

REVALUATION – AN EXPLANATION

*Town of Stanford
May 12, 2016*



*Presented by
Equitable Assessments, LLC*



Revaluation

- ▶ Who's doing it?
- ▶ What is it?
- ▶ Why do we need it?
- ▶ What does it do?
- ▶ What will it not do?




WHO IS DOING THE Revaluation?

Equitable Assessments, LLC is the revaluation company recently hired to perform the 2017 revaluation of all properties located within the Town of Stanford. Equitable Assessments LLC is a recognized and respected firm that has provided years of quality mass appraisal for other municipalities located in Dutchess County. We maintain a good working relationship with Dutchess County Real Property Tax Department and The New York Office of Real Property Tax Services.

I formed the company in 2006, after retiring from the assessment field. I envisioned the need for support of assessors in their quest for assessment equity while facing fluctuating real estate markets and diminishing office resources.

Based in the Hudson Valley our company maintains a staff of highly qualified experts in their respective areas of real estate appraisal and mass appraisal information systems. We approach each project as its own set of challenges while providing supportive expertise by working with your Town's Assessment department to maintain the highest integrity with a personal touch. Our goal is to work with the Assessor and the Taxpayers of Stanford to re-establish, "Equitable Assessments".

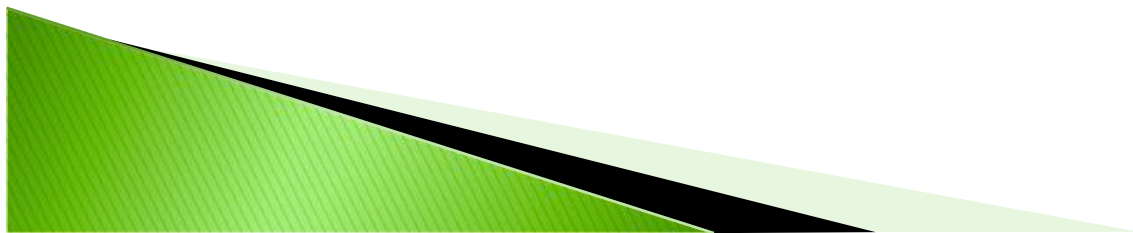


Revaluation – What is it?

