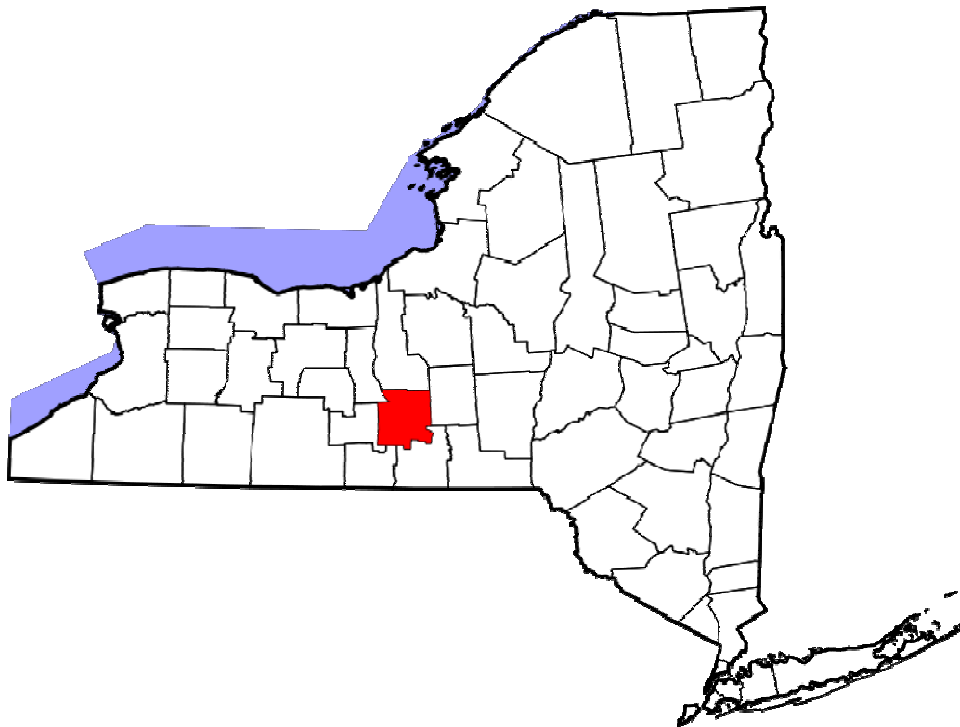


NEW YORK STATE REAL PROPERTY TAX
ADMINISTRATION IMPROVEMENT STUDY

TOMPKINS COUNTY



Prepared by:
Tompkins County
Department of Assessment
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I. Executive Summary

Background

In the autumn of 2007, the Office of Real Property Services (NYSORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and municipal officials to study reform opportunities for their local property tax systems. Additional applications have already been received for the 2008-2009 grant cycle. The final deadline for grant applications has passed and 52 counties will be receiving grants expecting to total \$4.8 million.

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 particulars of their county, local officials can determine what form of assessment administration will work best for both their taxpayers and the taxing jurisdictions.

The study must examine at least one model of assessing that ensures that all parcels within the county are treated as if they are within one common assessing jurisdiction. This means that all parcels throughout the county would be assessed using the same level of assessment and consistent valuation processes.

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?"

Current Assessment Structure in New York State

It is without question that New York State has one of the most confusing and complex real property tax structures within our nation. According to the New York State Office of

Real Property Services (“NYSORPS”), there are 1,128 distinct assessing units in New York State. Each assessing unit has the ability to specify their own level of assessment and their reassessment cycle. Many municipalities reassess on an annual basis while some municipalities have not assessed since the Civil War¹. As one can see from the following chart, almost 60% of these assessing units are comprised of less than 2,500 parcels.

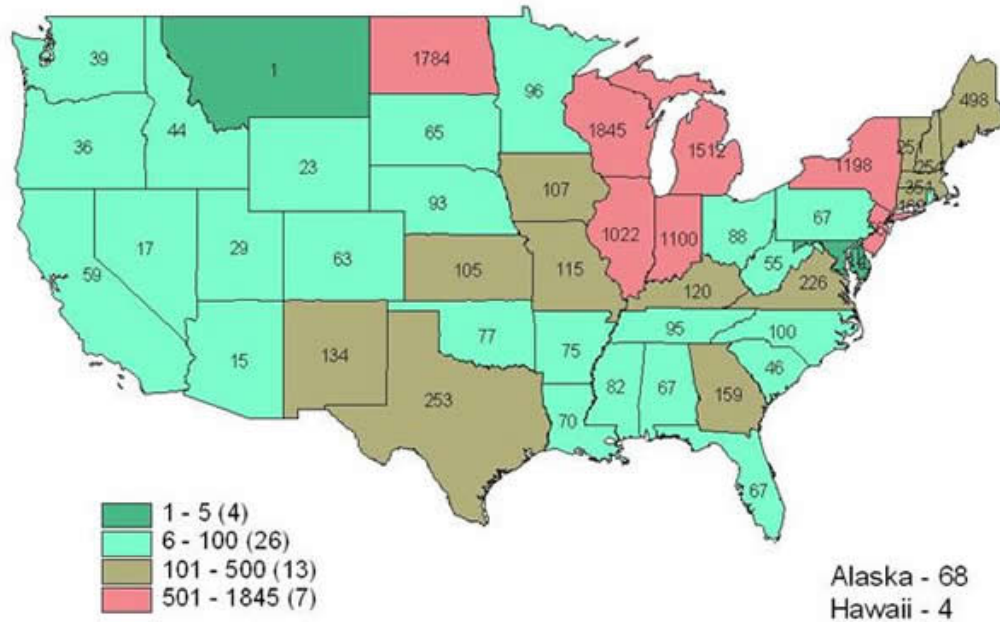
| New York State's Assessing Jurisdictions (Does not include 145 village assessing units) | | | |
|--|------------------------------|------------|-----------------------|
| Number of Parcels | Number of Assessing Units | Cumulative | Cumulative Percent |
| < 1,000 | 139 | 139 | 14% |
| 1,001 - 2,500 | 444 | 583 | 59% |
| 2,500 - 5,000 | 222 | 805 | 82% |
| 5,000 - 10,000 | 101 | 906 | 92% |
| 10,001 - 20,000 | 47 | 953 | 97% |
| 20,000 - 50,000 | 21 | 974 | 99% |
| > 50,000 | 9 | 983 | 100% |

Source: NYSORPS

Out of all the states in the United States, only three states (Michigan, North Dakota and Wisconsin) have more independent assessing units than New York State. The following map lists the total number of assessing units for each state.

