article 4, titles 2-A and 2-B) and special franchise properties.

*ORPTS or State Office* - means the Office of Real Property Tax Services within the NYS Department of Taxation and Finance.

*Segment* - means the part of a city or town within a taxing jurisdiction which is a school district, a special district or a village which is not an assessing unit and which is located in two or more towns. A segment special equalization rate means a special equalization rate established for a segment.