

The following six recommendations emerged from the final workshop. Each recommendation is comprised of a series of action steps and the resources needed to accomplish each of them. The barriers to each, as identified by the participants, are presented. Each recommendation is followed by a short discussion which elaborates on the recommendation. The next section of this report encourages the reader to consider the recommendations in the broader context of state-local relationships.

Implementing Recommendation #1

“Where the current process works, leave it alone,” was identified by participants as one of the most do-able items in the workshop.

This work group placed a high importance on avoiding confrontation. They said working with ORPS, rather than against them, was the key to developing acceptable methodologies. Developing a partnership between ORPS and the local assessment community was essential to ensure the goal was met, according to the group. That meant collaboratively coming up with a set of simple flexible guidelines, “playing” from the same script, and maintaining a level of trust in on-going relationships. By allowing multiple approved methodologies, ORPS’s role becomes more service oriented than oversight oriented, keeping the relationship between ORPS and assessors positive.

Implementing Recommendation #2

While they acknowledged that periodic, annual, or continuous reassessments were essential for achieving and maintaining equity, each municipality should have the ability to decide how and how often to conduct reassessments, according to this group. Yet, even with flexible standards, additional resources such as a public education campaign would be needed to overcome barriers, like voter retribution over potential changes in assessed value and higher taxes.

Publishing a set of best practices would help assessors and directors identify what may work best for their municipality or county. As long as the standards were flexible, and the time, staffing, and resources were available, this group said that more municipalities could conduct reassessments.

Implementing Recommendation #3

The first step in creating a set of standards, for this group, was to establish a task force made up of representatives from each of the stakeholder groups affected by this process. The task force would be charged with drafting a set of uniform rules, regulations, and guidelines for full value assessment.

Time and commitment to the process were key ingredients identified by the group as necessary to ensure this goal is met. Since many of the task force members would be coming from various locations across the state this group discussed alternative ways to communicate. Suggestions such as net-meeting software were made to help overcome the issues of time and travel as it relates to effective use of time and talent.

To overcome the barrier of home rule, the group said that relying on the foundation of acknowledged standards such as following IAAO standards should be pointed to as a guide for full value assessments.

Implementing Recommendation #4

While the group identified the importance of a coordinated effort in order to accomplish this goal, they also expressed the concern that ORPS needs to take an active lead in this task. Public opinion and public perception play a significant role, according to the group, and steps need to be taken to educate local officials and the general public about the function of the local assessor. The group wanted funding for a comprehensive marketing/public relation’s campaign, similar to what was done for the School Tax Relief (STAR) program.

Implementing Recommendation #5

Expressing the difficulties and the various barriers to achieving this objective, the group knew they could not do this alone. They stressed the importance of the positive support from ORPS and the Office of the State Comptroller.

Understanding the barriers inherent in trying to get a new law dedicating funds directly to assessors' offices, the group proposed that a special fund be set up at the state level that would provide matching funds for assessors' offices in municipalities that have low Coefficient of Dispersion (CODs).

Assessors stated the lack of support from their local officials impedes their ability to meet the increasing standards. They called on ORPS to play a role in assisting them in turning this perception around.

Implementing Recommendation #6

The task force established by this group would be comprised of the stakeholders necessary to get a mandated cycle law passed and enforced. This task force would be responsible for reviewing the current Real Property Tax Law (RPTL) and developing a communication plan to build coalitions that would encourage municipalities to collaborate to help reduce costs—in time, talent, and staffing.

A critical first step in this effort would be to agree upon the exact meaning of the term “cycle legislation.” As discussed earlier, the specifics of the definition of cycle legislation are unclear. Coming to a common understanding of what “cycle legislation” would be designed to accomplish and how the specifics might be presented is necessary for any progress in this area.

In addition, many of the barriers could be overcome or minimized, according to the group, with funding targeted to educate assessors and provide them with the technological equipment they would need to conduct cyclical reassessments. That funding would also help assessors adhere to IAAO standards and promote better data with which to conduct reassessments.

Annual Reassessment in the Context of State-Local Relationships

In 1997 CTG, ORPS, and several other state agencies engaged in a project sponsored by the Office for Technology (OFT) which sought to examine the nature of relationships between state agencies and local governments involved in intergovernmental information systems. The basic conclusions of that project can be found in Figure 5. The 1997 project concluded that in order for state agencies and local governments to work together for the common good they would need to overcome some very powerful forces that work to impede such relationships. Some of those forces are within the power of the participants to resolve on their own while others will take a much broader coalition of players to be resolved. Still other issues may simply never be “resolved” since they have been built into our democratic institutions and traditions. Such is the case in this study. Figure 5 shows how these factors combine to produce a number of undesirable consequences and barriers. Clearly some of the findings can be addressed by actions of the assessment community alone, while others will certainly take much broader political action than this community can take on its own.

Many of the 1997 findings were evident in this workshop series, and ORPS's overall efforts to improve statewide property tax equity. Figure 5 presents an organizing framework for examining the more salient and lasting issues facing the assessment community as they embark on a series of actions that may eventually lead to greater property tax equity.

Figure 5. Systemic & Environmental Conditions

Systemic and Environmental Conditions. Governmental programs, particularly intergovernmental programs like this one, do not take place in a vacuum. They operate in a larger context that includes the policy, legal, and economic environment; program rules; business processes; management techniques; and human and organizational limitations. Our review of the goals, methods, and problems encountered in this program revealed several environmental factors that challenge the ability to implement annual reassessment toward a goal of statewide tax equity.