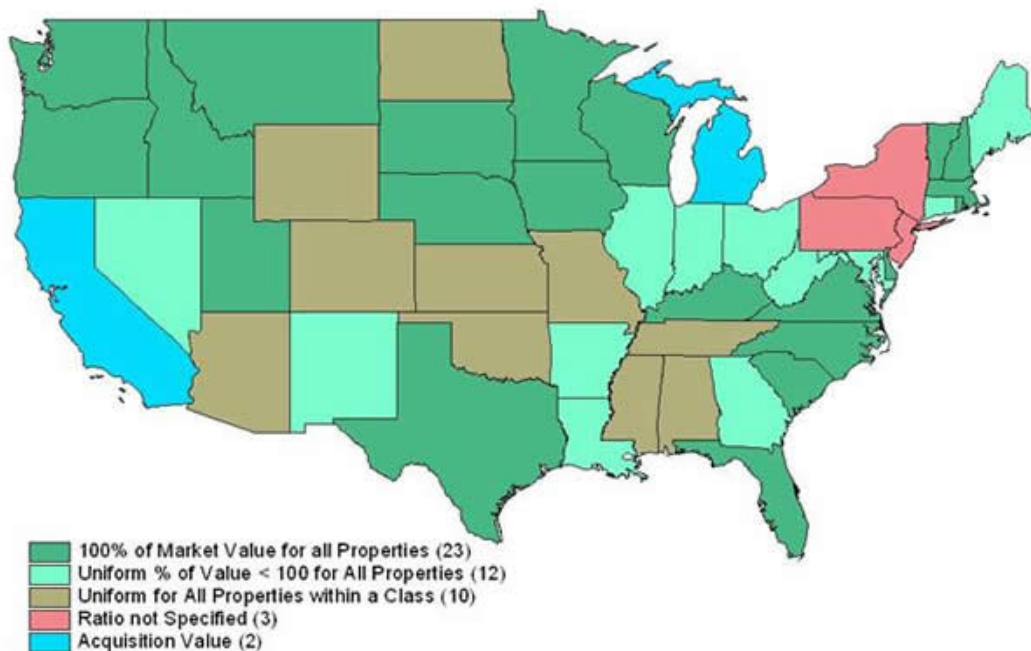
¹ Office of Real Property Services – Reforming New York’s Real Property Tax System

Assessing Jurisdictions by State



It is also noteworthy that New York is one of only three states where a specific level of assessment is not mandated. The following map shows the State Assessment Standards within the United States.

State Assessment Standards



This inconsistent level of assessment further complicates the matter of apportioning school taxes by 683 school districts over 2,900 municipal segments. Most states require that assessed value be reflective of the market value of the property. Twelve states require all assessments to be at a uniform percentage of market value while another ten states require a uniform percentage of market value between property classes. Tompkins County by virtue of being a Countywide Assessment Unit has a single equalization for all parcels in the County.

Currently in New York State there are only two Countywide Assessing Units – Nassau and Tompkins County. Within these two assessing units, only Tompkins County is a true Countywide Assessing Unit as Nassau County still retains some local municipal assessing jurisdictions.

Current Assessment Structure in Tompkins County

There is currently one assessing jurisdiction within Tompkins County. Tompkins County completed the third year of a Triennial Reassessment Program for the 2008 Assessment Roll thereby assuring that all properties are assessed at 100% of their full market value. The county has returned to the Annual Assessment Aid Program for the 2009 Assessment Roll.

There are six villages within Tompkins County, however all have abolished their assessing unit status and have adopted the town assessment roll as their own eliminating this duplication of effort that exists in some other counties.

Based upon an analysis of the last three budget years, the total amount of local spending for the assessment function in Tompkins County is estimated to be \$867,138 or \$25.12/parcel.

Summary of Alternative Assessment Administration Options

The analysis that is included in this study reflects the data that was ascertained regarding the Real Property Assessment Administration practices within Tompkins County. This report is intended for informational purposes only. This report is not an endorsement of any alternative assessment structure, nor is it an endorsement of the current assessment structure within Tompkins County. This report is also not intended to identify every operational detail of the options described within. Any move to implement or further explore options will require additional specifics.

Coordinated Assessment Programs (CAP)

The Coordinated Assessment Program (CAP) allows for two or more municipalities to share an assessor under a formal agreement, but retain their status as an assessing unit. This agreement allows the municipalities to apply and receive an initial grant for up to \$7/parcel.

If a Countywide CAP that encompasses all towns within the county was to be formed in Tompkins County, the estimated cost would be \$926,235 or \$26.84/parcel. This estimate amounts to approximately \$59,097 more than what is currently spent on the assessment function in Tompkins County.

Optional County Service Agreements

Section 1537 of the Real Property Tax Laws allows an assessing unit and a county to enter into an agreement for appraisal services, exemptions service, or assessment services. This is considered an agreement for the provision of a 'joint service' for the purposes of article five-g of the general municipal law. This interpretation takes into the fact that with this agreement the county would not have the power to perform any of the above duties in the absence of the agreement.

Full Assessment Function

If all towns were to assign the assessment function to Tompkins County under Section 1537 of the Real Property Tax Law, the estimated cost of the combined assessment/County Real Property Tax Service Agency would be approximately \$892,862 or \$25.99/parcel. This estimates amounts to approximately \$29,724 more than what is currently spent on the assessment function in Tompkins County.

In order to transition to this assessment structure, each Town Board and the County Legislature would have to adopt a resolution to form the consolidated assessment unit

Local Town Assessment Offices

Based upon the analysis performed and included within this study, it is estimated that a reversion to a local Assessment Offices would cost Tompkins County approximately \$319,086 per year given anticipated annual expenditures at the Town, Village and County level. The total cost for a adequately staffed local assessment office structure in Tompkins County is \$1,186,224.

