



# TOWN OF PORTVILLE, NEW YORK

DATE: April 16, 2008

TIME: 7:00PM

MEETING: Town Board Meeting, Town of Portville, New York

LOCATION: Westons Mills Community Center, 1310 Olean Portville Road, Westons Mills, New York

PRESENT: Terry Keeley, Supervisor  
Dennis Cornell, Deputy Supervisor  
William Stern, Councilperson  
Gary Woodhead, Councilperson  
James Parks, Town Clerk  
Stuart Frost, Highway Superintendent  
Dave McCoy Planning Board Chair  
Eva Taggerty, Code Enforcement Officer  
Dan Martonis, Acting Assessor

Dennis Fisher, CRM  
Nancy Barney, RPTD

Twenty Five members of the community and media

## **Procedural Compliance**

The meeting was opened by Supervisor Keeley asking attendees to stand and join him in the "Pledge of Allegiance".

Supervisor Keeley welcomed everyone and asked the town board, highway superintendent, and town clerk to introduce themselves. Four board members were present to satisfy a quorum.

The minutes of the March 19, 2008 town board meeting were reviewed and a motion to approve was made by Councilperson Stern, seconded by Councilperson Woodhead and approved by the Town Board. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES), MOTION CARRIED 4-YES 0-NO

## **Public Comments**

A Public Comments session was offered with no respondents.



## **Department Reports**

The following monthly department reports were given:

- Town Clerk
- Highway Department
- Assessor
- Building Department
- Dog Control Officer
- Planning Board
- Board of Assessment Review
- Town Court

A motion was made by Deputy Supervisor Cornell, seconded by Councilperson Stern and approved by the Town Board to allow Planning Board Chair McCoy to appoint a committee comprised of the planning board members, one Town Board member, and any members of the public to embark on the comprehensive planning process. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO

Planning Board Chair McCoy announced with regrets the resignation of planning board members Pat Milne and Terry Blough. A motion was made by Councilperson Stern, seconded by Councilperson Woodhead and approved by the Town Board to have Planning Board Chair McCoy place an article in the Olean Times Herald explaining the mission of the Planning Board and seek to fill these vacancies. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO

A motion was made by Deputy Supervisor Cornell, seconded by Councilperson Stern and approved by the Town Board to accept the Department Reports as given. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO

## **New Business**

### **Agenda Item #1: EQUALIZATION PRESENTATION**

A briefing from Office of Real Property Services on the methodology used to determine equalization was presented.

(Refer to attachment accompanying these minutes)



**Agenda Item #2: FINANCIAL UPDATE**

Supervisor Keeley gave an update regarding tax collection and expenditures year to date.

(Refer to attachment accompanying these minutes)

**Agenda Item #3: LOCAL LAW 3 2008**

A public hearing was held to consider the adoption of "The Home Improvement Exemption Law" which is a local law implementation of Section 421-f of the Real Property Tax Law.

**TOWN OF PORTVILLE, NEW YORK  
LOCAL LAW 3 2008  
THE HOME IMPROVEMENT EXEMPTION LAW  
ADOPTION OF REAL PROPERTY TAX LAW SECTION 421-f**

Be it enacted by the Town Board of the Town of Portville as follows:

**I. Purpose and Intent**

This local law, using Section 421-f of the Real Property Tax Law, authorizes a partial exemption from real property taxation of the increase in assessed value attributable to reconstruction, alterations or improvements made to residential property, and shall apply to taxes and special ad valorem levies, and shall not apply to special assessments.

**II. Colloquial Name of Law**

The colloquial name of this local law, which is a verbatim adoption and implementation of Section 421-f of the Real Property Tax Law shall be "The Home Improvement Exemption Law."

**III. Exemption Criteria**

Section 421-f of the Real Property Tax Law sets forth the following exemption criteria:

1. The property for which exemption is sought must be a one or two family residence;
2. The greater portion of the residence (as measured by square footage) after the capital improvement must be at least five years old;
3. The capital improvement must be commenced after the date the local law or resolution is enacted;
4. The exemption applies to reconstruction, alterations or improvements;

5. The exemption does not apply to ordinary maintenance or repairs; and,
6. The value of such reconstruction, alteration or improvement must exceed the sum of \$3,000.

#### **IV. Application and Documentation**

The property owner interested in receiving said exemption must:

1. Properly complete and file the "Application for Real Property Tax Exemption for Capital Improvement to Residential Property (RP-421-f)" in the Town of Portville assessor's office on or before the taxable status date of March 1st; and,

2. Provide sufficient documentation to the Town of Portville assessor's office in the form of construction contract, building permit, and receipted bills to support the cost of capital improvement.

#### **V. Exemption Limit**

The exemption shall be limited to Eighty Thousand Dollars (\$80,000) in increased market value with any additional value attributable to the new construction not being eligible for the exemption; and,

#### **VI. Determination of Market Value**

The market value of the new construction shall be calculated by dividing the increase in assessed value attributable to the new construction by the latest State equalization rate or special equalization rate; unless such rate is 95 percent or more, in which case the increased assessed value shall be deemed to equal the market value.

#### **VII. Annual Qualifying Exemption Percentage**

Then, the value of an improvement qualifying for exemption shall receive the following exemption percentages:



Year	Exemption Percentage
1	100.0%
2	87.5%
3	75.0%
4	62.5%
5	50.0%
6	37.5%
7	25.0%
8	12.5%
9	0.0%

**VIII. Exemption Retention Conditions**

Once the exemption has been granted, it shall not necessary to reapply for the exemption after the initial year in order for the exemption to continue. There is no need to reapply in subsequent years, but if the property ceases to be used primarily for residential purposes, or if title to the property is transferred to persons other than the heirs or distributes of the owner, the exemption is terminated. The exemption will automatically be recalculated in any year in which there is a change in level of assessment for the final assessment roll of 15 percent or more. No local law or resolution may repeal or reduce an exemption granted pursuant to Section 421-f until expiration of the period of that exemption.

