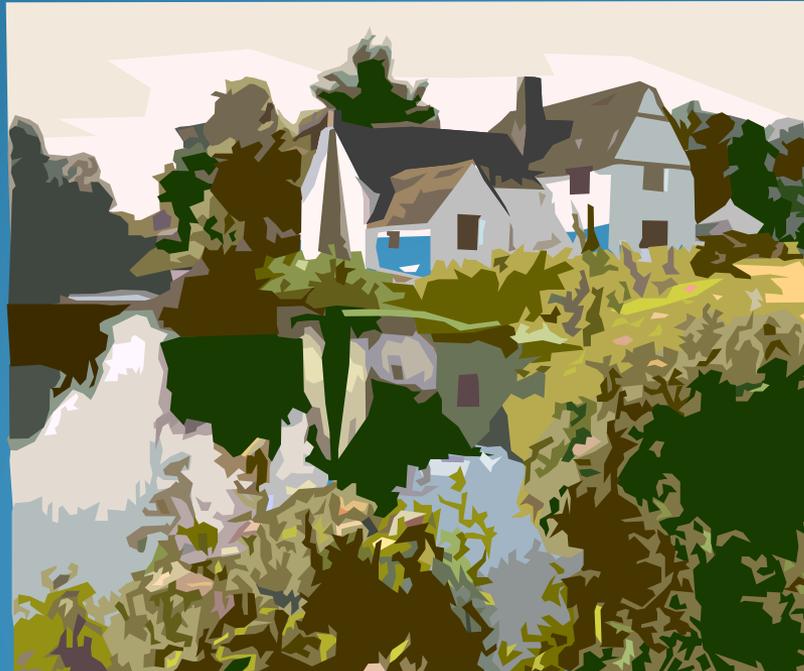


Understanding The Real Property Tax System



- Your best assurance that the real property tax will be equitably distributed in your city, town, or village is the commitment of your elected officials and the experience and knowledge of those people, particularly your Assessor, who are responsible for its administration.
- The selection of an Assessor should be based only on professional qualifications.



- That official should then be allowed to do the job as required by the laws of our state.
- The Assessment Standard Real Property Tax Law RPTL 305, states , “ All Real Property in each Assessing Unit shall be Assessed at a UNIFORM PERCENT of value. “



- Value is defined as Market Value. The most probable sale price in a competitive and open market.
- Finally, you as a property owner, should realize that property taxation is a necessary fact of life.

- The real property tax is described as an *ad valorem* (a Latin term meaning “in relation to the value”) tax because it is based on the value of the property.
- This value is best described as current fair market value which is the price at which the property would sell under normal circumstances.
- If you put your home on the market and it was shown to numerous prospective buyers for several weeks or even months before you came to an agreement with one of them, that would probably be considered a sale under normal circumstances.

- The assessor, in valuing any parcel of property, always starts with market value even though it may go on the assessment roll at some fractional value.



The Relationship of Assessments and Taxes

- It is essential that property owners understand the relationships between spending (in the form of budgets), assessments, tax rates, and taxes.