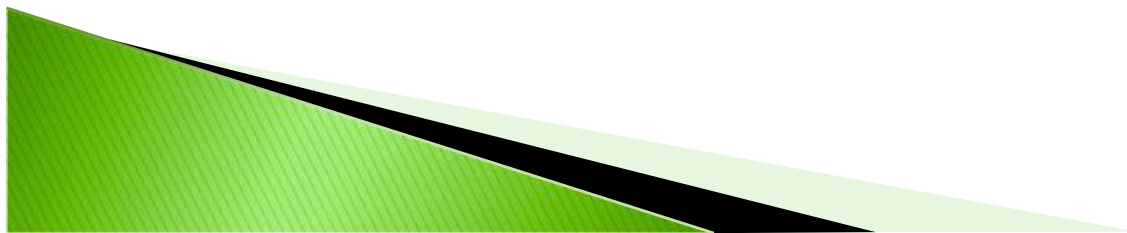
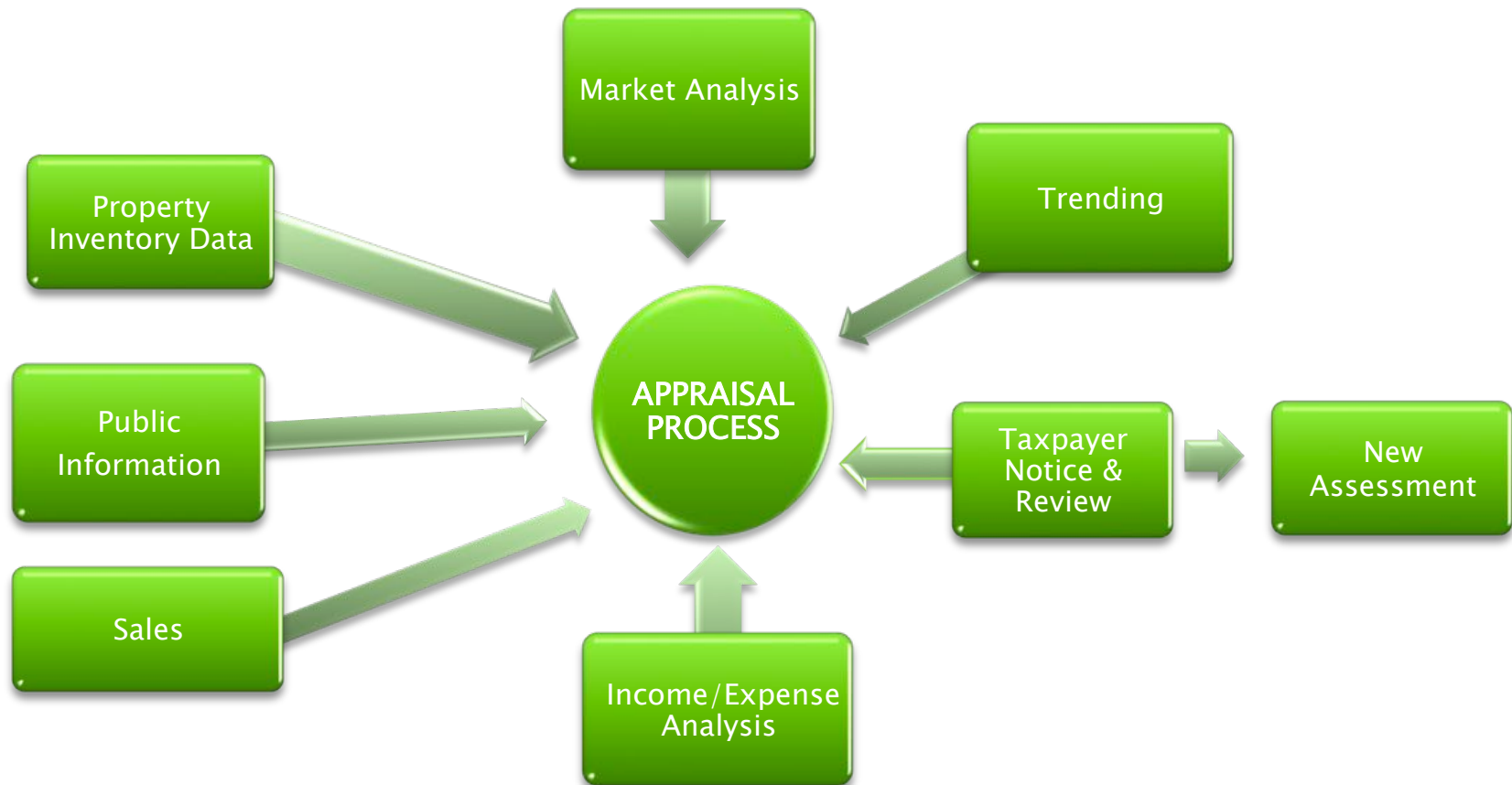
A systematic review of all locally assessed parcels in an assessing jurisdiction.

Computer Assisted Mass Appraisal (CAMA)

techniques are used to analyze sales and estimate values for many properties at once.



The Revaluation Process



The Methods Used in Revaluation

▶ **MARKET DATA APPROACH:**

Compare the subject property to others like it that have sold recently.

▶ **COST APPROACH:**

Compute the cost of building a similar structure on a similar site.

▶ **INCOME APPROACH:**

Determine value based on the income the property is capable of earning.