**IX. Effective Date**

This Local Law shall take effect immediately upon this filing thereof in the Office of the Secretary of State of the State of New York.

A motion was made by Councilperson Stern, seconded by Councilperson Woodhead and approved by the Town Board to adopt Local Law 3 2008. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO

**Agenda Item #4: LOCAL LAW 4 2008**

A public hearing was held to consider the adoption of “The Business Improvement Exemption Law” which is a local law implementation of Section 485-b of the Real Property Tax Law.



**TOWN OF PORTVILLE, NEW YORK  
LOCAL LAW 4 2008  
THE BUSINESS IMPROVEMENT EXEMPTION LAW  
ADOPTION OF REAL PROPERTY TAX LAW SECTION 485-b**

Be it enacted by the Town Board of the Town of Portville as follows:

**I. Authorization for Exemption**

This local law, using Section 485-b of the Real Property Tax Law, authorizes a partial exemption from real property taxation for commercial, business or industrial property constructed, altered, installed or improved on or after the effective date of this law. The cost of such construction, alteration, installation or improvement must exceed \$10,000. Ordinary maintenance and repairs do not qualify for exemption. The property must not be receiving or have received any other exemption authorized by the Real Property Tax Law with respect to the same improvements, unless during the period of the prior exemption, payments in lieu of taxes were made in amounts that were at least equal to the taxes that would have been paid had the property been receiving the section 485-b exemption. This local law does not limit the exemption by specific geographic areas and to sectors and sub sectors of businesses as defined in the North American Industry Classification System.

**II. Colloquial Name of Law**

The colloquial name of this local law, which is a Town of Portville adoption and implementation of Section 485-b of the Real Property Tax Law, shall be "The Business Improvement Exemption Law."

**III. Duration and Computation of Exemption**

The exemption in the first year is 50% of the increase in the assessed value attributable to the improvement. The exemption amount then decreases by 5% in each of the next nine years. This declining percentage continues to be applied to the increase in assessed value determined in the first year of the exemption, unless there is a change in level of assessment for an assessment roll of 15% or more, as certified by the State Board of Real Property Services, in which case an adjustment is required.

#### **IV. Application for Exemption**

The exemption applies to charges imposed upon real property by or on behalf of the Town of Portville for municipal purposes and to special ad valorem levies except those levied for fire district, fire protection district or fire alarm district purposes. The exemption does not apply to costs incurred for ordinary maintenance and repairs nor to property used primarily for residential purposes other than hotels or motels.

#### **V. Filing for Exemption**

Application for exemption from Town of Portville taxes must be filed, using form (RP-485-b) with the town assessor, not the State Board of Real Property Services.

#### **VI. Time of Filing Application**

The RP-485-b application must be filed in the assessor's office on or before the taxable status date of March 1st and within one year from the date of completion of the improvements.

#### **VII. Exemption Retention Conditions**

Once the exemption has been granted, the exemption may continue for the authorized period provided that the eligibility requirements continue to be satisfied. It is not necessary to reapply for the exemption after the initial year in order for the exemption to continue.

#### **VIII. Repeal of Prior Local Law Relating to Section 485-b of Real Property Tax Law**

This Local Law shall repeal Local Law 1 of 1978.

#### **IX. Effective Date**

This Local Law shall take effect immediately upon this filing thereof in the Office of the Secretary of State of the State of New York.

A motion was made by Deputy Supervisor Cornell, seconded by Councilperson Woodhead and approved by the Town Board to adopt Local Law 4 2008. VOTE: Keeley (YES), Cornell (YES), Stern (ABSTAIN), Woodhead (YES). MOTION CARRIED 3-YES 0-NO 1-ABSTAIN



**Agenda Item #5: COUNCILPERSON SELECTION & APPOINTMENT**

Supervisor Keeley recommended the Board consider the appointment of Terri Batt as Councilperson filling the vacancy created by Marlin Jeffers who resigned effective March 31, 2008. A motion was made to appoint Terri Batt as Councilperson to serve until the end of the calendar year December 31, 2008 with the remaining term, of former Councilperson Jeffers, January 1, 2009 through December 31, 2009 to be filled by a majority vote in the general election of November 2008 by Councilperson Stern, seconded by Councilperson Woodhead and approved by the Town Board. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO .

Town Clerk Parks administered the oath of office to Councilperson Terri Batt and the Oath of Office book was dually signed.

**Agenda Item #6: BOARD OF ASSESSMENT REVIEW HEARING PROCEDURES**

Board of Assessment Review Chair Gary Van Dusen announced that Grievance Day will be Tuesday, May 27, 2008 from 5PM to 9PM and on Saturday, May 31, 2008 from 9AM to 12PM resuming at 1PM to 5PM. If need be, other dates and times will be arranged accordingly.

Grievance forms and instructions will be available on the Town website or can be acquired from the Town Clerk's Office 1102 Portville-Olean Road.

Board reviews will be made by appointments through the Town Clerk's Office. Appointments will be made for 15 minute time slots.

**Agenda Item #7: EXPENSE REVIEW**

A review and discussion took place regarding filed expenses and monthly vouchers. A motion was made by Deputy Supervisor Cornell, seconded by Councilperson Stern and approved by the Town Board to approve for payment the March 2008 monthly bills. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). MOTION CARRIED 4-YES 0-NO

**Agenda Item #8                      TRAINING AND DECALS LICENSING PROGRAM**

The DECALS licensing program and training for members of the Town Leadership was discussed. A motion was made by Deputy Supervisor Cornell, seconded by Councilperson Batt and approved by the Town Board to have Town Clerk Parks to attend the DECALS training program June 2, 2008. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES). Batt (YES). MOTION CARRIED 5-YES 0-NO.

