

Tompkins County Department of Assessment

2008 Countywide Revaluation Public Information Booklet

- *Assessment Disclosure Notices to be Mailed Starting January 25, 2008*
- *Assessment Disclosure Hearings to start February 2, 2008*
- *Deadline to file an Assessment Disclosure Notice appeal is March 28, 2008*



Department of Assessment
128 E Buffalo St Ithaca NY

TOMPKINS COUNTY TO IMPLEMENT COUNTYWIDE REVALUATION

As a result of the Tompkins County Legislature's 2006 decision to switch to a Triennial Revaluation cycle for the 2006 Assessment Roll, for 2008 the Tompkins County Department of Assessment will revalue all properties in the county to reflect 100% of their fair market value.

In preparation for the 2008 countywide revaluation the Department of Assessment can not simply apply the same increase to all properties as not all properties

increased at the same rate. The assessment of each property was looked at individually and adjusted to reflect 100% fair market value.

There are 34,500 parcels in Tompkins County. The Department of Assessment will be mailing Disclosure Notices to all owners of these parcels in the county beginning in January. The Department of Assessment wants to give adequate time to property owners to review

their preliminary assessment in order to determine if they would like to schedule a hearing. During the months of February and March aggrieved property owners will have the opportunity to meet with the professional appraisal staff for an Assessment Disclosure Hearing.

These Disclosure Hearings are scheduled for the convenience of the property owners, to provide information that may have an effect on their property value.

Since 1970, the Tompkins County Department of Assessment is a consolidated, single assessing unit. We administer all real property assessing functions, including exemptions for the municipalities in the county.

EXEMPTION APPLICATION DEADLINE MARCH 1, 2008

The Department of Assessment would like to remind property owners that all applications for real property tax exemptions are due at the Department of Assessment by March 1, 2008.

This exemption deadline applies to all new and renewal exemption applications. As long as the application for the exemption is filed by the March 1 deadline, any and all supporting documentation can be sub-

mitted at a later date. This especially applies to income information that may not be prepared in time to be submitted by March 1.

Prior to January 1, 2008, the Department of Assessment is mailing renewal applications to all property owners who received an annually renewable real property tax exemption on the 2007 Final Assessment Roll.

The exemptions that this

deadline applies to (but is not limited to) are: STAR, Senior Citizen, Veterans, Clergy, Disability, Agricultural Building, Business Exemption, and partial Not For Profit Exemptions.

The only real property tax exemption whose deadline is different than March 1 is the Agricultural Land exemption. The deadline to file that application is April 1, 2008.

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TOMPKINS COUNTY DEPARTMENT OF ASSESSMENT

THREE MAJOR FORMS OF TAXATION

Income

Federal and State

Based upon income—no way to contest the rates.

Sales

State and Local

Based upon goods purchased. Rates established by law. No way to contest the sales tax.

Property

Only Local

Based upon value of property. The only form of taxation that provides the taxpayer the opportunity to dispute the base for the taxes levied.



TAX LEVY/TAX RATE/PROPERTY ASSESSMENT

The Department of Assessment does not control the amount of taxes a particular property owner pays.

The tax liability on an individual piece of property is a result of apportioning the overall spending of the taxing jurisdiction (school, city or village and town, county) among all property owners. Thus the tax liability is determined by the assessment on the property, the overall spending, and

tax base of the taxing jurisdiction.

The Department of Assessment is more than willing to review the accuracy of the assessment placed on any property, however the Department of Assessment has absolutely no control over the tax liability of any parcel.

If the property assessment is determined to be reflective of 100% fair market value and the property owner still feels

that the resulting tax liability is too high, there is nothing else that the Department of Assessment can do. At this point it is up to the individual to discuss the overall tax liability with the appropriate taxing jurisdictions—either the school district, town/city/village, the county and the special districts.

In Tompkins County, the tax rate is the same for all types of property classes.

If one property or one neighborhood is significantly underassessed, not only are they paying too little in taxes, but other property owners are subsidizing that taxpayer's or neighborhood's share of the bill.

FACTS ABOUT TAX RATES

The budgeted levy amount is divided by the taxable assessed value to determine the tax rate per thousand dollars of assessed value.