NY State Assessment Standard

RPTL 305

“THE ASSESSMENT STANDARD”

**All real property in each
assessing unit shall be assessed
at a uniform percentage of value,
ideally 100%**

Also know as LOA – Level of Assessment

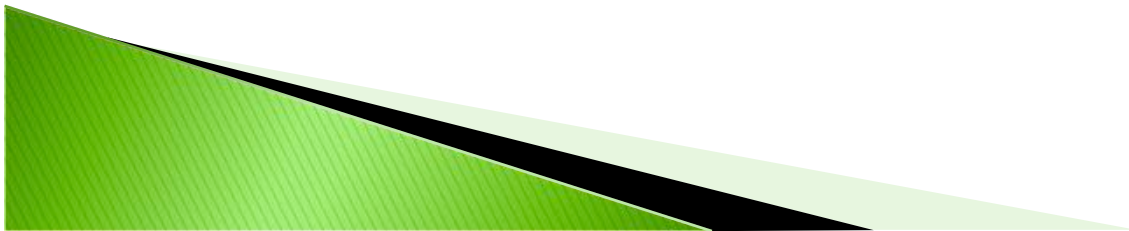


NY State Assessment Standard

“value” is defined as “market value”

The most probable sale price, in a competitive and open market, between a willing and knowledgeable buyer and seller, made without duress to either party.

Tax bills must display the municipality’s uniform percentage and the parcel’s market value.



NY State Assessment Standard

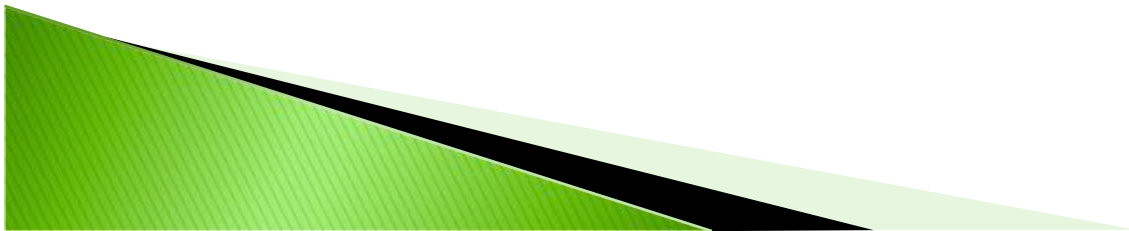
Many municipalities however, do not adhere to this standard.

- ❖ **Data shows that 25% of municipal assessment rolls fail the measure of uniformity that is a national standard.**
- ❖ **Properties are not assessed uniformly or equitably either within class or across classes of property.**
- ❖ **This results in unfair property taxes for property owners in those municipalities!**



Ways that the town can legally increase a property's assessment:

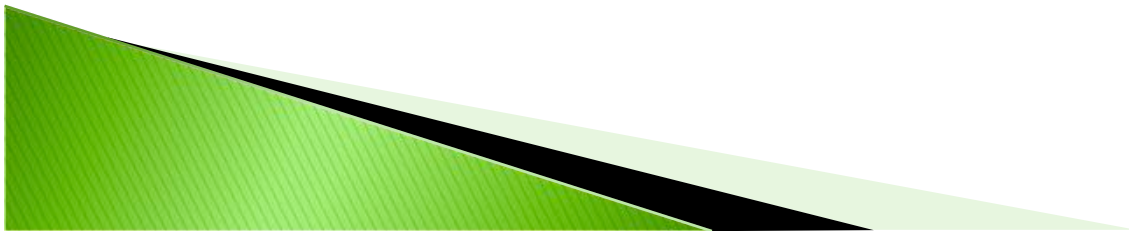
- ▶ New Construction - such as decks, porches, additions, garages, condition upgrade, etc.
- ▶ Improvements discovered that were never assessed
- ▶ Court ordered decisions
- ▶ At owner's request