The following chart shows the summary of the cost of the current and alternative assessment structures that would provide for all properties within Tompkins County to be treated in the same equitable manner.

| | Current Structure that is in place | Countywide CAP – Managed by County | All munis contract with County for assessment services under RPTL 1537 | Local Town Assessment Offices |
|--------------------------------|------------------------------------|------------------------------------|--|-------------------------------|
| Total Annual Operational Costs | \$867,138 | \$926,235 | \$896,862 | \$1,186,224 |
| Cost Per Parcel | \$25.12 | \$26.84 | \$25.99 | \$34.37 |

The following chart lists the key points for each structure available for assessment administration in Tompkins County. For comparison purposes, only the “Key Points” of each structure are listed as depending on the point of view, each could either be considered an advantage or a disadvantage.

Each available option out of the four reviewed in this study has the capability of producing an assessment structure for Tompkins County that has a single equalization rate and single reassessment cycle structure. This may result from a change to an alternative form of assessment administration or by utilizing inter-municipal agreements that mandate a reassessment cycle and a single level of assessment within the county under the current structure.

| Options for Assessment Administration | Key Points |
|---|---|
| <p style="text-align: center;">Countywide Department of Assessment</p> | <ul style="list-style-type: none"> • Single Equalization Rate <ul style="list-style-type: none"> ○ Minimize tax shifts • Single Reassessment Cycle • Removed from Town Level • Full time staff/hours • County Civil Service Employees • Assessor not a political appointee • Multiple Appraisal Staff • County defends Certiorari Actions |
| <p style="text-align: center;">Countywide CAP</p> | <ul style="list-style-type: none"> • Single Equalization Rate <ul style="list-style-type: none"> ○ Minimize tax shifts • Single Reassessment Cycle • Removed from Town Level • Full time staff/hours • Multiple Appraisal Staff • 6 Year Political Appointments |
| <p style="text-align: center;">Countywide 1537</p> | <ul style="list-style-type: none"> • Full time staff/hours • Possibility for single equalization rate and reassessment cycle • Multiple Equalization Rates • Multiple Reassessment Cycles • Removed from Town Level • County Civil Service Employees • County defends Certiorari Actions |
| <p style="text-align: center;">Local Town Assessment Offices</p> | <ul style="list-style-type: none"> • 6 Year Political Appointments • Accountability • Local Home Rule • Part time staff/hours • Multiple Equalization Rates • Multiple Reassessment Cycles • Towns defend Certiorari Actions |

II. The Job of the Property Assessor

The task of being a property assessor is a vast and complex one to say the least. The most basic definition of an assessor is “a local government official who estimates the value of real property within {a county}, city, town, or village’s boundaries. This value is converted into an assessment, which is one component in the computation of real property tax bills.”²

The International Association of Assessing Officers lists the following eight main tasks performed by assessors while completing an assessment roll.

1. Locating and identifying all taxable property in the jurisdiction
2. Making an inventory of the quantity, quality and important characteristics of all taxable property.
3. Estimating the value of each taxable property
4. Determining the extent of taxability of each property
5. Calculating the assessed value of each property.
6. Preparing and certifying the assessment roll of the entire jurisdiction.
7. Notifying owners of the assessed value of their properties.
8. Defending value estimates and valuation methods.

There are many different forms that an effective assessment system may take. Many states delegate the assessing function at the county level, while some delegate that authority at the town level. Some states even retain the authority to assess property at the state level.

Regardless of which level of government performs the assessing function, the following list³ provides policy and administrative features of an effective assessment system.

- Legal Support
- Annual Reappraisal
- Periodic ratio studies that measure the relationship between appraised values and independent estimates of market values (usually sales prices)
- Adequate budget

² Source – Office of Real Property Services – “Job of the Assessor”

³ Source – IAAO Property Appraisal and Assessment Administration

- Competent Staff
- Effective training programs
- Effective internal controls
- Complete maps and property data
- Accurate sales data
- Modern Data Processing
- Effective Valuation techniques
- Active Public relations

The main three things that should be considered on a macro level when deciding what form of assessment administration is best for each individual municipality is:

1. Transparency – from the public’s standpoint, they want to believe and to be able to understand what the purpose of the assessment function is. They need to feel confident that it is being carried out in a fair and equitable manner.
2. Efficiency – from the legislature’s standpoint, they want the best service to be provided at the lowest cost to the taxpayer of the local municipality.
3. Equity – from the assessor’s standpoint, they want the assessment roll to be the most fair and to provide the most equity as possible.

III. Current Assessment Practices in Tompkins County

Assessment Structure

Currently there is one assessing jurisdiction within Tompkins County. Tompkins County just completed the third year of a Triennial Reassessment Program ensuring that all properties are assessed at 100% fair market value.

Tompkins County consolidated their assessment at the county level by public referendum in 1970. The consolidation effort at that point was not a cost savings measure. The driving force behind the consolidation of the assessment function was to provide a more professional approach to the assessment function. Prior to the consolidation, there were 14 part time assessors. After the consolidation, there were five full time appraisers at the county level providing the assessment function for all 16 municipalities within Tompkins County.

