

September 2, 2010

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Superior Court House
Officer of the County Commissioners
Purchasing Department
3195 Main Street, P.O. Box 427
Barnstable, MA 02630

Ms. Davis,

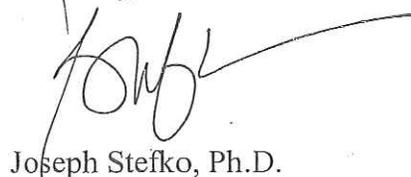
The Center for Governmental Research Inc. (CGR) is pleased to present the enclosed proposal in response to the County of Barnstable's Request for Proposal (RFP) for a *study and report on the implications of regionalizing municipal assessing services*.

A non-profit, independent research and consulting organization, CGR is one of the northeast's leading firms offering information management and implementation support to local governments of all sizes in the areas of public finance, government management, economic analysis and systems reorganization. Founded in 1915, we have conducted service evaluations, fiscal impact analysis, planning studies, consolidation feasibility reports and systems reorganization work for governments and school districts of all sizes and in several states, including New York, New Jersey, Ohio, Maine and Massachusetts. Evidencing this distinguished reputation in studying and facilitating effective regional solutions, the Commonwealth of Massachusetts recently approved CGR as one of only six organizations certified to assist local governments in the technical, operational and governance aspects of regional emergency communications solutions.

Of particular interest to the proposed study in Barnstable, CGR recently concluded four countywide assessment feasibility studies for governments across the State of New York in 2008-09. We are confident that our experience and expertise will provide the County of Barnstable with a solid, fact-based framework for making decisions about the future administration of assessing services.

Please feel free to contact us at (585) 327-7082 or ssittig@cgr.org if you have any questions about our proposal or wish to schedule an interview. We are grateful for your consideration, and look forward to working with you.

Sincerely,



Joseph Stefko, Ph.D.
Director, Public Finance



Scott Sittig, M.P.P.
Senior Associate

Regional Assessing Services for the County of Barnstable

September, 2010

Prepared for:
Barnstable County, MA and the Cape Cod Commission

Joseph Stefko, Ph.D.
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INTRODUCTION AND SUMMARY

Reducing costs, streamlining local government and raising the quality of services are challenges facing many local municipalities. The national, regional and local economies have been stretched to the point that many areas are exploring options to consolidate or share services, thus improving efficiencies and potentially raising the expertise that is brought to bear upon those services. The Cape Cod Commission is well positioned to lead this effort in regards to assessment services as it pushes for statewide standardized electronic assessor maps. Though a potentially difficult transition for some, there may be substantial benefit to individual towns and the region as a whole if assessment services are better coordinated and standardized throughout the County.

In response to Barnstable County's recent Request for Proposal (RFP), CGR Inc. is pleased to present this proposal to complete a regional assessment services study. The study outlined herein would provide the County with an analysis of options for streamlining assessment services in Barnstable, with the goal of achieving standardized electronic assessor parcel maps for all localities; developing a common certification date; and adopting common assessment protocols and standards across the County.

Barnstable County's interest in streamlining assessment processes will require both administrative and fiscal guidance. CGR's expertise in government management/reorganization and property tax issues make it the ideal choice to review the current framework and develop an evaluation of feasible alternatives for enhancing standardization, consistency and cost effectiveness. *Our unmatched experience in the local government arena includes four state funded countywide assessment projects from 2008-09 looking at substantially the same issues as are being considered in Barnstable County.*

DESCRIPTION OF SERVICES

CGR's technical proposal is premised on the following goals, as set forth in the County's Request-for-Proposal (RFP):

1. *Identifying impediments and solutions* towards developing a standardized system for capturing and storing electronic assessor parcel maps for all municipalities within Barnstable County;
2. *Achieving* common policies and procedures modeled on the Department of Revenue, Bureau of Local Assessments standards and analyzing the benefit of applying these procedures on a regional basis; and

3. *Identifying* opportunities for consolidating local assessing functions, by comparing multi-year costs and benefits between the *status quo* and the potential opportunities.

Having conducted similar studies for many other municipalities, CGR believes in the following guiding principles for a well functioning coordinated assessment service:

1. *Transparency*: Is it simple enough for taxpayers to understand?
2. *Equity*: Does it treat every parcel the same way? and
3. *Efficiency*: Is it the lowest cost for a given level of service?

CGR's analysis will produce an independent study of the current approach to assessment, and a determination of the benefits that might be derived from county-wide standardized data, policies and procedures, and consolidation of local functions.

1. Baseline Analysis

Our analysis will begin with a review of Barnstable County's existing network of assessing units. In analyzing what currently exists, CGR will identify the various practices, standards and approaches being used to perform the assessment function across the County. The deliverable from this first phase of the study will be a matrix of "What Exists?" in the County's current assessment framework for each providing entity:

- Who is providing assessment services?
- How are they budgeted, and what is their cost? What is the administrative cost per parcel?
- What staffing levels are maintained? How many parcels per staff member?
- What are the relative qualifications of staff in each assessing unit?
- What databases are in place to collect assessment, inventory and valuation data, how long have they been maintained, and what is their level of detail? How current are databases?
- What is the level of assessment?
- What are the current depreciation and exemption formulae?
- What is the reassessment cycle?

- How do town charters govern assessment services?
- What is the certification date and billing cycle in each town?
- What are the current policies and procedures in place both locally and regionally that guide the assessment functions in the County (including current state laws and Department of Revenue, Bureau of Local Assessments policies and procedures)?¹

The primary method to collect this data will be a survey that is mailed to each assessing unit in the County. The survey is a comprehensive questionnaire that asks each unit the above questions in sufficient detail to allow for analysis and comparison during the next phases of the study.

2. Engaging Stakeholders

It is imperative that key stakeholders in the County and its assessing units be engaged in this process. Parallel to the “Baseline Analysis” outlined above, CGR will meet with key stakeholders that would be affected by a transition in assessment services. CGR envisions talking with—at a minimum—the following officials/offices, either in individual interviews (county and state officials) or in focus groups (local government officials):

- *Barnstable County*: Representative from the Cape Cod Commission, Representative of the Assembly of Delegates, County Attorney, County Administrator, Director of Information Technology
- *Cities/Towns*: Town Managers, Assessors and Key Assessment Staff *
- *State*: Representatives from the Massachusetts Department of Revenue, Bureau of Local Assessments

* CGR expects that the Cape Cod Commission will convene and facilitate one or two sessions that include representatives of each of these offices.

3. Identifying Options

Based upon the baseline data and interviews, CGR will develop a comprehensive list of possible alternatives and their cost and operational

¹ We will review existing laws and analyze them in comparison with current practices to determine how current policies and procedures are being implemented. Any findings or interpretations will be strictly the perspective of CGR and should not be construed as legal opinions.

impacts. CGR’s experience in managing projects of this nature suggests that prior to in-depth fiscal analysis (Task 4), the full range of options should be considered with the committee to determine which options are viable. This often involves several iterative discussions that allow for feedback from the committee. The discussions will result in a small subset of options that will then be analyzed in more detail for fiscal and operational impacts.

The deliverables for this task will include:

- identification of a preferred method for standardizing electronic assessor data;
- identification of common assessing standards and comparison of those standards with current practices; and
- identification of feasible opportunities for consolidation of assessing functions within the County.

4. Cost/Benefit Analysis of Options

The viable options that emerge from Task 3 will be subjected to a more rigorous benefit/cost analysis. Each option will be considered relative to the *status quo* and any transition/implementation challenges likely to be faced in restructuring the services. Options will be evaluated quantitatively and qualitatively on the following bases:

- Projected costs (*esp.* staffing requirements);
- Level of coordination, transparency and complexity;
- Potential obstacles to implementation; and
- Effectiveness at achieving stated goals, common database/information systems and assessing procedures

5. Final Report

The final report will identify necessary steps for implementation of the proposed models, including cost estimates and an estimated implementation timetable. The report will be written such that it can be read and understood by the public should that be desired by the Commission. Deliverables for this task will include:

- Final report outlining viable options, costs, benefits and implementation strategies;

- Draft inter-municipal agreements that may be useful for potential consolidation between assessing functions; and
- An outline of useful performance measurement benchmarks to gauge future efficiencies and/or improvements in levels of service.

The County's stated timeline for this engagement assumes a draft report be presented to the Commission no later than December 15, 2010, with a final report due two weeks later. In order to achieve that objective, data and interviewees will need to be made available to CGR quickly after project startup. CGR's proposal and budget assume that the County (or a designated project coordinator) will assist in 1) making all assessing units aware of this study and engaging their participation, 2) scheduling interviews with relevant local officials and 3) collecting data essential to CGR's analysis. Any delay in receiving data or scheduling interviews may extend the project timeline.

ASSIGNED STAFF

CGR's staff team brings considerable experience in municipal analysis and issues relating to public sector efficiency. This project would be co-directed by CGR's Director of Public Finance, Dr. Joseph Stefko and Senior Associate, Scott F. Sittig. Both Dr. Stefko and Mr. Sittig were project team leaders for four separate county-wide assessment studies in New York State between 2008-09. The projects were substantially the same in scope with similar goals as those outlined in the current RFP.

The other primary staff member would likely be Research Associate Eric Morris, whose technical experience in the improvement of local public sector service delivery and administration will add significant value to the project. CGR's information technology staff would supplement the project team as needed regarding IT issues. Brief backgrounds on each assigned staff member are provided below.

Joseph Stefko, Ph.D.
Director of Public Finance
CGR Inc.

Joseph Stefko, Ph.D. is Director of Public Finance at the Center for Governmental Research (CGR), working with clients on issues related to budgeting, fiscal impact and government management. He has extensive experience addressing municipal fiscal distress; analyzing local government finances and services; and assessing the impact of state policies on municipalities. His work focuses on projecting budgetary needs and quantifying the cost of government, as well as on working with municipalities to identify opportunities for efficiencies and

determining their financial capacity for absorbing current and future cost obligations. In addition, Dr. Stefko oversees CGR's cutting edge, web-based Govistics™ tool (www.govistics.com), which allows rapid access to information on government spending by individual state and local governments across the U.S.

Dr. Stefko rejoined CGR in March 2008 after spending nearly five years with the Buffalo Fiscal Stability Authority (BFSA), the New York State agency responsible for controlling and monitoring the financial condition of the City of Buffalo, its dependent school district and other critical city agencies with total annual spending of more than \$1 billion. He served as both Principal Analyst and Deputy Director of BFSA before being named Acting Executive Director in 2007. Under BFSA's guidance, the City of Buffalo generated more than \$230 million in budgetary savings; experienced a four-fold increase in fund balance; and earned multiple credit rating upgrades from Wall Street.

While at BFSA, Dr. Stefko helped direct all policy analysis, research and budget review of the city and school district and developed recommendations for board action on major fiscal items, including the annual budget / financial plan and collective bargaining agreements. He played a primary role in briefing the agency's board on issues related to the financial status of the city, and policy items with real or potential fiscal impacts. As Acting Executive Director, he served as the authority's chief of staff.

Dr. Stefko worked for CGR twice earlier in his career. From 1998 to 2000, he was a Research Associate in the organization's Economic Analysis practice, and from 2002 to 2003 he served as a Senior Research Associate within the Government Management Services area.

Dr. Stefko holds B.A., M.A. and Ph.D. degrees from the University at Buffalo (SUNY), where he has taught Political Science and Urban and Regional Planning as an adjunct faculty member. In fall 2010, he will join the Department of Public Administration at SUNY Brockport as an adjunct faculty member.

Scott Sittig, M.P.P.

Senior Associate

CGR Inc.

Scott Sittig is a Senior Associate at the Center for Governmental Research (CGR). He is involved in local government shared service and consolidation studies, economic analysis, public finance, human services, workforce development, and education research.

Currently he is involved in identifying service sharing and consolidation options for several communities across New York State and New Jersey. In addition, he is engaged in public education research and strategizing for education reform of a local urban school district.

Other recent or current projects in which he has played a key research role include: shared assessment and tax collection services for several counties; potential village dissolutions; analysis of numbers and trends in childcare subsidies with regard to income eligibility thresholds; assessment of graduation rates and performance data for students in an urban public school system; and a survey of communities across New York's Adirondack region about economic development and other issues.

Mr. Sittig holds a B.S. in Business Administration and Sociology from Roberts Wesleyan College and a Master of Public Policy degree from the University of Chicago.

Eric Morris, M.A.
Research Associate
CGR Inc.

Eric Morris is a Research Assistant at the Center for Governmental Research (CGR). He is involved with assisting research for economic analysis, local government and community indicator projects. Mr. Morris also assists with CGR marketing projects.

Currently he assists a number of projects, including a cost-benefit analysis and economic impact assessment regarding large-scale infrastructure improvements in the Rochester NY area; an assessment of the statewide economic impact of private colleges and universities in NYS; several shared service/consolidation studies for municipalities across New York State; a county-wide highway shared service study; a community profile of NY's Mid-Hudson Valley region.

Prior to joining CGR in fall 2009, Mr. Morris was a Research Assistant at the Maxwell School of Citizenship and Public Affairs where he gained experience and perspective in both market economics and public policy.

Mr. Morris holds a B.A. magna cum laude in Economics from Syracuse University, and M.A. in Economics from the Maxwell School of Citizenship and Public Affairs at Syracuse University.

VENDOR INFORMATION: ABOUT CGR

CGR Inc. (Center for Governmental Research) is one of the northeast's leading public sector management consulting firm, with an established history and reputation for working with governments to improve service delivery and meet their information needs. Headquartered in Rochester, NY CGR was founded by George Eastman in 1915 as a *nonprofit organization* which would serve the public interest through *nonpartisan research and management consulting*. It has conducted management studies for governments of all sizes in states like New York, New Jersey, Ohio, Maine and Massachusetts.

By developing objective perspectives on issues facing communities, CGR provides a unique professional resource empowering government, business and nonprofit leaders to make informed decisions. CGR's team of government management and public finance experts seeks to integrate facts and professional judgment into practical recommendations that lead to improved effectiveness and efficiency.

CGR's success is based on adherence to certain core principles when preparing its studies. First, we conduct an impartial collection and analysis of all data and facts required to develop a comprehensive, informed set of recommendations. Second, we start each project with a "clean slate," without preconceived ideas of what solution(s) will best address any problem. Third, we develop recommendations that are tailored to the client's needs, rather than using a "cookie cutter" approach. We have found that while certain general management principles apply to all organizations, each individual situation is unique. Fourth, we supplement CGR's in-house knowledge and experience with experts in specialized fields, to ensure that our recommendations best meet the needs of our clients. Finally, we focus on developing recommendations that are realistic, practical and achievable, with an emphasis on implementation that improves the value of our proposals to clients.

CGR has developed a tremendous body of work, much of which can be viewed through our website at www.cgr.org. In addition, CGR has recently launched a website designed to track government spending in local governments all across the country. The portal for this information can be accessed at www.govistics.com and may be of interest to you as you consider CGR's experience to engage in this project.

ATTACHMENTS

Resumes

Joseph Stefko, Ph.D.

Director of Public Finance

Expertise

Public finance, municipal fiscal distress, budgeting, government management and shared services/consolidation

Dr. Stefko directs CGR's public finance practice, working with clients on issues relating to budgeting, fiscal impact and government management. He has extensive experience addressing municipal fiscal distress; analyzing local government finance and services; and assessing the impact of state policies on municipalities. His work has focused on projecting budgetary needs and quantifying the cost of government, as well as on working with municipalities to identify opportunities for efficiencies and determining their financial capacity for absorbing current and future cost obligations.