**THE TOWN CANNOT
LEGALLY RE-VALUE**



**ANY PROPERTY BASED ONLY
ON A SALE PRICE WITHOUT
DOING A TOWN-WIDE
REVALUATION**



total_av	equalized_av	sale_dte	sale_price	st_nbr	st_nam	Style	
\$61,481	\$97,500	8/5/15	\$95,000	73	Millis Ln	cottage	assessed right
\$63,749	\$101,100	8/1/14	\$100,000	3	MILLIS LN	old style	assessed right
\$94,367	\$149,700	1/14/15	\$149,500	6020	ROUTE 82	old style	assessed right
\$113,669	\$180,300	6/10/15	\$184,000	45	Hicks Ln	ranch	assessed right
\$145,125	\$230,200	9/30/14	\$225,000	89	FANCOR RD	ranch	assessed right
\$145,125	\$230,200	8/7/15	\$232,500	1268	NORTH ANSON RD	ranch	assessed right
\$196,716	\$312,000	4/1/15	\$312,000	318	Pumpkin Ln	colonial	assessed right
\$119,550	\$189,600	6/25/15	\$150,000	256	Hobbs Ln	ranch	over
\$116,250	\$184,400	7/1/14	\$167,500	235	LAYTON RD	old style	over
\$150,486	\$238,700	12/5/14	\$195,000	128	NORTH ANSON RD	log	over
\$150,486	\$238,700	12/5/14	\$195,000	1285	NORTH ANSON RD	log	over
\$192,653	\$305,600	5/7/15	\$195,000	1494	BULLS HEAD RD	ranch	over
\$170,531	\$270,500	8/10/15	\$240,000	186	CHARWILL DR	split	over
\$184,444	\$292,500	11/14/14	\$250,000	166	CHARWILL DR	cape cod	over
\$187,867	\$298,000	9/29/14	\$257,000	1226	DUJELL RD	old style	over
\$174,886	\$277,400	7/7/14	\$270,000	33	FANCOR RD	ranch	over
\$307,764	\$488,100	12/18/14	\$397,500	2	PROSPECT HILL RD	colonial	over
\$592,773	\$940,200	4/8/15	\$550,000	144	RD	ary	over
\$551,518	\$874,700	9/12/14	\$780,000	22	KNIGHT RD	ary	over
\$122,947	\$195,000	10/9/14	\$225,000	167	CHARWILL DR	ranch	under
\$134,044	\$212,600	11/14/14	\$240,000	243	CHARWILL DR	ranch	under
\$117,792	\$186,800	3/13/15	\$246,000	210	HOBBS LN	cottage	under
\$126,180	\$200,100	9/19/14	\$250,000	2179	BULLS HEAD RD	old style	under
\$153,346	\$243,200	8/4/14	\$255,000	6157	ROUTE 82	cape cod	under
\$113,400	\$179,900	11/19/14	\$280,000	1126	DUJELL RD	ranch	under
\$177,942	\$282,200	7/10/15	\$336,000	63	Millis Ln	old style	under
\$201,352	\$319,400	2/18/15	\$340,000	133-141	SHELLEY HILL RD	ranch	under
\$223,782	\$354,900	2/25/15	\$359,000	130	MOUNTAIN RD	colonial	under
\$188,394	\$298,800	6/26/15	\$368,000	218	SHELLEY HILL RD	ranch	under
\$181,111	\$287,200	12/5/14	\$530,000	29	DRAKE RD	split/water	under
\$163,542	\$259,400	7/2/15	\$547,000	19	Stissing Rd	old style	under
\$353,519	\$560,700	10/20/14	\$590,000	216	SHELLEY HILL RD	ranch	under
\$318,841	\$505,700	7/29/15	\$625,000	21	WENDOVER RD	old style	under
\$197,892	\$313,900	11/14/14	\$660,000	321	MARKET LN	colonial	under
\$258,079	\$409,300	1/8/15	\$670,000	101	SHELLEY HILL RD	cape cod	under
\$325,280	\$515,900	2/17/15	\$937,000	46	WAY	ary	under
\$573,968	\$910,300	11/19/14	\$1,600,000	1106	DUJELL RD	old style	under

Why do we Need It?

