



**Department of
Taxation and Finance**

Updates from the Office of Real Property Tax Services

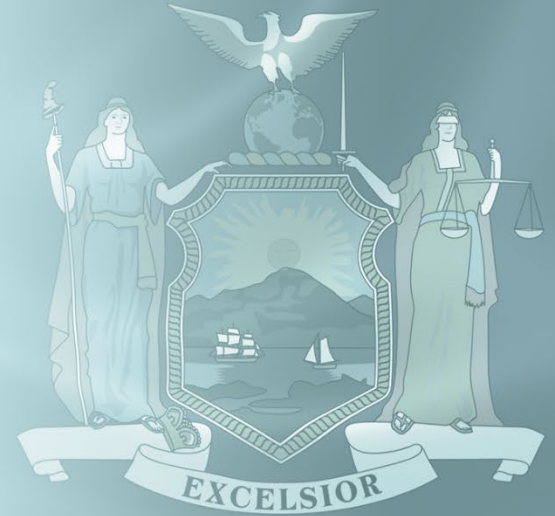
October, 2022

Agenda

- Legislation (Joe Gerberg)
- Break
- Full Value Measurement Process - Overview (Kate Garbutt)
- RPSV4 and RPS Online (Colleen Bourdage)
- Homeowner Tax Rebate Credit and STAR (Geoff Gloak)

Legislation

Introduction and Overview



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Legislation

Condos and Co-ops



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Assembly Bill 3491-b*

Would give munis a local option to assess condos and co-ops based on market value.

- Must be adopted by applicable TSD
- Would not apply to property already being assessed as condo or co-op
- Would not apply to property in certain governmental affordable housing programs
- Would not apply to New York City or Nassau County

* pending

Senate Bill 9413*

Would do the same as A.3491-b, but only for the Town of Greenburgh

* pending

Legislation

Homeowner Tax Rebate Credit



Department of
Taxation and Finance

Chapter 59, Part BB

- For homeowners with STAR exemptions or credits whose 2020 “qualified gross income” was less than \$250,000, and whose 2022-23 school tax bills exceeded their 2022 STAR exemption or credit.
- The amount of the credit depends on the homeowner’s income.
- No credit is payable if the computed credit amount would be less than \$100.

Legislation

STAR Reforms



Chapter 59, Part Z

- The Tax Department may send good cause checks to applicants whose applications are approved after the preparation of school tax bills has begun. This dispenses with the need for local officials to use COE to correct the tax bills and issue refunds in these cases.
- The department may share lists of STAR credit recipients with assessment officials in other states, if the laws of their states allow similar sharing
- The department may share lists of decedents directly with assessors

Legislation

Other Exemptions



Chapter 488

- Increases the maximum income limits for the 467 and 459c exemptions from \$29K to \$50K
 - Sliding scale up to \$58,399.99
- Local option: must adopt local law or resolution to increase local limit



Assembly Bill 1980*

Would require a second notice to be sent to property owners each year advising them of the availability of the 467 exemption.

*pending

Assembly Bill 10155-a*

- Would create a statewide local option to grant exemptions to volunteer firefighters and ambulance workers.
- Schools included, also special districts and fire districts
- Exemption would be a straight 10% (no \$3K cap).

*pending

Assembly Bill 10155-a (cont.)

- Minimum service requirement between 2 and 5 years (locally determined).
- Un-remarried spouses of deceased FFAW may be eligible at local option. Two options:
 - only if killed in line of duty, or
 - all spouses.
- Effective immediately: existing laws repealed three years from now.



Chapter 510

Authorizes certain villages to offer an exemption for newly developed single and multi-family residential properties.

- Village population must be between 3650 and 3660.
- Only Minoa (Onondaga) and Owego (Tioga) qualify, as of now.

Chapter 235

Extends the application deadline for the Superstorm Sandy exemption to March 1, 2024.

Chapter 485

Extends the contract deadline for the first-time homebuyer's exemption (RPTL §457) to December 31, 2028.



Chapter 539

Extends the existence of the RPT Exemption Tax Force for an additional two years, until December 2, 2024.