Experience

Current Projects

- Directing enhancements to the CGR Govistics tool (www.govistics.com)
- Directing a consolidation study and implementation plan for the Township and Borough of Chester NJ., including advising a joint commission on potential benefits and liabilities of consolidating into a single municipality
- Providing analytical guidance to the Chemung County (NY) Financial Review Committee, quantifying the full cost of local government services as a basis for identifying efficiency enhancement opportunities
- Directing an ambulance service feasibility study, with comprehensive assessment of the current structure, organization and service delivery framework in North Hempstead NY, along with options for enhancing service quality and capitalizing on cost saving opportunities

Primary Research Areas

- Budgetary review and analysis
- Local government collaboration and shared services

- Municipal service delivery/departmental reorganization
- Economic impact
- Regional economic profiles
- Fiscal impact cost/benefit analysis for local land-use development

Education

- B.A. (Phi Beta Kappa, Magna Cum Laude) in Political Science
- M.A. in Political Science and Ph.D. in Political Science from the University at Buffalo (SUNY), with concentrations in public policy and subnational / urban government.

Background

Dr. Stefko rejoined CGR in March 2008 after spending nearly five years with the Buffalo Fiscal Stability Authority (BFSA), the State agency tasked with monitoring the financial condition of the City of Buffalo, its dependent school district and other critical City agencies. He served as Principal Analyst and Deputy Director of BFSA before being named Acting Executive Director in 2007. Under BFSA, the City generated more than \$230 million in budgetary savings, experienced a four-fold increase in fund balance, and earned multiple credit rating upgrades from Wall Street. While at BFSA, Dr. Stefko helped direct all policy analysis, research and budget review of the City and School District and developed recommendations for Board action on major fiscal items, including the annual budget / financial plan and collective bargaining agreements. He played a primary role in briefing the BFSA Board on issues relating to the financial status of the City, and policy items with real or potential fiscal impacts. In fall 2010, Dr. Stefko will join the Department of Public Administration at SUNY Brockport as an adjunct faculty member. Previously he served as an adjunct faculty member in the University of Buffalo's Departments of Political Science and Urban / Regional Planning.

Dr. Stefko was previously on CGR's staff from 1998 to 2000 as Research Associate, and from 2002 to 2003 as Senior Research Associate.

Scott F. Sittig, M.P.P.

Senior Associate

Expertise

Research in the areas of government management, consolidation and shared services, economic analysis, public finance, human services, workforce development, education

Experience

Current Projects

- Research and analysis involving merging town and county highway services for two counties in NYS
- Research and analysis of opportunities for towns and villages to share services and/or consolidate (4 separate communities)
- Monitoring and reporting on school reform efforts for a large urban school district
- Conducting economic impact analysis for state level transportation infrastructure improvements and a large university expansion

Past Projects

- Analyzed centralized property tax administration program studies for 4 NYS counties—reviewing current assessment systems and options for enhancing transparency, equity and efficiency
- Analysis involving the economic impact of a major university
- Survey of all communities in the NY Adirondack Park region on economic development and other key issues Identification of opportunities for a city and school district to share services in areas involving purchasing, maintenance, technology and facility usage
- Research and analysis involving the potential dissolution of several villages across NYS
- Evaluation of service sharing options villages and towns
- Analysis of childcare subsidies – number and trends with regard to income eligibility thresholds – for a study involving childcare policy recommendations for a county
- Identification of opportunities to enhance service sharing across 3 communities for a NYS Commission on Local Government Efficiency & Competitiveness-funded study
- Assessment of the flow of revenue and expenses across counties in New York State
- Review of a city’s recycling program, and recommendations on how best to meet state recycling mandates
- Identification of possible costs, approaches, hurdles and potential partnerships involved in establishing a residential charter school
- Research and analysis involving a community’s worksite wellness initiatives

Education

- B.S. in Business Administration and Sociology from Roberts Wesleyan College
- Master of Public Policy from the University of Chicago

Background

Prior to joining CGR in early 2007, Mr. Sittig served as an executive pastor, where he focused on strategic change. He was previously executive director for a group of physicians serving the poor and underserved, where he helped guide a strategic planning process that led to creation of a state-licensed medical and diagnostic treatment center. Other career experiences include serving as a consultant to a major social service organization and as vice president of finance and operations for a Chicago-based mission, where he helped facilitate the organization's expansion to another state and overseas.

Eric Morris, M.A.

Research Associate

Expertise

Assisting with research in the areas of economic analysis, community profiles, and local government projects.

Experience

- Assisting in the development of tools and approaches to estimate the economic impact of New York Power Authority's hydropower allocations
- Assisting in data collection and analysis for a project estimating the economic impact of a major university
- Compiling information to help evaluate service sharing options for villages and towns
- Analytic writing for a region's community indicators study that will help drive a strategic planning process designed to stimulate community solutions to critical challenges
- Assisting in the analysis of a community health foundation's mini-grant campaign aiming to increase the physical well being of area youths
- Compiling information to help evaluate service sharing options for a county's numerous local highway departments
- Research involving the potential dissolution of a village

Education

- B.A. in Economics from Syracuse University
- M.A. in Economics from the Maxwell School of Citizenship and Public Affairs at Syracuse University

Background

Prior to joining CGR, Mr. Morris served as Research Assistant at the Maxwell School of Citizenship and Public Affairs where he gained experience and perspective in both market economics and public policy.

Previous Projects & References

CGR is deeply experienced in the areas of property tax analysis and government management/reorganization, and aspects of both will be required for a successful evaluation and streamlining of the County's assessment processes. The following reference projects demonstrate our breadth of experience in addressing government management and reorganization generally, and assessment issues in particular. Each project has the complete final report attached to the end of this section.

Albany County Centralized Property Tax and Tax Collection Study

Albany County, NY worked with CGR to conduct a comprehensive review of their county's assessing and tax collection functions. Of particular concern to them was how to better leverage the role of the County in elevating the quality and accuracy of information available to local assessors and tax collectors. This included a comprehensive review of data systems, data integration between local and County officials, policies and procedures and timelines for conducting assessment and tax collection.

Reference: John W. Rodat
 Commissioner
 Department of Management & Budget
 County of Albany, New York
 112 State Street, Suite 210
 Albany, NY 12207-2021
 (518) 447-5525

Chemung County Centralized Property Tax Assessment Study

Chemung County, NY is among the leaders in New York at identifying and implementing county level shared service and consolidation reform efforts. Assessment is an area that remains decentralized in the County with a wide variety of expertise and infrastructure capacity brought to bear on the assessment function. CGR met with the local association of assessors and examined the costs and impacts of realigning the assessment functions throughout the County. In addition, CGR made recommendations for how the County could play a more centralized role

in assessment and thus raise the quality of service for all the towns in the County.

Reference: Michael S. Krusen
Deputy County Executive
John H. Hazlett Building
203 Lake Street
PO Box 588
Elmira, NY 14902-0588
(607) 737-2031

Wayne County Centralized Property Tax Assessment Study

Wayne County, NY was one of the first counties in the State of New York to study whether assessing services could be coordinated at the County level. Under the leadership of the County Director of Real Property Services, the County engaged CGR to determine the impact of transitioning assessing away from the local towns and merging the service at the County level. CGR examined the cost and service impacts learning that local assessors feel that local presence adds significance to their job and their ability to fairly represent the people in each community. These intangible aspects of assessing often create tension with the pragmatic fiscal efficiencies that can be obtained.

Reference: Shirley A. Bement, IAO
Director of Real Property Services
County Building No. 4
16 William St.
Lyons, NY 14489
315-946-5916
315-946-5930 (Fax)

Collaborative Property Tax Administration in Albany County

**A Review of Assessment and
Tax Collection Options**

April, 2009

Prepared for:
Albany County

Joseph Stefko, Ph.D.
Director, Public Finance

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Director, Strategic Planning & Analysis

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Collaborative Property Tax Administration in Albany County

A Review of Assessment and Tax Collection Options

April, 2009

EXECUTIVE SUMMARY

In the fall of 2007, the State Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local property tax systems. The CPTAP program awarded counties two separate grants: one to study *property assessment practices* and another to examine *tax collection processes*. Albany County was awarded both grants.

Recognizing the natural connection and synergy between assessment and tax collection, Albany County combined its grant studies into a single effort. After a formal request-for-proposal process, the County engaged the Center for Governmental Research (CGR Inc.) to complete its CPTAP study.

The review completed by CGR and detailed in this report conforms to analytical and reporting parameters established by the State Office of Real Property Services. ORPS identified a series of specific assessment and tax collection models to be analyzed and reported on in each county that received a CPTAP grant. The study parameters can be viewed online via the Office of Real Property Services website at:

<http://www.orps.state.ny.us/cptap/resources.cfm>

Importantly, this review also goes beyond the scope of ORPS' parameters and considers the potential benefits of coordinating assessment- and tax-related information in a central fashion, to enhance data accuracy, accessibility and timeliness to all parties involved in assessment and collections countywide.

ORPS has been consistent throughout the CPTAP process that the program is not intended to force change. Moreover, County officials leading this effort have repeatedly made it clear that they do not intend to

force change. Rather, they are seeking opportunities for voluntary, collaborative efforts to improve the quality and efficiency of the overall system. Further, it is not the intent of the grant or this study to recommend or promote specific operational details of one option or model over other alternatives. This analysis and report intends to provide County and local officials with a cost/benefit review of a series of models identified by ORPS, both in delivering assessment services *and* enhancing tax collection data and information.

Importantly, ORPS notes, “the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike.”

With the information contained in this report, County and local officials will be well-positioned to make future decisions regarding Albany County’s assessment and collections system. The intent of this report and the information contained herein is, in the most basic sense, *to empower officials at the County and local level including mayors, supervisors, local legislative boards, the County Executive and County Legislature, as well as assessors and collectors to make decisions regarding the future of property tax administration in the Albany County community.*

Key Overall Finding

The most important finding in this report transcends *both* the assessment and collections systems. The absence of formal linkages among data and information platforms at every level of government – State, County and local jurisdictions – creates a duplication of process that yields inefficiency at best, and inaccuracy at worst in a process that should serve as the foundation of the County’s property tax administration system. The timeliness, sharing and accuracy of information are suboptimal precisely because the same data are entered into different systems on different hardware and software platforms, increasing the probability of error which can then cascade through the system. A more coordinated approach to linking data systems – whether through centralized information systems or through data sharing among distributed databases – would enhance the system’s accuracy, efficiency and usefulness.

Property Assessment

The first section of this report focuses on the assessment function in Albany County. Its goal is to consider the impact and implications of different assessment models that would uniformly affect every parcel in the County and facilitate the following performance standards:

1. a common level of assessment for all assessing units;
2. a common database of assessment, inventory, pictures and valuation data for all the assessing units; and
3. consistent assessment administration standards (*i.e.* regular reassessment cycles; timely verification, correction and transmittal of sales data; and current and accurate inventory collection and maintenance) for all assessing units.

According to ORPS, these standards would yield enhancements in the following areas:

- **Equity:** A system that provides a mechanism for obtaining and maintaining equitable assessments;
- **Transparency:** A system that is understandable to taxpayers; and
- **Efficiency:** A system that functions efficiently and consistently across the county.

CGR collected data and interviewed key stakeholders in the community to establish a baseline of operations in Albany County. Key findings include:

- valuation practices and data collection standards vary by jurisdiction;
- the transfer of information between the County and the local assessors is conducted manually and inefficiently;
- only the City of Albany has a standard reassessment cycle, while two assessing units in the County have never completed a reassessment;
- the County has a small office of Real Property Tax Services and has historically played a limited role in assessment;
- local assessors express some interest in sharing and possibly centralizing information; and
- the County is very interested in enhancing the accuracy, timeliness and accessibility of assessment data and information, provided cost and ongoing maintenance issues can be adequately addressed.

CGR collected comprehensive data on baseline assessment operations in Albany County. Using the baseline information, CGR considered the

cost/benefit implications of four assessment options in comparison to the *status quo*:

1. County-run assessment system;
2. County-coordinated assessment system;
3. Localized coordinated assessment systems; and
4. Municipalities contracting or collaborating with the County.

In addition to these four primary options, CGR also considered intermediate options that would serve as preliminary steps towards building a more robust County-wide assessment service, in particular the enhancement of data and information systems.

The current assessment operation in Albany County costs approximately \$3,160,000 , which includes municipal and County budgets netted against anticipated revenue. Relative to this baseline cost:

- the County-run option would cost approximately \$2,850,000 per year, incur one-time net transitional costs of \$1,290,000 , and require three separate public referenda;
- the County-coordinated assessment option would likely cost about \$2,710,000 annually, incur net transitional costs of \$1,150,000 , and could be accomplished through action by local municipal boards; and
- assuming the savings as modeled were realized, the County-run transition would pay for itself in slightly more than four years and the County-CAP transition would pay for itself in less than three years.

These are not the only options to enhance countywide assessment operations. Other ideas explored in this report include having the County more actively involved in commercial appraisals, exemption services and/or establishing common standards for all jurisdictions. But perhaps the greatest and most achievable near-term opportunity to enhance the system regards data and information. Real-time, centralized data has many benefits that extend well beyond the assessment operation. The ability to access data that are current, comprehensive and accurate would be a significant resource for both the County and local assessing offices countywide.

Tax Collection

The property tax collection system in Albany County can be best characterized as decentralized with each of 19 municipalities and 20 school districts responsible for the collection of taxes within their boundaries. Many of these jurisdictions, particularly the larger ones, not only collect taxes for their own purposes but may also collect taxes for other entities.

Because of the decentralized nature of the current County tax collection system, each jurisdiction, particularly the larger ones, has an office that is staffed by a tax collector or its equivalent (*i.e.* receiver, treasurer, etc.), most of whom are elected officials, and several full or part-time employees. In addition to the local collection function, the County itself provides both front-end service in this process (*i.e.* recording and processing deeds and changes of ownership forms in the Clerk and Real Property Tax Service Offices) and back-end delinquency collection and foreclosure in the Finance Office.

While the current tax collection system clearly has gaps and is costly to maintain, most local tax collection personnel maintain that the strongest positive aspect of the current system is its ability to provide high levels of customer service to individual property owners while maintaining accurate records.

Notwithstanding the opinion of the local collectors, the system does have its challenges, including:

1. ***Timeliness and Sharing of Information*** – While most municipalities have relatively good internal systems (both human and technological) to share information back and forth between various offices within that locality (*e.g.* assessment, collection and finance), the communication between ORPS, the County and the municipalities is *not* optimal both because of the number of different systems, and the lag of information flow from one level of government to the next.
2. ***Cost*** – Although the local tax collection function does result in a high level of personal service, the fact remains that each jurisdiction (and the County itself) has its own collection office which sends out bills, collects taxes and maintains its own system.
3. ***Accuracy*** – Because information is largely entered at every level of government into different systems and on different hardware and software platforms, the probability of errors goes up. In addition, information may not be accurate when it comes to the

County from attorneys and others involved in real estate transactions.

One of the solutions that have been considered in other counties in New York is the full consolidation of the tax collection system into a county function where all taxes would be collected at that level and then disbursed to the localities. For a number of reasons, most notably the cost of implementation, this solution would appear impractical for Albany County to consider; however, the sharing of collection services or the use of common database would be worth considering.