- ▶ **If one property or neighborhood is significantly under-assessed, not only are they paying too little in taxes, but other property owners are subsidizing that taxpayer's or neighborhood's share of the tax bill.**
- ▶ **The real estate market is constantly changing.**
- ▶ **Not all properties will change in value at the same rate.**



Why do we Need It? (cont'd.)

- ▶ **The Assessor does NOT create market value**
- ▶ **Market value is determined by the interaction of buyers and sellers.**
- ▶ **The assessor monitors and analyzes real estate transactions to establish market value estimates for real property within the town.**



Unequal Assessments Result in Unfair Tax Burdens

Examples Only

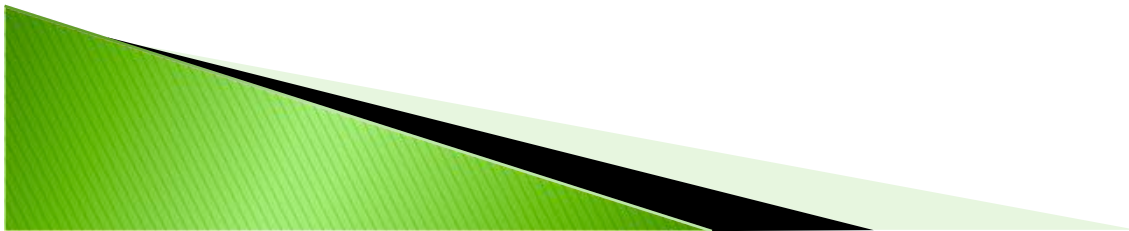
	<u>ACCURATELY ASSESSED</u>	<u>UNDER ASSESSED</u>		
		<u>House A</u>	<u>House B</u>	<u>House C</u>
SALE PRICE	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00
ASSESSED VALUE		\$134,044.00	\$167,287.00	\$116,529.00
TAX RATE	\$10.04	\$10.04	\$10.04	\$10.04
TAXES PAID	\$1,677.68	\$1,345.80	\$1,679.56	\$1,169.95
<u>CORRECT ASSESSED TAX</u>		<u>\$1,677.68</u>	<u>\$1,677.68</u>	<u>\$1,677.8</u>
DIFFERENCE		\$331.88	\$1.88	\$507.73

THERE IS A \$506 DIFFERENCE IN TAXES BETWEEN THESE THREE HOUSES ALL WITH A MARKET VALUE OF \$265,000



Assessor's Objective

Assessors have no interest to overvalue or undervalue any real property. The objective is to produce an equitable assessment roll for the fair distribution of the real property tax levy, (burden).



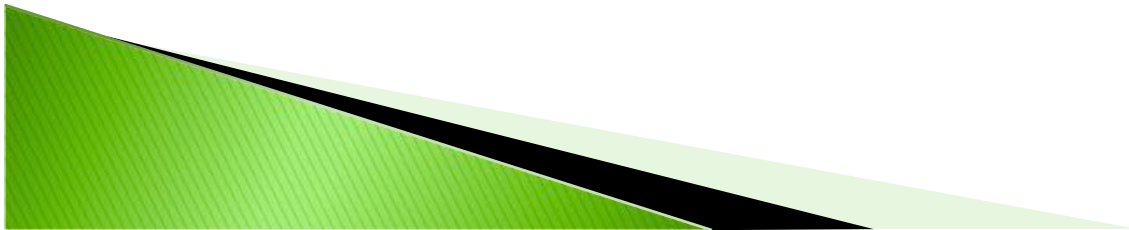
Revaluation - WHAT IT DOES

- ▶ **Produces equity by eliminating unfair assessments.**
- ▶ **Distributes tax burden fairly within the entire municipality.**
- ▶ **Increases taxpayer confidence, understanding and transparency.**
- ▶ **Provide fair assessments by determining the market value of each property.**
- ▶ **Keep inventory on all properties accurate and current**



