

Fair Assessments for all Property Owners Town of Harpersfield June 11, 2025

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**Department of
Taxation and Finance**

New York State Assessment Standard

What the Law Requires

- **"Assessment Standard" (RPTL 305):**

"all real property in each assessing unit shall be assessed at a uniform percentage of value."

- **"value" is defined as "market value" - the most probable sale price, in a competitive and open market, between a willing and knowledgeable buyer and seller, made without duress to either party**
- **tax bills must display the municipality's uniform percentage and the parcel's market value**

New York State Assessment Standard -- What the Law Requires

- **Valuation Date (RPTL 301):**

"All real property subject to taxation and assessed as of a March first taxable status date, shall be valued as of the preceding first day of July."

- **Taxable Status Date (RPTL 302):**

"The taxable status of real property in cities and towns shall be determined annually according to its condition and ownership as of the first day of March."

The Job of the Assessor

- Provide fair assessments by determining the market value of each property
- Keep inventory on all properties accurate and current
- Help taxpayers understand assessments
- Process exemptions, such as Senior Citizens, Veterans, and Non-profit
- Maintain all changes related to the assessment roll using computerized software

The Assessor's Job is Fair Assessments

- **The Assessor's goal is to determine a fair market value for all real property**
- **The objective is to produce an equitable assessment roll for the fair distribution of the real property tax burden. This is accomplished through municipal-wide reassessment**
- **Distribution of the property tax based on the relative market value of municipal segments in taxing jurisdictions and, within those segments market value of individual properties**

The Equalization Rate – what is it?

- **The Equalization Rate is the ratio of a municipality's total taxable assessed value (AV) to its total market value (MV)**
Total taxable AV / Total MV = Equalization rate
- **By law, NYS is required to issue Equalization rates for all municipalities every year**
- **Equalization rates are required because municipalities do not all assess property at the same percentage of market value**

The Equalization Rate – what is it?

- **Counties and school districts that are not wholly contained in one municipality will include towns / cities that assess at different percentages of market value**
- **The equalization rate is a standard by which the taxable assessed value of each municipality can be converted to 100% market value so tax levies can be apportioned fairly**

The Equalization Rate – how is it established?

- For municipalities that do not reassess, equalization rates are based on analysis of four major property types: residential, commercial, vacant / agricultural land, and utilities
- NYSDTF-ORPTS will do randomly selected appraisals about every four years (in Harpersfield, those appraisals are in the commercial and vacant / agricultural property types)
- Sales ratio studies are performed for residential property

The Equalization Rate – how is it established?

- A major property type that makes up a sufficiently small part of the assessment roll is unsampled (in Harpersfield, the utility property type is unsampled)
- Each year, ORPTS sends the Assessor an analysis of the apparent overall Level of Assessment (LoA) (the percentage of value that the Town's assessments appear to represent of current market value)
- The Town is required to state an LoA for its tentative roll each year

The Equalization Rate – how is it established?

- **ORPTS accepts the LoA as the Equalization Rate if the stated number is within +/- 5% of the number resulting from ORPTS' analysis**
- **The preferred way to establish an Equalization Rate is for a municipality to reassess because reassessment looks at the market value of all properties, not just some.**
- **NYS cannot order any municipality to reassess**

Reassessment – what is it?

- **Reassessment is a systematic review of all locally assessed parcels to assure that all assessments are at the same stated uniform percentage of value as of the valuation date of the assessment roll upon which the assessments appear (RPTL 102)**
- **The assessments for all properties are reset to current market value based on the applicable valuation and taxable status dates**

Reassessments ensure that property owners pay only their fair share of taxes

A community reassessed in 1985. Smith's and Jones' properties have same value, pay same taxes

Smith's home



Market Value	\$100,000
Assessed Value	\$100,000
Tax (@ 1% AV)	\$1,000
Real Tax Rate	1.0%

Jones' home



Market Value	\$100,000
Assessed Value	\$100,000
Tax (@ 1% AV)	\$1,000
Real Tax Rate	1.0%

Lack of reassessment produces inequity

- 40 years later and no reassessment
- Smith's value up x10; Jones' value merely up x5
- But tax bills are the same – Jones subsidizing Smith!

Smith's home



Market Value \$1,000,000
Assessed Value \$100,000
Tax (@ 1% AV) \$10,000
Real Tax Rate 1.0%

Jones' home



Market Value \$500,000
Assessed Value \$100,000
Tax (@ 1% AV) \$10,000
Real Tax Rate 2.0%

Reassessment – what does it do?