Sharing of services between municipalities could be along the lines of what already exists where cities and towns do collection for school districts, or it could be a broader sharing of services to encompass not only sharing people but also software or hardware systems. The advantage of this would be potential cost savings as well as continuity in staffing or process.

An intermediate solution would be to have a centralized database, or data sharing among distributed databases.¹ This system would have the potential to greatly simplify the current system and ally communications among the taxing jurisdictions. The system would produce benefits such as increased efficiencies and cooperation among local collection officials, full integration from collection through management of delinquencies and simplified data collection with automatically accessible data by municipalities, schools and the County.

Whatever solution is proposed for improving the County's current tax collection system, there remains the challenge of how to implement any of the solutions. Issues such as cost, timing, technology and local participation are considerations that the County would need to address in an implementation plan going forward. While none of these issues are insurmountable in and of themselves, a careful and collaborative implementation plan will need to be considered to make this a reality.

¹ From a technological perspective there are differences between centralized databases and distributed databases that have been specified and configured to automatically share data. For convenience, we refer to both types as "centralized". However, we recognize that the differences are not merely technical, but have organizational and financial implications.

Acknowledgements

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Staff Team

In addition to the primary staff team of Joseph Stefko, David Liebschutz and Scott Sittig, significant data analysis and conceptual roles were played by Research Assistants Katherine Corley and Meredith Mabe.

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INTRODUCTION

In the fall of 2007, the State Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local real property assessment and tax administration systems. According to ORPS, New York is one of only three states that do not have a statewide uniform level of assessment. Further, it is one of twelve states which do not have a statewide requirement for how often reassessments must happen.

New York has 1,128 separate assessing units, compared to a national per state median of 85 units. It is one of only seven states which have over 500 assessing jurisdictions. By contrast, thirty states have less than 100. New York's assessing picture is further complicated by nearly 700 school districts and approximately 1,000 other special purpose districts (*e.g.* fire and library districts) which can impose property taxes and are not contiguous with the 1,128 assessing jurisdictions.

In an effort to explore reform opportunities, New York State created the CPTAP grant program as a tool for counties to document their assessment and tax administration systems and consider alternative models. ORPS has been consistent throughout the CPTAP process that the program is not intended to force change. Moreover, County officials leading this effort have repeatedly made it clear that they do not intend to force change. ORPS' goal is to empower local authorities to develop assessment models that uniformly affect every parcel within their respective counties, and which result in the following performance standards:

1. a common level of assessment for all assessing units;
2. a common database of assessment, inventory, pictures and valuation data for all the assessing units; and
3. consistent assessment administration standards (*i.e.* regular reassessment cycles; timely verification, correction and transmittal of sales data; and current and accurate inventory collection and maintenance) for all assessing units.

Stated differently, ORPS' goal is to enhance current assessment practices statewide on the following standards:

- **Equity:** A system that provides a mechanism for obtaining and maintaining equitable assessments;
- **Transparency:** A system that is understandable to taxpayers; and

- **Efficiency:** A system that functions efficiently and consistently across each county.

The CPTAP program awarded counties two separate grants: one to study property assessment practices, and another to examine tax collection processes. Albany County was awarded both grants. Recognizing the natural connection and synergy between assessment and tax collection, Albany County combined its grant studies into a single effort. After a formal request-for-proposal process, the County engaged the Center for Governmental Research (CGR Inc.) to complete its CPTAP study.

This report documents CGR's review of the property assessment and tax collection systems in Albany County. There is a definite nexus between the systems, both from a substantive *and* data perspective. What a property owner pays in taxes depends in large part on his or her assessment. Similarly, the ability to track and enforce property tax payments depends in large part on effective collection mechanisms. To the extent that data and information are compromised in one system, it directly impacts the efficacy of the other. Errors on the front-end (including errors in data provided by attorneys and others involved in real-estate transactions) directly impact the back-end (i.e. tax foreclosure process). Furthermore, the imperative for accurate, reliable data systems is even greater in Albany County given the County's role in guaranteeing local levies and enforcing delinquencies.

This report examines the assessment and collection systems in turn, beginning with assessment. To the extent that particular linkages between the systems are relevant to the review, they are noted.

Key Overall Finding

The most important finding in this report transcends *both* the assessment and collections systems. The absence of formal linkages among data and information platforms at every level of government – State, County and local jurisdictions – creates a duplication of process that yields inefficiency at best, and inaccuracy at worst in a process that should serve as the foundation of the County's property tax administration system. The timeliness, sharing and accuracy of information are suboptimal precisely because the same data are entered into different systems on different hardware and software platforms, increasing the probability of error which can then cascade through the system. A more coordinated approach to linking data systems – whether through centralized information systems or through data sharing among distributed databases – would enhance the system's accuracy, efficiency and usefulness.

THE ASSESSMENT SYSTEM IN ALBANY COUNTY

In documenting the diversity in current assessment process, approach, level and output throughout Albany County, this report establishes a baseline foundation for making decisions going forward. While specific reform options will no doubt require additional analysis and consideration of detailed components, a full understanding of the baseline delivery of assessment services is essential to beginning any change process.

The property tax assessment system in Albany County operates in a largely decentralized fashion, with the County Real Property Tax Services (RPTS) office providing minimally-required services to local assessors. The County maintains a small office with the view that assessment and property valuation is a matter of local jurisdiction. Municipalities have a range of expertise and approaches. The smallest jurisdictions tend to have part-time assessors while the larger jurisdictions have multiple staff and command significant resources from their municipal budget.

Assessment valuation and data collection standards vary across the County (including outside contractors), and the standards by which assessors serve the public and conduct assessments also vary by individual. Further complicating the situation in Albany County is the presence of three cities, one village assessing unit and two three-person boards.

To document the current assessment system in Albany County, CGR obtained data from several different sources. Primary data came from a survey of all municipal assessors. CGR also obtained and analyzed sales and parcel data from the County's RPS V. 4 database. In addition to surveys and data, CGR interviewed the following individuals:

- County Commissioner of Management and Budget;
- County Director of Real Property Tax Services (RPTS);
- Administrative Aide to the Director of RPTS;
- County Business Analyst/Tech Implementation Specialist;
- County Tax Records Manager;
- County Assistant Attorney;
- New York State Office of Real Property Services;
- Mayor of the City of Watervliet;
- Mayor of the City of Cohoes; and the
- Coordinator of the "Citrix User Group," who serves as the Director of Real Property Tax Services for Cattaraugus County.

In addition, CGR attended and facilitated a meeting of the County's local assessors group. The meeting provided an opportunity to discuss the study, current practices and opportunities to improve the assessment process for jurisdictions countywide.

The following sections detail current budgets and operations for all assessing jurisdictions in Albany County. As noted below, a series of tables are included in the appendix with detailed information on each assessing unit in the County.

Structure and Staffing

Property assessment services in Albany County are divided between ten towns, one village and three cities:

- City of Albany
- City of Cohoes
- City of Watervliet
- Town of Berne
- Town of Bethlehem
- Town of Coeymans
- Town of Colonie
- Town of Green Island²
- Town of Guilderland
- Town of Knox
- Town of New Scotland
- Town of Rensselaerville
- Town of Westerlo
- Village of Colonie

Only four of the assessing units report sharing either an assessor or some assessing responsibilities:

- the Town of Coeymans' assessor serves as a Director of RPTS for neighboring Greene County;
- the Town of Colonie assessor provides assessment support to both villages within the boundaries of the Town; and

² The Village and Town of Green Island are Co-Terminous. It was reported to CGR that the Village provides the assessment service, and thus, CGR will refer to them as the Village of Green Island throughout this report. Technically, NYS ORPS recognizes the Town as the Assessing Unit.

- the assessor in the Town of Westerlo also serves on the three-person board for the Town of Rensselaerville.

Tables A-1 and A-2 in the appendix present staffing and other overview information for each assessing unit.

Municipal Level

There are twelve individual assessors and two three-person boards covering the fourteen assessing jurisdictions. Of the twelve individual assessors, all are appointed. As detailed in **Table A-2** of the appendix, there are 52 total assessment personnel across the fourteen assessment units (including the assessors). Not all are full-time – the 52 positions translate into 37.5 full-time equivalent (FTE) positions. Each unit averages 3.7 staff positions, or the equivalent of 2.7 FTE. The median staffing level across all jurisdictions is 2.5 positions (1.0 FTE), revealing the upward bias of the averages due to the two large municipalities.

Six assessors do not meet the State’s certification requirements to be an assessor.³ Two of these assessors are currently completing coursework that will put them in compliance with the State Board of Real Property Services within acceptable timeframes. Three others reported having no certification and did not report on their intention to obtain the required certifications. One assessor reported being certified through the Institute of Assessing Officers, even though that assessor does not currently have New York State certification. Six assessors in the county have received State designation as “advanced”⁴ and one as “professional”⁵ through the Institute of Assessing Officers (IAO) in New York State. Two assessors are also State licensed real estate appraisers.

The average assessing unit in Albany County reported being open for 33 office hours per week, staffed by the assessor and/or one or more support staff. According to survey responses, over 52 percent of office hours on average are devoted to customer service issues.

The International Association of Assessing Officers (IAAO)⁶ has established benchmarks for average number of staff per parcel. For

³ State Certified Assessor (SCA) is the minimal certification, requires training in a state certified program and must be completed within three years of the first appointment.

⁴ State Certified Assessor Advanced (SCAA) designation requires extra coursework provided by NYS beyond the SCA certification.

⁵ Professional designation (SCAP) requires coursework and passing a five-hour exam administered by the IAO. Any NYS assessor can be a member of the IAO without having the “professional” designation.

⁶ www.iaao.org

jurisdictions that have systems supported by computers, the average number of parcels per FTE employee is approximately 2,000. For those without computer support, the average is roughly 1,800. Interviews with assessors both from Albany County and elsewhere in New York State revealed that, in many communities, it is not uncommon for the parcels-per-FTE ratio to be 3,500 or more depending on the municipality and the type of parcels involved.

Information gleaned from the surveys revealed the range in parcels per FTE in Albany County was broad – the lowest parcels-per-FTE ratio was 1,143, while the highest was 5,220. It is important to note that this disparity should be interpreted in terms of effort being expended by assessors and staff, not necessarily in terms of actual parcels covered by one FTE staff person. Six Albany County assessing jurisdictions have an FTE staff person covering more than 2,500 parcels.⁷ All other jurisdictions that have ratios in excess of 2,500 parcels-per-FTE have less than one FTE covering all the parcels. Again, this represents a level of effort expended by these local assessors that exceeds the level of effort expended by other jurisdictions with fewer parcels per FTE. The assessor with a parcel ratio of 5,220 is likely not able to provide the same quality of service as the assessor who is carrying a significantly lower parcel ratio.

County Level (RPTS)

The County operates a Real Property Tax Service office currently staffed with 4.5 FTE personnel. In addition to the Director, there is one Senior Tax Map Technician, one Administrative Aide, and two clerks (one FTE, one part-time position). Tax map support is also provided to the RPTS office by one employee in the Department of Economic Development and Planning.

For 2009, the County budgeted \$502,000 for its RPTS office. The cost for the employee from Economic Development and Planning added another \$19,000. Netted against budgeted RPTS revenue of \$46,000, the total cost for assessment is approximately \$475,000.

Some of the services the County provides in support of the assessment function are as follows:

- tax mapping, provided most recently through an outside contractor with support from Albany County's Department of Economic Development and Planning;

⁷ The City of Albany, City of Cohoes, Town of Bethlehem, Town of Colonie, Village of Colonie and Town of New Scotland all have FTE ratios in excess of 2,500.

- processing of RP-5217 forms (when forwarded from the County Clerk’s office), inputting of data and mailing to local municipalities;
- capturing and recording deed information when forwarded from the County Clerk’s office;
- informing local municipalities of changes in exemption requirements; and
- facilitating the monthly assessors group forums.

Parcel Characteristics

Albany County contains 110,741 property parcels, over 76 percent of which are classified as residential (see **Table A**). The County has a very diverse geography and corresponding land use, ranging from open country to densely populated urban districts. Vacant parcels are the second-largest land use in Albany County at slightly over 12 percent.

| Table A: County Parcels by Property Class | | |
|--|----------------|---------------|
| <i>Property Class</i> | <i>Parcels</i> | <i>%</i> |
| Industrial | 177 | 0.2% |
| Recreation & Entertainment | 443 | 0.4% |
| Conservation and Public Parks | 447 | 0.4% |
| Agricultural | 471 | 0.4% |
| Public Services | 1,105 | 1.0% |
| Community Services | 1,331 | 1.2% |
| Commercial | 8,154 | 7.4% |
| Vacant | 14,006 | 12.6% |
| Residential | 84,607 | 76.4% |
| Total | 110,741 | 100.0% |

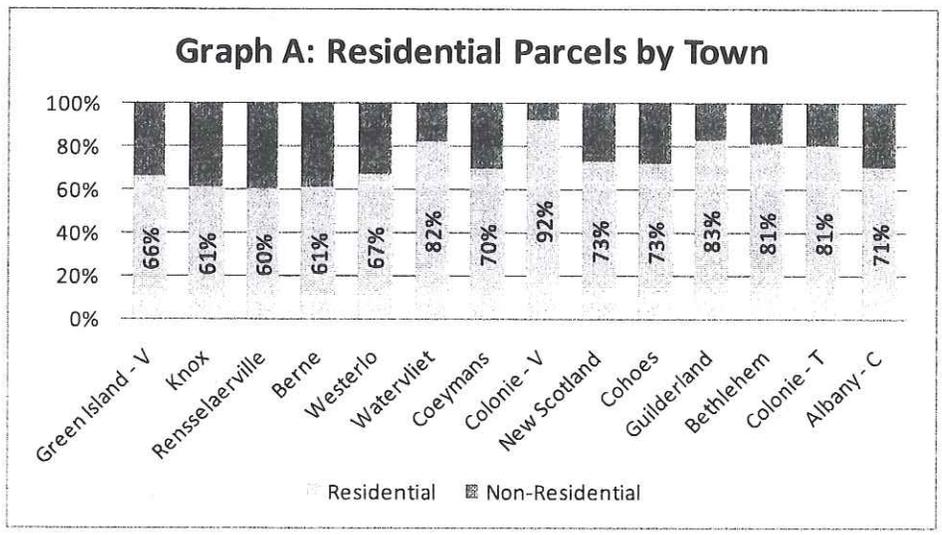
Commercial class parcels are the third-most common property class in the County with slightly more than seven percent of the total property class designation. Together, commercial and industrial classifications account for roughly 7.6 percent of all parcels in the County.

The Town of Colonie has the most total parcels in the County (31,132, or 27.3 percent of the total) when the Town and Village parcels are added together. The Town of Colonie also contains the largest share of the County’s residential properties (30.1 percent). The assessing unit for the Village of Green Island oversees the fewest total parcels at 872 (0.8 percent of all County parcels) and the fewest residential parcels (577

parcels or 0.8 percent). **Table B** highlights municipal parcel counts listing the Town and Village of Colonie separately.

| <i>Town</i> | <i>Parcels</i> | <i>%</i> |
|-------------------------|----------------|---------------|
| Village of Green Island | 872 | 0.8% |
| Town of Knox | 1,546 | 1.4% |
| Town of Rensselaerville | 1,925 | 1.7% |
| Town of Berne | 2,057 | 1.9% |
| Town of Westerlo | 2,076 | 1.9% |
| City of Watervliet | 2,827 | 2.6% |
| Town of Coeymans | 3,062 | 2.8% |
| Village of Colonie | 3,093 | 2.8% |
| Town of New Scotland | 4,273 | 3.9% |
| City of Cohoes | 5,220 | 4.7% |
| Town of Guilderland | 12,367 | 11.2% |
| Town of Bethlehem | 13,165 | 11.9% |
| Town of Colonie | 28,039 | 25.3% |
| City of Albany | 30,219 | 27.3% |
| Total | 110,741 | 100.0% |

Graph A displays the percentage of total parcels per unit that are classified as residential. The Village of Colonie has the highest percentage (Town of Colonie considered separately from Village of Colonie); Rensselaerville has the lowest concentration of residential parcels, even though the Village of Green Island and Town of Knox have fewer residential parcels overall.