Advantages of a Revaluation

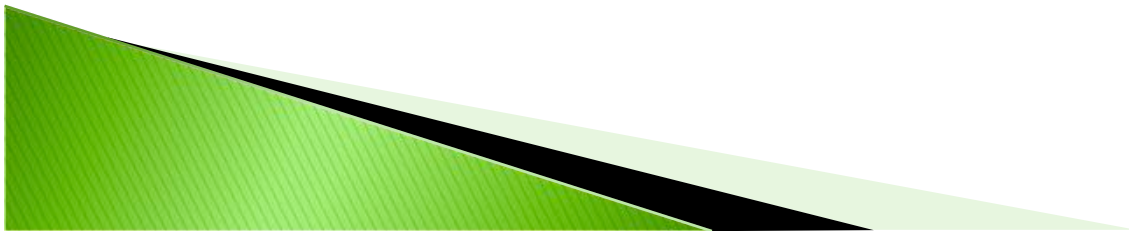
- **Property tax bills will be more accurate and fair.**
- **Property owners will be better able to understand and evaluate their assessment and tax bills.**
- **Assessments can be updated on a regular basis (annually) to maintain them at full value and reflect the changing real estate market.**
- **Your Bond Rating will be positively affected.**



Achieving and Sustaining Equity

***Equity*, with respect to assessments and real property taxes, means:**

- ❖ **Properties are assessed at a uniform percentage of value.**
- ❖ **Properties with similar values pay similar taxes.**
- ❖ **Taxpayers pay their fair share.**



Revaluation – What It Does Not Do

- *Generate additional revenue*
 - *Prevent tax shifts from one property class to another*
 - *Compensate taxpayers for prior inequities*
-

The primary goal is not to raise one extra dollar of taxes, but to restore fairness and equity to all property owners.



Remember:

Although assessments play an integral part of the tax calculation, **the tax levy is the **controlling factor** in the amount of your tax bill!**



Myth vs. Fact

- ▶ **Myth:** Tax levies grow at a faster rate in municipalities that conduct Revaluations.
- ▶ **Fact :** Generally, school district levies increase at similar levels regardless of whether a Revaluation was conducted.
- ▶ **Fact:** “Budget” or dollar driven systems force the tax rate to float and require the budget to be set without regard to the underlying taxable value.



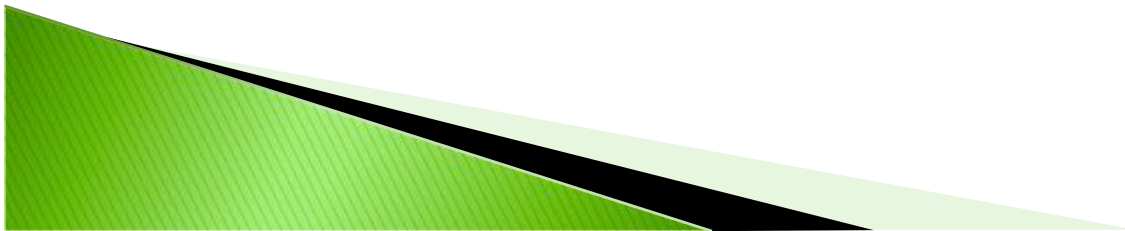
Myth vs. Fact (cont'd.)

- ▶ **Myth**: The Assessor sets the property taxes.
- ▶ **Fact**: Property tax levies and rates are set by school boards, town boards, village boards, and county legislatures -- **NOT by Assessors!!!**
- ▶ **Fact**: The Assessor is only responsible for placing a fair market value on each property.



PROJECT TIMETABLE

May 12,2016	Data Collection Project Start up
May – July	Subject sales and commercial data verification
July 15th	Data Mailers to be mailed to property owners
August 15	Results of Data Mailers and data corrections
September – November	Valuation testing and valuation
December – January	Field and in house review of values
February 15th	Disclosure Notices mailed
March – April	Informal meetings and review with taxpayers
5/1/2017	Tentative Assessment Roll filed
5/23/2017	Grievance Day



QUESTIONS