Example Levy = \$10,000,000 Tax Rate = \$10,000,000/\$700,000,000 times 1000 = \$14.2857 per \$1,000
 Taxable Value = \$700,000,000

IF THE BUDGETED LEVY AMOUNTS STAYS THE SAME AND THE TAXABLE VALUE INCREASE, THEN THE TAX RATE DECREASES

Scenario A. Levy = \$10,000,000 Tax Rate = \$10,000,000/\$800,000,000 times 1000 = \$12.5000 per \$1,000
 Taxable Value = \$800,000,000

IF THE BUDGETED LEVY AMOUNTS INCREASES AND THE TAXABLE VALUE INCREASES, THEN THE TAX RATE IS AFFECTED ACCORDINGLY

Scenario B. Levy = \$11,000,000 Tax Rate = \$11,000,000 / \$800,000,000 times 1000 = \$13.7500 per \$1,000
 Taxable Value = \$800,000,000

TOMPKINS COUNTY DEPARTMENT OF ASSESSMENT

ASSESSMENT DISCLOSURE NOTICES TO BE MAILED STARTING JANUARY 25, 2008

Around January 25, the Department of Assessment will begin mailing assessment disclosure notices to all property owners of Tompkins County. This information will also be available online (see page 6).

An Assessment Disclosure Notice compares how the new preliminary assessment would have affected the taxes due on the property if that preliminary assessment had been in place 1 year ago. This Assessment Disclosure Notice assumes that the tax levy

remains the same.

With an increase in the taxable value within the taxing jurisdiction, the same amount of money can be generated by reducing the tax rate.

This estimate only discloses how the change in assessed value would have affected the tax due last year. The actual new tax due is affected by changes in the taxing jurisdictions budgets (County, City/Town or School) and/or changes in assessments re-

sulting from Assessment Disclosure Hearings and changes in exemptions. Also for simplicity, charges due for special districts or village taxes (if any) are not included in this analysis.

The mailing and hearings for each town will be staggered to allow every property owner an opportunity to request a review of their assessment.

The mailing schedule can be found on our web site. (see page 6)

The assessment disclosure notice is not an indication of taxes due nor an advisement of taxes to be refunded—it's a what if scenario of what would have happened to your tax bill if the new assessment was in place last year.

The Department of Assessment has no interest to overvalue or undervalue any real property.

The objective is to produce an equitable assessment roll for the fair distribution of the real property tax burden.

WHAT IS A RESIDENTIAL PROPERTY ASSESSMENT DISCLOSURE HEARING?

If a property owner feels that the 2008 preliminary assessment is not reflective of 100% of the property's fair market value as of July 1, 2007, the property owner can schedule an Assessment Disclosure Hearing with a member of the Assessment Department's professional real estate appraisal staff.

At this hearing, it is up to the property owner to provide information regarding the market value of the property.

Members of the professional appraisal staff will not defend the assessment at this time nor will they make any decision regarding a revised assessment at the hearing.

Information and/or data a property owner may wish to bring for the hearing are a recent:

- Fee Appraisal
- Sales of similar properties
- Signed purchase offer

- Revision of incorrect data on record
 - A positive attitude
- A property owner would want to remember that the person they are scheduled to be meeting is a professional appraiser with one objective in mind—to ensure that the property is assessed at 100% fair market value as of July 1, 2007.

To schedule a hearing, please call 607-274-5456.

WHAT IS A COMMERCIAL PROPERTY ASSESSMENT DISCLOSURE HEARING

While residential properties are valued based on comparable sales (Market Approach - Sales Comparison Approach to value) commercial properties are valued by predominantly relying on the Income Approach to value. In other words, the value of a commercial property is determined by the property's income producing ability. In addition to the Income Approach we look at the Market Approach and the Cost Ap-