A motion was made by Councilperson Woodhead, seconded by Deputy Supervisor Cornell and approved by the Town Board to authorize specific departmental training for any member of the Town Leadership at Houghton College May 7, 2008. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES), Batt (YES). MOTION CARRIED 5 YES 0-NO.

**Adjournment**

Being there was no further business a motion to adjourn at 9:15PM was made by Councilperson Stern, seconded by Deputy Supervisor Cornell and approved by the Town Board. VOTE: Keeley (YES), Cornell (YES), Stern (YES), Woodhead (YES), Batt (YES). MOTION CARRIED 4-YES 0-NO.

Respectfully submitted and signed,

James Parks  
Town Clerk  
Town of Portville, New York

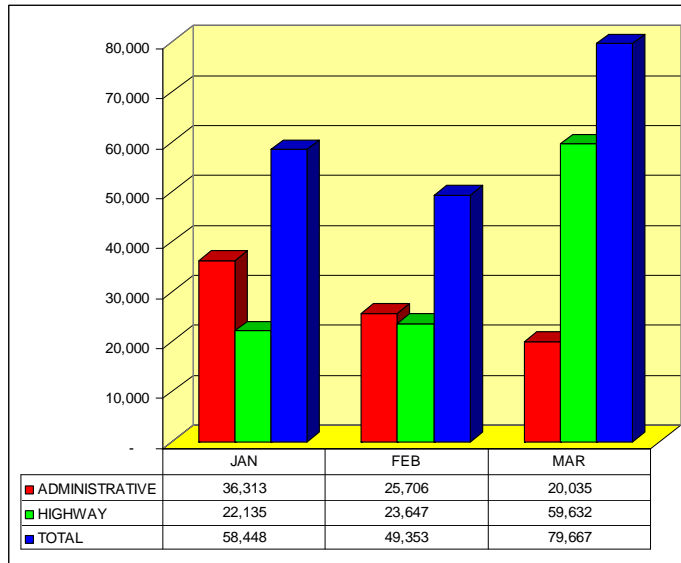
## Tax Collection As Of March 31, 2008

		Warrant Distribution	Town Distribution	Collected To Date
<b>General Fund</b>	208,587	8.6%	27.0%	100.0%
<b>Highway Fund</b>	389,223	16.0%	50.3%	100.0%
<b>Happy Hollow Sewer District</b>	10,403	0.4%	1.3%	100.0%
<b>Happy Hollow Light District</b>	2,400	0.1%	0.3%	100.0%
<b>Westons Mills Lighting District</b>	4,200	0.2%	0.5%	100.0%
<b>Westons Mills Fire District</b>	45,260	1.9%	5.9%	100.0%
<b>Portville Fire District</b>	113,568	4.7%	14.7%	100.0%
<b>Town of Portville</b>	<u>773,641</u>	<u>31.8%</u>		
<b>Cattaraugus County</b>	<u>1,135,340</u>	<u>46.6%</u>		<b>68.4%</b>
<b>Total Taxes Collected</b>	<u>1,908,981</u>	<u>78.4%</u>		
<b>Uncollected Taxes</b>	<b>525,528</b>	<b>21.6%</b>		
<b>Total Taxes Billed</b>	<u>2,434,509</u>	<u>100.0%</u>		

Monthly Board Meeting - Town of Portville, New York

April 16, 2008

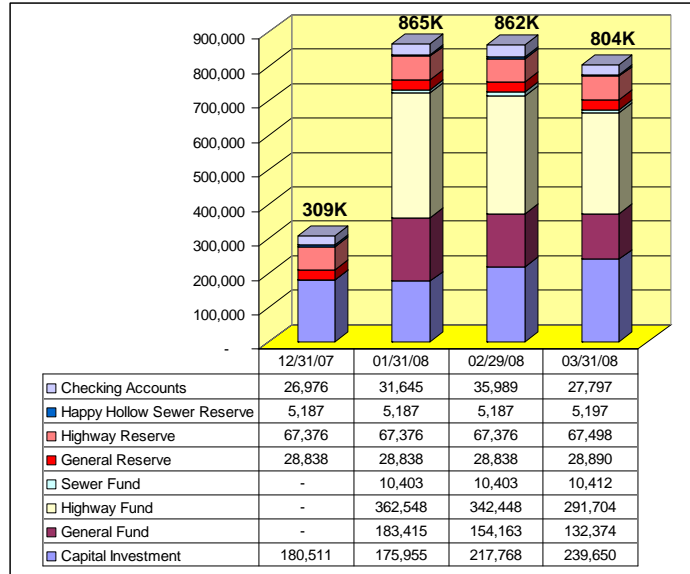
## Monthly Operating Expense



Monthly Board Meeting - Town of Portville, New York

April 16, 2008

## Cash Asset Balance Sheet



Monthly Board Meeting - Town of Portville, New York

April 16, 2008

## Interest Paid – March, 2008

	Interest Paid	Average Daily Balance	Annual Percentage Rate
<b>MBIA NYCLASS</b>			
Highway Reserve	121.84	56,564	2.58%
General Reserve	52.16	24,210	2.59%
Sewer District Reserve	9.39	4,355	2.59%
General Fund	113.85	57,749	2.37%
Highway Fund	243.72	123,542	2.37%
Sewer District Fund	8.62	4,364	2.37%
Investment Fund	932.75	414,845	2.70%
<b>Total</b>	<b>1,482.33</b>	<b>685,629</b>	<b>2.59%</b>
<b>COMMUNITY BANK, NA</b>			
General and Highway Fund	3.95	31,412	0.15%
Happy Hollow Sewer District	0.77	6,071	0.15%
Town Clerk	-	482	0%
Town Justice (Hale)	-	5,380	0%
Town Justice (Piaggi)	-	5	0%
Trust And Agency	-	8,314	0%
<b>Total</b>	<b>4.72</b>	<b>51,664</b>	<b>0.11%</b>
<b>Grand Total</b>	<b>1,487.05</b>	<b>737,293</b>	<b>2.42%</b>

