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# Administrative Correction of Errors

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# COE Course Outline

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- RPTL Article 5, Title 3
  - Definitions
  
  - Time Frames and Procedures for Corrections
  
  - Discussion
    - Investigation
    - Valuation Errors

# Definitions – RPTL - Article 5

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## ■ Assessment Roll

- "Assessment roll" means the assessment roll as it exists from the time of its tentative completion to the time of the annexation of a warrant for the collection of taxes.

## ■ Tax Roll

- "Tax roll" means a final assessment roll upon which taxes have been extended and to which a warrant has been annexed.

# Definitions – RPTL - Article 5

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- Tax Levying Body

- "Tax levying body" means the governing board of a municipal corporation which annexes a warrant for the collection of taxes to a final assessment roll.

# Definitions – RPTL - Article 5

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- Improvement

- "Improvement" means real property as defined in paragraph (b) of subdivision twelve of section one hundred two of this chapter, and which has been separately described and valued on the property record card, field book or other final work product of the assessor.

# Definitions of Correctible Errors

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- Clerical errors – RPTL 550(2)a-i
- Error in essential fact –  
RPTL 550(3)a-f
- Unlawful entry – RPTL 550 (7)a-e
- Omission – RPTL 550 (4)a

## “Clerical error” RPTL 550(2)a-i

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- (a) an incorrect entry of assessed valuation on an assessment roll or on a tax roll which, because of a mistake in transcription, does not conform to the entry for the same parcel which appears on the property record card, field book or other final work product of the assessor, or the final verified statement of the board of assessment review; or

## “Clerical error” RPTL 550(2)a-i

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- (b) an entry which is a mathematical error present in the computation of a partial exemption; or
- (c) an incorrect entry of assessed valuation on an assessment roll or on a tax roll for a parcel which, except for a failure on the part of the assessor to act on a partial exemption, would be eligible for such partial exemption; or



## “Clerical error” RPTL 550(2)a-i

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- (d) an entry which is a mathematical error present in the computation or extension of the tax; or
- (e) an entry on a tax roll which is incorrect by reason of a mistake in the determination or transcription of a special assessment or other charge based on units of service provided by a special district; or

## “Clerical error” RPTL 550(2)a-i

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- (f) a duplicate entry on an assessment roll or on a tax roll of the description or assessed valuation, or both, of an entire single parcel; or
- g) an entry on an assessment or tax roll which is incorrect by reason of an arithmetical mistake by the assessor appearing on the property record card, field book or other final work product of the assessor; or

## “Clerical error” RPTL 550(2)a-i

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- (h) an incorrect entry on a tax roll of a relieved school tax or relieved village tax which has been previously paid; or
- (i) an entry on a tax roll which is incorrect by reason of a mistake in the transcription of a relieved school tax or relieved village tax.

## Error in essential fact RPTL 550(3) a-f

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- a) an incorrect entry on the taxable portion of the assessment roll, or the tax roll, or both, of the assessed valuation of an improvement to real property which was destroyed or removed prior to taxable status date for such assessment roll; or

## Error in essential fact RPTL 550(3) a-f

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- b) an incorrect entry on the taxable portion of the assessment roll, or the tax roll, or both, of the assessed valuation of an improvement to real property which was not in existence or which was present on a different parcel; or

## Error in essential fact RPTL 550(3) a-f

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(c) an incorrect entry of acreage on the taxable portion of the assessment roll, or the tax roll, or both, which acreage was considered by the assessor in the valuation of the parcel and which resulted in an incorrect assessed valuation, where such acreage is shown to be incorrect on a survey submitted by the applicant; or

## Error in essential fact RPTL 550(3) a-f

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- (d) the omission of the value of an improvement present on real property prior to taxable status date; or
- (e) an incorrect entry of a partial exemption on an assessment roll for a parcel which is not eligible for such partial exemption; or

# Error in essential fact RPTL 550(3) a-f

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- (f) an entry pursuant to article nineteen of this chapter on an assessment or tax roll which is incorrect by reason of a misclassification of property which is exclusively used for either residential or non-residential purposes.