Reassessment provides multiple benefits:

- **FAIRNESS:** Property owners pay only their fair share of taxes
- **TRANSPARENCY:** Increased taxpayer confidence and understanding of the system; takes local control of equalization rate
- **TAX NEUTRAL:** Absent other budget increases, the total tax raised is unchanged (the cost of the project will affect the budget)
- **REDUCED LITIGATION:** Fewer lawsuits and “tax certiorari” refunds; updated data and values make roll easier to defend
- **ECONOMIC:** Improves bond ratings, helps revitalization
- **STATE AID:** Up to \$5/parcel in the year of a full reappraisal

Regular reassessment at market value is the only way to ensure that all taxpayers pay only their fair share

Reassessment – General Steps

- **Select a reassessment vendor, if desired**
- **Check and update inventory descriptions for all properties**
- **Inventory data mailers sent to property owners**
- **Valuation analysis by Assessor and / or vendor**
- **Parcel specific valuation (land, cost, market, and / or income)**
- **Review of individual parcel's specific value estimates to establish preliminary assessments**
- **Assessment disclosure processing / informal review meetings prior to tentative roll filing**
- **Tentative roll filing (May 1st) followed by Grievance Day**
- **Final roll filing (July 1st)**

Reassessment – ORPTS’ role

- **NYSDTF-ORPTS provides technical advice and guidance to the Town throughout the reassessment process (to the extent the Town wishes to have our involvement)**
- **Regional staff can help customize a template Request for Proposal (RFP) for reassessment services if the Town feels a vendor is needed to accomplish the work (the best way to gauge the cost of the project)**
- **Regional staff can participate in status meetings and public education**

Reassessment – ORPTS' role

- **NYSDTF-ORPTS can provide utility advisory appraisals, if desired, at no cost to the Town**
- **NYSDTF-ORPTS' goal is to be able to accept a Town's reassessment roll for use in issuing the equalization rate. If the Town intends for the reassessment roll reflect 100% of value, we want to be able to verify that so the equalization rate can be issued at 100%**
- **State aid of up to \$5/parcel is available in the year of the reappraisal reassessment for Towns filing a Cyclical Reassessment Plan**

Three Approaches to Valuation

- **MARKET APPROACH**

Compare the subject property to others like it that have sold recently
(residential)

- **COST APPROACH**

Compute the cost of building a similar structure on a similar site

- **INCOME APPROACH**

Determine value based on the rental income the property is capable of
earning (commercial)

Budget vs. Levy

- The taxing jurisdiction – school, town, or county, etc., is responsible for developing and adopting a budget. *Several Steps*
- Revenue from all sources other than the property tax is determined
- These revenues are subtracted from the budget to arrive at the tax levy (the amount to raised through property tax)

More on Budgets and Taxes

- There are two additional factors besides the **levy** that determine your property taxes:
 - The **tax rate** is determined by dividing the tax levy by the total taxable assessed value of all taxable real property in your community
 - **Assessments (taxable)** – from Town's roll as determined by the assessor less any applicable exemptions

$$\text{Levy} / \text{Taxable Assessed} = \text{Tax Rate}$$

$$\text{\$10,000,000} / \text{\$500,000,000} = \text{\$20.00 per thousand}$$

Assessments and Taxes

- While assessments play an important part of the tax calculation, **the tax levy** is the **controlling factor** in the amount of your tax bill
- How the **budget** and **tax levy** changes from year to year is much more meaningful than how the tax rate has changed

Assessments vs. Taxes

Your assessment could increase but your tax bill could decrease:

Last Year		This Year
\$100,000	Your AV (+5%)	\$105,000
\$50,000,000	Town's Value (+8%)	\$54,000,000
\$1,500,000	Tax Levy	\$1,500,000
\$30 per \$1K	Tax Rate	\$27.78 per \$1K
\$3,000	Your Tax Bill	\$2,917

Assessments vs. Taxes

Your assessment could increase but your tax bill could stay the same:

Last Year		This Year
\$100,000	Your AV (+5%)	\$105,000
\$50,000,000	Town's Value (+8%)	\$54,000,000
\$1,500,000	Tax Levy (+2.86%)	\$1,542,855
\$30 per \$1K	Tax Rate	\$28.57 per \$1K
\$3,000	Your Tax Bill	\$3,000

Assessments vs. Taxes

Your assessment could decrease but your tax bill could increase:

Last Year		This Year
\$100,000	Your AV (-5%)	\$95,000
\$50,000,000	Town's Value (-5%)	\$47,500,000
\$1,500,000	Tax Levy (+2.86%)	\$1,542,855
\$30 per \$1K	Tax Rate	\$32.48 per \$1K
\$3,000	Your Tax Bill	\$3,085.60

For More Information

Visit the New York State Department of Taxation and Finance website at:

[www.tax.ny.gov/
research/property/
default.htm](http://www.tax.ny.gov/research/property/default.htm)



Department of Taxation and Finance

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