Budgets and State Aid

For the most recent year, Albany County's local assessment functions reported spending approximately \$2,700,000.⁸ This averaged out to \$180,000 per assessing unit, or roughly two percent of the typical municipal budget. The median budget for assessment was \$56,700 again revealing the upward pull on the average due to the larger jurisdictions in the County. **Table A-3** in the appendix details the breakdown for each jurisdiction.

The "cost per parcel" of local assessment functions ranges from \$2.26 in the least expensive municipality to \$65.01 in the most expensive.⁹ In other words, the municipality with the highest cost-per-parcel ratio in the County is paying almost 29 times more per parcel than the lowest cost municipality. After removing both of those outliers in the data, the range is \$15.27 to \$33.88. On average, the cost per parcel across all municipalities (outliers included) is \$24.24. The median value is \$21.36. Full details can be found in **Table A-3** of the appendix.

Nine of the municipalities reported receiving State aid. However, the most recent aid received by any municipality was in 2007. While the surveys reported that three municipalities received annual aid as their latest State aid, according to ORPS only the Town of Colonie has actually received annual aid (and that was only for one year in 2001). In fact, no municipality in the County is currently receiving annual aid. Eight of the municipalities are either receiving triennial aid or received that type as their most recent aid from the State. Five municipalities do not receive aid from the State at all.

Aid amounts vary across the units, ranging from \$0 to \$147,150. **Table A-4** in the appendix contains detailed information on the most recent State aid received by each of the assessing units.

Indicators of Assessment Equity and Uniformity

Real Property Tax Law, Section 305, requires that assessing jurisdictions treat all of their respective parcels the same by assessing all real property at a uniform percentage of market value. The following statistical

⁸ CGR could not verify if the budgets reported from the Towns of Berne and Guilderland included fringe benefits. All other entities reported fringe benefits (if offered) with their total assessment budget.

⁹ The two extremes in the data represent the two villages currently providing assessment services.

measures illustrate how consistently assessors are treating parcels throughout the County. **Table A-4** in the appendix contains additional detail on the measures discussed in this section.

Level of Assessment

The Level of Assessment (LOA) represents the percentage of full value at which parcels within a particular community are assessed. An LOA of 25 percent would indicate assessments are one-quarter of full market value; an LOA of 100 would indicate full market value assessments. Typically, a LOA of 100 indicates that reassessments have kept parcel valuation data current and accurate.

The current range for LOA across Albany County is 0.83 to 101.3. The Town of Coeymans and the City of Albany each reported an LOA of 100 or more and were consistent with ORPS' market analysis and assigned equalization rate. The Town of Guilderland reported a LOA of 100 but was not consistent with ORPS equalization rate of 79.62.¹⁰ All other municipalities have adjusted their LOA to match ORPS' market analysis and assigned equalization rate.¹¹ Overall, equalization rates in Albany County range from 0.83 to 101.30.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) is a common statistical measure of uniformity (often called "horizontal" equity). According to ORPS, "the COD measures the extent to which the assessment ratios from a given roll exhibit dispersion around a midpoint. It is generally accepted that the median assessment ratio best serves as the midpoint or central tendency measure from which the average level of dispersion should be calculated."¹²

The lower the COD, the more uniformity there is in assessments within the jurisdiction. The *Standard on Ratio Studies*¹³ produced by the IAAO documents acceptable COD ratios among various parcel classifications. According to the publication, newer and more homogenous residential parcels should have a relationship between assessed value and market

¹⁰ ORPS allows municipalities to set their own LOA but requires that the LOA be within 5 percent of the equalization rate. Some municipalities do not abide by this requirement.

¹¹ ORPS' data are only as reliable as what is provided by the municipalities. Locations that have not conducted regular reassessments may not be accurately representing their equalized full value for the distribution of county and school taxes.

¹² *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

¹³ Executive Board. (2007). *Standard on Ratio Studies*. Kansas City, MO: International Association of Assessing Officers.

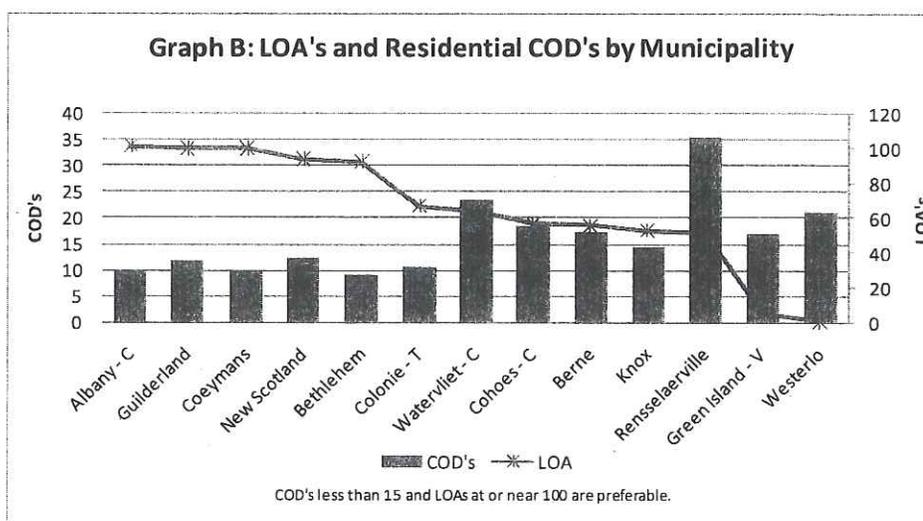
value where the COD is between 5 and 10 percent. The COD ratio is considered acceptable up to 15 percent for older, more heterogeneous residential parcels. For other parcel classifications such as vacant and/or seasonal land, acceptable ratios can range as high as 25 percent. The general benchmark when all parcels are analyzed together is to have a COD of less than 20 percent. (Note: As shown previously in **Table A**, 76.4 percent of Albany County properties are residential and 12.6 percent are classified as vacant.)

Since COD statistics in Albany County were in some cases outdated or not available for analysis, CGR enlisted ORPS' support to calculate and provide COD statistics for its review.¹⁴ The most comprehensive and current statistics available were for residential CODs. Due to the prevalence of residential parcels in the County, this section focuses on residential CODs as an assessment of horizontal equity in the County. Detail on CODs reported by municipalities and other equity statistical information can be viewed in **Table A-4** of the appendix.

Current CODs for residential parcels in Albany County's municipalities range from 9.170 to 35.700. Most of the data used by ORPS to calculate these CODs dates to 2006, although in some cases they incorporate sales data from 2008. This makes it difficult to reliably compare across jurisdictions.

Notwithstanding the data's limitations, six of the fourteen assessing units exceed the 15 percent threshold defined by the IAAO. As might be anticipated, the jurisdictions with higher Levels of Assessment represent the lowest CODs, indicating greater uniformity within those jurisdictions regarding assessed values. **Graph B** shows the general inverse relationship between LOA and COD in Albany County. This graph is not meant to imply causality between these two statistics, but is simply illustrative of what CGR observed in Albany County. Again, caution is warranted in reviewing these data because the LOAs are from 2008, while some of the CODs date back to 2006.

¹⁴ The NYS Office of Real Property Services provided a mixture of Sales and CAMA COD's based upon the most recent data available to them. Not all data represents the same year.



General Data Quality & Reassessment

The general quality of data in Albany County varies by jurisdiction. The Town of Westerlo and Village of Colonie reported that they have no record of doing a full data collection process and revaluation of parcels. The Village of Green Island has not done a reassessment since the 1960s. Any reassessment project for these three municipalities would require a complete data collection project. Four other jurisdictions reported their most recent reassessment work being at least ten years old. These four jurisdictions would also likely require a full data collection and verification process in order to conduct a reassessment. All other assessing jurisdictions have done some reassessment work since 2001 and may require less intensive data verification projects in order to conduct a reassessment.

The City of Albany will conduct a reassessment in 2011 and is the only assessing unit currently planning to conduct one. The remaining units have not specified a date when they will conduct a reassessment project. The Town of Colonie and City of Watervliet indicated that they need to conduct a reassessment and would like to do so soon. The Town of Bethlehem is monitoring its equalization rate to determine when it will conduct a reassessment. **Table A-4** in the appendix details information regarding reassessment.

Real Property Administration System

Type of System

According to information provided by local assessors and the County, all but one of the assessing units in Albany County are using Real Property System (RPS) v. 4 software. RPS is a collection of assessment, physical inventory and valuation programs developed by ORPS that assist the

assessment community in producing an equitable assessment roll. The RPS application allows the assessor to keep assessment and inventory data current and produce reports required by ORPS and State Real Property Tax Law. The only municipality not using RPS uses a proprietary system known as KVS Information Systems.

Assessors run RPS v. 4 on stand-alone machines in each local assessment office. In total, the assessors reported that they paid \$18,705 in annual license and maintenance fees to the State for use of the RPS software.¹⁵ Each local assessor backs-up data regularly at their local office, but they only transmit a copy of this data 1-2 times per year to the County. Data are typically transmitted by CD and uploaded into the County's RPS database when received. Local assessors are solely responsible for transmitting their data and reports to ORPS.

The County does not use RPS v. 4 system as a primary database. The RPTS office uses a parallel Access database that has several more years of historical data. The Access database serves as the resource for keeping tax maps up to date. Until recently, the County outsourced all tax mapping responsibility to an outside vendor. That contract is currently under review. Some additional tax mapping support is provided by a person in Albany County's Department of Economic Development and Planning.

Meeting minimum hardware requirements is essential for RPS v. 4 to run properly. According to ORPS, minimum requirements for stand-alone or client/server computers running RPS v. 4 include a 3.2 GHz processor with 1 GB of RAM.¹⁶ When GIS capabilities are used, ORPS recommends 80 GB of storage capacity, a 17-inch monitor, external storage for backup and MS Windows XP SP2.

Not all local jurisdictions in Albany County were able to provide data on the stand-alone machines in their offices. For the twelve municipalities that reported on their equipment, six meet the minimum RAM requirement but none has a processor speed that meets the minimum requirement. The minimum processor speed that was reported was a 1 GHz processor and the minimum RAM reported was 504 MB (0.5 GB).

Four of the assessing units in the County noted that they do not use GIS in support of their assessment function. Those that do use GIS vary in their success. ORPS provides technical assistance to local assessors to enhance their functional knowledge of how to incorporate GIS into data records

¹⁵ The value of the license fee is based upon number of parcels.

¹⁶ <http://www.orps.state.ny.us/rps/v4/rpsconfig.htm>

and management. In addition, ORPS serves as the primary IT support for RPS to all of the assessing units upon request.

Logistics and Process

Local assessors are responsible for keeping their assessment rolls accurate and up-to-date. Data to populate the local database comes from two primary sources:

1. The Real Property Transfer Report recorded on quadruplicate form RP-5217, supplemented by deed verification, and
2. Local data collection, verification and revaluation work.

The interface between Albany County and local assessors primarily occurs with the first source, through the transmittal of the RP-5217 forms that local assessors use to update their RPS database. A property transfer triggers the filing of an RP-5217 form which is required by the County Clerk to file a deed. Once the deed is recorded, the Clerk's office forwards the form and a copy of the deed to the County RPTS office. Typically, the County Clerk's office transfers these forms to RPTS within one day of receipt. Approximately every two weeks RPTS also receives a copy of the deed book from the Clerk's office as well.

Once a copy of the deed and the RP-5217 form is received by the RPTS office, the tax mapping vendor and RPTS personnel review the deed in comparison to the Access database to assure the correct tax map numbers are referenced and updated. The RP-5217 is consulted only in cases of inconsistencies between the deed and the database. Changes are made as necessary to the Access database. The Administrative Aide in the RPTS office then sends the top copy of the RP-5217 to ORPS and batches the remaining copies of the RP-5217s and sends them to the respective local assessor no less than twice a month. Notice of change in tax escrow accounts (Form RP-953) are also included in this batch mailing as they are received by the County RPTS office.

*Note: Refer to **Figure 3** in the tax collection section later in the report for a graphical presentation of the RP-5217 process, the flow of information and the potential pitfalls with the current process.*

The Clerk's office does not provide quality review of the RP-5217, but enters the data as provided on the form. If data are entered incorrectly by attorneys during a real estate transaction, the error is likely not caught until the form gets to the local assessor. Thus, in addition to data being entered multiple times, incorrect data may be entered at every level before an error is even noticed.

The use of the Access database as a parallel to the RPS v. 4 software creates double entry and accounts for the potential of error in the process. RPS v. 4 is not updated at the County level but is left only for occasional data uploads as information is backed up by local assessors. No reconciliation is done between RPS v. 4 and the Access database and the two systems do not “talk” to one another. All tax maps are kept current using data from the Access database and the County is responsible for assuring the accuracy of this data. Should changes be made by assessors later in the process, changes would not be captured in the Access database.

Possible Alternative Models

As noted at the outset of this report, the State Office of Real Property Services established a specific list of options to be analyzed and costed out in each county’s CPTAP study. The following sections detail those four primary options:

1. County-Run Assessing
2. County Coordinated Assessment Program (CAP)
3. Localized Coordinated Assessment Programs (CAP)
4. Municipalities contracting or collaborating with the County

Table A-7 in the appendix shows the detailed cost/revenue implications for each of the models considered below.

CGR reiterates that it is not the intent of the CPTAP grant or this study to recommend or promote specific operational details of one option or model over other alternatives. Rather, this analysis intends to provide County and local officials with a cost/benefit review of a series of models identified by ORPS, both in delivering assessment services and enhancing tax collection data and information. As ORPS notes, “the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike.”

Collaboration Incentives

In the context of reviewing alternative models, it is important to note the availability of certain collaboration/consolidation incentives for communities. The Office of Real Property Services provides State aid (currently up to \$7/parcel) to counties that consolidate their assessment functions, share an assessor and achieve a common level of assessment. Counties are also eligible to receive a separate \$1/parcel in State aid if agreements are reached to provide services under RPTL 1537. In addition

to the available aid, counties are eligible for grant money up \$2/parcel if municipalities consolidate their services at the county level. This grant money is reduced to \$1/parcel if some but not all of the municipalities opt to consolidate in this manner.¹⁷

Besides the aid incentives related to consolidation, the Coordinated Assessing Program (CAP) and or inter-municipal agreements potentially reduce the number of assessment officials who need to be trained and certified and reduce the number of individual equalization rates that need to be computed by the State. One concern that was repeated several times in CGR's discussions with assessment officials across the State was that fewer and fewer people are in the "pipeline" to become assessors. While positions are currently filled in all assessing jurisdictions in Albany County, the possibility exists that there will not be a sufficient number of highly qualified individuals to fill future vacancies. Reducing the number of posts would alleviate this concern.