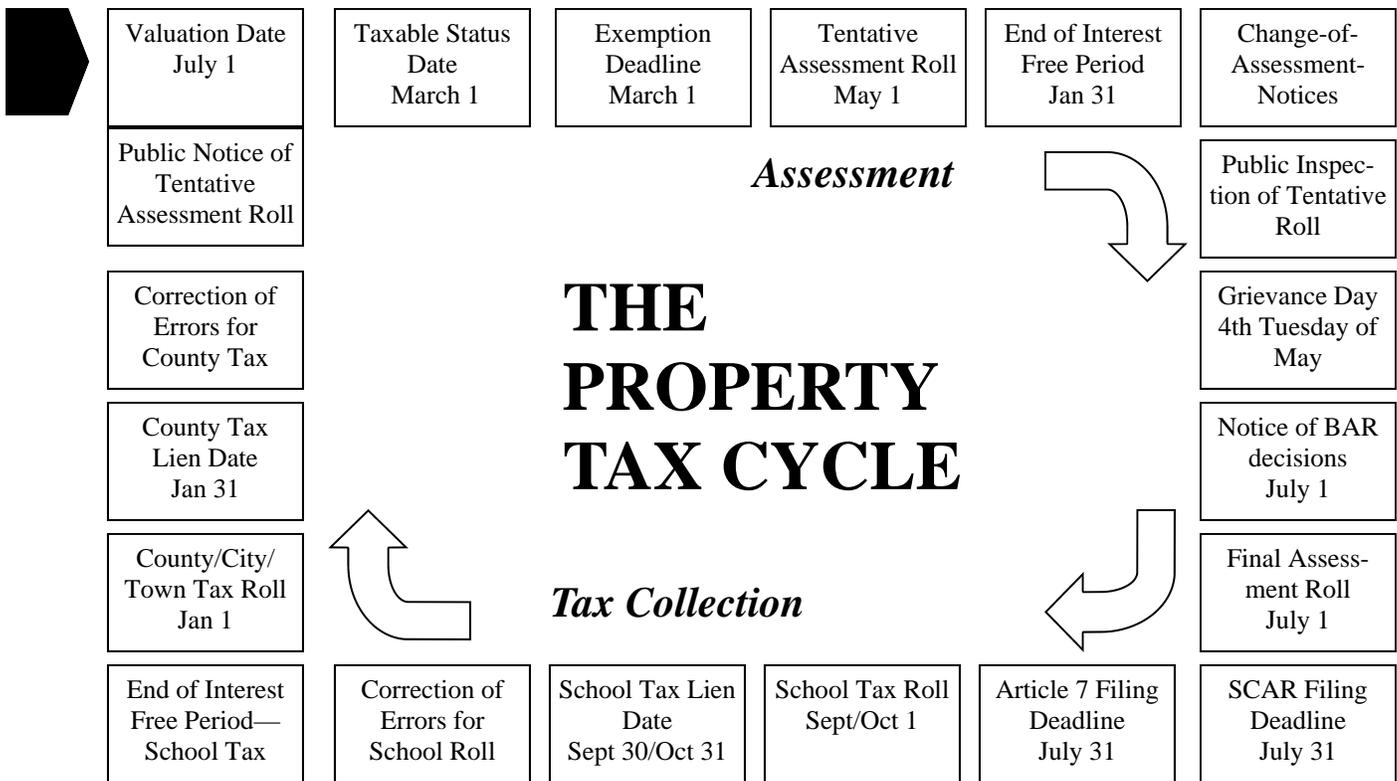
proach, and reconcile the value of the three approaches into an assessed value.

The owner of a commercial property should bring to the Disclosure Hearing at least three years of Income Tax return documentation, a current rent roll and an Income & Expense statement.

Three years of income and expense information is needed in order to stabilize the income and expenses,

which will yield a more accurate property assessment.

A sample Income and & Expense statement can be obtained from the Department of Assessment by calling 607-274-5517 or by downloading a form online at <http://www.tompkins-co.org/assessment>.



Valuation Date: Real property price level for the assessment cycle is frozen as of this date. (July 1)

Taxable Status/Exemption Filing Date: The ownership and physical condition of real property as of this date are assessed (valued) according to price fixed as of the valuation date. All applications for property exemptions must be filed with assessor by this date. (March 1)

Public Inspection of Inventory: Period of time in which property owners can review the information on file for their property.

Tentative Assessment Roll: The assessor completes, certifies and files a roll containing proposed assessed values for each property in the assessing unit. (May 1)

Public Notice of Tentative Roll: Assessor publishes and posts notice of completion and filing of tentative assessment roll.