A.9448-a*

- Would direct the Tax Department to conduct a study on the extent to which there is double taxation for library purposes
- To be completed within one year from the bill's signing

* pending

Chapter 58, Part JJJ

- Directs the Tax Department to hire an outside firm to conduct an economic impact analysis of tax credits and similar incentives
- To be completed by 1/1/24
- Codified as Tax Law § 180



Legislation

PILOTs



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S.953-a*

Would require entities that make PILOTs to give notice before filing for a change of assessment.

* pending

S.3256*

- Would require IDAs to notify munis when they approve projects or deviate from their uniform exemption policies.
- Notices would have to be sent by certified mail, return receipt requested.

* pending

S.4471-a*

Would require notices to be given to impacted munis two years before a PILOT agreement expires, or immediately upon an early termination.

* pending

Overview of the ORPTS full value measurement process

Kate Garbutt, Central Region Director



FVM Topics

- Pre-decisional collaboration (PDC) timeframe
- Simulator PDC report
- Residential assessment ratio
- Level of assessment



Equalization

$$\frac{\text{Total Assessed Value}}{\text{Total Market Value}} = \text{Equalization Rate}$$

Major Types

- Assessment rolls are analyzed by broad property types
 - Major Type A: residential
 - Major Type B: commercial/industrial
 - Major Type C: vacant, farm, and forest
 - Major Type D: utility property
 - TSOL: taxable state-owned land (if >5% of total TAV)
- We separate full value estimates and determine ratios for each major type

PDC Timeframe: Ongoing – Early Sept

Assessors

- correct and transmit sales
- verify sale inventory (by final roll)
- update subject inventory (by final roll)
- review market areas with ORPTS

ORPTS

- prep market analysis (sales testing)
- work on FVM appraisals

PDC Timeframe: October – February

PDC: ORPTS and local officials share analysis:

- trends
- appraisals
- residential ratios
- utility values/trends
- overall ratios (Simulator PDC reports)

PDC Timeframe (cont.)

- From February to April ORPTS:
 - finalizes analysis
 - establishes RAR's (60 days prior to tentative roll)
 - verifies LOAs and determines equalization rates

- 75 days prior to tentative roll date:
 - deadline for submitting LOA for use as RAR this coming cycle (early LOA)

ORPTS Determines Municipal Full Value Using:

- verification of local reassessment results
- appraisal of sample parcels:
 - in localities where there has not been a recent reassessment, or
 - for property types lacking sufficient sales or data for reliable ratio studies in any major type (often done in MTB and MTC)
- market analysis:
 - development of market adjustment factors (trends); applied to prior year full value estimates
 - determination of CAMA and/or Sales Ratios for residential property (IAAO Standards)

Residential Market Value Ratio

- ORPTS develops initial residential market value ratios.
- May be based on one or more of the following methods:
 - sales ratio study
 - CAMA ratio study
 - appraisal ratio study
 - local reassessment project review
- If multiple residential ratio estimates are available, we use an average to determine the RAR.

Simulator PDC Report

- Indicates the methodology and calculations used to determine the market value ratio for Major Types A, B, C, and D.
- Compares assessments from the latest final roll to ORPTS's estimate of full value as of July 1 for each major type (same valuation date for the assessment roll for most municipalities).
- Represents final preliminary estimates.



Simulator PDC Report (cont.)

- For reassessments, multiple reports may be available showing the approach(es) used to determine the ratio for Major Type A.
- For non-reassessments, there will be one report using the approach(es) selected to determine the ratio for Major Type A, including averaging where applicable. These may include the CAMA, sales, or appraisal ratio.

Simulator PDC Report Demo

Municipal Code:
Town of
County of

New York State Dept. of Tax and Finance
Office of Real Property Tax Services
Preliminary Report for 2022 Pre-Decisional Collaboration
This report shows data that may or may not be the basis for the 2022 tentative State rate calculation

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Date: 02/15/2022 Time: 1:19 PM
Date Simulated: 01/21/2022
Source: simfvm2022