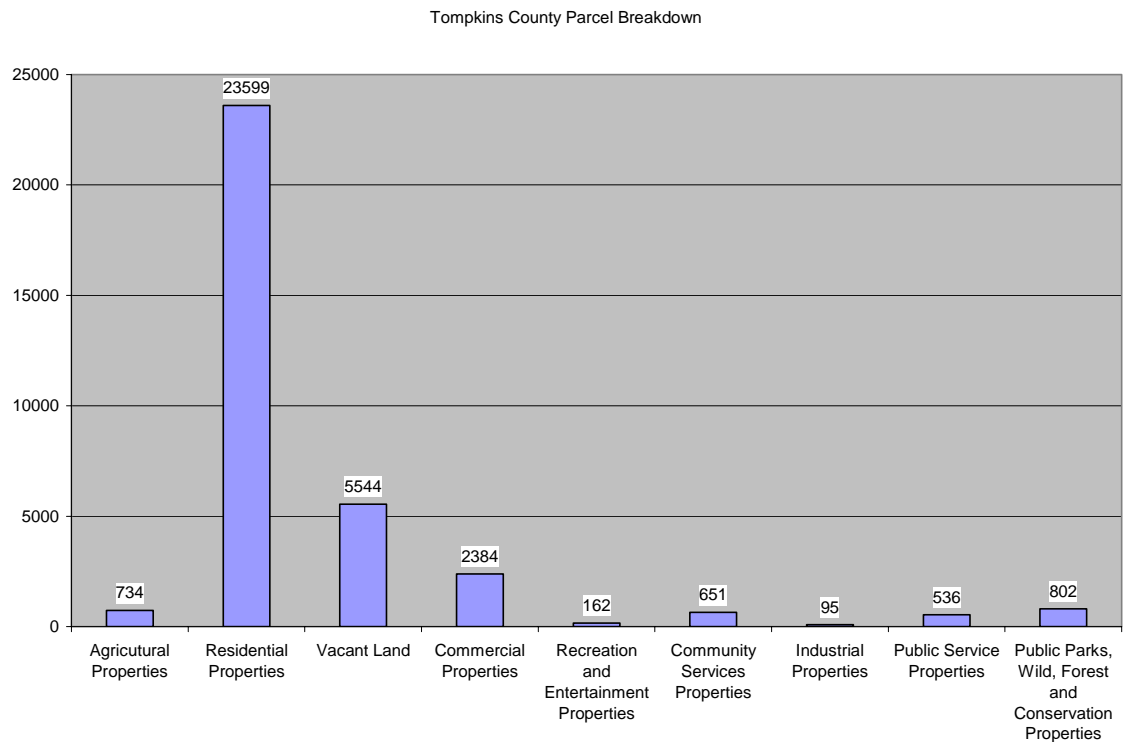
There are six villages within Tompkins County, however all have abolished their assessing unit status and have adopted the town assessment roll as their own eliminating this duplication of effort that exists in some other counties.

The Tompkins County Department of Assessment employs an office of fourteen full time employees. The Department of Assessment provides for all the assessment functions for all municipalities within its borders. The only charge that is charged back to the local municipalities is for the printing of tax bills.

There are currently 34,513 parcels of real property located within the county. The Town of Enfield has the lowest number of parcels of real property with 1,666 while the Town of Dryden has the most number of parcels of real property with 5,813. The average number of parcels in a town in Tompkins County is 3,451.

Tompkins County currently uses the state provided RPSv4⁴ (Build 2008) CAMA database for the process of recording all physical inventory on the real property parcels within its boundaries. This easy-to-use windows based program uses a relational database structure that integrates easily into external data management systems. Tompkins County uses RPSv4 to print tax rolls as well as an in-house program to print tax bills. The county uses replication to allow the real property appraisers to make changes in the field on laptop computers and synch those changes to the live database upon their return to the office.

The predominate property class within Tompkins County is residential – comprising 68% of all parcels. If this property class is combined with the agricultural and vacant land property classes – this combination comprises 87% of all parcels.



⁴ CAMA – Computer Assisted Mass Appraisal

Indicators of Assessment Equity

Beginning with the 2009 Assessment Roll, Tompkins County will return to the Annual Assessment Aid Program after a three year hiatus during which the county was on a Triennial Reassessment Program. For the 2008 Assessment Roll, The County received the Excellence in Assessing Award for the tenth straight year. By qualifying for this aid, the state has certified that all properties in the county have adjusted assessed values to reflect the fair market value of each individual parcel. In doing so, the county have been able to take advantage of up to \$5/parcel state aid.

The following chart shows all ten assessing jurisdictions along with their 2008 Final Equalization Rate and the assessor's 2008 Stated Level of Assessment.

| Municipality | 2008 Eq. Rate | 2008 LOA of various property types | Latest Reassessment |
|----------------|---------------|------------------------------------|---------------------|
| City of Ithaca | 100.00 | 100.00 | 2008 |
| Caroline | 100.00 | 100.00 | 2008 |
| Danby | 100.00 | 100.00 | 2008 |
| Dryden | 100.00 | 100.00 | 2008 |
| Enfield | 100.00 | 100.00 | 2008 |
| Groton | 100.00 | 100.00 | 2008 |
| Ithaca | 100.00 | 100.00 | 2008 |
| Lansing | 100.00 | 100.00 | 2008 |
| Newfield | 100.00 | 100.00 | 2008 |
| Ulysses | 100.00 | 100.00 | 2008 |

It is important to note the county has had their 2008 local stated Level of Assessment accepted as the Equalization Rate. By having the Level of Assessment confirmed as the Equalization Rate, it allows for accurately adjusted exemptions (ie Veterans, Agricultural Land, STAR).

Reviewing the last reassessment activity within the county, a reappraisal has taken place for ten consecutive years. Even during the Triennial Assessment Program when most other assessing units would not make an assessment change during the interim years, the Tompkins County Department of Assessment made a significant number of changes in order to ensure that equity existed within its borders.

By having a single equalization rate for all municipalities in the county, the tax shifts that are caused by changes in this rate are minimized. The changing equalization rates will only affect school districts that cross the county's boundary line.

Current Assessment Roll Cycles

Currently the Department of Assessment uses the standard Assessment Roll Calendar as specified by the Real Property Tax Law which is as follows:

| | | |
|---------------------|---|-------------------------|
| Fiscal Year | = | January 1 – December 31 |
| Valuation Date | = | July 1, Previous Year |
| Taxable Status Date | = | March 1 |
| Tentative Roll Date | = | May 1 |
| Grievance Day | = | Second Tuesday of May |
| Final Roll | = | July 1 |
| Budget Approval | = | November 20 |
| Tax Levy | = | December 31 |
| Tax Lien | = | January 1 |

Current Assessment Grievance Procedures

There is currently one County Board of Assessment Review that meets on a yearly basis to act upon filed assessment based grievances. In addition there is a

Local Advisory Board of Assessment Review for each town/city that meets prior to the County Board of Assessment Review. These Local Advisory Boards of Assessment Review can only make a recommendation to the County Board of Assessment Review who has the final authority to make decisions regarding grievance applications.