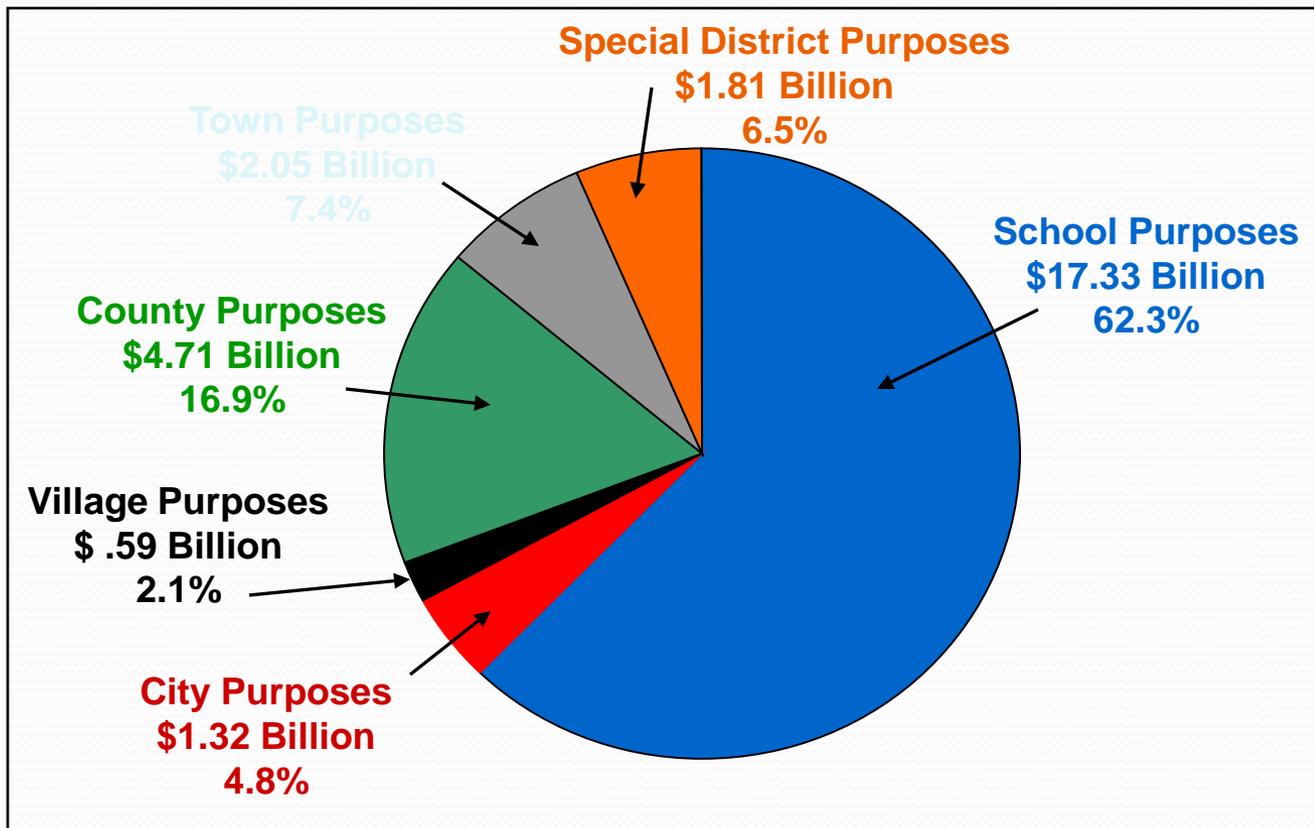
$$\text{Tax Rate} = \frac{\text{Tax Dollars Required}}{\text{Taxable Assessed Value}}$$



- Municipal and school budgets determine the total amount of taxes that must be paid.
- Assessments determine how that total tax is shared among the property owners.
- Your own tax bill is the result of both budgets and assessments, and you need to know how they work before you can begin to make a judgment about the fairness of the property tax in your community.
- The school board or town council is not responsible for your *share* of the total tax burden. That is the Assessor's function.
- Likewise, your assessor is not responsible for the actual dollars to be collected.

School districts collect 62 percent of the total property taxes statewide

Total Outside NYC = \$27.80 Billion
Local fiscal years ending in 2007



- **Nothing your assessor can do will change the total dollar figure. He or she only determines the proportionate amount you pay.**



A Few Words About Your Assessor

- The Assessor(s) in your municipality may be appointed or elected. Generally, most towns and all but a few cities have one assessor appointed by the governing body.



- Your assessor's appointment (or election) should be based on his or her professional qualifications and nothing else.
- You wouldn't choose someone to perform surgery on a member of your family based only on that person's political affiliation.
- You wouldn't pick someone to pilot a commercial airliner in which you were a passenger simply because he was a cousin of senator so and-so.
- The proper apportionment of your tax burden is too important to be left to unqualified personnel.