Major Type	Roll Year	ORPS, Full Value Methodology	Measured Roll Assessed Value	Base Market Value	Aggr Adjustment Factors				Estimated Market Value Measured Roll	Measured Roll Ratio	Quantity Change Factors				Preliminary Estimated Market Value 2021 Roll	2021 Roll Assessed Value	Preliminary Market Value Ratio 2021 Roll (3)
					2019 (1)	2020 (1)	2021 (1)	2022 (1)			2018 (2)	2019 (2)	2020 (2)	2021 (2)			
A	2021	MTA Ratio												209,536,649	177,582,310	84.75	
B	2021	Unsampled	1,948,500												1,948,500		
C	2018	Appraisals	24,923,800	26,814,208		1	0	10	29,790,585	83.66		1.0260	0.9900	1.0096	30,550,245	25,560,800	83.67
D	2021	Unsampled	9,431,037												9,431,037		
Sampled Type Totals (4)														240,086,894	203,143,110	84.61	
All Type Totals														253,535,924	214,522,647	84.61(3)	
Taxable State Land Totals, excluding transition and aggregate additional assessments (5)														18,731,700	16,872,400	90.07	
Assessing Unit Totals														272,267,624	231,395,047	84.99(3)	



Residential Assessment Ratio (RAR)

- Measure level of assessment (LOA) for the residential class
- Can be used by owners of residential property to challenge their assessment to the board of assessment review and in small claims assessment review.
- The law requires that:
 - the RAR shall be equal to the LOA of residential property that is used in the calculation of the state equalization rate, and
 - ORPTS establishes the RAR at least 60 days prior to tentative roll date.

ORPTS Verification of Municipal LOA*

The overall preliminary market value ratio** for each municipality is evaluated against the municipal LOA (as reported on the tentative assessment roll) using the following procedure:

- If the municipal market value ratio* is within + or -5% of the stated municipal LOA, then the LOA will be the equalization rate.
- If none of the municipal market values** are within + or -5% of the municipal LOA, the equalization rate will be the overall market value ratio determined by ORPTS.

