



TOWN OF ROCHESTER

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BOARD OF ASSESSMENT REVIEW Report on Grievance Day 2011

The Board of Assessment Review (“BAR”) held its annual Grievance Day on May 24, 2011 during the hours of 4:30 pm to 9:30 pm and provided property owners with the option of appearing in person by appointment on a subsequent Saturday (however, no one did). In addition, the BAR met on one occasion to deliberate on the complaints received from Town property owners.

Complaints and Resolution

During Grievance Day, the BAR heard 30 complaints from property owners who appeared in person. A further 30 complaints were submitted prior to the deadline from property owners who chose not to appear in person. Included in the total was one grievance submitted by a member of the BAR relating to his personal residences (seeking an assessment equal to that of a nearly identical house next door). The required disclosure forms were filed and the subject BAR member recused himself from deliberations relating to his own complaint.

The subject properties for which complaints were submitted ranged from an unimproved property with an assessed value as low as \$5,500 to a commercial campground with an assessed value of \$2,100,000. Of the 60 complaints, the BAR reduced the assessed valuations in 37 cases. The BAR determined that 23 subject properties were properly or under-assessed or that the property owners did not include sufficient documentation to support their complaint and did not receive the respective assessment reductions; this includes one complaint for which the required Form RP-524 was not included although supporting documentation provided. The combined value of assessment reductions was \$1,597,715 from a starting point of \$17,935,600. In total, property owners requested \$6,171,022 in aggregate assessment reductions.

In addition to the 60 complaints submitted, the BAR ratified 32 stipulations and 25 corrections proposed by the Assessor. The combined reduction in assessments related to the stipulations was \$1,558,900. The combined reduction in assessments related to the corrections was \$712,680. We strongly urge property owners to discuss potential errors with the Assessor prior to filing a grievance in order to possibly avoid having to file a grievance and to better prepare for a grievance if one is subsequently filed.

Prior to deliberations in which the BAR made 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, with the exception of the

member who recused himself as noted above and some cases in which a BAR member was not present during a portion of the deliberations.

Land is valued on a formula basis as provided by the Assessor's land tables. For unimproved land, the first acre is assessed at approximately \$40,000-60,000 (improved land is approximately \$45,000-70,000), with a sliding valuation for additional acreage; there were valuation adjustments for factors such as views and water frontage. 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 of improvements and determined if 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 distort 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. We noticed an increase in the number of complainants who did not provide sufficient information to support their requests for assessment reductions; a number of property owners did not submit any information (such as comps, etc.) at all.
2. 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.
3. There was an improvement in the Assessor's land tables and the attempt to standardize the valuation of the value-enhancing features of certain types of property (views, etc.) as well as land that is worth relatively less due to abundant wetlands, steep slope, periodic flooding or other factors that could diminish the value of land. It is still possible, however, 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, conditions (such as a neighbor's wood-burning furnace) 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.
4. 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.
5. 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.

6. The lack of internet access on some roads, and the lack of ability to work from home, continued to be a reason for requests for reduced property values and assessments.

We have to make special note of the continuing improvement in the Assessor's Office's willingness to assist property owners in a timely manner and appreciate the cooperation we received from the Assessor in our Grievance Day process. Several property owners also commented on the helpful attitude of the two individuals in that office, which we feel is especially welcome during a town-wide revaluation.

Conclusions and Recommendations:

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 property owners on several occasions. These property owners 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.

This report was adopted unanimously by the members of the Board of Assessment Review. June 5, 2011

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