



TOWN OF ROCHESTER

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BOARD OF ASSESSMENT REVIEW

Report on Grievance Day 2009

The Board of Assessment Review (“BAR”) held its annual Grievance Day on May 26, 2009 during the hours of 4:00 pm to 8:00 pm, with an additional session on Saturday, May 30th. In addition, the BAR met on two subsequent occasions to deliberate on the complaints received from Town taxpayers.

Complaints and Resolution

During Grievance Day, the BAR reviewed 58 complaints and six stipulations/corrections proposed by the Assessor. The subject properties related to the complaints ranged from an unimproved property with assessed values as low as \$21,000 to a commercial campground with an assessed value of \$1,800,000. Of the 58 complaints, the BAR reduced the assessed valuations in 35 cases, and determined that 23 subject properties were properly or under-assessed and did not receive the respective assessments. Property owners appeared in person for approximately half of the complaints. The BAR ratified each of the six stipulations. One complaint was filed by a BAR member for the member’s personal residence; the required disclosure form was filed and, upon deliberation, no reduction was granted. The total of all assessment reductions granted was approximately \$1.4 million. The total of all stipulations/corrections resulting in assessment reductions was approximately \$833,000, with one property that had not been on the tax roll previously being added with a value of approximately \$463,500.

Prior to making determinations on individual properties, BAR members discussed assessment methodology and agreed upon a set of objective criteria for reviewing cases. This methodology was consistently applied to each case. The BAR is legally permitted to reduce an assessment figure to the figure requested by a complainant. In some cases, the assessment requested by the complainant was higher than the number that the BAR’s valuation criteria would have yielded, potentially resulting in a disparity on the dollar/square foot assessment ranges. As a result of an agreement on methodology, the decision on every complaint reviewed was made unanimously by each participating BAR member.

Land is valued on a formula basis as provided by the Assessor’s land table. For unimproved land, the first acre is assessed at approximately \$35,000 (improved land is \$45,000), with a sliding valuation for additional acreage. After determining the Assessor’s proposed assessment, BAR members determined the land value in accordance with the land table and determined the value of the remaining improvements on the

property. In doing so, the BAR determined the assessed value per square foot of improvements and determined if such square foot assessments fell within certain ranges for similar properties. The BAR determined different ranges for stone houses, new stick construction, bungalow and cottage type structures, modular construction and manufactured homes (mobile homes), and various types of outbuildings. The members of the BAR believe that the use of the land table can sometimes skew per-square-foot assessments for improvements and recognizes the potential for gross disparities resulting from this methodology.

Issues Observed

In the grievance process, the BAR made the following observations.

1. Affordability of taxes was cited by many property owners as a significant burden in the current economic environment. While the BAR is not permitted to take affordability into consideration in its deliberations, escalating property taxes is certainly one issue that elected officials must thoroughly review in their budgeting processes. This issue was cited more frequently in 2009 than in prior years.
2. The sliding scale land table formula does not effectively take into consideration factors that could diminish the value of land such as steep slope, abundant wetlands, periodic flooding or factors that would increase the value of land such as views, water features, location, etc. As a result, it is possible that the land value calculations, when the formula is applied, could result in an unfair allocation of a property's full value between land value and the value of improvements. The BAR did, however, provide discounts to the land value formula in select cases where property values could be reasonably determined to be diminished due to proximity to undesirable enterprises and/or extremely poorly maintained and/or deteriorated buildings on neighboring properties, as these factors generally have an adverse impact on the marketability of the subject properties.
3. In many cases, residents were not aware that they could save money by combining two or more qualifying adjacent parcels (owned in the same name) into one parcel for tax purposes. In a number of cases, property owners who did request such consolidation did not receive the benefit because the paperwork had not been processed or entered into the record in a timely manner.
4. There continued to be a significant disparity and gross inconsistencies between assessments per square foot. Many homes in excellent condition were valued at \$100 per square foot or less, while others in poorer condition appeared to be assessed at much higher levels. The members of the BAR were unable to determine the cause of such disparity. The inconsistency creates a ripple effect because it results in a situation where residents whose home are properly assessed at full equalized value are forced to pay a higher pro rata percentage of the tax levy burden than individuals whose homes are assessed at a below market figure.

5. In some cases, data held by the Assessor's office was incomplete or inaccurate as it had not been updated in several years. This issue was noted in prior years, and improvement in the past 12 months is noted. The lack of complete inventory and condition information made the review process of grievances difficult. We recommend a comprehensive inventory of town tax parcels and improvements on such parcels.

In the course of discussions with property owners as well as correspondence provided, it appears that certain issues that had been raised "on numerous" occasions with the Assessor's Office in prior years had not been addressed or resolved. These issues include incorrect property inventory (house is smaller than Town records indicate) and correspondence sent to the Assessor's Office that appears to be "missing" or not processed (principally combining two adjacent lots into one tax parcel). This issue was raised in previous reports, it appears that the Assessor is addressing these problems adequately as they are identified.

We have noted a significant improvement in the Assessor's Office's willingness to assist taxpayers in a timely manner and appreciate the cooperation we received from the Assessor in our Grievance Day Process

Conclusions and Recommendations:

The Assessor's Office should keep a detailed correspondence log indicating: property owner, subject property, date received, description, where the document is filed, and resolution of the subject of the correspondence.

The Assessor's Office should acknowledge receipt of correspondence by email, post card, or telephone call within a specified time period from such receipt. We have heard from numerous property owners, and individual BAR members have personal experience, that in certain instances, correspondence is not routinely or timely acknowledged or answered.

We continue to recommend that the Town routinely publish the entire tax roll on the internet in order to provide residents with a means of easily validating assessed valuations and to more conveniently point out errors and/or inconsistencies to ensure an equitable distribution of tax levies.

Zoning issues in which undesirable business activities and issues related to adjacent or neighboring homes or businesses that are dilapidated or filled with junked cars/debris/trash were brought up by taxpayers on several occasions. These taxpayers asserted that such undesirable conditions impaired the market value of the complainant's properties. Some factors that the BAR determined to adversely affect market prices of properties included proximity to undesirable businesses (mines, noisy and unkempt summer camps, etc.) or periodic flooding from water runoff from town roads. As the

assessment of individual properties were in some cases reduced because of these factors, the pro-rata share of the tax levy passed on to properties unaffected by these or similar factors inevitably rises, resulting in a potentially inequitable distribution of property tax liability in which unaffected properties unfairly bear a higher proportional cost of the Town's tax levy.

While state law authorizes the Assessor to unilaterally reduce or increase assessments, there is no oversight process to validate reductions made unilaterally by the Assessor. A potential consequence is that properties might be unfairly reduced, exacerbating the disparity between full/fairly valued properties and those that are under-assessed (greater transparency afforded by publishing the tax roll would, however, provide a degree of validation). We recommend that the Town Board examine potential mitigants to this problem in a manner consistent with state law. The BAR process does, however, provide residents with a means of challenging increases in such assessments.

This report was adopted unanimously by the members of the Board of Assessment Review. July 27, 2009

Alan Levine, Chair
Bruce Schoonmaker
Claude Suhl
Martha Tardibuono
Zali Win