County-Level Models

According to the State's Commission on Local Government Efficiency and Competitiveness, the primary benefits associated with a county-level assessment model would be gains in efficiency and professionalism, along with a more streamlined system for applying and maintaining equalization rates across the state. This section projects the costs of transitioning to, and operating, the County-run and County-coordinated assessing models in Albany County.

Option 1: County-Run Assessing

Overview

County-run assessment places the responsibility for property assessment solely with the county government. Only two counties in the State – Nassau and Tompkins – operate under a fully County-run assessing system. Under the model, local municipalities surrender their right to conduct local assessments and appoint an assessor. As a result, consolidating to a county model would require three public referenda.¹⁸

¹⁷ State aid and grant numbers mentioned in this study are estimates and there is no guarantee that such aid will be sustained in future budgets. State aid was reduced for 2008 by 2 percent.

¹⁸ Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum. If there are cities in the county it must be approved by a majority of the votes cast in the towns considered as a single unit and a majority in the cities as a single unit.

Since Albany County contains three cities and one village¹⁹ assessing unit, the referendum must pass by a majority vote of all eligible city voters (all cities considered as one unit), by a vote of all eligible village voters (only for village with an assessing unit), and then by all remaining voters in the town jurisdictions combined (all towns considered as one unit – excluding aforementioned eligible voters). This is commonly referred to as a “triple-referendum”.

State Real Property Tax Law, Sections 1530 and 1540, requires that under a county assessing system, the County’s Director of Real Property Tax Services would be replaced by a Director of Assessment. The County Legislature appoints the Director, either for a six-year term of office or civil service appointment. All other employees in the department would be civil service staff. By way of comparison, Tompkins County appointed a civil service Director of Assessment that is not subject to six year term limits.

Once the County became a single assessing unit, the State would calculate a single equalization rate based upon the aggregate assessed value to market value ratio of the entire County, and the County Legislature would be responsible for setting the revaluation schedule. Once a full value revaluation has been implemented, Real Property Tax Law authorizes the County Legislature to direct an assessment of all property at a uniform percentage of value.

Any municipality that applies the provisions of RPTL Article 19 regarding homestead allocations would no longer be eligible to apply those provisions to their municipality. The municipality would lose its status as an assessing unit and could no longer use the provisions of Article 19. If the County were to become an approved assessing unit, the municipality would be a "portion" for purposes of Article 19 and would be able to use homestead.

Transition Costs

A precondition to a fully county-run assessing model is uniform assessment levels across the jurisdictions to be consolidated. There are two ways for this to occur. Each method depends on when the last reassessment was completed as well as the quality of the data at the time reassessment is considered. The first method involves annual maintenance and statistical analysis through sampling a portion of the database. This is the method employed for jurisdictions that are part of an annual or

¹⁹ The Village of Green Island technically provides the assessing service for the Town and Village, but the State recognizes the assessing unit as the Town of Green Island. The Village and Town of Green Island are co-terminous.

triennial revaluation cycle. The second method involves an intensive data collection and verification project to update the database and assure local officials that the assessed valuations accurately reflect the market value of parcels on record.

In Albany County, the Town of Coeymans and the City of Albany currently have an LOA of 100 or more, indicating their data would likely not require a data collection or verification project. The Towns of Bethlehem and New Scotland reported a reassessment in 2006 and would similarly not require a data collection project. The remaining jurisdictions have LOAs ranging from 0.83 to 63.88. Each of these jurisdictions would likely require a comprehensive data collection and verification process as part of a formal reassessment.²⁰

The Town of Westerlo and the Villages of Colonie and Green Island will likely require a higher level of investment to update their data than the other jurisdictions requiring reassessment. Outside contractor fees to conduct a full data collection and verification process can range between \$40-\$70 per parcel depending on complexity and scope of service. Assuming an average cost of roughly \$55 per parcel, full reassessment of these three jurisdictions would produce a gross cost of nearly \$330,000. This would be partially offset by reassessment aid available to each jurisdiction up to \$5/parcel (\$30,000) producing a net aggregate reassessment cost of approximately \$300,000.

The remaining seven jurisdictions would likely not require as intensive a data collection and verification process. The data in each of their respective communities is reasonably recent. A reassessment project in these communities would likely only cost in the range of \$20-\$50 per parcel. At an average cost of \$35/parcel, these seven municipalities could expect to pay an aggregate cost of nearly \$1,890,000. This would be offset by reassessment aid of slightly less than \$270,000. The aggregate net cost for reassessment would be approximately \$1,620,000. Combined with Westerlo and the Villages of Colonie and Green Island, net reassessment costs would be \$1,920,000. **Table C** identifies the specific reassessment costs for each jurisdiction.

²⁰Since the City of Albany is scheduled to conduct a revaluation in 2011, CGR assumed that the countywide revaluation could occur in 2011 with a possible transition as of the 2012 roll.

| | Parcels | Data Collection Cost per Parcel | Cost to Reassess | Aid Available | Net Cost to Reassess |
|-------------------------|----------------|--|-----------------------------|--------------------------|---------------------------------|
| Village of Green Island | 872 | \$55 | \$47,960 | \$4,360 | \$43,600 |
| Town of Westerlo | 2,076 | \$55 | \$114,180 | \$10,380 | \$103,800 |
| Village of Colonie | 3,093 | \$55 | \$170,115 | \$15,465 | \$154,650 |
| Subtotal | 6,041 | | \$332,255 | \$30,205 | \$302,050 |
| Town of Knox | 1,546 | \$35 | \$54,110 | \$7,730 | \$46,380 |
| Town of Rensselaerville | 1,925 | \$35 | \$67,375 | \$9,625 | \$57,750 |
| Town of Berne | 2,057 | \$35 | \$71,995 | \$10,285 | \$61,710 |
| City of Watervliet | 2,827 | \$35 | \$98,945 | \$14,135 | \$84,810 |
| City of Cohoes | 5,220 | \$35 | \$182,700 | \$26,100 | \$156,600 |
| Town of Guilderland | 12,367 | \$35 | \$432,845 | \$61,835 | \$371,010 |
| Town of Colonie | 28,039 | \$35 | \$981,365 | \$140,195 | \$841,170 |
| Subtotal | 53,981 | | \$1,889,335 | \$269,905 | \$1,619,430 |
| Total | 60,022 | | \$2,221,590 | \$300,110 | \$1,921,480 |
| Rounded Total | | | \$2,220,000 | \$300,000 | \$1,920,000 |

In addition to reassessment, there would be operational transition costs associated with relocating staff, establishing new offices, and buying computers and related equipment. County officials cited as one significant hurdle finding space to house a centralized real property services operation in addition to parking for the added staff. The current municipal assessment offices reported having approximately 13,000 square feet of combined office space. The current County RPTS office is not large enough to accommodate this or even a significant portion of this. County officials did cite the possibility that renovations to the County Courthouse may free up space at 112 State Street for the County Clerk and RPTS, but the timeframe is at least three years away, and depending on configuration, the space may still be limited.

The County could choose to rent additional space, in which case the only up-front cost may be a security deposit. At \$15/per square foot for 13,000 square feet, a two-month security deposit would cost roughly \$33,000. (CGR models the ongoing impact of renting under operational considerations in the following section.) Alternatively, the County could choose to purchase a building. CGR did not model this cost option.

Beyond space, the County would have to furnish the office. As itemized in the next section, CGR models the addition of 41 new positions to properly staff the centralized office. Based on this number, we model \$5,000 per new staff person, or \$205,000 in additional cost for furniture and equipment for a new office. In summary, the cost for space and furniture in a transition to a County-run operation would be nearly \$240,000.

As an incentive to transition to the County-run model, the State will pay the County consolidation aid of \$7/parcel for up to 20,000 parcels per municipality.²¹ The State has also provided incentives in the form of a grant, from which the County could receive up to \$2/parcel as part of the transition.²² Consolidation and grant money is estimated to be slightly less than \$869,000. When all potential costs and aid/grants are contemplated, the net effect could be around \$1,290,000 in up-front transition costs.

Operating Costs

Personnel

Operating costs of the County-run model would largely depend on the parcels-per-FTE ratio assumed for the new County assessment office. As noted previously, the general guideline is one FTE staff member per every 2,000 parcels, but the figure can reasonably range up to 3,500. Under these assumptions, the staffing range in the county assessment office would likely be between 33 and 57 FTEs.²³

The County has no history of running a comprehensive centralized Real Property Tax Services office, and thus it is difficult to estimate the precise size and managerial scope requirements of the department. CGR has chosen to model its assumptions based upon a combined staff size of 44.5 FTE positions in support of one Director (45.5 FTE total). At 44.5 FTE staff (not including the Director), the parcels-per-FTE ratio would be 2,560. The positions could include adding 30 appraisal staff, 10 clerical staff and 1 more tax map technician. That would bring total clerical positions to 12.5 FTE along with 2 FTE tax map technicians and 30 FTE appraisal staff all under the supervision of one Director of Assessment. Appraisers would be responsible in general terms for 3,800 parcels per person with 12.5 FTE clerical positions to support them.

Based upon feedback from County officials, a review of the current County RPTS budget, and CGR's knowledge of other counties' experience, we have modeled new appraisal positions at roughly \$45,000 with a benefits package of approximately 37 percent of salary. Assuming creation of 30 FTE positions at these rates, the total additional cost to the County would be \$1,849,500 .

²¹ ORPS notes that State aid is not available for wholly exempt parcels and parcels that are not locally assessed, such as taxable state-owned land, special franchise parcels and/or ceiling railroad parcels.

²² The grant providing the \$2/parcel is subject to change according the new NYS Budget.

²³ These numbers are derived using the 110,741 parcels currently on record.

Clerical and tax map staff could be added for a salary of approximately \$28,000 with a benefits package of 37 percent of salary. Using these figures, eleven new FTE clerical/tax map technician positions would cost the County an additional \$421,960 .

Due to the size and complexity of the database in Albany County, CGR estimates that two additional IT specialists would be hired to provide technical assistance to the new RPTS office. CGR estimates that to find qualified IT professionals, the positions would be salaried at \$50,000 plus 37 percent benefits. In total, this would add another \$137,000 to the personnel costs.

The sum total of additional staff would cost the County \$2,408,460 . CGR also estimates that the current budget of \$521,000 would need to increase by 10 percent to cover salary adjustments for the new Director of Assessment in addition to other overhead-related cost increases not contemplated here.

Other Operational Considerations

The average rental rate for office space in the immediate vicinity of the current County Office Building is approximately \$15/per square foot per month.²⁴ Local municipalities reported that they are using approximately 13,000 square feet of space to provide their assessment services, including record storage. Based upon these numbers, the County could expect to pay close to \$200,000 per year to rent space for an assessment office.

Other operational considerations include whether current revenue will continue, potential annual aid, and costs associated with annual reassessments. CGR has accounted for these numbers as follows:

- CGR reviewed the County RPTS budget and believes that under a County-run model, all revenue currently being received and applied to the RPTS budget would continue (\$46,391).
- CGR models new revenue that would be available to the County based on aid from the State for annual reassessments (\$550,000).
- CGR assumes that there would be increased costs associated with annual reassessments that would total roughly ten percent of the

²⁴ This is based upon CGR's experience with renting space within the same vicinity of the Albany County Office Building.

current average cost per parcel for municipal budgets within the County (\$2.42 per parcel, or \$270,000 annually).²⁵

Total Operational Impact

As noted in the baseline review, CGR calculates that the current cost of providing assessment services in Albany County is approximately \$3,160,000 . This includes municipal assessing jurisdictions and the County, less County revenues. Comparatively, the operating costs of the County-run model are estimated to cost \$2,850,000 , producing a net decrease of roughly \$310,000 . To put this in context, if the County realized these savings, the cost of transition to the County-run model would pay for itself in slightly over four years.

Assessors were careful to caveat that it is difficult to say with certainty what the cost of providing services at the municipal level is currently, since many of the budgets are limited to what municipalities can afford, not what they need. Thus, the decrease in cost associated with a County-run model may be larger, but may also reflect a potential upgrade in the quality of service that can be provided.

There are a variety of additional advantages of a County-run model:

- As all staff would be County employees, training and/or educational credentials could be set to standardize quality and professionalism;
- The County would operate on one assessment calendar and conduct annual reassessments; and
- The County would be able to initiate a common standard of service and work towards implementing a higher level of transparency through web-based applications and reporting for County residents.

Implementation Path

There are three major steps that must occur in order to achieve this option. The first two steps are the most significant and would have to precede the third:

1. First, reassessments would be required in order to get all assessing jurisdictions to a uniform level of assessment.

²⁵ Annual reassessments will generate increases in operational costs for printing, processing and mailing notices, rolls, and bills. For planning purposes, CGR has assumed that adding 10 percent of the average cost/parcel in the county would offset these increases.

2. Second, the Village of Colonie *or* all of the other assessing jurisdictions²⁶ would have to pass local laws amending their assessment calendars such that all calendars in the County would be synchronized.
3. Third, three formal referenda would need to be developed – one for the cities collectively, one for the Village of Colonie, and one for the residents of all other towns in the County. Public hearings would need to be held, notices filed, and the referenda officially placed on ballots at designated times for public vote.

The timeline for coordination of reassessments would be crucial to allow all units to achieve an LOA of 100 for the same assessment year. Considering the City of Albany is not planning a reassessment until 2011, the earliest that all units could be at the same level would be 2011. This is likely too soon for each of the communities needing data collection projects, particularly Westerlo and the two villages, to pass the necessary approvals in their respective municipalities to move forward with a reassessment. The more likely scenario is that by the 2012 assessment roll, each of the assessing jurisdictions currently needing data collection and verification projects could complete that work and file updated rolls. The City of Albany and any other municipality that updates prior to this could maintain their data so that only minor adjustments would need to be made for the 2012 roll. They could then all achieve an LOA of 100 on the same assessment roll as the newly updated assessment units.

There are significant implementation challenges facing the County if it chooses to pursue a County-run model. The inconsistency of local data quality, the need for significant reassessment work, and the legal hurdles of getting local laws and referenda approved suggest the County-run model would be extremely difficult to implement. Furthermore, the County would also have to make significant upgrades in its own staff, managerial and information technology capacities to adequately absorb assessment responsibilities from the local level. County officials noted that current managerial capacity is already limited, stretched thin with little flexibility to expand current responsibilities. In this light, it is difficult to envision a seamless transfer of assessment responsibilities in the current environment.

In sum, while the County-run model would appear to cost less on a recurring basis, it would face significant implementation hurdles. County decision makers will have to balance the long-term cost benefits

²⁶ Currently all assessing jurisdictions outside of the Village of Colonie share the same assessment calendar.

against these clear implementation challenges to determine if the option is viable.

Option 2: County-Coordinated Assessment Program

Overview

Transitioning to a County-coordinated assessment program (CCAP)²⁷ consolidates the assessing function at the County level, but does not eliminate municipal assessing jurisdictions. Each municipality would surrender operation of their local assessment function and contract with the County for all assessment services in accordance with RPTL §1537.

Unlike the County-run model, this option does *not* require referenda but can be formed by agreement between the County and each local governing body. A CCAP agreement must be approved by majority vote of each governing body at least 45 days before a taxable status date (usually March 1). A copy of the agreement must be filed with the State Board of Real Property Services (herein after referred to as the State Board) by the taxable status date.