Monthly Board Meeting - Town of Portville, New York

April 16, 2008

## Office of Real Property Services

[Valuing & Assessing Real Property](#)  
 [Taxpayer Rights & Information](#)  
 [Tax Policy & Exemptions](#)  
 [Forms, Publications & Procedures](#)  
 [Equalization & Tax Levy Distribution](#)  
 [Related Sites](#)

[Agency Forms & Publications](#) : [Publication Listings](#) : [Alphabetic List of ORPS Publications](#)

## Understanding the Equalization Rate

[Printable](#) 

In New York State, the property tax is a local tax, raised and spent locally to finance local governments and public schools. While the State does not collect or receive any direct benefit from the property tax, this tax is still of major importance as the largest single revenue source for the support of municipal and school district services. More than \$26 billion is raised in local property taxes across the state annually. (Also see, [The Real Property Tax Primer](#) and the 2001 Annual Report)

The New York State Office of Real Property Services (ORPS) is statutorily obligated to administer an equalization program in order to assure equitable property tax allocation among nearly 4,000 taxing jurisdictions in New York State, and to insure the proper allocation of State Aid to Education funds, among other purposes. Equalization seeks to measure the relationship of locally assessed values to an ever-changing real estate market. Each year, ORPS calculates equalization rates for each of the state's more than 1,200 assessing units.

### Why is equalization necessary?

Equalization is necessary in New York State because: (1) there is no fixed percentage at which property must be assessed; (2) not all municipalities assess property at the same percentage of market value; and (3) taxing jurisdictions, such as most school districts, do not share the same taxing boundaries as the cities and towns that are responsible for assessing properties. Most of the state's more than 700 school districts distribute their taxes among segments of several municipalities, many of which have different levels of assessment. The number of municipal segments in a school district can range from one to fifteen or more.

### What is an equalization rate?

At its simplest, an equalization rate is the state's measure of a municipality's [level of assessment](#) (LOA). This is the ratio of total assessed value (AV) to the municipality's total market value (MV). The municipality determines the AV; the MV is estimated by the state. The equalization rate formula is:

$$\frac{\text{Total Assessed Value (AV)}}{\text{Total Market Value (MV)}} = \text{Equalization Rate}$$

Equalization rates **do not** indicate the degree of uniformity among assessments within a municipality. (More information regarding uniformity is available from [Fair Assessments - A Guide for Property Owners](#).)

## What does your equalization rate mean?

- *An equalization rate of 100 means that the municipality is assessing property at 100 percent of market value.*
- *An equalization rate of less than 100 means that the municipality's total market value is greater than its assessed value.*
- *An equalization rate of greater than 100 means that the total assessed value for the municipality is greater than its total market value.*

There would be no need for equalization if all municipalities assessed all property at 100 percent of market value every year.

Find the equalization rate for your [municipality](#) or [school district](#).

## What is the relationship between the State's equalization rate and the municipality's level of assessment?

In New York State each municipality is authorized to assess at market value or some fraction of market value. A [level of assessment \(LOA\)](#) of 50 percent means that assessments are at half of market value; an LOA of 100 percent means a community is assessing at 100 percent of market value. Regardless of the LOA chosen by a municipality, all of the assessments in the municipality are required by law to be at a uniform percentage of market value.

Equalization rates are the state's measure of each municipality's LOA. Each local assessor is required by law to state the municipal LOA on each year's assessment roll. The state determines the equalization rate by analyzing the locally stated LOA. In accordance with national standards, ORPS reviews the work of the assessor and determines whether the stated LOA is within adequate tolerances to be used as the equalization rate. *If certain criteria are met, the LOA becomes the rate.* In municipalities where ORPS cannot accept or confirm the LOA, ORPS uses its own independent estimate of total market value to compare to the total assessed value.

## What is the benefit of having the locally determined LOA accepted as the equalization rate?

Where assessors are accurately stating the LOA on the tentative assessment roll, they will be indicating the equalization rate upon which school taxes are distributed. When municipalities keep assessments up-to-date each year, they will be adjusting assessed values to reflect market changes, resulting in a consistent LOA and equalization rate from year to year.

## What does it mean when your municipality's equalization rate decreases?

A falling equalization rate means that market values are rising faster than assessed values. Keeping assessments up-to-date annually can result in consistent equalization rates each year.

## Why do equalization rates need to be established each year?

The Real Property Tax Law requires that annual State equalization rates be established for each county, city, town and village. Equalization rates are calculated each year to reflect that year's assessment roll and current market values for each assessing unit.

## What are equalization rates used for?

Aside from apportionment of taxes among municipal segments of school districts and counties, and distribution of State Aid for Education, some of the less recognized uses of equalization rates include:

- ✓ establishment of tax and debt limits;
- ✓ allocation of costs, such as for jointly operated hospitals among participating localities or an injury to a volunteer firefighter, among others;
- ✓ determination of state assessments (special franchise) or approval of local assessments (state-owned land);
- ✓ determination of ceilings (railroad and agricultural values) and exemptions;
- ✓ determination of level of STAR exemptions;
- ✓ apportionment of sales tax revenues and joint indebtedness; and
- ✓ as evidence in court proceedings on the issue of assessment inequity and small claims assessment review hearings.

