

IS YOUR ASSESSMENT FAIR?

All property owners in New York State are eligible for formal review of their properties' assessments. There are two levels of formal review: 1) administrative review via the grievance process conducted in each assessing unit, and 2) judicial review via a Supreme Court trial or Small Claims Assessment Review (SCAR). In order to pursue judicial review a taxpayer must first go through administrative review.

This publication includes information about the grievance process, as well as SCAR. For information on going to trial in a proceeding typically called a "tax certiorari," it is recommended that you contact a private attorney.

Before pursuing formal review of your assessment, you should first determine if you are assessed fairly. This involves the following preliminary steps:

Step One: What is the assessor's estimate of the market value of your property?

To determine if your assessment is fair, you will first need to check the tentative assessment roll. The assessed value of your property and the assessor's estimate of your property's market value are listed on the tentative roll. Market value is generally defined as the price a willing buyer would pay a willing seller for a property in its present condition with neither buyer nor seller under pressure to act (such as career relocation, death of a family member, divorce, etc.). In most cases, the market value listed on the roll should equal roughly the price for which you could sell your property.

For purposes of assessment rolls and tax bills, a property's assessed value is calculated by multiplying its market value by the uniform percentage of value (which is also on the roll and sometimes known as the level of assessment). Alternatively, you can calculate the assessor's estimate of your property's market value by dividing the assessed value by the equalization rate.

Step Two: Develop your own estimate of the market value of your property

A number of factors may affect a residential property's market value, including:

- External characteristics - 'curb appeal,' home condition, lot size, popularity of an architectural style of property, water/sewage systems, sidewalk, paved road, etc.
- Internal characteristics - size and number of rooms, construction quality, appliance condition, demonstrated 'pride of ownership,' heating type, energy efficiency, etc.
- Supply and demand - the number of homes for sale versus the number of buyers; how quickly the homes in your area sell, and
- Location - desirability for a particular school district, neighborhood, etc.

The most common way to determine the market value of a residential property is to use the sales comparison approach. This is the primary method used by professional appraisers to determine the market value of residential properties.

To determine an estimate of a property's market value, arm's length comparable sales are used. ("Arm's length" refers to a market value sale between unrelated parties.) By examining recent sales of at least three properties in a similar neighborhood that are comparable in building style, size and construction, one can begin to get a good

understanding of a residential property's market value. However, it is important to consider the circumstances of such sales - perhaps the seller was desperate to "unload" the home, or the buyer paid much more than the asking price because there were other interested parties. Market value and sales price are not always the same.

Comparable sales should include characteristics similar to a given property, such as lot sizes, square footage, home style, age, and location of the home. A new three-bedroom Cape Cod house may not be comparable with an older three bedroom split-level ranch, even if they are on the same street.

Since it may prove difficult to find an exact comparable sale, allowances must be made. To arrive at an estimated market value, dollar adjustments are made for differences between the property being valued (also known as the subject property) and the comparable properties that have sold.

For an example of a comparable sales approach to determining market value, you may wish to view the online pamphlet *How Estimates of Market Value are Determined for Residential Properties*: www.orps.state.ny.us/pamphlet/mv_estimates.htm

The following may be sources of comparable sales in your community:

- Local assessors' offices should be able to provide the sales history of a particular house, neighborhood, or style of architecture. Some assessors also provide lists of recent sales that one can browse and compare to the assessment roll.
- Some municipalities choose to provide local sales and assessment information online.
- Some private companies provide comparable sales online (some at a nominal cost); search for them using keywords such as "comparable home sales" or "comparable sales." In addition, one may wish to try searching "real estate database – New York State" for additional property information.
- Many local newspapers are good sources of real estate information; they sometimes list sales reports in the real estate or business sections.
- A real estate agent may be willing to share his or her expertise and sales history information.

Step Three: If your assessment is too high

Generally, if your assessment reflects roughly the amount for which you could sell your property, then your assessment is relatively fair. If you feel as though your property's assessment is too high, you should discuss this with your local assessor.

Alternatively, you might determine that your property is assessed based on its market value, but the rest of the community is assessed at a lower level of assessment (see pages 9-10, *Unequal Assessment*). Again, you should discuss this with your assessor.

Often, an informal discussion between a taxpayer and an assessor can result in a sharing of information beneficial to both parties. If such a discussion does not result in a reduction in your assessment, and you still feel as though your assessment is too high, you have the right to formal review of your assessment.

If you are assessed fairly, but you feel that your taxes are too high :

Assessors do not determine your property taxes; the assessor's job is to ensure that the taxes collected will be distributed fairly among all taxpayers. If you feel as though your assessment accurately reflects the market value of your property, but you still feel that your property taxes are rising unfairly, you may wish to address this matter with the taxing jurisdictions - school board, county legislature, city council, town board, fire district and other special districts - that levy taxes in your community. The assessor cannot assist you with tax matters, but only with matters pertaining to the assessed value of your property.