

What happens during a reassessment?

The purpose of the reassessment is to ensure that all properties are assessed fairly at a uniform level of assessment. (Typically, assessments are adjusted to 100 percent of market value at the time of a reassessment.) To analyze the real estate market, the assessor will review recent property sales and other indicators. All assessments in the municipality will be reviewed to determine where assessments should be increased, decreased or remain the same. This may or may not include visual reinspection of some or all of the parcels. Mailers may be sent to homeowners asking them to correct/update the information on their property. Those whose assessments are adjusted will receive notification in the mail.

Will my school district receive less State Aid after the reassessment?

No. The State Aid to Public Education formula developed by the Legislature uses a variety of factors to determine the amount of State Aid a school district will receive each year. One of those factors is real property wealth, or the total market value of real property in the school district. The measure of real property wealth is not based on local assessments, but rather is determined by the state for each school district.

In fact, in order to ensure that the State Aid formula is equitable for all school districts, it can not be based on assessments. Since some municipalities have assessments that are up-to-date, while others may be as much as 100 years old, State Aid based on those assessments would not be equitable. Instead, the state's measure of real property wealth is used in the formula to calculate the State Aid for each school district.

A similar myth exists around the misconception that the higher an equalization rate, the lower will be a school district's State Aid. This is also incorrect, and no such correlation exists. Again, it is the State's estimate of a district's property wealth that is used in the State Aid formula.

Does New York State require reassessments?

New York State's Real Property Tax Law addresses the issue of assessment equity. While it doesn't require assessments to be at 100 percent of market value, it does establish a standard that assessments be fair at a uniform percentage of market value.

However, there is no statutory mechanism for enforcement of adherence to that standard. Employees of the State Office of Real Property Tax Services do consult with municipal officials and recommend steps to provide fair assessments, and the agency does administer State Aid programs to provide incentives for reassessments. Beyond those steps, the role of ORPTS is largely an advisory one.

For More Information

The ORPTS website (www.orps.state.ny.us) has links to various publications and information:

- The Real Property Tax Primer
- How the Property Tax Works
- Fair Assessments
- Understanding the Equalization Rate
- Information on STAR and other exemptions
- Municipal Profiles, including local government information and statistics
- How to File for a Review of Your Assessment
- How Estimates of Market Value are Determined for Residential Properties
- Real Property Tax In New York State: Common Myths and Misunderstandings
- A Closer Look at the Tentative Assessment Roll

Also, don't hesitate to contact local assessors and/or county directors of real property tax services (contact information is available from the Municipal Profiles section of the ORPTS website).



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Reassessment Frequently Asked Questions



New York State Department of
Taxation and Finance

Office of Real Property Tax Services

Myth #1
Assessors determine property taxes

Typically property tax rates are set by school boards, town boards, village boards, and county legislatures, but not by assessors. Each board determines the total amount of taxes it needs to raise, and then divides that number by the total taxable assessed value of the jurisdiction to determine the tax rate. Your share of the tax is calculated by multiplying the tax rate by your property's assessed value minus exemptions, such as STAR.

Assessors are responsible for determining your property's assessed value. In order to do this, the assessor estimates your property's market value (the price it would sell for in the real estate market), and then applies the municipal level of assessment (LOA) to that market value. In many communities, the level of assessment is 100 percent, so a home with a market value of \$90,000 has an assessed value of \$90,000. In a town with a level of assessment of 50 percent, the assessed value of the same home is \$45,000.

The assessor also performs other functions, such as processing exemption applications and keeping track of the local real estate market, but the assessor does not determine your tax rate.



Myth #2
Taxes are high because of assessments

It's important to distinguish between taxes and assessments. If you feel your *taxes* are too high, you should take that up with the town board, school board, or other governing authority that is determining tax levies and setting the tax rates. If you feel your *assessment* is too high, there are administrative and judicial processes where you can seek to have your assessment lowered.

Assessments should be based on market value, and if you feel your assessment is too high, your first step in confirming that is to determine your property's market value. The best way to do this is to look at the sale prices of similar properties in similar neighborhoods.

If you still feel that your assessment is too high, we recommend that you informally discuss your concerns with your assessor. More information on the grievance process is available from your assessor's office and online: www.orps.state.ny.us

Myth #3
NY State collects too much money through property taxes

While New York State government receives no money from the real property tax, this stable revenue source is vitally important to the delivery of services to the state's citizens. Local governments and school districts collect the property tax, which is their largest source of revenue. That's one of the main reasons that property taxes and assessments are administered locally (rather than by the state) in New York.

Myth #4
Equalization rates can correct unfair assessments

Equalization rates are determined by the State Office of Real Property Services and represent the overall ratio of a municipality's total assessed value to the municipality's total market value. Because equalization rates are municipal wide measures, they are not intended to correct unfair individual assessments in a city or town. The assessor has the primary role in ensuring the fairness of individual assessments, subject to the right of owners to seek administrative and judicial review of assessments.

While equalization rates have many uses, they are most commonly known for their use in apportioning property taxes among municipal segments of school districts and counties. In order for a school district or county to fairly distribute its property tax levy (the total amount of taxes to be collected), the levy needs to be divided in proportion to the total market value of each municipality or municipal segment. This allows for an equitable distribution of taxes based upon the market value of each municipality or segment.

In the apportionment process, the equalization rate is used to estimate the total market value of an entire municipality and/or segments of municipalities. The formula used for this calculation is:

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