

CHALLENGES TO PROPERTY ASSESSMENTS

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Agenda

- Responsibilities in Taxing Process
- What to do Before Challenging the Assessment
- Dates in Assessment Process
- Filing Complaints & Decisions of the BAR
- Steps to Appeal Decisions of the BAR
- Small Claims Assessment Review (SCAR)
- Tax Certiorari Proceedings
- Review of Tax Certiorari Reserves & Refunds
- Outstanding Litigation in EGCS D

State Responsibilities

- Education Funding
- School Mandates
- Methods of Taxation
- Tax Rate Formulas
- School Tax Relief (STAR) Exemption Levels
- School Tax Relief (STAR) Rebates - Discontinued
- Laws Authorizing Exemptions
- Equalization Rates
- Circuit Breaker – Not Currently Available

School Responsibilities

- School Budget
- School Spending
- Tax Levy
- Calculation of Tax Rates
- Homestead/Non-Homestead Option
- Offering Voluntary Exemptions
 - Senior Citizens With Limited Incomes
 - Persons With Disabilities & Limited Incomes
 - Household Improvements by Persons With Disabilities
- School Tax Bills

Town Assessor Responsibilities

- Market Value Estimates of Properties
- Assessment Determination
- Level of Assessment (LOA) Declaration on Roll
- Tentative & Final Tax Rolls Preparation
- Exemption Applications & Administration
- Equalization Rate Appeals

Before Challenging The Assessment...

- What is the Assessor's Market Value Estimate?
 - Market Value Should Approximate Roughly the Price for Which the Property Can be Sold
 - Factors Can Impact Market Value Estimate: External & Internal Characteristics, Supply & Demand, Location
 - Review of Comparable Sales
- Is My Assessment Fair?
 - Time for Informal Discussion with Assessor
 - Right to Formal Review of Assessment
 - Burden of Proof is on the Property Owner

Before Challenging The Assessment...

- If the Assessment is Unfair....
- If Taxes are Too High...

See the Assessor !

See the School Board,
Town Board, County
Legislature, City
Council, Fire District,
Other Taxing District !

**Note: The Assessor Can Only Assist The Taxpayer With
Matters Relating To The Assessed Value Of The Property**

Dates in Assessment Process

July 1	Valuation Date – July 1 Preceding the Taxable Status Date
March 1	Taxable Status Date – Property Status Based on Condition and Ownership
May 1	Tentative Assessment Roll – Available for Public Review
May	1) Notices Issued of Increased Assessments & Removal of Exemptions 2) Filing of Complaint Forms RP-524 3) Assessor-Owner Agreements Submitted to BAR for Ratification
May & June	Grievance Day - Meetings of Board of Assessment Review (BAR)
July 1	Final Assessment Roll Issued by Assessor

Filing the Complaint – Form RP-524

- General Information
- Proof of Value of Property
 - Condition on March 1
 - Market Value as of Preceding July 1
- Grounds for Complaint
 - Unequal Assessment
 - Excessive Assessment
 - Unlawful Assessment
 - Misclassification
- Penalty for False Statements

Decisions of the BAR

- 3 to 5 Members
- Hear Complaints
- Taxpayers Appear Personally or With Attorney
- Assessors Attend All Hearings
- Stipulations May Occur Between Assessor & Owner
 - If Done, No More Reductions by BAR or Legal Means
- Written Decisions Issued By Bar, Except in Cases of Stipulation
- Special Note When Filing Complaints Check Amount of Assessment Reduction Requested

Disagreement With the BAR

Homeowners

- SCAR – Small Claims Assessment Review
- Article 7 Proceeding (Tax Certiorari)

Commercial Properties

- Article 7 Proceeding (Tax Certiorari)

SCAR (Small Claims Assessment Review)

- SCAR May be Filed by any Property Owner
 - Aggrieved by an Assessment
 - Filed a Written Complaint with Board or ARC
 - Owns and Occupies a One, Two or Three Family Residence That is Used Exclusively for Residential Purposes..OR.....
 - Owns an Unimproved Lot that is Not of Sufficient Size as Determined by the Assessing Unit to Contain a One, Two or Three Family Residential Structure

SCAR (Small Claims Assessment Review)

- Petitions Must be Filed within 30 Days of the Filing of the Final Assessment Roll (July 1) or Notice of Filing, Whichever is Later
- Remember: Towns & Villages are Separate Assessing Units (May Need 2 Petitions)
- If Equalized Value > \$450,000, Requested Reduction Cannot Exceed 25% of Final Assessment or Reduction Sought before BAR, Whichever is Less
- SCAR Hearings Take Place Within 45 Days After Final Day For Filing Petitions
- Decisions Issued Within 30 Days of Hearing

Rensselaer County Tax Cases

Year	Tax Certiorari	SCAR
2009	95	125
2008	64	218
2007	47	40
2006	43	33
2005	25	21
2004	58	39
2003	50	28

Tax Certiorari Proceedings

- Tax Certiorari Definition:

A Legal Proceeding Whereby The Taxpayer Who Has Been Denied a Reduction in the Assessment by a Local Assessment Review Board Challenges His or Her Property Tax Assessment on the Grounds of Excessiveness, Inequality, Illegality, or Misclassification