Your Assessment Office



- Most offices will have a property record card for each parcel containing pertinent inventory data and including a basic footprint sketch of buildings with dimensions.
- This card is a public record that anyone is entitled to examine.
- Tax maps, which show every parcel in the jurisdiction in relation to surrounding parcels, are also available.

- Many municipalities now have some of this information available on computer terminals which can be accessed by the public.
- A few also provide property and assessment data via the Internet.
- Erie County Assessor's Website is *www.eriecountyassessors.org*



Let's review some of the more important data items.

- 1. Location - The desirability of a neighborhood has a very important influence on the value of the houses there.
- 2. House size - Usually described in square feet of living area using exterior dimensions.
- 3. House style - Whenever possible, ranches should be compared to ranches, split-levels to split-levels, etc.
- 4. Quality grade - The better the quality of the materials and workmanship in a house, the higher the market value.
- 5. Condition - All other things being equal, a house in good condition will generally bring a higher selling price than one which has been neglected

- 6. Interior description - Items such as the number of rooms and bathrooms, kitchen style and quality, finished basement and finished attic, central air conditioning.
- 7. Exterior improvements - Garages, porches, patios, decks, swimming pools, tennis courts.
- 8. Land and site description - Lot size and shape, topography, availability of utilities, fronting traffic.

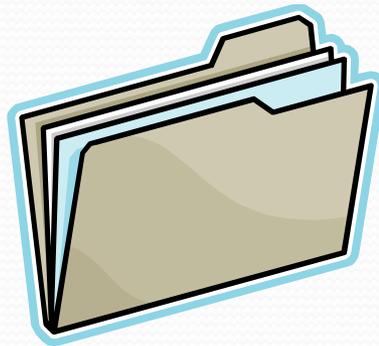
- Your assessor will use several comparable sales to estimate that value of your home, not just one.
- He or she will try to find homes that have sold that match yours as closely as possible, but this will not always be easy.



- The assessor must make that judgment. The law requires that the best possible estimate be made.



- You may want to ask your assessor to show you your property record card and explain the information that it contains. If there is an error he or she will be glad to inspect your home and make a correction.



Is My Assessment Equitable?

- In most jurisdictions all parcels of real property must be assessed at a **uniform percentage of current fair market value**.
- Therefore, the assessor must first determine market value and then multiply by the applicable percentage.
- The statute does not specify any particular percentage except that the figure may not exceed 100% of full market value.
- For all practical purposes it makes no difference whether a municipality assesses at 1% of value or 100%.
- What does matter is that properties having similar values have similar assessments.

Working With Your Assessor

- You must make a case that the assessor is wrong and you are right and you must name a specific figure to which you wish your assessment reduced.
- The assessor, because of his or her knowledge of property valuation, is presumed to be right unless the contrary can be shown.
- Evidence of value can be a recent purchase price or appraised value of your home or sales of similar properties.
- Your ability or your inability to pay your Real Property Taxes does not constitute evidence.
- The Assessor may only consider the value of the Property not the financial resources of the Property Owner.
- The same is true of the extent of the use of services provided by the property taxes.

Equalization Rates

- There are 25 Towns and 3 Cities in Erie County.
- You will recall that these jurisdictions must assess all property at a uniform percentage of value, but the law does not specify any particular percentage.
- As a result, homes in one town may be assessed at 5% of value while those in a neighboring town are at 50% and those in an adjacent city are at 100%.

Market Fluctuations

- We all realize that inflation (and, sometimes, deflation) influences the value of real property just as it affects the costs of food, gasoline, medical care, etc.
- It does not, however, affect all properties equally during a given period of time.
- Nearly every city or town has very desirable residential areas where home prices have increased rapidly in recent years..



Equity

- A revaluation is simply the systematic inspection of all property in a municipality and the adjustment of assessments where required, whether at fractional or full value assessments.

- If you think property owners are wary of revaluations, you should be aware that they are no picnic for assessors either.
- In addition to the tremendous additional inspection and valuation workload for the staff of the assessor's office, sometimes assisted by a company known as a " revaluation contractor", hundreds - perhaps thousands -of inquiries and complaints must be handled.
- Many of the people who come to the assessor's counter are confused, upset, and distrustful of the motives for the project.
- All of them must be treated with courtesy and their questions answered insofar as possible.
- Like it or not, revaluations are necessary whether at full or fractional assessments.