Current Sales Processing Procedure

The Tompkins County Department of Assessment receives a copy of the deed and RP-5217 Transfer Report daily from the County Clerk's office. The RP-5217 transfer report is verified and any changes made are then sent to the NYSORPS via an in-house database that integrates with the state's SalesNet application. The deed is then read and processed by the tax map unit. Any changes to the tax map based upon the new deed or surveys are processed and a tax map revision sheet is created for the real property. A copy of the deed, RP-5217 and other necessary information (survey, tax map revision sheet etc) is given to the appraisal staff for sales verification and then passed onto the clerical staff for entry into RPSv4. The deed and all electronic filings at the County Clerk's office is available to the Department of Assessment via the county's intranet.

Availability of Assessment Data

Currently, real property assessment related data for Tompkins County is posted on the internet by Tompkins County. This information is open to the public free of charge. An advanced version is open to the professional real estate community on a pay per view basis with rates available for monthly and yearly access.

Tompkins County uses an application called Image Mate Online developed by Systems Development Group (SDG) out of Utica, New York to publish the information on the internet. Included in this system is the ability to link additional digital documents to the parcel related data that is extracted out of

RPSv4. Examples of additional documents are digital photographs, sketches and tax maps.

Perhaps of most importance to the property owner is a link to search for comparable properties. By utilizing this link, the property owner is able to verify the accuracy of their own assessment by comparing their property to both properties that have recently sold and to similarly assessed properties. Open access to the real property inventory is essential to help assist in creating a fair and equitable assessment roll and is helpful in fostering a sense of fair treatment among the property owners.

Within the Tompkins County Department of Assessment, there are six computers available for public use. Visitors have access to ImageMate, a database which displays the real property assessment information utilizing a live version of the official assessment data. In addition, there is a link to the County Clerk's electronic document management system which allows access to all of the records that are stored in that office.

Current Assessment Challenges

This study has not researched the number nor the validity of assessment based challenges – either through the formal grievance procedure, Small Claims Assessment Review or Certiorari filings. The number of formal complaints in no way reflects the current state of an assessment roll.

One could make an argument that if the assessment roll was significantly undervaluing property as opposed to the stated level of assessment, then no formal appeals would be made. Conversely, if the assessment roll was accurately depicting the level of assessment, an argument could be made that formal appeals could increase as it would be in the property owner's best interest to appeal to the court's Solomon-like approach to deciding formal appeals.

In addition, the existing tax rate for the municipality needs to be taken into account when researching formal assessment challenges. If the tax rate reaches a significant level, it is in the complainant's best interest to file for a formal appeal. If the tax rate is at a insignificant level, then the cost of litigation does not offset the lower expectant tax bills.

The following chart⁵ shows the number of Small Claim Assessment Review Hearings and the number of Certiorari's that were filed in Tompkins County in 2006-2007.

| <u>Type of Review</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--------------------------------|-------------|-------------|-------------|
| Small Claims Assessment Review | 11 | 5 | 19 |
| Tax Certiorari Activity | 23 | 19 | 28 |

Benefits of Countywide Department of Assessment

The New York State Office of Real Property Services lists the top ten benefits of a countywide assessing unit as:

1. County assessing eliminates tax shifts resulting from changing equalization rates within the county.
2. Assessment equity may improve as a result of more regionalized data, analyses, and market monitoring.
3. With county assessing, individual municipalities and school districts would no longer be the focus of scrutiny regarding reassessments.
4. Taxpayers would likely have more confidence in the tax system if they could see that its administration was highly professional, efficient, and equitable.

⁵ Office of Court Administration

5. In rural areas, where municipalities are thinly populated, county assessing would result in sufficient pooling of resources to attract or maintain highly qualified and competent assessment officials at a potentially lower per-parcel cost.
6. In urban/suburban areas with large cities and large prosperous towns, interactions between assessing offices and the departments responsible for planning, zoning, highway maintenance, E- 911 and other functions could be improved and expanded.
7. Counties, which have larger stakes in tax certiorari cases, typically would have greater resources with which to defend assessments.
8. County assessing would permit increased specialization of assessing staff in regard to specific types of properties, including utilities, industrial properties and complex commercial properties.
9. Assessing staff and resources could be reallocated to respond to emergencies or other events that require coordination across municipal boundaries.
10. The number of entities with which utilities and other owners of widely distributed property must deal would be greatly reduced.

To elaborate, the single greatest advantage to a Countywide Department of Assessment is that all properties within the county's boundaries are treated in a uniform manner. This treatment removes the confusion that exists when neighboring similar properties have dramatically different assessed valuations. This common level of assessment and common reappraisal cycle stops the equalization rate from causing dramatic shifts in the tax burden within the counties taxing jurisdictions. Additionally, a common database is in place for all parcels in Tompkins County.

Another added benefit is that there will be more than one appraiser who is familiar with a certain town. This is beneficial when the primary appraiser is out of the office, the secondary appraiser could provide information to inquiry. It is

also beneficial if the unfortunate incident of a long term leave is encountered by the Department of Assessment. The cross training that is utilized in a Countywide Department of Assessment is essential to a successful operation.

Currently in NYS, the countywide assessing unit penalized by the lack of continuing education reimbursement to its valuation staff. Only the Sole Assessor/County Director receives reimbursement, while the education of the remaining staff is an expense to the county.

Cost of Current Assessment Administration

A calculation of the current cost of assessment administration function within Tompkins County was obtained by reconciling the most recent three budget years (2006, 2007, 2008). It is important to reconcile the last three years in order to remove any outlying expenditure that is not typical of the true cost of the assessment function.

For the basis of this study, **the reconciled cost of the current assessment administration in Tompkins County is \$867,138 or \$25.12 per parcel.**

IV. Alternative Assessment Administration Structures

Before any of the Alternative Assessment Administration Structures could be implemented, a double public referendum would have to be passed in the City of Ithaca and the Towns outside of the City as a whole, rescinding the current Countywide Assessing Unit structure.