## “Unlawful entry” RPTL 550 (7)a-e

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- (a) an entry on the taxable portion of the assessment roll or the tax roll, or both, of the assessed valuation of real property which, except for the provisions of section four hundred ninety of this chapter, is wholly exempt from taxation; or

## “Unlawful entry” RPTL 550 (7)a-e

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(b) an entry on an assessment roll or a tax roll, or both, of the assessed valuation of real property which is entirely outside the boundaries of the assessing unit, the school district or the special district in which the real property is designated as being located, but not an entry on an assessment roll or a tax roll, or both, of the assessed valuation of real property assessed pursuant to subdivisions two through five of section five hundred of this article; or

# “Unlawful entry” RPTL 550 (7)a-e

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- (c) an entry of assessed valuation on an assessment roll or on a tax roll, or both, which has been made by a person or body without the authority to make such entry; or
- (d) an entry of assessed valuation of state land subject to taxation on an assessment roll or on a tax roll, or both, which exceeds the assessment of such land approved by the state board; or

## “Unlawful entry” RPTL 550 (7)a-e

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- (e) an entry of assessed valuation of a special franchise on an assessment roll or on a tax roll, or both, which exceeds the final assessment thereof as determined by the state board pursuant to subdivision one of section six hundred six of this chapter, or the full value of that special franchise as determined by the state board pursuant to subdivision two of section six hundred six of this chapter adjusted by the final state equalization rate established by the state board for the assessment roll upon which that value appears.

# Omission

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- RPTL 550 4-a. "Omission" or "omitted real property" means a parcel wholly omitted from the assessment roll or tax roll, taxable real property entered on the roll as wholly exempt real property, or an error in essential fact as defined in paragraph (d) of subdivision three of this section. (also see next slide)

# Omission –Continued

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- An omission shall also include taxable real property for which no school district or special district tax was levied because of a failure to include the property within the appropriate taxing district.
- An "omission" or "omitted real property" shall not include real property assessed pursuant to subdivisions two through five of section five hundred of this article.

# Corrections Prior to Tentative Roll

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- All corrections for the current year are permitted

No Form – Just correct the roll

# Corrections – Omitted Taxes & 520 Chargebacks

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- RP-520/551 Notice To Tax Levying Body Of Exempt Real Property (RPTL, Section 520) Or Omitted Taxable Property (RPTL, Section 551)
  - Omission from prior year may be placed on the roll prior to completion of the tentative roll
  - Must be mailed to the property owner at least 10 days prior to Grievance Day



# Corrections to the Tentative Roll

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- RP-552 - Verified Statement of Assessor to Correct the Tentative Assessment Roll
- Clerical errors, unlawful entries, errors in essential fact
- Form RP-552 filed by assessor with the BAR **with 5 days notice to the property owner** (certified mail).
- Stipulation agreements may be used also

# Correction to the Final Roll

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- RP 553 - Notice and Petition of Assessor to Correct the Final Assessment Roll
- Clerical errors, Unlawful entries, Errors in essential fact, omissions from the prior or the current year, Special Franchise less than ORPTS value.
- Form RP 553 (10 days advance notice to taxpayer)

# Correction to the Final Roll

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- Board of Assessment Review to hold the “Second Meeting” not sooner than 15 days after the filing of the final roll, and not more than 90 days, but not later than 20 days before the issuance of the warrant IF it receives a petition from the assessor.
- May hold multiple “Second Meetings”
  - Prior to School Tax Extension
  - Prior to County/Town Tax Extension
  - Prior to City or Village Tax Extension

# Correction of Tax Roll RPTL 554

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- RP 554 - Application for a Corrected Tax Roll
- Extension of taxes to end of warrant (RPTL 554)
- Clerical errors, Unlawful entries, Errors in Essential Fact (not 550(3)(d) (omission of an improvement)
- Form RP 554 Submitted to Director of Real Property Tax
- Application submitted by property owner

# Correction of Tax Roll- RPTL554

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- County Director investigates the claimed error and makes a recommendation to the tax levying body.
- RP554 may be submitted to Board of Assessment Review to correct the current assessment roll prior to the next tax levy.