*calculated by ORPTS staff

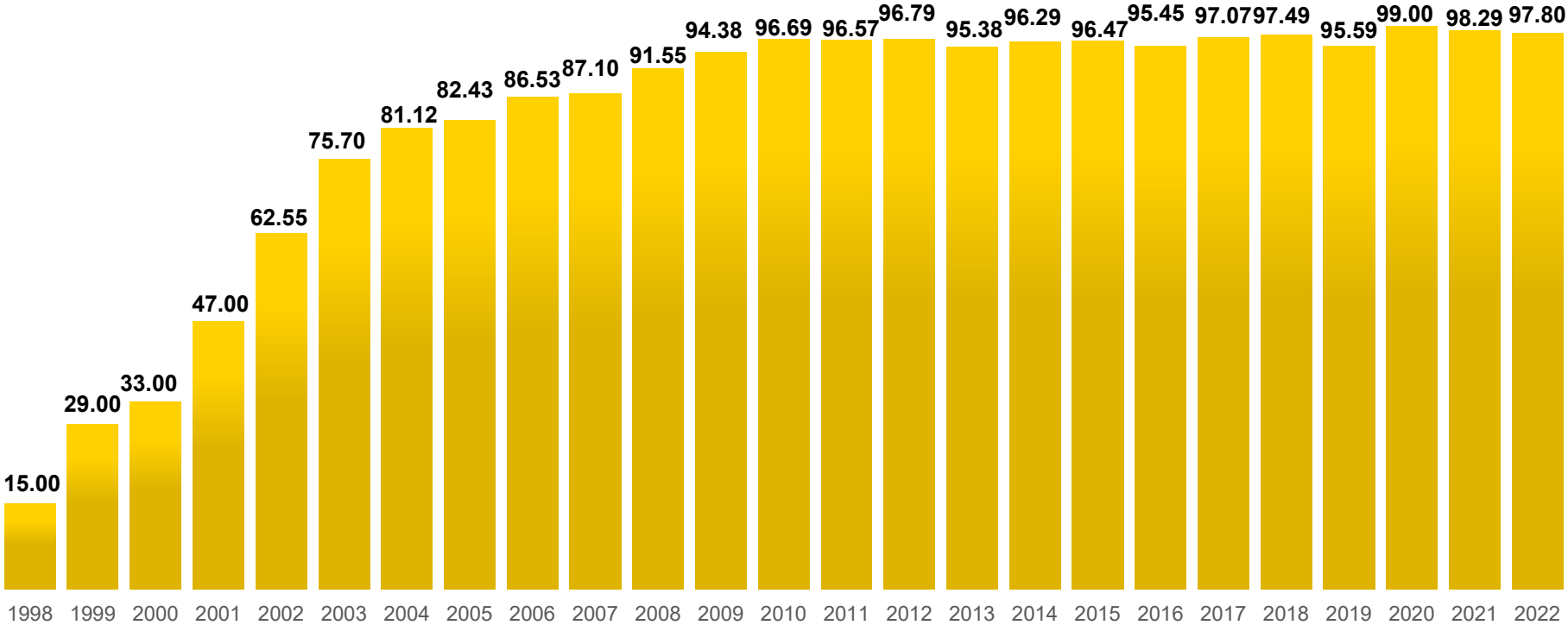
Early LOA

- Assessors can claim an early LOA up to 75 days prior to tentative roll date if the Major Type A (residential) Ratio is within 5% of the Overall Market Value Ratio.
- LOA will be accepted as the Residential Assessment Ratio (RAR) and the 2023 Equalization Rate.
- Put simply, if the $RAR = \text{Overall MV Ratio}$, then the $RAR = LOA$.

Early LOA (cont.)

- If the two ratios are not within 5% of each other, the LOA cannot be verified as both the RAR and equalization rate.
- Note: Whether you submit an early LOA or not, the municipal LOA must fall within the tolerance of the overall Preliminary Market Value Ratio allowed in procedures (5% for 2023) to be confirmed as the equalization rate.

Cities/Towns Where LOA Was Accepted as State Equalization Rate (%)



RPSV4 and RPS Online Update

Colleen Bourdage, RPS Online Project Lead



Department of
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RPS Online - Overall Status

- Established new project team consisting of New York State Tax Department and ITS staff.
- Planned in-house development of replacement for RPSV4 (RPS Online) through a collaborative effort between Tax Department and ITS.

RPS Online - Overall Status (cont.)

- Notified former Pilots that their commitment was formally concluded
- Distributed survey to solicit volunteers for RPS Online user groups
 - former Pilots encouraged to participate
 - received more than 125 responses
 - outreach has begun



RPS Online: System Development Lifecycle

- Planning – complete
- Requirements gathering and analysis – in process
- Design – in process
- Development – not started
- Testing – not started
- Training – not started
- Implementation – not started



Scope of the New System

Design and develop a modernized statewide real property system – RPS Online

- web-based, thin-client system
- enterprise level database data tier within a multi-tenant infrastructure



Scope of the New System (cont.)

Phase One

- functionality required for roll processing and statutory requirements, including assessment and tax administration, and all aspects of parcel maintenance
- cost and land valuation

Scope of the New System (cont.)

Phase Two

- Provide additional functionality and enhancements to the system, largely focused on valuation modules to support local assessment uniformity efforts and reassessment projects
- Integrate tools – GIS, sketching, custom report writer and public access site

Timeline

Details on implementation timeframe will be available soon.



Homeowner Tax Rebate Credit and STAR

Geoff Gloak



Department of
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Homeowner Tax Rebate Credit

- We began issuing checks for the new credit in June.
- We launched the:
 - [webpage](#)
 - [lookup tool](#)
 - [FAQs](#)
- By the end of June, we issued nearly 2 million checks.

Homeowner Tax Rebate Credit (cont.)

- We continue to issue checks as we receive the necessary data from school districts.
- To date, we have issued nearly 2.3 million checks.



One Significant STAR Change for 2022

Beginning with 2022 assessment rolls, the following were only eligible for the STAR credit (no longer eligible for the STAR exemption) if the manufactured home is included in the landowner's assessment:

- manufactured homes in parks, and
- manufactured homes on land that is owned by someone else.

Benefits

Increased benefit amounts:

- STAR credit for manufactured homes is based on a minimum full value of \$20,000.
- Manufactured home park owners will no longer be entitled to a 2% administrative fee for passing STAR exemption savings along to unit owners.

Notifications to Impacted Homeowners

- We sent letters to impacted manufactured homeowners.
- We automatically switched roughly half to the STAR credit.
- We told (and reminded) the rest to switch to the STAR credit.

Notifications to MH Park Owners

- We sent a [notice](#) to manufactured home park owners statewide.
- We attended six meetings of the New York State Housing Association.

Other STAR News

- We've issued more than 740,000 checks for the STAR credit thus far.
- Virtually all checks for school districts with September 30 due dates were issued by September 14.
- Up next:
 - Nassau County (November school tax due date)
 - Suffolk County (January school tax due date)
 - Homeowners who registered for STAR after the deadline



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