Coordinated Assessing Program

The Coordinated Assessing Program (CAP) allows for two or more municipalities to share an assessor under a formal agreement but yet retain their status as an assessing unit. This agreement allows the municipalities to apply and receive an initial grant for up to \$7/parcel.

For each city and town in a CAP:

- the assessor prepares a separate assessment roll,
- the local law must specify the same percentage of value for assessments,
- the same assessment calendar is used,
- there are separate assessment appeal proceedings,
- identical equalization rates are established,
- separate equalization rate challenges can be filed,
- separate and different tax rates will be used for each local government in a school district or within a county.

There are approximately 62 CAPs comprised of 141 municipalities that are currently in place statewide.⁶

A major benefit of a CAP is that municipalities are able to pool resources and provide a better assessment function than what they could do on their own. Also, in a CAP all properties are treated in a uniform manner reducing the confusion that occurs when similar properties might have drastically different assessed valuation due to variations in the level of assessment.

⁶ Source – Office of Real Property Services

Estimated Cost

Countywide CAP

In a Countywide CAP, there would be one assessor for all municipalities within the County. This individual would be in charge of a six individuals who would provide the assessment function and two clerical staff to help process real property tax exemptions. In addition, a County Real Property Tax Service Agency (RPTSA) would need to be created to perform those duties outlined in the Real Property Tax Law for this department which range from printing tax bills, processing corrections, training new assessor staff and maintaining tax maps.

The estimated cost of a Countywide CAP would be approximately \$926,235 or \$26.84/parcel based upon an office staffing of fifteen employees (six individuals for the County RPTSA and nine individuals for the CAP). To review a full estimated Countywide CAP budget analysis, please refer to Appendix A-2.

If all towns were to form a CAP, then all properties would be treated in a consistent manner. A single equalization rate, level of assessment and consolidated assessment database would be maintained as well.

Optional County Services Agreements (RPTL 1537)

Section 1537 of the Real Property Tax Laws allows an assessing unit and a county to enter into an agreement for appraisal services, exemptions service, or assessment services. This is considered an agreement for the provision of a 'joint service' for the purposes of article five-g of the general municipal law. This interpretation takes into the fact that with this agreement the county would not have the power to perform any of the above duties in the absence of the agreement.

Section 1537 states:

1. (a) 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, in the manner provided by this section. Such an agreement shall be considered an agreement for the provision of a "joint service" for purposes of article five-G of the general municipal law, notwithstanding the fact that the county would not have the power to perform such services in the absence of such an agreement.

(b) Any such agreement shall be approved by both the assessing unit and the county, by a majority vote of the voting strength of each governing body.

(c) In the case of an assessing unit, no such agreement shall be submitted to the governing body for approval, unless at least forty-five days prior to such submission, the governing body shall have adopted a resolution, subject to a permissive referendum, authorizing the assessing unit to negotiate such an agreement with the county; provided, however, that such prior authorization shall not be required for an agreement to amend, cancel or terminate an existing agreement pursuant to this section.

2. (a) An agreement between an assessing unit and a county for appraisal services shall provide for the county to appraise all real property within such assessing unit for assessment purposes.

(b) The county shall employ appraisers and other technical personnel to make the appraisals of such properties. No person shall be employed by the county and assigned professional appraisal duties, which relate to the assessment of real property for purposes of taxation unless such person meets the minimum qualification standards established by the state board. Such appraisal personnel shall attend courses of training and education prescribed by the state board.

(c) Such appraisals shall be completed no later than the taxable status date of the assessing unit, and shall be submitted by the county director to the assessor in the form and containing such information as shall be prescribed by the state board.

(d) Appraisals furnished pursuant to this section shall serve as the basis of the assessment of the property so appraised.

(e) Such an agreement may further provide that in any administrative or judicial proceeding to review an assessment which is based upon a county appraisal, the county shall provide such testimony and other evidence as may be necessary to defend such appraisal.

3. An agreement between an assessing unit and a county for exemption services shall provide for the county to review applications for exemption and determine the eligibility of the applicants for such exemptions. Such agreement may further provide that in any administrative or judicial proceeding to review an assessment in which the denial of an exemption is at issue, the county shall provide such testimony and other evidence as may be necessary to defend its denial of exempt status.

4. An agreement between an assessing unit and a county for assessment services shall provide for a person, other than the county director of real property tax services, to be selected by the assessing unit to perform assessment 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. Provided, however, that no such agreement for assessment services may be entered into by an assessing unit which has exercised the option to retain elective assessors pursuant to law.

While the assessors would be appointed by the individual towns, they would be county employees. However they would be subject to all provisions that are required by the NYSORPS for an assessor. This fact will make the continuing education requirements for the assessor to be reimbursable by NYSORPS. For the basis of this analysis, it is assumed that the individual towns would appoint the least amount of individuals in order to minimize the cost.

Cost Estimate

According to IAAO standards, for an assessing unit the size of Tompkins County, an appraisal staff of nine individuals would be necessary.

Based upon a nine person staffing level for the appraisal division and the six person County Real Property Tax Service Agency, it is estimated that the cost to provide the assessment function under 1537 agreements would be approximately \$896,862 or \$25.99/parcel.

To review a full estimated “Countywide 1537 Agreements budget” analysis, please refer to Appendix A-3.

Local Town Assessment Structure

Tompkins County has the option of returning the assessment function to the local municipalities within its borders. By doing so, the County would only have to staff a County Real Property Tax Service Agency who would be responsible for: maintaining tax maps, producing Tentative and Final Assessment Rolls, producing Tax Rolls and Bills, processing and printing assessor reports, transmitting sales to NYSORPS, RPSv4 support, Board of Assessment Review Training, New Assessor Orientation Training and processing applications for corrected tax bills and/or refunds.

Advantages of Local Town Assessment Function

The New York State Assessor’s Association (NYSAA) has published a pamphlet that lists the benefits of a Local Town Assessing Unit. The NYSAA breaks down the advantages into the following categories: Local Convenience, Professional Expertise, Accountability, and Cost.