Change-of-Assessment-Notices: Notices are sent to property owners who have a change in assessment or taxable status on the tentative roll.

Public Inspection of Tentative Roll: Time in which property owners may examine the assessed values on the tentative roll and discuss them with the assessor.

Grievance Day: Board of Assessment Review meets to hear assessment complaints. Last day property owners may file a formal complaint seeking reduction in their tentative assessments. (4th Tuesday of May—For 2008, May 27)

Notice of Board of Assessment Review (BAR) Decisions: Property owners are notified of the results of the review by the BAR. (July 1)

Final Assessment Roll: The assessor signs and files a roll that contains the final assessments, including all changes. (July 1)

Small Claims Assessment Review (SCAR): The last date by which an owner of a one-, two-, or three-family residence may apply for small claims assessment review of the BAR determination. This is 30 days after the filing of the final assessment roll. (July 31)

Filing of Article 7 Certiorari Writ: A legal action pursuant to Article 7 of the Real Property Tax Law challenging an assessment must be filed in State Supreme Court no later than 30 days after the date the final assessment roll is filed. (July 31)

School Tax Roll: The assessor delivers to the school authorities a duplicate of the part of the final assessment roll that applies to the school district.

School Tax Lien Date: The date school authorities attach to the school tax roll an authorization for collection of taxes.

Correction of Errors for School Roll: The last date for a property owner to apply to the County Director of Real Property Tax Services for correction of a clerical error or unlawful entry on the school tax roll.

End of Interest-Free Period--School Tax: Taxes may be paid without interest or penalty fees for one month after publication of a notice of collection.

County/City/Town Tax Roll: The assessor delivers to the county/city/town authorities a duplicate of the part of the final assessment roll that applies. (Jan 1)

County/City/Town Tax Lien Date: The date county/city/town authorities attach to the county/city/town tax roll an authorization for collection of taxes. Tax collector publishes notice of tax collection. (Jan 1)

Correction of Errors for County/City/Town Roll: The last date for a property owner to apply to the county director of real property tax services for correction of a clerical error or unlawful entry on the county, city, town, or school tax rolls.

End of Interest-Free Period County/City/Town Tax: County/city/town taxes may be paid without interest or penalty fees for one month after publication of a notice of collection. (Jan 31)

BENEFITS FOR ADJUSTING ASSESSMENTS TO 100% FAIR MARKET VALUE

Up-to-date assessments eliminate unfair assessments and the "sticker shock" that taxpayers experience when assessments are adjusted to full market value after several years of fractional assessments.

- ✦ **Assessment Equity for Taxpayers** - The longer it has been since a municipality has updated assessments, the more likely it is that some taxpayers are paying more than their fair share in taxes. Up-to-date assessments eliminate unfair assessments and the "sticker shock" that taxpayers experience when assessments are adjusted after years of fractional assessments.
- ✦ **Local Control over the Equalization Rate** – By maintaining assessments at market value each year, municipalities can consistently receive an equalization rate of 100. This eliminates shifts in school and county tax apportionment due to fluctuating equalization rates.
- ✦ **Improved Bond Ratings** – In addition to State Aid, many municipalities are receiving improved bond ratings as a result of their efforts to keep assessments current. These municipalities are saving tens of thousand of dollars each year (and, in some cases, much more than that).
- ✦ **Fewer Court Challenges to Assessments** - By keeping assessments up-to-date, municipalities are likely to have fewer tax certiorari cases.

COMPARABLE SALES DRIVE ASSESSMENT VALUES

Property assessment's are derived from comparable properties that have sold recently.

Market value is defined as the most probable selling price a property will bring on the open market with a knowledgeable buyer and seller.

Based upon sales of comparable properties, a property can change in value even when

nothing physical has been done to that property.

If similar properties are now selling for more/less than they did in the past, then the market value of similar properties that do not sell are either more/less than what they were in the past.

There are many external influences that can cause the market value of a piece of prop-

erty to change even though nothing physical has been done to that property.