Most importantly, the CCAP model as prescribed by Real Property Tax Law, Section 579, involves the following:

- *A single appointed assessor other than the Director of RPTS*, appointed to hold the office in all individual assessing units, with the appointment taking effect no later than 60 days after initiation of the agreement;
- *A common standard of assessment*, whereby property is assessed at a uniform percentage in all individual assessing units; and
- *A synchronized assessment calendar*, with all individual assessing units operating on the same assessment calendar throughout the term of the agreement.²⁸

A CCAP program can also be terminated at any time by at least 50 percent of the participating assessing units agreeing to termination through the adoption of local laws or resolutions. Alternatively, the County could adopt a County law terminating the program. Both methods require adoption of local laws by a majority of the governing body and must be

²⁷ RPTL §579

²⁸ Currently all assessing jurisdictions outside of the Village of Colonie share the same assessment calendar.

filed with the State Board no less than 6 months prior to the taxable status date of the first assessment roll to which it would apply.²⁹

Regarding equalization rates, for any market value survey begun after the first assessment roll conducted under a new CCAP, the State Board would conduct a common market value survey including all the assessing units participating in the program. The State Board would establish the same equalization rate and apply it to all of the assessing units participating in the CCAP.

Unlike the County-run model, if a municipality were to be part of a County-coordinated assessing unit it could continue to use the homestead tax provisions pursuant to RPTL Article 19.

Transition Costs

The transitional costs in a CCAP related to reassessment are likely very similar to those of the County-run option and have been modeled the same. The significant difference in transitional costs involves the flexibility available in how the CCAP is staffed and where staff are located. CGR has modeled that transitional costs would likely not include the security deposit for rental of a new building, since staff could be decentralized in existing locations. Thus, transition costs under this model simply involve supplies, materials and equipment to support a new operation. We have modeled those costs similar to the County-run option at \$5,000 per new employee considering that the County might buy-out existing equipment or invest in new equipment to facilitate the assessment process.

Since there are currently no local Coordinated Assessment Programs (CAPs) in the County, all of the transition aid that is available under the County-run model would still be available to the County and municipalities in a CCAP transition.³⁰ Further, an additional \$1/parcel aid incentive may also be received by the County pending the types of services that were offered and agreed to by the municipalities.

One other difference in transition costs between the County-run model and CCAP involves the level at which costs and aid would be fixed (*i.e.* County versus municipal-level). Aid that flows into the County could be used to offset the transitional costs incurred by municipalities and thus reduce the impact. In sum, the model indicates that the County and

²⁹ Termination by any entity within 10 years of joining any CAP arrangement would subject the terminating entity to a repayment of a prorated portion of the aid they received for joining the CAP.

³⁰ State law dictates that municipalities that have already received consolidation aid would not be eligible to receive it a second time under a new CAP agreement.

municipalities in aggregate would incur a cost of more than \$1,150,000 to transition to a CCAP.

Operating Costs

Personnel

Ongoing operational costs are difficult to precisely quantify without knowing the structure that would evolve as part of the intermunicipal agreements between municipalities and the County. For cost estimation purposes, CGR assumes that the County would hire a single assessor for all participating municipalities to appoint as their assessor. This position has been modeled at \$60,000 plus 37 percent benefits. In addition, CGR assumes that 40 FTE support positions would be added such that total new staff would equal 45.5 FTE, similar to the County-run model. CGR modeled the addition of 40 FTE support staff at \$37,000 (plus 37 percent benefits). CGR assumes that the additional IT support under the County-run model would also be necessary in the CCAP model. Thus, the model includes \$137,000 for two professional IT support staff. Lastly, CGR added 10 percent to the current County budget as well as the new staff estimates to account for administrative overhead and potential salary adjustments for current County staff. In sum, these additions total almost \$2,524,000 .

Other Operational Considerations

Other operational considerations include whether current revenue will continue, potential annual aid, and costs associated with annual reassessments. CGR has accounted for these numbers as follows:

- CGR reviewed the County RPTS budget and believes that under a County CAP model, all revenue currently being received and applied to the RPTS budget would continue (\$46,391).
- CGR models new revenue that would be available to the County because of aid from the State for annual reassessments (\$550,000).
- CGR assumes that there would be increased costs associated with annual reassessments that would total roughly ten percent of the current average cost per parcel for municipal budgets within the County (\$2.42 per parcel, or \$270,000 annually).³¹

³¹ See Footnote 25.

Total Operational Impact

The sum total of personnel and operational considerations yields a CCAP that costs almost \$2,710,000 annually. This represents a nearly \$450,000 savings over the current operation and a \$140,000 decrease over the County-run option. If the County were to realize these savings, the transition to a CCAP would pay for itself in less than three years.

The primary difference in costs modeled with the CCAP versus the County-run involves personnel. According to RPTL section 1537(4), the newly appointed assessor for the consolidated units cannot be the current Director of RPTS. The addition of a Director of Assessment changes the staff composition to be added, and the corresponding salary and benefits total is different. There are also unknowns for the intermunicipal agreements and what additional responsibilities the County might assume as part of those agreements. The specifics of the intermunicipal agreements will ultimately dictate personnel costs.

Implementation Path

The first step in implementation of this model involves town assessing units agreeing to the plan through majority vote of their respective governing bodies, and adopting an intermunicipal agreement for the County to serve as the assessing unit for the municipality. Once an assessor is appointed for the CCAP, assessing units would likely be integrated in phases. To facilitate the process, it would make sense to incorporate first those assessing units that are already at 100 percent level of assessment. Remaining assessing units could be integrated thereafter, subsequent to reassessment to bring them to 100 percent.

Similar to the County-run option, the CCAP would require that either the Village of Colonie *or* all of the other municipalities who contract with the County change their assessment calendar in order to have them synchronized.

Among the other logistical issues to resolve in transitioning to a CCAP would be synchronization of computer software across the units, and the roles of local office staff. As part of drafting the intermunicipal agreement, officials will also need to make decisions regarding the following:

- timelines for filing the first assessment roll;
- locations and hours of local assessment offices;

- whether mobile units could assist in serving local needs better than local assessment offices;³²
- the extent to which responsibilities of current County staff would change;
- the process for handling complex property valuation; and
- whether or not to institute a formal reassessment cycle.

The same implementation hurdles to a County-run option would also likely apply to the County-coordinated option. Even without the referendum requirement, local data quality and the need for reassessment work would pose challenges. Moreover, the County would again have to make upgrades in its own staff, managerial and information technology capacities to adequately absorb assessment responsibilities from the local level. County officials noted that current managerial capacity is already limited, stretched thin with little flexibility to expand current responsibilities.

In sum, while the County-coordinated option appears to cost less than the baseline, and though the implementation challenges are fewer than the County-run option, there remain significant issues for County officials to weigh against the potential savings.

Local-Level Models

Aside from the County-run and CCAP models, there are other options available to the County that may yield efficiency, equity, transparency and standardization benefits. The two options presented in this section use intermunicipal agreements between and among assessing units. However, it is important to note their common goals: 1) A common level of assessment at 100 percent across all assessing units, qualifying them for State aid of up to \$5/parcel, 2) A common reassessment cycle to ensure more standardization across assessing units, and 3) A common process for inventory and sales verification to ensure more reliability and accuracy across assessing units.

³² County officials could consider offering mobile units to service local towns in either a County-run or County CAP model. These mobile units would go to different towns on different days of the week and take applications and/or answer questions for local taxpayers. This type of service may add cost for transportation, computer equipment and potentially space depending on the arrangements worked out with town officials.

There are a variety of possible permutations for these options. For example, a localized coordinated assessment program (CAP) may be implemented for two, three, four or more municipalities.³³ Similarly, local jurisdictions may contract with each other or the County for specific services. In each case, actual costs and aid benefits will be driven by the specifics of the agreement.

Option 3: Localized Coordinated Assessment Programs (CAP)

Section 579 of the Real Property Tax Law allows two or more assessing units located in the same county (or adjoining counties), having the same level of assessment, and having the same assessor, to enter into an agreement to become a Coordinated Assessment Program (CAP). Under this arrangement, the State Board establishes identical equalization rates for all of the assessing units in the CAP. In addition to yielding standardization benefits, the CAP model can be particularly useful in spreading assessment costs between or among jurisdictions. For example, multiple assessing units in a CAP may be able to acquire professional assessment services that would otherwise be cost prohibitive were they acting separately. In addition, licensing fees for the RPS software can be shared between municipalities thus reducing the cost.

According to ORPS, the membership size of a CAP can evolve during the life of the agreement. On the one hand, it can be amended to add new assessing units. On the other hand, assessing units can withdraw from the program if the local law or resolution providing for the withdrawal is approved by a majority vote of the unit's governing body and filed with the State Board at least six months before the taxable status date of the first assessment roll to which it is to apply.³⁴

The CAP model also may represent an opportunity for further collaboration and efficiencies going forward. For example, a CAP (or series of CAPs) may serve as a building block for bringing all assessing units under agreement across the County in a way that enables consistent levels of assessment and valuation standards.

³³ It is important to note that the ideas presented in Option Three are not contingent upon all assessing jurisdictions adopting County-wide assessment standards consistent with ORPS goals. However, the intent of this grant, and ORPS goal, is that all jurisdictions have common standards and common LOAs. Thus, should local municipalities decide to CAP without the County, the County should still consider adopting common assessment standards as outlined in Option Four that would apply to all the assessing jurisdictions, including the new CAP.

³⁴ Should a municipality withdraw within ten years of joining a CAP, they would be subject to repay to NYS a prorated portion of the aid they received.

Potential CAPs in Albany County

Albany County has no Coordinated Assessment Programs (CAPs) and, as shown in **Table A-1** in the appendix, has very few instances of municipalities sharing assessors. Currently, the same assessor serving on the Board in the Town of Rensselaerville also serves as the sole assessor for the Town of Westerlo. The Town of Colonie provides assessment support to the Village of Colonie, and the Town of Coeymans is served by the current Director of Greene County RPTS.

Through interviews, CGR learned of several CAP opportunities in Albany County. One CAP that has been discussed involves combining the cities of Cohoes and Watervliet with the Village of Green Island. Mayors in each city expressed interest in this possibility. Another potential CAP might be combining certain “hill towns” like Berne, Knox, Rensselaerville and Westerlo. The Towns of New Scotland, Bethlehem and Guilderland may represent yet another potential CAP.

Cost Implications of a Sample CAP

Quantifying the true cost of a coordinated assessment program would depend on a number of factors that are indeterminate at the present time. Community size, parcel volume, valuation complexity and current costs and staff size would all need to be included in a full analysis of a proposed CAP.

In order to provide guidance to the County and its assessing units on how to think through the cost analysis process, we present a hypothetical example of a new CAP in Albany County. This example evaluates the costs associated with combining the cities of Cohoes and Watervliet with the Village of Green Island. The three municipalities represent 8,919 parcels, an FTE staff equivalent of 2.1 and total annual spending of \$240,739.

Shifting to a CAP agreement with a shared assessor could result in a staff configuration of one FTE assessor, one FTE appraiser and 1.5 support staff.³⁵ Were the assessor salaried at \$50,000 plus 37 percent benefits, the appraiser at \$40,000 plus 37 percent benefits and the support staff members at \$28,000 with 37 percent benefits (for the full-time only), plus a 20 percent allowance for office overhead, the total annual cost of the CAP in this scenario would be \$210,792. This represents an aggregate savings of nearly \$30,000 and yet an increase in staffing of 1.4 FTE.

In addition to cost savings and enhanced staffing, the real benefit to any CAP is the added revenue brought into each municipality because of the

³⁵ The staff parcel ratio under this model would be 2,550 (8,919/3.5).

aid that is available.³⁶ In the case of City of Cohoes, aid in excess of \$62,500 would be available as part of this sample CAP. The City of Watervliet could receive almost \$34,000, and the Village of Green Island would receive slightly more than \$10,400. Among all of the communities, more than \$62,400 could be generated in consolidation aid and an additional \$44,500 in reassessment aid by creating this CAP agreement.

Dividing the total cost by the parcels involved yields a cost per parcel of \$23.63. The actual impact to each municipality would be part of a negotiated agreement but would likely be favorable to most of the entities listed due to lower costs and/or increases in annual aid. Each municipality benefits from cost savings, enhanced staffing and regular reassessments that could improve the level and quality of service provided to the communities. Table D highlights the possible ongoing operational cost and revenue implications to each participating municipality in this potential CAP.

**Table D:
Operational Impact for CAP of the City of Cohoes, City of Watervliet, and Village of Green Island**

| Municipality | Parcels | Current Budget | Current Average Cost/Parcel | *Proposed Cost/Parcel | Proposed Cost | ** Aid Available | Proposed Net Cost | Difference from Current Budget |
|--------------|--------------|------------------|-----------------------------|-----------------------|------------------|------------------|-------------------|--------------------------------|
| Cohoes | 5,220 | \$130,375 | \$24.98 | \$23.63 | \$123,349 | \$26,100 | \$97,249 | (\$33,126) |
| Watervliet | 2,827 | \$53,672 | \$18.99 | \$23.63 | \$66,802 | \$14,135 | \$52,667 | (\$1,005) |
| Green Island | 872 | \$56,692 | \$65.01 | \$23.63 | \$20,605 | \$4,360 | \$16,245 | (\$40,447) |
| Total | 8,919 | \$240,739 | \$26.99 | \$23.63 | \$210,756 | \$44,595 | \$166,161 | (\$74,578) |

* Proposed Cost/Parcel is based upon a CAP budget of \$210,792 divided by 8,919 parcels.

** Aid available is based upon \$5 parcel annual reassessment aid.

This arrangement would require that each municipality perform a reassessment in order to come up to a common LOA of 100.³⁷ Since both the City of Watervliet and the City of Cohoes have expressed interest in doing a reassessment soon, and since the Village of Green Island needs to conduct a reassessment, a CAP opportunity represents potential revenue to offset the cost associated with these endeavors. Beyond that, the model in Table D indicates that it would create recurring cost savings for the assessment operation in these three municipalities.

CAPs Through Attrition

Finding new people interested in becoming professional or even part-time assessors is proving increasingly difficult across the State.

Professionalizing these positions and creating salaried opportunities with benefits may help to attract qualified, interested individuals. However,

³⁶ \$5/parcel reassessment aid and \$7/parcel consolidation aid is available to each municipality as part of a CAP transition.

³⁷ See Table C earlier in the report for details associated with reassessment for each municipality in this CAP.

CAP options represent another means for coping with fewer people. Attrition of current assessors may represent opportunities to consider CAP options across the County. Not only could it create efficiencies through shared service arrangements, it would alleviate the necessity in some cases of filling vacant positions. Over time, there would be better coordination throughout the County, more municipalities would be leveraging aid available to them through the State, and the County would be further along in the process of centralizing services should it ever consider that as a viable option.

Option 4: Municipalities Contract or Collaborate With County

“Real Property Tax Law, Section 1537 allows an assessing unit to enter into a joint services contract with the county to perform some or all of the assessing function. Under Section 1537 agreements, assessing units remain autonomous, each individually analyzed for equalization rates, residential assessment ratios and reassessment aid.”³⁸ Additionally, the town retains its appointing authority, even though the appointed assessor would become a County employee.

As mentioned earlier in this report, Albany County Real Property Services currently provides minimal services to municipalities in support of the assessment function. There are no formal agreements between the municipalities and the County. The options summarized below are arrangements that could be formally considered as a way of expanding the County’s facilitation role and enhancing consistency, standardization and efficiency.

Commercial & Industrial Assessments

At present, each municipality’s assessing unit manages its own assessments of commercial and industrial property. As might be expected, the City of Albany handles the majority of these parcels; the Town of Colonie has a significant share as well. These two municipalities share over 70 percent of the total commercial and industrial parcels for the entire County.

