

# **OFFICE OF REAL PROPERTY SERVICES**

## **MISSION**

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration pursuant to constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation. Its aim is that all municipalities assess real property equitably.

## **ORGANIZATION AND STAFFING**

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is conducted by a Board-appointed Executive Director. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2000-01 Executive Budget will support a staffing level of 480 positions for the Office of Real Property Services. State tax dollars from the General Fund will support 75 percent of these positions, with the remaining 25 percent supported by various fees.

General Fund appropriations of \$29.6 million will finance 66 percent of the Office's \$45.1 million operating budget in 2000-01. The remaining agency operations are supported by the following three revenue accounts: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services.

Budget recommendations for the Office of Real Property Services for 2000-01 include:

- The continuation of \$12 million in State aid for ongoing administration of the School Tax Relief (STAR) program and \$11.5 million for the State's administrative responsibilities for STAR;
- An increase of \$1.7 million for financial incentives for local governments to conduct annual updates of their assessment rolls pursuant to the higher standards enacted in 1999; and
- Realignment of certain functions from the General Fund to a Special Revenue Fund account dedicated to the improvement of real property tax administration, resulting in General Fund savings of \$800,000.

## **PROGRAM HIGHLIGHTS**

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, municipalities, school districts and special districts. Accordingly, the Office has programs to establish equalization rates which are used to estimate the full market value of taxable real property in each municipality, to provide policy guidance as well as technical and

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financial assistance to local assessing units, and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

### ***DETERMINATION OF MUNICIPAL FULL VALUE***

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, every assessing unit is required to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on the assessment roll and tax bills. Using statistical tests on sample data, the Office of Real Property Services verifies the accuracy of the assessment ratio stated annually by each of the approximately 1000 assessing units (i.e., cities, towns and the counties of Nassau and Tompkins). If the assessment ratio provided by a local assessor is determined to be accurate, it is established as the State equalization rate for that assessing unit; otherwise, the Office will prepare an independent estimate of the local assessment ratio which will be established as the equalization rate.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

### ***ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS***

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on technical assistance provided by the Office of Real Property Services. Centralized assistance to assessors and taxing jurisdictions includes administrative, legal and other technical services. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a countywide basis.

In furthering the State-local partnership in property tax administration, the Office also administers various State aid programs in support of local assessment administration, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards that include annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;
- Consolidation aid providing a one-time financial incentive of up to \$7 per parcel to encourage cost-efficiency through the coordination of assessment functions performed by two or more assessing units;
- Assessor training aid to reimburse local assessment officials (including assessors and county directors of property tax services) for their cost of attending State-mandated training courses;
- STAR administration aid to ensure that localities are compensated for their workload associated with the implementation of the State's school tax relief program;
- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes; and
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors.

These State aid programs have been a catalyst for enhancing the equity and cost-efficiency of local property tax administration throughout the State. According to recent data, nearly

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two-thirds of the State's assessing units prepare assessment rolls that are reasonably equitable and current. Additionally, since the introduction of consolidation aid in 1994, 73 towns in 18 counties have come together to form 31 coordinated assessment programs.

### OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 3.9 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

#### ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations .....	\$37,037,200	\$45,126,400	+\$8,089,200	....
Aid To Localities .....	16,911,000	18,600,000	+1,689,000	....
Capital Projects .....	....	....	....	....
Total .....	<u>\$53,948,200</u>	<u>\$63,726,400</u>	<u>+\$9,778,200</u>	<u>....</u>

#### ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Policy and Organizational Support Services					
General Fund .....	224	215	....	215	-9
Special Revenue Funds - Other .....	32	36	....	36	+4
Regional Operations					
General Fund .....	140	140	....	140	....
Special Revenue Funds - Other .....	75	84	....	84	+9
School District Income Verification					
General Fund .....	<u>5</u>	<u>5</u>	<u>....</u>	<u>5</u>	<u>....</u>
Total .....	<u>476</u>	<u>480</u>	<u>....</u>	<u>480</u>	<u>+4</u>

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## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund .....	\$22,686,100	\$29,631,400	+\$6,945,300
Special Revenue Funds - Other .....	14,351,100	15,495,000	+1,143,900
Total .....	<u>\$37,037,200</u>	<u>\$45,126,400</u>	<u>+\$8,089,200</u>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Policy and Organizational Support Services			
General Fund .....	\$16,061,100	\$22,954,200	+\$6,893,100
Special Revenue Funds - Other .....	4,389,100	4,438,900	+49,800
Regional Operations			
General Fund .....	6,381,500	6,430,900	+49,400
Special Revenue Funds - Other .....	9,962,000	11,056,100	+1,094,100
School District Income Verification			
General Fund .....	243,500	246,300	+2,800
Total .....	<u>\$37,037,200</u>	<u>\$45,126,400</u>	<u>+\$8,089,200</u>

## STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	<u>Total Personal Service</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support				
Services .....	\$8,903,600	-\$330,700	\$8,903,600	-\$330,700
Regional Operations .....	6,342,200	+47,200	6,342,200	+47,200
School District Income Verification .....	195,000	+1,500	195,000	+1,500
Total .....	<u>\$15,440,800</u>	<u>-\$282,000</u>	<u>\$15,440,800</u>	<u>-\$282,000</u>

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**STATE OPERATIONS — GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2000-01 RECOMMENDED**

<u>Program</u>	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services .....	\$14,050,600	+\$7,223,800	\$252,700	.....
Regional Operations .....	88,700	+2,200	70,160	+\$1,760
School District Income				
Verification .....	51,300	+1,300	.....	.....
Total .....	\$14,190,600	+\$7,227,300	\$322,860	+\$1,760

<u>Program</u>	Travel		Contractual Services	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services .....	\$368,200	.....	\$1,234,600	-\$776,200
Regional Operations .....	18,540	+\$440	.....	.....
Total .....	\$386,740	+\$440	\$1,234,600	-\$776,200

<u>Program</u>	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services .....	\$695,100	.....	\$11,500,000	+\$8,000,000
School District Income				
Verification .....	51,300	+\$1,300	.....	.....
Total .....	\$746,400	+\$1,300	\$11,500,000	+\$8,000,000

**STATE OPERATIONS — OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2000-01 RECOMMENDED**

<u>Program</u>	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services .....	\$4,438,900	+\$49,800	\$2,903,600	+\$21,600
Regional Operations .....	11,056,100	+1,094,100	3,875,900	+425,900
Total .....	\$15,495,000	+\$1,143,900	\$6,779,500	+\$447,500

<u>Program</u>	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services .....	\$1,535,300	+\$28,200	.....	.....
Regional Operations .....	6,180,200	+668,200	\$1,000,000	.....
Total .....	\$7,715,500	+\$696,400	\$1,000,000	.....

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**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS**

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund .....	\$16,911,000	\$18,600,000	+\$1,689,000
Total .....	<u>\$16,911,000</u>	<u>\$18,600,000</u>	<u>+\$1,689,000</u>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Policy and Organizational Support Services General Fund .....	\$16,911,000	\$18,600,000	+\$1,689,000
Total .....	<u>\$16,911,000</u>	<u>\$18,600,000</u>	<u>+\$1,689,000</u>