What does “Taxable Status Date” mean to you?

- Real property is assessed with respect to its ownership and condition on that date. If you build a deck the day AFTER the taxable status date, its contribution to market value will not be reflected on the assessment roll (and your tax bill) until the following year.
- But if it is in place on taxable status date it will be valued for the current year. If your house is under construction on taxable status date, its estimated percentage of completion on that date will be the basis for the assessment.
- If the assessment roll and taxable values were constantly changing it would never be possible to set a tax rate.

Exemption Deadline

- Taxable status date is the last day on which exemption applications may be filed.
 - March 1st for Towns and the City of Tonawanda.
 - December 1st for the City of Buffalo and the City of Lackawanna



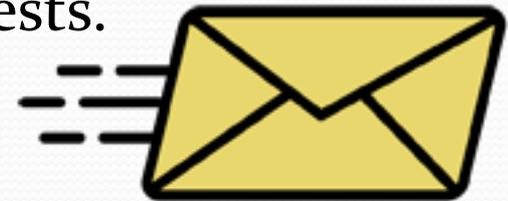
IMPORTANT DATES

- The tentative roll must be filed by the assessor by **December 1st** for the City of Buffalo and the City of Lackawanna
May 1st for Towns and the City of Tonawanda

After this date the assessor may not make any changes to the roll; these may be made only by the board of assessment review, a SCAR hearing officer or by court order.

Notification

- Also, not less than ten days prior to Grievance Day the Assessor must send to every property owner whose assessment has been increased a notice of that increase.
- Most Assessors send notices to every property owner whose assessment has been changed, either up or down.
- Remember, however, failure to send you a notice does not invalidate the assessment. This is another case in which you have to look out for your own interests.



Grievance Day

- The fourth Tuesday in May is designated as Grievance Day for most Towns in Erie County.
- The City of Tonawanda is the fourth Wednesday in May
- The City of Buffalo is the whole month of December
- The City of Lackawanna is the second Tuesday in January
- All complaints about assessments and exemptions must be received no later than this day.
- Call your local Assessor's Office as an alternate date could have been established by the Town Board.

Final Roll

- The final roll for towns in Erie County must be filed by July 1.
- The final roll for the City of Lackawanna and the City of Buffalo is March 1st.
- The final roll for the City of Tonawanda is July 1st.
- If you filed a complaint on Grievance Day you will be notified of the determination of the board of assessment review with any change appearing on this roll.

SCAR (Small Claims Assessment Review)

- If you don't feel that the Board of Assessment Review's decision is fair, you have approximately thirty days to file for further review .

What Assessors' Don't Do

- Assessors do not make laws that affect property owners
- Tax Laws are enacted by the State Legislators
- Various guidelines and regulations to implement the legislation are established by the NYS Office of Real Property Services.

- The Assessors follow the procedures established by others to determine the value of property.
- Value is actually set by buyers and sellers as they establish the worth of comparable properties through their transactions in the Real Estate Market Place.



- The Assessors do not determine taxes.
- The level of property taxation is determined by the municipality itself.
- The Assessors do not decide who is entitled to relief on property tax bills through exemptions, rather they follow the State Laws.





SOME CLOSING THOUGHTS

- Notwithstanding its shortcomings and its unpopularity, it seems likely that the property tax, for lack of anything more palatable, will be with us for a long time to come.
- We must make the best of it and try to ensure that it is administered equitably for the benefit of all of our citizens.
- Your assessor and The Erie County and New York State Assessors' Associations are working toward that end.
- The Associations keeps abreast of all proposed real property tax legislation and advises our Senators and Assembly members on these bills.

- We cannot, however, hope to succeed in all of these efforts without your understanding and cooperation.
- If the subject is a little clearer to you now than it was before, then this presentation has served its purpose.