Some examples are:

- Changes in interest rates influencing borrowing.
- Supply vs Demand for housing.
- External obsolescence (nearby run down property)
- External amenity

In Tompkins County, the average selling price of a house rose 3.6%, up from \$169,000 as of June 2006 to \$175,000 as of June 2007.

- source, Ithaca Board of Realtors Year to Date Statistics Report.

RESIDENTIAL HOUSING SALES STRONG IN TOMPKINS COUNTY

While there may be a downturn in the residential real estate market in other areas of the country, that trend is not holding true in Tompkins County.

The average selling price of house in the United States rose 0.3% up from \$229,300 as of June 2006 to \$230,100 as of June 2007.

In Tompkins County, the average selling price of a house rose 3.6%, up from \$169,000

as of June 2006 to \$175,000 as of June 2007.

While the residential housing market may very well drop at some point in the future, the 2008 Revaluation reflects the real estate market as of July 1, 2007.

Any prediction of what the real estate market might do in the future cannot be taken into account for the 2008 Assessment Roll.

Any actual changes that occur in the real estate market from

July 1, 2007 through July 1, 2008 will be reflected on the 2009 Assessment Roll.

The 2009 Assessment Roll will be based upon the real estate market as of July 1, 2008. At this point in time, the Department of Assessment has no indication as to the direction of the real estate market. The day to verify the market has not come and we do not speculate as to the status of the real estate market in the future.

Tompkins County Department of Assessment
128 E Buffalo St Ithaca NY 14850
Fax— 607-274-5507
Hearing Appointment Hotline— 607-274-5456
All other phone calls— 607-274-5517

<http://www.tompkins-co.org/assessment/assessment@tompkins-co.org>

2008 Revaluation Hotline
607-274-5456

The Mission of the Department of Assessment is to:

- yearly assess properties at uniform percentage of fair market value in order to equitably distribute the tax burden among the taxable properties within Tompkins County.
- administer real property tax exemptions as provided by the New York State Real Property Tax Law (NYS RPTL).
- educate the general public about Real Property Assessment Administration.

The Tompkins County Department of Assessment does **NOT**:

- determine the amount of taxes that an individual property will pay (a combination of assessment and tax levy does that),
- advocate for any real property tax exemptions (Department of Assessment will administer any exemptions mandated by the NYS RPTL or adopted by local option),
- have any assessment be influenced by any political entity (The Department of Assessment is totally independent - all our employees are civil servants and do not serve at the pleasure of any political body).
- value property based upon names or ability to pay taxes (market value dictates how properties are assessed).
- collect taxes.

FREQUENTLY ASKED QUESTIONS

How do I know if my Assessment is correct? The Department of Assessment offers on its website and in its office a very easy-to-use computer application that allows a user to create a Sales Comparable Report and an Assessment Equity Report. This program also provides the user the opportunity to review the accuracy of our data on the subject property.

My property is not for sale so how can it be worth what you say it is? According to the NYS RPTL, all properties must be assessed at their fair market value—regardless of whether the property is actually for sale or not. Fair market value is not the highest price a property might sell for but the most probable selling price.

How can you value my property if you haven't inspected it? The Department of Assessment makes every effort to inspect as many properties as possible. If you would like a member of the appraisal staff to inspect your property, please make that request known at an Assessment Disclosure Hearing or on your informal hearing application.

My assessment is fair and accurate but my taxes are still too high—what do I do? The Department of Assessment is only responsible for the accuracy of your assessment. If that is correct and you believe your taxes still seem too high, you must contact your local taxing jurisdictions (school, county, town/city, village, fire district, etc) and express your concern to them <http://www.tompkins-co.org/legislature/lgd.pdf>.

DEFINITIONS

Fair Market Value = the most probable selling price a property would bring on the open market assuming a knowledgeable and willing buyer and seller.

Level of Assessment = percentage of market value all assessments are calculated on.

Taxable Status Date = The date at which the assessment reflects ownership and physical condition as of. (March 1)

Valuation Date = The date as of which all properties are valued. (July 1 of previous year)

Tax Levy = The dollar amount a taxing jurisdiction

needs to raise via the real property tax.

Tax Base = The total taxable value of a taxing jurisdiction.

Tax Rate = **Tax levy** divided by the **Tax Base**.