**May the equalization rate be used in an assessment appeal?**

Yes. Property owners in New York State (except in Nassau County and New York City) may use the equalization rate as one piece of evidence in assessment grievance cases before the Board of Assessment Review and in State Supreme Court. Residential property owners also may use the State equalization rate in assessment cases brought under the provisions of Small Claims Assessment Review. More information on assessment challenges is available in ORPS's publication entitled "[What To Do If You Disagree With Your Assessment.](#)"

**How do equalization rates relate to school property taxes?**

The equalization rate is used to estimate the total market value of an entire taxing jurisdiction and/or segments of jurisdictions. The following formula is used to estimate a municipality's total market value:

$$\frac{\text{Current Total Assessed Value}}{\text{Current Equalization Rate}} = \text{Total Market Value Estimate (also known as Equalized Full Value)}$$

In order for a school district to fairly distribute its property tax levy (the total amount of school taxes to be collected), the levy needs to be divided in proportion to the total market value of each municipal segment. This allows for an equitable distribution of taxes based upon the market value of each municipality or segment.

For example School District AB needs to raise \$1 million through property taxes (thus, a levy of \$1 million). The district contains all of Town A and all of Town B. Each town has a total assessed value of \$10 million. If the \$1 million tax levy simply were allocated on the basis of the assessed values, the taxpayers in both towns would evenly split the levy, with each town paying \$500,000.

However, through the equalization process, the state determines that that the two towns have different levels of assessment. Town A has an equalization rate of 33.33 and Town B has an equalization rate of 50.00.

Towns A and B can be compared for the purpose of dividing the \$1 million school district tax levy between them:

	<b>Town A</b>	<b>Town B</b>
<b>Assessed Value (AV) of each Town</b>	\$10 million	\$10 million
<b>Equalization Rate of each Town</b>	33.33	50.00
<b>Market Value of each Town</b>	\$30 million	\$20 million
<b>Market Value of School District AB = \$50 million</b>		

Percent of Market Value (and, therefore, percent of levy) for each Town	60%	40%
Tax Levy to be raised from each Town	\$600,000	\$400,000
Tax Rate for each Town (Tax Levy ÷ Assessed Value) x 1000	\$60 per \$1000 AV	\$40 per \$1000 AV

You can see that Town A is responsible for 60 percent (\$30 million ÷ \$50 million) of the full value in School District AB, and Town B is responsible for 40 percent (\$20 million ÷ \$50 million) of the full value. This means that the taxpayers in Town A will have to pay a total of \$600,000 (60% of the \$1 million tax levy) and those in Town B will have to pay \$400,000 (40% of the \$1 million tax levy).

It is the change in a town's total market value, as reflected in the equalization rate, relative to the change in the market value of other municipalities in a taxing jurisdiction, such as a school district, that may cause a particular town's share of the tax levy to increase or decrease. If one municipality's market value increases, but all the other municipalities in the taxing jurisdiction increase to a larger degree, then the first municipality's share of the tax levy will decline.

#### For more information

To learn more about equalization, assessments and other aspects of property tax administration, you may wish to talk with your assessor or county director of real property tax services. More detailed information also is available [online](#).

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# Home Improvement Exemption Law Prospectus

Local Law 3 2008, The Home Improvement Exemption Law, is an implementation of Section 421-f of Real Property Tax Law.

<b>2005</b>		
Eligible Projects = 10	Without 421-F	With 421-F
Budget	800,000	800,000
Total Assessment	140,000,000	140,000,000
421-f Exemption	0	170,692
Net Assessment	140,000,000	139,829,308
Mill Rate	5.7143	5.7213
Mill Rate Net Difference		0.0070
Gross Increase in Mill Rate		975
Year-1 Net Impact on \$80K Home		0.56

<b>2006</b>		
Eligible Projects = 10	Without 421-F	With 421-F
Budget	800,000	800,000
Total Assessment	140,000,000	140,000,000
421-f Exemption	0	239,545
Net Assessment	140,000,000	139,760,455
Mill Rate	5.7143	5.7241
Mill Rate Net Difference		0.0098
Gross Increase in Mill Rate		1,369
Year-1 Net Impact on \$80K Home		0.78

<b>Example 1</b>		
Hypothetical Projects = 10 @ \$150K	Without 421-F	With 421-F
Budget	800,000	800,000
Total Assessment	140,000,000	140,000,000
421-f Exemption (10 @ \$150K)	0	800,000
Net Assessment	140,000,000	139,200,000
Mill Rate	5.7143	5.7471
Mill Rate Net Difference		0.0328
Gross Increase in Mill Rate		4,571
Year-1 Net Impact on \$80K Home		2.63

<b>Example 2</b>		
Hypothetical Projects = 10 @ \$150K	Without 421-F	With 421-F
Budget	800,000	800,000
Total Assessment	140,000,000	140,000,000
421-f Exemption (20 @ \$75K)	0	1,500,000
Net Assessment	140,000,000	138,500,000
Mill Rate	5.7143	5.7762
Mill Rate Net Difference		0.0619
Gross Increase in Mill Rate		8,571
Year-1 Net Impact on \$80K Home		4.95

# Business Improvement Exemption Law Prospectus

Local Law 4 2008, The Business Improvement Exemption Law, is an implementation of Section 485-b of Real Property Tax Law.