The NYSAA stresses that the property owner should have the convenience of coming directly to their town hall in order to either discuss their assessment or to file a complex application for a real property tax exemption.

Disadvantages of Local Town Assessment Function

The same advantages that the NYSAA lists can also be a disadvantage at the Local Town Assessment Level. In the smaller municipalities, it is fiscally irresponsible to hire a full time assessor. The resulting part time assessor can then only be reached in their office at certain times of the week/month or via the phone to set up an appointment as they do not have any set office hours. The lack of availability of the assessor or related staff in each town does not seem to be convenient to the public.

Also, in some municipalities in New York State the assessor is still an elected position where the winning candidate may or may not have the training required to perform their job to the best of their abilities. For those assessors that are appointed on a six-year cycle, once they have the training and skills necessary to perform their assessing functions to the best of their ability, they may not be reappointed. This non-reappointment may not be reflective of their work but only a reflection on the political atmosphere within the local municipality. Local politics are not conducive to a professional assessor's ability to perform their job duties effectively.

Finally, without a statewide standard assessment cycle or level of assessment, two houses with the exact same characteristics in Tompkins County but in different towns could have dramatically different assessed valuations. Even though the equalization rate process is supposed to account for these differences in level of assessment, the process is inherently flawed as it is strictly a statistical estimation without any local knowledge of the real estate market taken into consideration. These differences in assessment cycle and level of assessment from one town to

another can cause an inequitable distribution of the tax burden and dramatic tax shifts from one year to the next.

Estimated Cost

It is estimated to cost approximately \$1,186,224 or \$34.37/parcel to staff a municipal level assessment office structure. To review a full estimated budget analysis for this type of assessment administration structure, please refer to Appendix A-4.

V. **Recommendations to Improve the Assessment Function in New York State**

There are many avenues that the State of New York can take to improve the assessment function that occurs within its boundaries. The following three recommendations would provide the most immediate improvements. Changes to the assessment function are often not politically popular, however these improvements are considered likely to gain approval.

1. **Provide Maintenance Aid Payments to Municipalities that are in compliance with Section 305 of the Real Property Tax Law.**

Currently within the New York State Real Property Tax Law, Section 305 specifies that all properties must be assessed at a uniform percentage of value, not necessarily full market value. However, both the Annual and Triennial Aid programs require a 100% level of assessment.

If the assessment roll is in compliance with Section 305, then the tax burden will be equitably distributed among the taxpayers within the municipality. All too often, a revaluation is confused with a “revenue generator” for a municipality. First and foremost, the assessment community is concerned with equity. If this equity is achieved, then maintenance aid should be provided to a municipality to assist in keeping this equity on the assessment roll.

2. **Mandate an Annual Reassessment Cycle**

According to the current real property tax law Section 305, an annual reappraisal cycle is currently mandated however there is no agency that has the authority to enforce this section of the law.

With the mass appraisal techniques available, either through trending or multiple regression analysis, a town assessor can keep values up to date by performing the work in-house.

Mandating an annual assessment cycle assures that the assessment will not become inequitable due to differing appreciation and depreciation rates within a municipality.

3. Abolish Elected Assessors

Perhaps the most outdated aspect of the assessment function in New York State is the elected assessor position. Politics should never enter the assessment office. All decisions regarding the assessment function are specifically outlined in either the Real Property Tax Law or in the general appraisal techniques outlined by the Appraisal Institute.

4. Training Reimbursement for Additional Valuation Staff

As the current Real Property Tax Law stands, only the title of Assessor is reimbursed for required continuing educational requirements. All other job titles involved in the valuation process, such as Real Property Appraiser are not given this same consideration.

As it stands currently, the training reimbursement package offered by the New York State Office of Real Property Services is a disincentive to consolidate the assessment function at the county level.

5. Re-examination of Real Property Tax Exemptions

Currently the assessors spend too much time with the administrative tasks of processing real property tax exemptions. This clerical work takes away from the time that could be devoted to the valuation of real property.

There are far too many provisions for local option real property tax exemptions in the Real Property Tax Law. The multitude of exemptions creates confusion for the property owner when trying to determine which exemption (and at what level) they might be eligible to apply to receive.

Additionally, in recent history the New York State Legislature has taken the unfortunate path of granting single parcel tax exemption legislation. The main goal of assessment administration (and of this grant study program) is to treat every parcel fairly and equitably. These single parcel exemption bills do prevent the assessor from achieving this goal.

It is recommended that no additional real property tax exemptions be enacted until a commission can be charged with looking into this aspect of the assessment administration function.

Appendix A

| | <u>2008</u> |
|--------------------------------------|-----------------------|
| Personnel Services | 710,605 |
| Operating Expenses | 84,304 |
| Contractual Expenditures | 41,550 |
| Fringe Benefits | 260,679 |
| Revenue | 230,000 |
| Total Cost Real Property Tax Service | <u><u>867,138</u></u> |

Countywide Coordinated Assessment Program (CAP)

RPTS Division Budget

| | |
|------------------------------------|------------------|
| Personnel Services | \$287,946 |
| Equipment | \$55,000 |
| Fringe Benefits | \$100,781 |
| Revenue | \$15,000 |
| Total Expense RPTS Division Budget | <u>\$428,727</u> |

Appraisal Division

| | |
|---|------------------|
| Personnel Services | \$464,164 |
| Equipment | \$40,000 |
| Fringe Benefits | \$162,457 |
| Revenue | \$169,114 |
| Total Expense Appraisal Division Budget | <u>\$497,508</u> |

Total Countywide CAP Budget **\$926,235**

or 26.84 /parcel

Countywide 1537 Agreements

RPTS Division Budget

| | |
|------------------------------------|------------------|
| Personnel Services | \$287,946 |
| Equipment | \$55,000 |
| Fringe Benefits | \$100,781 |
| Revenue | \$15,000 |
| Total Expense RPTS Division Budget | <u>\$428,727</u> |

Appraisal Division

| | |
|---|------------------|
| Personnel Services | \$442,406 |
| Equipment | \$40,000 |
| Fringe Benefits | \$154,842 |
| Revenue | \$169,114 |
| Total Expense Appraisal Division Budget | <u>\$468,134</u> |