New York's property tax system is unique for many reasons including:

- # its large number of property taxing jurisdictions,

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- # lack of statutory oversight at the state level,
- # disparate percentage rates of assessed value,
- # diversity in the size of municipalities,
- # taxing jurisdictions that share school districts, and
- # only an act of legislation can set uniform levels of assessment.

Further, because equalization is set after the rolls are finalized, the existing system may in some cases actually increase the disparity of similar properties within and across comparable municipalities.

These systemic and environmental conditions all affect the state's coordination of an annual reassessment program.

Complex political environment. Because the annual reassessment program is not mandated, only municipalities who want the increased maintenance aid will comply. In many instances, the financial incentive may not overcome the many political challenges that exist. Increasing property taxes is a real concern for New Yorkers, and there is a perception among assessors that this program threatens to do just that for many who have not had their property reassessed in decades. No one can say for sure if annual reassessment will generally increase or decrease property taxes for individual property owners, but the fear of the unknown is a very powerful disincentive for assessors who will be charged with implementing the new program. At worst there will be severe fluctuations in assessment for a municipality, at best there will be only rare changes to the tax rolls. That unpredictability is a powerful disincentive.

Variation in local conditions. A basic assumption in the annual reassessment program is that municipalities and assessors will exchange information such as market data with each other. The systemic and environmental conditions discussed above do not encourage, and in fact may discourage, that practice. Different communities face different challenges and present different pictures based on their population size and density, economic conditions, rural or urban character, physical geography, real property market conditions, and governmental structure and operations. Moreover, when assessors from different regions and municipalities recognize their similarities, they also take pride in the fact that their worlds are unique. They understand their own communities, and they do not always see or acknowledge their resemblance to neighboring or similar municipalities.

Variations in the assessment community (technical capacity). The assessment community is not easily defined, or generalizable. Assessors and directors have widely differing roles and responsibilities in different municipalities or counties. The variety of different assessor positions in this state adds to the complexity of the environment within which this program is being launched. There are part-time assessors, full-time assessors, appointed assessors and elected assessors. There are county real property directors who are appointed, but some of them have few responsibilities with regards to helping municipalities conduct reassessments, others are an integral part of the assessments that are conducted in their county, and still others hold additional appointed professional positions in the county.

These local variations translate into major differences in skill level, number of staff members, and budgets. Assessor's offices vary widely, from working alone out of their homes to having dozens of staffers. Their budgets reflect the size of the municipality and the priority that the local governing body gives to property assessments.

Diverse interpretations of the law. The complexity of the state's property tax system was underscored by the various interpretations of laws, regulations, rules, and even professional concepts we came across during the project including the very concept of annual reassessment and the new law that would implement the program.

Participants were operating under differing assumptions about basic responsibilities shared by ORPS, local assessors, and county directors. These factors fueled a general lack of understanding that affects their current ability to successfully collaborate on the program.

Diverse missions of government. ORPS and the local assessment community share responsibility for a single function, but they have very different points of view. Local assessors serve local governments and the property taxpayers within their municipalities—their neighbors and the individuals they may run into on a daily basis at the neighborhood gas station or the local grocery store. ORPS, on the other hand, is influenced by statewide concerns such as carrying out the policy objectives of the administration and developing and implementing programs and services to local governments on a statewide basis.

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These differences were underscored by the comments we heard concerning equity. Many local assessors said their municipality itself was equitably assessed. However, they said equity was lacking at the county, regional, and statewide levels.

The consequences of the five systemic and environmental factors discussed above permeate the relationship between ORPS and the local assessment community. In essence, there are over 1,300 assessors at various skill levels, working independently in their own municipalities. ORPS, for its part, has the task of communicating and working with this complex audience in conjunction with a very complex program. The unique problems facing each municipality are legion, and it would be impossible to meet the needs of each assessor and county director in that diverse group.

The systemic environmental constraints surrounding annual reassessment demonstrate that this is a complex problem with no easy solutions. All parties involved in this process must recognize that much time and commitment is needed to effect real change. A collaborative process, such as the one being pursued by ORPS and the local assessment community holds the greatest promise. This does not mean that serious differences do not exist, and those differences may indeed never be fully resolved. However, it is only through true collaboration and compromise that change can occur.

This project demonstrated that professionals at all levels care about the property tax assessment system and equity. The results from the **Review and Recommendations Workshop** represent a good starting place for future activity. Contained within those results are the possible first steps and opportunities identified by ORPS and the local assessment community as the most important and the most feasible. Action steps were developed for six of the 13 items discussed. More work is needed on those items and additional collaborative efforts will be required to flesh out the remaining items.

For instance, participants' request for both flexibility and more guidelines is, on the surface, an inherent contradiction. Acknowledging the benefits of an annual assessment program, participants sought a set of guidelines they could follow to implement it. However, all acknowledged that what guides a reassessment in the City of Yonkers would probably not work in the Town of Albion. These municipalities are worlds apart in sales, staff, budget, and technology. Therefore, participants called for flexibility. They want a set of guidelines that lead to the same outcome (equity) but that offers options for the mechanisms and procedures for getting there.

Finally, while several barriers and challenges have been identified and highlighted in this report, a series of ideas and action items have also been identified to address them. Perhaps most important, all parties energetically engaged in this effort and expressed willingness to stay involved in the future. In doing so, they have expressed their appreciation for the property tax assessment system, and their dedication to improving equity for all New Yorkers—who, as taxpayers, are the primary stakeholders of this program.