<b>Example 1</b>		
Hypothetical Projects = 10 @ \$150K	Without 485-b	With 485-b
Budget	800,000	800,000
Total Assessment	140,000,000	141,500,000
485-b Exemption (10 @ \$150K)	0	750,000
Net Assessment	140,000,000	140,750,000
Mill Rate	5.7143	5.6838
Mill Rate Net Difference		-0.0304
Gross Decrease in Mill Rate		-4,286
Year-1 Net Impact on \$80K Home		-2.44

<b>Example 2</b>		
Hypothetical Projects = 5 @ \$10M	Without 485-b	With 485-b
Budget	800,000	800,000
Total Assessment	140,000,000	190,000,000
485-b Exemption (5 @ \$10M)	0	25,000,000
Net Assessment	140,000,000	165,000,000
Mill Rate	5.7143	4.8485
Mill Rate Net Difference		-0.8658
Gross Decrease in Mill Rate		-142,857
Year-1 Net Impact on \$80K Home		-69.26



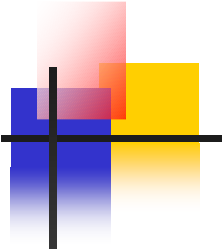
# **Property Tax and Equalization Workshop for Local Officials**

## **Town of Portville**

**Nancy Barney RPTD**

**Dennis Fisher CRM**

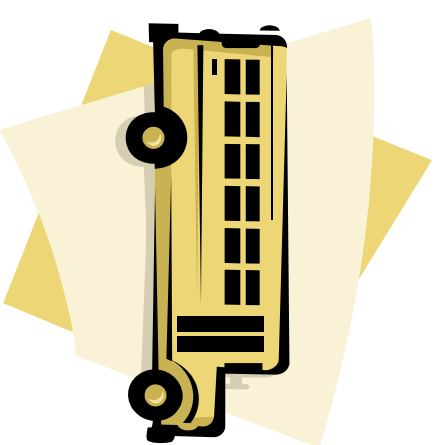
**April 16, 2008**



# Property Tax in NYS

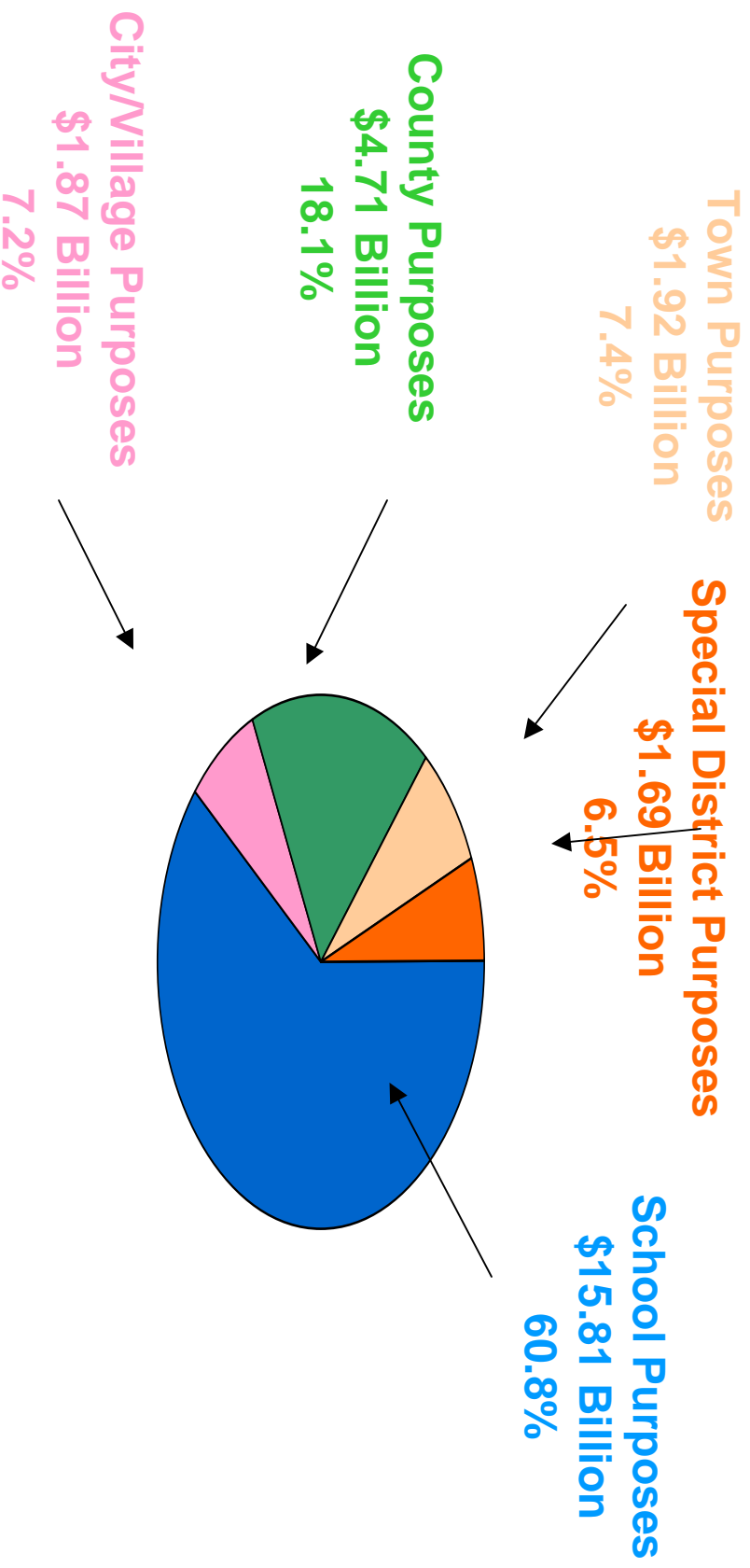
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- Finances local govt. and schools
- 9200 taxing jurisdictions
- Largest single revenue source