- Taxpayers Using SCAR Waive Rights to an Article 7 Tax Certiorari Proceeding, but May Seek Judicial Review Under Article 78 of Civil Practice Law & Rules

The Tax Certiorari Process

- Taxpayer Files A Copy of the Petition & Notice To:
 - Superintendent of Schools
 - Clerk of the Assessing Unit
 - Proof of Mailing to Court Within 10 Days
- School District May Become a Party to the Litigation
 - Serve Verified Answer to Petition...OR..
 - Serve Notice of Appearance – Denies Allegations
 - Enjoys Same Rights as Other Parties & May Reject an Unacceptable Settlement Offer
 - Cases on Late Notice & No Notice

Tax Certiorari – EGCS D Process

- Petitions Received in Superintendent's Office During Month of July
- Reviewed by Business Office for \$ Exposure
 - Less Than \$5,000 – Filed for Future Reference
 - More Than \$5,000 - Sent to School Attorney
 - Total Dollar Impact of All – Review Need for Reserve
- If Appraisal Needed, Brought to Board for Approval
- Settlements > \$30,000 Brought to Board for Approval
- Updates Provided to Board 3 to 4 Times Per Year

Tax Certiorari Reserves

- Authorized by Education Law § 3651 (1-a)
- Must be Established by Resolution of the Board
- Purpose: To Pay Judgments & Claims in Tax Certiorari Proceedings per RPTL Article 7
- May Not Be Used for Legal & Appraisal Expenses
- Dollars Not Expended for Judgments & Claims Must be Returned to General Fund on or Before the 1st Day of the 4th Year After Deposit of Monies in Reserve

Tax Certiorari Reserves - EGCSD

Summary Data	2008	2009	2010
Number of Cases	25	27	21
Initial Exposure	\$3,581,610	\$2,191,381	\$1,494,604
Tax Reserve	\$1,800,000	\$1,177,992	\$1,125,095
Refunds & Bill Adjustments	\$740,471	\$196,672	\$0
Reserve Balance	\$1,059,529	\$981,320	\$1,125,095
Exposure Balance	\$874,670	\$1,016,548	\$1,494,604

2008 Reserve Refunds

73 Troy Road	\$27,556
Cellco Partnership	14,050
Darwin DeLappa	4,134
Empire Realty	4,993
First Niagara	9,513
Garelick Farms	94,012
Greenbush Station	4,322
Hess Corporation	38,902
Hewitt's	12,967
Horizon Ridge	21,050

2008 Reserve Refunds (Continued)

Hoyt (Regal) Cinemas	\$78,884
K-Mart	38,253
Mukrash, Inc.	1,956
National Grid	125,898
Target Corporation	68,078
Tittertin Properties	54,030
Verizon	6,894
Wal-Mart	112,287
WP Associates	22,692
Total 2008 Reserve Refunds	\$740,471

2009 Reserve Refunds

390 Columbia LLC	\$1,002
Cellco Partnership	71,147
Darwin DeLappa	4,254
Empire Realty	11,556
Greenbush Station	14,020
Horizon Ridge	30,723
Prudence Properties	881
Target Corporation	63,089
Total 2009 Reserve Refunds	\$196,672

Outstanding Litigation

Town	Petitioner
East Greenbush	4 Parcels PHE Properties, Harold Vonostenbrugge – 2009, 2010
North Greenbush	Carl Fiacco, Ken Feiden Home Furniture – 2009
Nassau	Cumberland Farms – 2009, 2010
East Greenbush	Forrest Pointe – 2008, 2009, 2010
East Greenbush	Fucillo Ford – 2009, 2010
Nassau	Garden Homes Fund – 2010
East Greenbush	Global Crossing – 2009, 2010
East Greenbush	Goldstein Properties – 2009, 2010
East Greenbush	Highgate Manor – 2009, 2010
East Greenbush	K-Mart – 2009, 2010
East Greenbush	Mabey's Realty – 2009, 2010
North Greenbush	M & T Bank - 2010

Outstanding Litigation (Continued)

Town	Petitioner
East Greenbush	National Gypsum – 2009, 2010
North Greenbush	North Greenbush Associates – 2009, 2010
Schodack	Paige Contracting – 2009, 2010
East Greenbush	Regeneron – 2008, 2009, 2010
East Greenbush	Rensselaer County Plaza – 2009, 2010
North Greenbush	RPI/Verizon Wireless – 2010
Schodack	Schodack Plaza – 2010
Schodack	Schodack Senior Housing – 2010
East Greenbush	Transmontaine – 2008, 2009, 2010
East Greenbush	Verizon – 2010
East Greenbush	Witbeck – 2010
East Greenbush	WP Columbia Associates - 2010

Office of Real Property Services Resources

- Located Online at www.orps.state.ny.us
- Tax Certiorari Activity by County
- Informational Pamphlets
 - Disagreement With The Assessment
 - Fair Assessments
 - How the Property Tax Works
 - Tax Myths & Misunderstandings
 - The Homestead Tax Option
 - STAR
 - Tax Exemptions

Resources

- School Law 32nd Edition, New York State School Boards Association, 2008
- New York State Unified Court System Website at www.nycourts.gov/litigants/scar/generalinfo.shtml
- New York State Office of Real Property Services at www.orps.state.ny.us
- Questar III BOCES State Aid Planning Reserve Summary