Primarily out of necessity, all municipalities provide this valuation service as part of their assessment responsibility. However, not all assessors are qualified to provide the service and many are simply uncomfortable with it. This leads to a wide variation in valuation strategies and has the potential to open municipalities up to costly legal challenges.

³⁸ *Assessment Administration Analysis Report*, New York State Association of County Directors of Real Property Tax Services.

Under a new model, the County could assume responsibility for all commercial and industrial assessments. This would likely require hiring someone at the County level with expertise in this sort of valuation and appraisal technique. Alternatively, the job could be outsourced as is done (or is being considered) in certain other counties.

As shown in **Table E**, there are 8,331 parcels in Albany County classified as commercial or industrial. As a rough estimate of the cost of assessing those properties, the table applies the average assessment budget per parcel for each assessing unit (see **Table A-3** in the appendix) to the number of commercial/industrial parcels in each unit. Using this method, municipalities in Albany County are spending roughly \$192,600 to maintain the assessments for these parcel classifications.

| Assessing Jurisdiction | Comm/Indus | Budget/Parcel | Total Cost |
|-------------------------------|-------------------|----------------------|-------------------|
| City of Albany | 3,880 | \$17.52 | \$67,993 |
| City of Cohoes | 548 | \$24.98 | \$13,687 |
| City of Watervliet | 305 | \$18.99 | \$5,791 |
| Town of Berne | 35 | \$17.02 | \$596 |
| Town of Bethlehem | 647 | \$22.00 | \$14,235 |
| Town of Coeymans | 177 | \$23.03 | \$4,077 |
| Town of Colonie | 1,760 | \$33.88 | \$59,634 |
| Village of Green Island | 139 | \$65.01 | \$9,037 |
| Town of Guilderland | 414 | \$29.68 | \$12,286 |
| Town of Knox | 16 | \$15.27 | \$244 |
| Town of New Scotland | 140 | \$22.15 | \$3,101 |
| Town of Rensselaerville | 30 | \$17.53 | \$526 |
| Town of Westerlo | 44 | \$20.71 | \$911 |
| Village of Colonie | 196 | \$2.26 | \$444 |
| | 8,331 | | 192,559 |

Were each of the municipalities to enter into an intermunicipal agreement for the County to handle all commercial and industrial assessment, the County could explore providing this service in one of two ways. As mentioned, it could hire commercial appraisers to focus on these parcels full-time. To keep the parcel ratio per FTE reasonable, the County would likely have to hire 4 commercial appraisers. A starting salary for someone with this expertise is likely \$50,000. Four commercial staff at \$50,000 plus 37 percent benefits yields a total personnel cost of \$274,000.

It could be argued that the added cost is worth the investment to bring these parcels under tighter scrutiny and professional oversight. However, the City of Albany and Town of Colonie have more robust staff sizes already. Thus, it is not likely that significant improvements would be

made for the majority of the parcels by shifting the assessment operation to the County.

Alternatively, outsourcing the commercial work is an option. In other counties, estimates for this service have included an initial up-front cost to clean the data and get it set-up, and then an ongoing maintenance fee. The up-front cost could range from \$50-\$60 per parcel and the ongoing maintenance fee would likely be approximately \$5 per parcel. In total, a transition would cost between \$416,000 and \$500,000, and ongoing maintenance would be approximately \$42,000 annually. Thus, a transition of this sort would pay for itself in aggregate terms in less than three years based upon the averages involved in this analysis. However, it may pay for itself sooner if it served to reduce the number of businesses filing grievances on their assessments.

Handling of Exemptions

Assessors in Albany County repeatedly expressed to CGR that certain times of the year produce an overwhelming amount of paperwork as exemptions need to be processed. The level of service provided to accomplish this function is highly variable, with some assessors making house calls to complete forms and obtain signatures, and others merely processing paperwork through the mail.

In order to standardize the level of service in regards to exemptions, and in order to alleviate some of the pressure on local assessors to process and maintain these exemptions, one scenario that was discussed was to have the County assume responsibility for receiving and processing all exemptions. It is unknown at this time how many staff would be required to fulfill the responsibility at the County level. Similarly, it is difficult to quantify the actual cost incurred at the local level, especially given its seasonality.

The primary benefit to this alternative would appear to be a standardization of service across the County and a lightening of responsibility on local assessors. This would allow local assessors more time to focus on property valuation and making sure their assessment rolls were clean, accurate and equitable. To facilitate the processing of exemptions at the County level, the County may also be better positioned to leverage technology to make paperwork available to the community.

While local assessors point to the burden placed on them by exemptions, they also point out perceived disadvantages of shifting responsibility to the County level. From the perspective of many local assessors in the smaller jurisdictions in the County, the primary downside would be the effect on seniors in the community who have come to rely on personal service, including home visitation by local assessors, in order to maintain their exemptions. Centralizing exemption processing in the County seat of the

City of Albany may inconvenience some residents in outlying parts of the County who would prefer to handle their exemption processing in person. Local assessors also point to the “personal touch” that they are able to provide in processing exemptions. In their view, centralizing the function at the County level may sacrifice that level of service and result in certain residents losing exemptions.

Countywide Common Assessment Standards

Although not a fee-for-service type of municipal contract, assessing units in Albany County may agree to adopt countywide common assessment standards. Common assessment standards make assessment more transparent throughout the entire system and reduce inconsistencies and complexity. In addition, common standards address equity concerns system-wide by bringing all jurisdictions equal in areas like levels of assessment, parcel data storage/format, assessment calendar and reassessment schedules.

Synchronize Assessment Calendars

As stated in several of the preceding options, one of the inhibiting factors to combining assessment operations across the County is the difference in assessment calendars between the Village of Colonie and all other assessing jurisdictions. Without initiating any other changes, the Village of Colonie should consider whether synchronizing its assessment calendar with the rest of the County would be advantageous. A consistent calendar across all jurisdictions helps school districts in their planning and also improves transparency in the system. While there may be no immediate benefit to an individual jurisdiction, it could certainly pave the way for future collaborative opportunities.

Common Revaluation Schedule

A significant step the County could take to improve equity and transparency would be to facilitate a common revaluation schedule. Only the City of Albany has any formal reassessment cycle.³⁹ The County could play a role in facilitating a common cycle in the County within the next ten years. Initially, it could set a goal of getting all units other than the City of Albany through a revaluation and to a common level of assessment in the next five years. Once that is achieved, each unit could apply to be on the triennial aid program and work towards maintaining their rolls on an annual basis. At the end of the next three years, each unit would conduct another reassessment. By that point, each unit would be in a position to apply to be on the six-year plan for an annual reassessment cycle. If the City of Albany maintains its current cycle, it will reassess in

³⁹ The City of Albany current conducts quadrennial reassessments.

2011, 2015 and 2019 putting it on schedule to be synchronized with the rest of the municipalities. Thus, by 2019, every assessment unit could be operating on an annual reassessment cycle. Importantly, shifting jurisdictions to a one- or three-year cycle would avail communities of State aid they are otherwise forgoing at the present time.

It may not be feasible to maintain an annual revaluation schedule for some of the larger and more complex jurisdictions. This should not prevent the County from actively encouraging all municipalities to consider some regular revaluation schedule. Currently the triennial program may provide the best alternative, considering that there is aid available for this program and it would be less cumbersome than the requirements associated with the annual plan.

Other Common Standards

Other standards could include agreements for a common level of assessment and common practices for valuation of all parcels. Levels of assessment that are consistently held at 100 can significantly improve transparency and reduce complexity in the system. Transparency has the benefit of increasing taxpayer understanding and confidence.

CGR observed that currently all assessing jurisdictions have different valuation practices, and interviews with city and other municipal officials reveal there remain some inconsistencies in the data among jurisdictions. For instance, some data have been updated regularly and give a fair representation of current property inventory, while other data bear no resemblance to the inventory that exists today. Resolving these inconsistencies and formally agreeing to value properties in the same manner would improve equity and enhance taxpayer confidence in the assessment system.

There may also be efficiencies gained through the adoption of Countywide data collection standards. One example regards reassessments. To the extent that outside vendors are used in the reassessment process, the County purchasing department could play a more active role in bidding out this service and screening for reputable, reliable contractors that could service all jurisdictions equitably and efficiently. There may also be economy of scale benefits in contract costs from using this approach.

Establishing a Centralized Database

There are other options available to enhance the capacity, effectiveness and accuracy of the assessment system in Albany County. One of the more significant opportunities would seem to regard data storage and maintenance. From the beginning of this review, CGR was alerted to the potential benefits of enhancing the flow, accuracy, standardization and

accessibility of data and information as a primary improvement opportunity.

As previously noted in this report, the RPS database in Albany County is not a reliable tool in the tax mapping process, nor as a resource to County officials and the public. Local assessors are primarily responsible for maintaining a local database of RPS and sending backups to the County. Those backups are provided no more than 1-2 times per year, meaning that the information in the County is dated and obsolete almost as soon as it is received from local assessors.

To accommodate for this deficiency, the RPTS office has developed a secondary Access database as a resource for the tax mapping function and also to house historical data that the current RPS system does not contain. Each database (RPS and Access) contains unique records and the two databases do not “communicate” with one another, nor are they reconciled to each other. Data are manually entered or uploaded in both – by local assessors for RPS, and by the County for Access – largely by reviewing the RP-5217 property transfer forms and/or corresponding deeds. Local municipalities do not have access to the County’s Access database, much as the County does not have real-time access to the locals’ RPS system.

The absence of a formal linkage between the two systems creates a duplication of process that yields at best, inefficiency and at worst, inaccuracy in a system that should serve as the foundation of the County’s property tax administration process.

One of the stated goals of the CPTAP program is the centralization of data and information in a way that gives all stakeholders – those involved in assessing, property transfers, tax collection, tax enforcement and the handling of delinquencies – accurate, accessible and real-time data. In fact, real-time, centralized data has many benefits that extend well beyond the assessment operation. Many departments at the County level such as Management/Budget (including IT and RPTS), Finance (including tax collection), and the Executive Office, as well as similar offices at the municipal level (*i.e.* planning, code enforcement, law enforcement), rely on the data that should be accurately contained in the RPS database. Accessing data that are outdated and/or incorrect creates problems systemwide.

Interviews with Albany County officials suggested that cost and required maintenance effort are primary considerations in evaluating the merits of a centralized County-hosted assessment database. Costs associated with the transition to a County-managed database would consist of hardware and personnel time. At a minimum, the County database would include parcel information for nearly 111,000 records going back at least three years, as well as GIS information and pictures of parcels. At least 60 user accounts

would have to be created and managed regularly. The County currently has one dedicated server to the RPS database and uses VMWare⁴⁰ on all of its servers to enhance their capacity. The County would have to add a second server to handle the setup, but with some modification to existing servers, the hardware may be configured to ORPS specifications and reliably handle a centralized database.

The County does not currently have sufficient personnel to implement this concept. Neither do they have the personnel to handle the ongoing maintenance of the operation. Adding staff may address this problem, but as modeled in the previous sections of this report, it is possible that two positions would cost in excess of \$130,000 (when benefits are included).

Assessment and Tax Collection: The Data Nexus

Centralizing the RPS database or enabling data sharing among distributed databases would produce a significantly more efficient data interface between the assessment and tax collection systems. Tax collectors rely on the most recent and accurate data in the RPS system to update their data for producing tax bills and collecting payments. When RPS is not accurate, it creates inefficiencies in the process that undermine local municipalities and ultimately the County's ability to collect property taxes. This also contributes to local officials not having access to foreclosure status for properties that have been turned over to the County for collection.

Balancing efficiency and accuracy against cost and personnel time is a decision that the County is going to have to weigh as it decides the merits of centralizing data. The advantages to the system across the entire County are significant and could improve the entire process. However, the cost to the County government, even if some of that cost was borne by local municipalities, may be too significant to consider at this time.

Citrix Option

Consideration would also have to be given to how to access the data once the centralized system was established. The County's IT Director has expressed a desire to move to more internet/intranet and thin-client technology and has some reservations about current software and client connectivity practices being promoted by ORPS. There are currently twelve counties across the State that use Citrix software to connect remotely to a centralized database housing RPS v. 4. Citrix presents some benefits in regards to load balancing for higher numbers of users and larger databases, meaning sessions are more reliable and the data are more

⁴⁰ <http://www.vmware.com/>

responsive to manipulation. However, Albany County has previously used Citrix for other purposes and has experienced issues that make it skeptical about employing Citrix in a centralized RPS system.

A statewide Citrix user group has been formed to help users in the twelve counties address the concerns that Albany County (and others) have experienced. CGR interviewed the current Director of Real Property Tax Services in Cattaraugus County, currently serving as the leader for the user group, and learned that the historical issue with RPS v. 4 involved its being designed as a stand-alone system. When counties desired to centralize the database, the software was initially incompatible. To compound matters, Citrix presented other functional issues relating to its printing interface.

The user group liaison noted that almost all of these issues with Citrix have been resolved. She further commented that where there used to be hundreds of “trouble-shooting” issues reported within the user group, now there are fewer than ten per year. ORPS has invested significantly into RPS v. 4 to make it a viable, networkable database solution, and currently the Citrix interface is no longer the significant issue.

Terminal Services Option

Other counties that provide centralized databases use Terminal Services for users to connect. IT professionals from ORPS shared that Terminal Services is an acceptable application for smaller numbers of individuals with smaller numbers of database records. Once there are more than twenty users, the functionality of Terminal Services begins to breakdown.

Replication

Implementing a countywide centralized database has inherent costs that may be prohibitive in the short-term. In order to address the inefficiencies and inaccuracies of decentralized data, some counties across the State⁴¹ have employed a data transfer process known as replication⁴². In the most basic sense, replication automates the current upload/reload process that currently only happens 1-2 times per year. Rather than waiting for municipalities to send manual backups, the County could employ technology that would allow computers in local municipalities to “synch”

⁴¹ ORPS’ Central Region has the most counties using replication. Examples of current counties using replication technology are: Jefferson, Lewis, Madison, Oswego, St. Lawrence, and Schuyler.

⁴² http://www.orps.state.ny.us/rps/v4/brochure/RPSV4_Web_Help/WebHelp/RPSV4_Web_Help.htm: Additional information on this option can be found on this ORPS website by typing the search word “replication.”

data with the County's database on a regular basis (over the Internet). The County could also "push" data back out to local units if changes were made at the County level. This would avoid the manual backup step, the manual reload step and the timing delays involved in both. The transition would be low-cost, relatively low maintenance, and would assure the County of more accurate data throughout the year.

If the County were to implement replication, it could also consider moving away from use of its Access database and rely on RPS exclusively. The primary purpose for the Access database is to keep a larger file of historical information than is currently maintained through RPS.⁴³ The County also uses the Access database as the primary information source for maintenance of tax maps. To accommodate the County's desire for more years of data in RPS, data beyond three-years of age could be archived and kept in a separate storage area on the network in an RPS compatible file format. That data could be accessed as needed simply by "switching" between the current and historical data file. In addition, RPS has complete functionality to handle the tax mapping and any other activity that is currently being managed in the Access database. Using the RPS system exclusively would streamline data between the County and municipalities and would render the current Access database obsolete over time. Beginning to maintain data on the same platform would also provide an opportunity to centralize data systems going forward.