# Where the Property Tax Goes

Total Outside NYC = \$26 Billion



Source: Based on data from the Office of the State Comptroller. 2005



# Understanding the Property Tax

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## Calculation of Property Taxes:

- Amount of Tax Levy (Budget minus Revenues)
- Divided by Taxable Assessed Value (Assessed Value minus Exemptions)
- Equals Tax Rate (x 1000)



# Understanding the Property Tax

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## Calculation of Property Tax Rate

- Amount of Town Tax Levy    **\$513,591**
- Divided by Taxable  
Assessed Value            **\$95,640,000**
- Equals Tax Rate            **\$5.37 per \$1000**



# Understanding the Property Tax

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- Although assessments play an integral part of the tax calculation, the amount of the tax levy is the controlling factor in the amount of taxes we all pay



# Understanding the Property Tax

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- Assessments affect the **distribution** of the Real Property Tax
- Assessors are charged by law with the duty of assessing real property and maintaining assessment equity



# Understanding the Property Tax

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- Assessment functions for valuation
  - Discover
  - List
  - Value for Assessment



# REAL PROPERTY TAX LAW

## RP TL 305 (2)

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

Uniform percentage of value also referred to as  
Level of Assessment (LOA)



# REAL PROPERTY TAX LAW

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**§301 RPPTL - Valuation Date on Assessment Roll**

**§502 RPPTL - State Uniform Percentage of Value (LOA) on Assessment Roll**

**§922 RPPTL - State Market Value and Uniform Percentage (LOA) of Value on Tax Bill**



# Assessment Equity

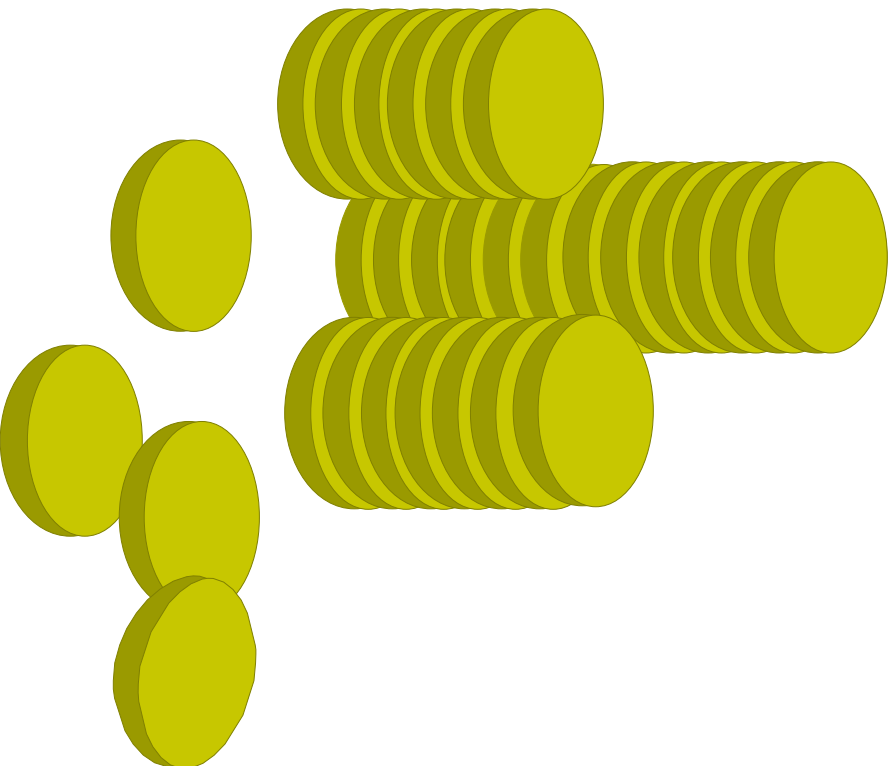
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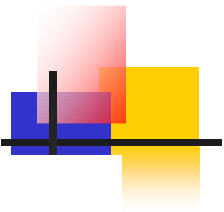
Equity with respect to assessments and real property taxes means:

- Properties are assessed at a uniform percentage of value
- Properties with similar values pay similar taxes
- Taxpayers pay their fair share