Total Countywide CAP Budget **\$896,862**

or 25.99 /parcel

| 2008 | # of Parcels | Appraisal | Office | Personnel | Equipment | Contractual | Fringes | Revenue | Total Cost | Cost Per Parcel |
|-------------------------|-----------------|------------|-------------|----------------|---------------|---------------|----------------|----------------|------------------|--------------------|
| City of Ithaca | 5,649 | 1.0 | 1.0 | 91,392 | 2,000 | 8,474 | 31,987 | 27,680 | 106,173 | 18.79 |
| Caroline | 1,905 | 0.4 | 0.6 | 44,397 | 0 | 2,858 | 4,440 | 9,335 | 42,360 | 22.24 |
| Danby | 1,949 | 0.4 | 0.6 | 44,397 | 100 | 2,924 | 4,440 | 9,550 | 42,311 | 21.71 |
| Dryden | 5,813 | 1.2 | 1.2 | 109,670 | | 8,720 | 38,385 | 28,484 | 128,291 | 22.07 |
| Enfield | 1,666 | 0.3 | 0.5 | 35,258 | 1,000 | 2,499 | 3,526 | 8,163 | 34,120 | 20.48 |
| Groton | 2,703 | 0.5 | 0.8 | 57,457 | | 4,055 | 5,746 | 13,245 | 54,012 | 19.98 |
| Ithaca | 5,281 | 1.0 | 1.0 | 91,392 | | 7,922 | 31,987 | 25,877 | 105,424 | 19.96 |
| Lansing | 4,577 | 1.0 | 1.0 | 91,392 | 1,500 | 6,866 | 57,470 | 22,427 | 134,800 | 29.45 |
| Newfield | 2,338 | 0.5 | 0.8 | 57,457 | 500 | 3,507 | 5,746 | 11,456 | 55,753 | 23.85 |
| Ulysses | 2,632 | 0.5 | 0.8 | 57,457 | | 3,948 | 5,746 | 12,897 | 54,254 | 20.61 |
| Total Local Cost | 34,513 | 6.8 | 8.3 | 680,270 | 5,100 | 51,770 | 189,471 | 169,114 | 757,497 | 21.95 |
| County RPTS | | 0.0 | 5.0 | 287,946 | 35,000 | 20,000 | 100,781 | 15,000 | 428,727 | 12.42 |
| Total True Cost | | 6.8 | 13.3 | 968,216 | 40,100 | 71,770 | 290,252 | 184,114 | 1,186,224 | 34.37 |

County Real Property Tax Service Agency

| | | |
|----------------------------|----------------|-----|
| Director | 75,000 | |
| Systems Analyst | 50,000 | |
| Assmt Account Spec | 39,693 | (2) |
| Tax Map Technician | 41,780 | (2) |
| Total Personnel | 287,946 | |
| Equipment | 35,000 | |
| Contractual | 20,000 | |
| Fringes | 100,781 | |
| Revenue | 15,000 | |
| Total County Budget | 428,727 | |

Special Thanks

The Tompkins County Department of Assessment would like to express their thanks to the individuals who have worked in this office, both past and present, who have made this office one of the leaders in the Assessment Field in New York State.

In 1968, Thomas Payne, County Director of Real Property Services, and John Murphy, County Administrator, had the foresight to develop a departmental structure that provides for the best possible service to the property owners of Tompkins County. While cost savings was not the motivating factor at that time, however over the years this structure has proven to be a cost saver for the taxpayers of Tompkins County.

Brief History of the Department of Assessment

1955

Real Property Tax Director was appointed by the County Board of Supervisors. Tom Payne appointed to the position. County was revalued by the firm of Thorne Appraisal Co.; the City of Ithaca was revalued by the Winslake Appraisal Co.

1965

Tompkins County revalued by the JM Cleminshaw Co. under direction of George Herren. Tax maps were produced county wide by American Air Surveys and certified by the State Division of Equalization and Assessment.

1968

County Charter was passed by a majority of Villages, Towns, and City collectively with bi-partisan support. The Division of Assessment and County Charter became effective January 1, 1970.

1970

County staffed the Division of Assessment with 9 full-time and 5 part-time employees. The part-time employees were former town assessors. Tom Payne and Don Franklin were appointed Director and Assistant Director respectively. The department budget was about the same as the total cost in 1969 for all local assessor positions and Office of Real Property tax Services. Total parcels in the county were 17,500.

1971

County-wide data collection project began using in house personnel from Division of Assessment. The 1970 County charter provided for periodic revaluation of all county property by the Division of Assessment. County contracted with Touchette Corp. for data processing.

1972

Pilot project initiated with SDEA on computer assisted revaluation.

1978

Department completed county wide revaluation of 29,000 parcels. There were 3,150 informal appeals, 850 formal appeals, 12 Certiorari (5 commercial 7 residential) received as a result of this project. Data processing by Touchette Corp.

1980

Department completed update project for 28,000 parcels. There were 2,500 informal appeals, 500 formal appeals, 6 Certiorari (5 commercial 1 residential) received as a result of this project.

1983

Department commenced county-wide data collection project.

1984

Director Tom Payne retired, Don Franklin named Director.

1990

Department completed county-wide revaluation. There were 3000 informal appeals, 2180 formal appeals, 71 small claims, and 56 Certiorari received as a result of this project.

1993

Department installed data terminals for direct input into RPS by staff appraisers.

1996

Completion of mainframe to micro computer RPS processing, including production of laser printed tax bills. Director Don Franklin retired, Stephen Whicher named Director.

1999

Start of Annual Reassessment Program

2000

Department completed county-wide revaluation. There were 4,087 informal appeals, 701 formal appeals, 9 small claims, and 11 Certiorari received as a result of this project.

2001

Director Stephen Whicher is named County Administrator. Valeria Coggin named Director.

2005

County Legislature votes to switch to a Triennial Revaluation Cycle.

2008

Department completed county-wide revaluation. There were 2,429 informal appeals, 417 formal appeals, 19 small claims, and 28 Certiorari received as a result of this project.