# Correction of Tax Roll-RPT554

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- Tax Levying body has the power to accept or reject the recommendation.
- Interest is “frozen” at the time of submission of the application.
- All applications filed with tax levying body are public record
- Order and approved application are annexed to the tax roll.

# Correction of Tax Roll

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- Tax Levying body duties may be delegated to official empowered to authorize payment of bills without prior audit so long as correction does not exceed \$2,500 or a lesser set amount. (Not In Erie County)
- If such official rejects the County Director's recommendation, he or she must report to the taxing jurisdiction for its review and disposition

# Correction of Tax Roll – Refund or Credit of Tax RPTL556

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- RP 556 - Application for a Refund and Credit of Real Property Taxes
- Refund application for clerical errors, unlawful entries, errors in essential fact
- Application must be filed with County Director within three years of annexation of warrant (RPTL 556)
- Application made by person who paid the tax or the owner of property with outstanding tax



# Correction of Tax Roll – Refund or Credit of Tax RPTL556

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- County Director investigates the claimed error and makes a recommendation to the tax levying body.
- Tax Levying body has the power to accept or reject the recommendation.
- Interest is reduced for portions of outstanding tax to be credited

# Correction of Tax Roll – Refund or Credit of Tax RPTL556

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- Amounts refunded or credited are charges to the municipal corporations or special districts. Amounts charged to cities, towns and special districts are included in the next tax levy. School district is charged back for relieved school taxes.

# Correction of Errors RPTL556-b

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- RP 556-b - Application for Correction of Multiple-Parcel Errors substantial in number and identical in nature
- Certain Clerical Errors and Unlawful Entries:
  - 550(2)(b) mathematical error present in the computation of a partial exemption
  - 550(2)(d) mathematical error in the computation or extension of the tax
  - 550(2)(e) a mistake in the determination or transcription of a special assessment or other charge based on units of service provided by a special district

# Correction of Errors RPTL556-b

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- 550(7)(b) an entry of assessed valuation of property which is entirely outside the boundaries of the assessing unit, the school district or the special district.
- A single application is filed with the County Director
- County director investigates and makes recommendation to tax levying body
- Tax levying body accepts or rejects recommendation

# Cancellation of Void Taxes RPTL558

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- County Legislature may cancel any unpaid tax levied or imposed against property of New York State or the United States where determined that the lien cannot be enforced
- May cancel any unpaid tax where the lien is rendered permanently unenforceable.
- Cancelled tax is charged to city, town, village, school or special district & included in the next ensuing tax levy

# General Discussion

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- Recommendations to deny an application are an opportunity to educate the taxpayer and tax levying bodies. Be sure explanations are thorough and accurate.

# Discussion

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- Only the State and Federal Governments are immediately tax exempt upon transfer of property. If the lien has already attached, (taxes have been extended) both are liable for that tax. Exempt status for local governments, (schools, counties, towns, cities and villages) is determined on the next taxable status date.

# General Discussion

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- Once an application has been filed with the County Director, the County Director SHALL RECEIVE from any officer, employee, department, board, bureau, office or other instrumentality of the appropriate municipal corporation, such facilities, assistance and data as will enable him (or her) to properly complete his (or her) studies and investigations.



# Discussion

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- Impact of electronic records
- Conducting an investigation
- Valuation issues vs. correctible errors
- Contradictory language – which one prevails

# Discussion

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- RPTL 520
  - SHALL be taxed pro rata
  - Charge SHALL be deducted from the aggregate amount of taxes (before apportionment) to be levied for the next fiscal year.
- STAR
  - Provisions to correct STAR exemptions are specific in RPTL 425