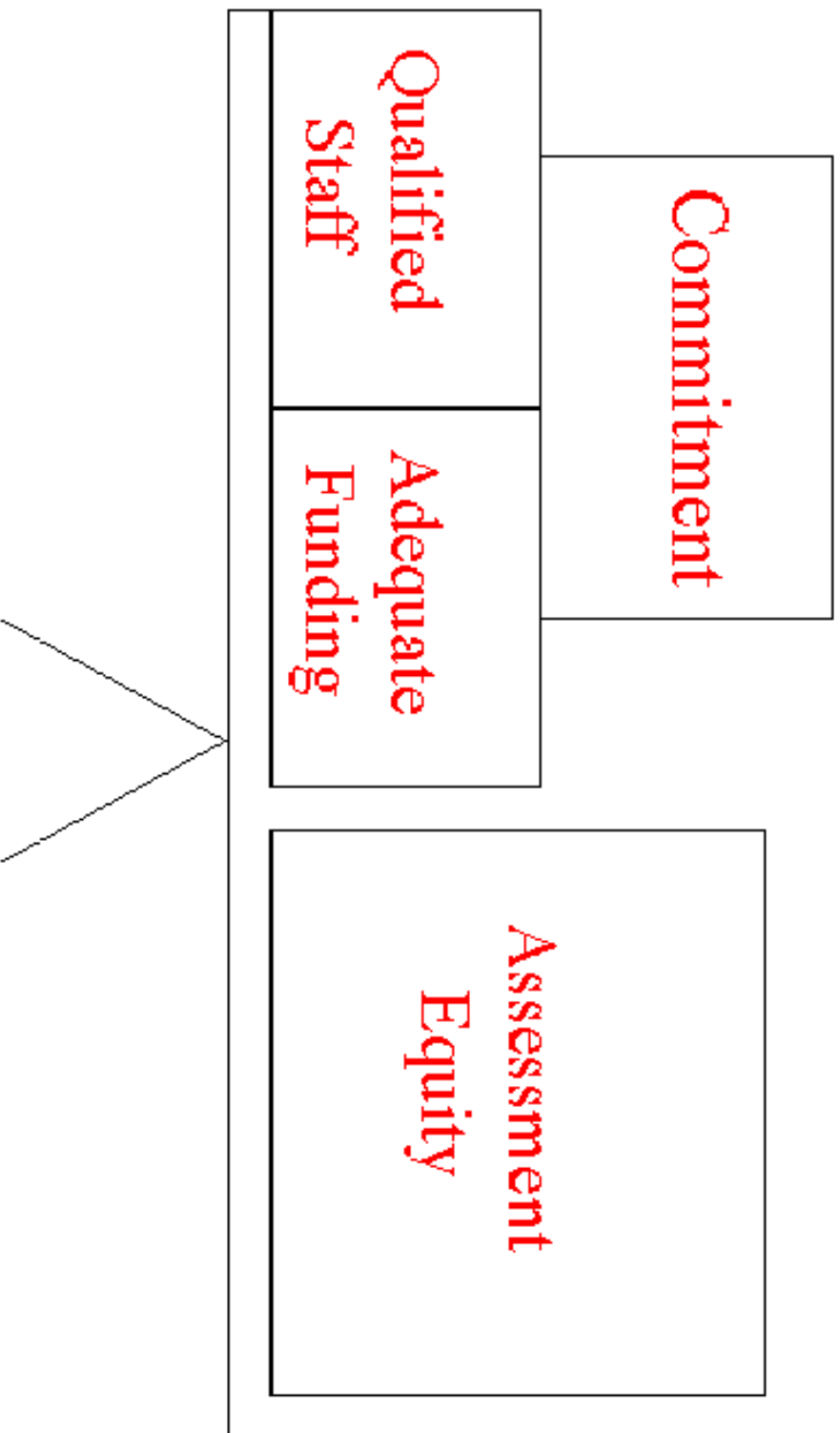
# Effect of Unequal Assessments

Properties of  
equal value pay  
unequal taxes.





# Local Government Responsibility





# Equalization Rate?


## What is it

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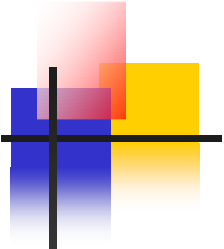
- An equalization rate is the state's measure of a municipality's level of assessment (LOA).
- This is the ratio of total assessed value (AV) to the municipality's total market value (MV). The municipality determines the AV; the MV is estimated by the state.



# Definition of State Equalization Rate

State Equalization Rate   $\frac{\text{Sum of Assessed Value}}{\text{Sum of Full Market Value}}$

$$ER = \frac{A.V. (Local)}{M.V. (State)}$$



# Why is equalization necessary?

Equalization is necessary in New York State because:

1. There is no fixed percentage at which property must be assessed.
2. Not all municipalities assess property at the same percentage of market value.
3. Taxing jurisdictions do not share the same taxing boundaries as the cities and towns that are responsible for assessing properties.



# What does your equalization rate mean

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- *Equalization rate of less than 100 means that the municipality's total market value is greater than its assessed value.*
- *Equalization rate of greater than 100 means that the total assessed value for the municipality is greater than its total market value.*
- *Equalization rate of 100 means that the municipality is assessing property at 100 percent of market value.*



# What does it mean when your municipality's equalization rate decreases?

- A falling equalization rate means that market values are rising faster than assessed values.
- Keeping assessments up-to-date annually can result in consistent equalization rates each year.



# LOA AND EQUALIZATION RATE

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- In New York State each municipality is authorized to assess at market value or some fraction of market value.
- A Level of assessment (LOA) of 50 percent means that assessments are at half of market value.
- Local assessor is required by law to state the municipal LOA on each year's assessment roll.
- ORPS reviews the work of the assessor and determines whether the stated LOA is within adequate tolerances to be used as the equalization rate.
- The state determines the equalization rate by analyzing the locally stated LOA.
- Equalization rates are the state's measure of each municipality's LOA.



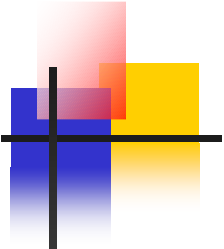
## How do equalization rates relate to county/school property taxes?

- In order for a county or a school taxing jurisdiction to fairly distribute the tax levy it needs to be divided in proportion to the total market value of each municipal segment.
- This allows for an equitable distribution of taxes based upon the market value of each municipality or segment.



## How do equalization rates relate to county and school property taxes?

- Equalization Rate is used to estimate the total market value of an entire taxing jurisdiction and/or segments of jurisdictions.

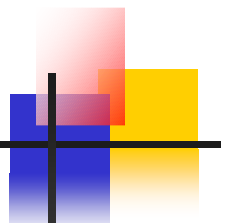


# Assessment Calendar Towns

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Key dates that affect the assessment process are:

- Valuation Date.....preceding July 1
- Taxable Status Date.....March 1
- Tentative Roll Filed.....May 1
- Grievance Day.....4th Tuesday in May
- Final Roll Filed.....July 1



# Current Assessment Challenges

- Work Demands of the Office are Increasing
- New Star Exemption Programs
- Exemption Complexities
- Increases in Taxpayer Inquiries
- Increased Permit Activity
- Market Changes
- Maintaining Level of Assessment