Upload/Reload Regularity

If the County chooses neither the centralized database nor the replication tool, then it could ask that data be backed up locally and sent to the County on a more regular basis throughout the year (*i.e.* at least every other month). Data that are current at least every two months would facilitate a transition away from the current Access database and a migration to using RPS data exclusively. While this is certainly a more basic step than formally centralizing data through Citrix or replication, it would at minimum represent an improvement over the current approach.

Other Options

Based upon its review and experience with other counties, CGR identified the following other options to enhance the delivery of assessment services Countywide.

⁴³ ORPS recommends that the RPS system runs optimally with no more than three-years of historical records.

Eliminate Three-Person Boards

Albany County has two municipalities that still operate under the jurisdiction of a three-person board. In addition to being inefficient, this arrangement is currently out of step with the majority of the rest of the County (and other municipalities across the State). Most municipalities have moved to an appointed assessor model. This increases accountability and potentially professional standards. The municipalities that have three-person boards could consider eliminating them in favor of an appointed assessor.

Eliminate Village Assessing

The Village of Colonie should consider eliminating its assessing unit. The Town of Colonie has a fully functional, well-organized and well resourced assessment operation and could provide the service to the Village of Colonie, especially considering the Town currently provides the service for its own property tax-billing purposes.

Implementation Considerations

In addition to the implementation strategies discussed as part of the options above, there are general guidelines that should be considered. First, if any option for collaborative assessment is to work, efforts must be directed toward building consensus among participants regarding the need for assessment equity. This should not be construed as an obstacle, but an issue to be deliberately addressed by leaders within each community. It is not uncommon for public officials to have limited knowledge of the intricacies and complexities of the property assessment process. This creates both anxiety and even a lack of interest in making any changes. Through working to better understand the process and sharing ideas for how to collaborate, new ideas can emerge that will enhance the quality of the assessment process.

Second, if Albany County and/or its assessing units desire to move towards any of the options presented, individual jurisdictions should begin taking steps to coordinate their reassessment plans. They should also formally agree on a date by which all LOAs across the County will equal 100 percent.

Third, the new strategies are likely to be cost prohibitive if municipalities do not take advantage of State aid available for conducting reassessments and/or consolidations. Aid options should be considered as part of any reform discussion. Factoring these incentives in, municipalities can generate revenue, offset certain transition costs and reduce the overall cost of the assessment function.

Conclusions

The Centralized Property Tax Administration Program (CPTAP) began as an effort to address the complexity and confusion inherent in New York State's property tax system. As one of only three states without a statewide standard of assessing, and one of twelve without a mandated reassessment cycle, New York contains an incredible diversity of assessment levels, practices and approaches. From a financial standpoint, the result is a system in which property owners may (or may not) be taxed equitably simply as a result of where they live in a community. From a public accessibility standpoint, the result is inordinately complicated, not always easily accessible or transparent, and difficult to understand.

In that context, the CPTAP program was established to build a foundation for charting reform. Importantly, ORPS notes that "the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike."

The assessment system in Albany County is largely decentralized but functional. There is a wide diversity of practices related to the assessment process and a correspondingly high degree of disparity in the equity and transparency of the system across all jurisdictions. The intent of this report and the information contained herein is, in the most basic sense, *to empower officials at the County and local level including mayors, supervisors, local legislative boards, the County Executive and County Legislature, as well as assessors and collectors to make decisions regarding the future of property tax administration in the Albany County community.* While specific reform concepts will no doubt require additional analysis and consideration of detailed components, this report establishes a baseline foundation for making those decisions going forward.

THE TAX COLLECTION SYSTEM IN ALBANY COUNTY

Current Profile

The property tax collection system in Albany County can be best characterized as decentralized with each of the 19 municipalities and 20 school districts⁴⁴ responsible for the collection of taxes within its boundaries. Many of these jurisdictions, particularly the larger ones, not only collect taxes for their own purposes but may also collect taxes for other entities. For example, in the Town of Bethlehem a typical January property tax bill will have taxes collected for its own general fund, Albany County's general fund, the Bethlehem Town Highway fund (a separately administered fund within the Town), three water and sewer districts, a local ambulance corps, an emergency medical corps and a fire district. In addition to these nine entities, the Town also collects taxes in September to support the Bethlehem School District as well as three other districts. This is a typical pattern across the County.

Since County taxes are initially collected by the local jurisdictions and remitted to the County, the County's primary role in the collection process is to collect delinquent taxes after the local tax warrant has expired (generally two to three months following the issuance of the bill – November 1 for school taxes and April 1 for general property taxes). The County makes jurisdictions "whole" by giving them the value of the uncollected taxes when the tax rolls are turned over to them. In turn, the County keeps any money collected, has the ability to foreclose on any properties which continue to be delinquent after a period of three years, and keeps the proceeds from the sale of the foreclosed property. This includes any accrued interest and processing fees.

In addition to its role as a "collector of last resort," the County also keeps property tax records, which play an important role in keeping tax rolls up-to-date and collecting taxes owed from new owners. As discussed in the assessment section, the County Clerk's Office is the first stop for recording new ownership, as evidenced by the recording of the deed and the filing the first part of the RP-5217 form. This four-part form is then shared with the County Real Property Tax Service office before going to

⁴⁴ This includes three cities (Albany, Cohoes, and Watervliet), ten towns (Berne, Bethlehem, Coeymans, Colonie, Green Island, Guilderland, Knox, New Scotland, Rensselaerville, and Westerlo), six villages (Altamont, Colonie, Green Island, Menands, Ravena, and Voorheesville) and twenty school districts. Many of the school districts have their taxes collected for them by the larger "Class One" towns.

the local town or city (and if applicable, village assessors) and tax collectors to update their separately maintained assessment records and produce tax bills. In addition to the local process, the form is also sent to the State Office of Real Property Services to feed the calculation of equalization rates statewide.

Because of the decentralized nature of the current County tax collection system, each jurisdiction, particularly the larger ones, has an office that is staffed by a tax collector or its equivalent (*i.e.* receiver, treasurer, etc.), most of whom are elected officials, and several full or part-time employees. Most have their own separate computer systems and software packages, some of which utilize the statewide real property system software (RPS v. 4) created by ORPS. The local collection offices are the point of contact for most local residents, and there is generally no interaction between the localities and the County regarding the updating of property records unless there is problem with a parcel.

In order to better assess how well the current system is performing, CGR conducted a survey of all jurisdictions, as well as interviews and meetings with tax collection staff in several of the jurisdictions.

The following sections look first at the general process of tax collection, then at the survey data; discuss the conclusions of the interviews with tax collection staff; and conclude with observations about the state of the tax collection process in the County and some possible improvements to it going forward.

The Current Process of Tax Collection

Both the County and local jurisdictions play roles in the tax collection process. The County is often involved on the front end of the process, where the County Clerk and the Real Property Tax Service Agency handle changes in legal ownership. The County's Department of Management and Budget and the tax enforcement office within the Division of Finance is also involved on the back end of the process when delinquent taxes are collected. The main players in the collections process, however, are the local tax assessors and tax collectors who do the bulk of the work in the tax collection process as illustrated below.

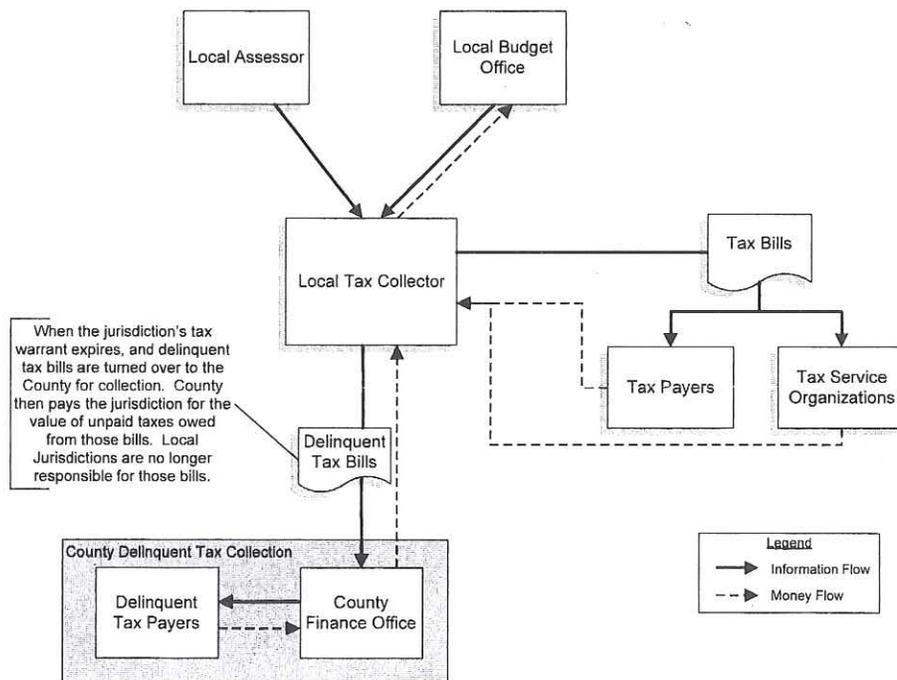
The normal current tax collection process in Albany County includes the following steps:

1. Assessment
2. Budgeting
3. Printing and Mailing of Bills
4. Receipt of Funds
5. Collection of Delinquent Bills by the County (where applicable)

6. Foreclosure by the County (where applicable)

While each jurisdiction largely follows these steps in this order, all of them do things in a slightly different way or on a different timetable. The following flowchart presents the general process graphically, with a description of each step below.

Figure 1: Current Tax Collection Process



Assessment

The process of tax collection within jurisdictions in the County actually begins with the assessment of property within those jurisdictions. While details on the assessment process are provided earlier in this report, a short discussion of it is useful here as the valuation of property is key to the generation of the tax bills and is the first step in the process of determining how much to collect both globally and individually from taxpayers. Most municipalities will look to a July 1 valuation date of the year prior to the final tax roll in order to allow for the creation of a tentative tax roll and property holder grievance process. For example, for FY 2010, which begins on January 1, 2010 for most cities and towns, and on July 1, 2009 for school districts and villages, the valuation of property is due by July 1, 2008 and the final tax roll is done by July 1, 2009 (with a determination of taxable status and a grievance process taking place during the intervening 12 months).

Budgeting

At the same time as the assessment process is taking place, the local jurisdictions are completing their budget process. This process is necessary in order to finalize the tax bills and establish the millage rate for property tax collection. As noted above, most municipalities are on a calendar fiscal year, while villages and school districts are on a July 1 fiscal year. When the budget is approved by voters (as is the case in most school districts) or a legislative body (such as the County Legislature, City Council and Village or Town Boards), the total budget (minus any State aid) is then divided into the assessed valuation to create a millage rate that will then be applied to individual parcels to determine the tax bill.

Printing and Mailing of Bills

Once the assessor has done his or her job and the budget is approved, bills can be generated for mailing to individual property owners or to a tax service organization or bank, which escrows taxes on behalf of some property owners. Many of the jurisdictions in Albany County get final assessments and the budget figures through an integrated software system, but several actually take information from one system like RPS to generate bills and keep tax collection records on a separate system.

After the system has been programmed with the necessary information from the assessment and budget processes, paper copies of the bills are printed and sent out by the locality (often using a third-party mailing house) the week before the tax period begins (September 1 for school taxes and January 1 for property taxes), while electronic copies of the bills are sent to the bank or tax service organization to update its tax escrow accounts.

If the ownership of a parcel has changed hands after the deadline for the mass mailing of bills, then the tax collector generates a bill manually based on the transmission of information from the County Clerk's Office on the RP 5217 form received directly from the County or via the assessor's office.

Receipt of Funds

Once the bills are mailed or sent to the banks or tax service organizations, taxes are then paid over the course of the next three months (they are due at the end of the first month with interest levied on late bills paid in months two and three) either by cash, check, electronic funds transfer or credit card. Most bills are paid by mail or collected at the locality's tax collection office or through an escrow agent.

Collection of Delinquent Bills by the County

Once the period of the tax warrant (normally three months) has expired, any unpaid taxes are turned over to the County's finance office to collect them. As noted above, the County receives this list from each municipality along with an electronic file for use in its own software system (MUNIS). They also receive a tax roll, which is the legal document the County uses to provide public information. This contains the taxes that were paid to the municipality and taxes that are still unpaid and will be collected by the county. Once these records are sent from the municipality to the County, the County then pays localities the value of the unpaid taxes owed to them (minus the County's own share). Any back taxes the County subsequently collects will then be kept by the County, plus interest and any fees for publication of delinquent taxes. There is no regular information flow about paid back taxes sent to the localities to update their own records.

Foreclosure by the County

Any back taxes still not collected by the County after three years will allow the County to begin a foreclosure action to make the property eligible to be sold at a tax auction. This auction generally happens three times a year and most foreclosed properties are sold within five years of their original delinquency.⁴⁵ (For more information on delinquency and foreclosure statistics and a process overview, please consult **Table B-4** in the appendix).

Tax Collection Surveys

Survey Responses

In order to document how diverse individual tax collection methods are in Albany County, CGR conducted a study of tax collection methods in all 39 jurisdictions. We received replies from all 19 municipalities and 17 of the 20 school districts.⁴⁶

The survey addressed tax collection methods in these jurisdictions along several dimensions including:

1. Number of Parcels and Sharing of Services;
2. Staffing & Cost of Collection Services;

⁴⁵ It is important to note that a large majority of delinquent bills that the County takes enforcement action on are paid in advance of foreclosure.

⁴⁶ As noted above, several of the school districts rely upon the larger cities and towns to collect taxes for them, so there are 30 unique methods of collection in the County.

3. Technology (including computer hardware and software used and ability to access the Internet);
4. Payment Systems (*e.g.* use of checks, electronic payment, credit cards).

Number of Parcels and Sharing of Collection Services

The tax collection jurisdictions in Albany County vary significantly in size (*i.e.* number of parcels). The City of Albany and Town of Colonie have the largest number of parcels, each with over 30,000. The next largest, the Towns of Bethlehem and Guilderland, have 13,200 and 12,500 parcels respectively. The remaining municipalities have an average of about 2,000 per jurisdiction, with the range being from 330 to 5,800 parcels. All municipalities collect their own taxes, but as noted above, a number of them also collect taxes for school districts within their boundaries.⁴⁷ It should be noted that five of the six villages (all but Colonie) do not assess their own properties but do collect taxes on them. This makes the number of parcels reported in the collection survey larger than reported in the assessment survey noted above and reflects one of the issues about data noted below.

⁴⁷ First Class Towns in New York State, which are generally defined as any town over 10,000 in population are required to collect for school districts that fall within borders.

| Table F: County Parcels by Municipality | | |
|---|--|---|
| <i>Jurisdiction</i> | <i>Approximate Parcels - Survey*</i> | <i>Parcels - County Assessment Database</i> |
| City | | |
| City of Albany | 31,325 | 30,219 |
| City of Cohoes | 5,800 | 5,220 |
| City of Watervliet | 2,800 | 2,827 |
| Town | | |
| Town of Berne | 2,001 | 2,057 |
| Town of Bethlehem | 13,200 | 13,165 |
| Town of Coeymans | 2,975 | 3,062 |
| Town of Colonie | 31,000 | 28,039 |
| Town of Green Island** | 875 | -- |
| Town of Guilderland | 12,500 | 12,367 |
| Town of Knox | 1,546 | 1,546 |
| Town of New Scotland | 4,276 | 4,273 |
| Town of Rensselaerville | 1,925 | 1,925 |
| Town of Westerlo | 2,075 | 2,076 |
| Village | | |
| Village of Altamont | 619 | -- |
| Village of Colonie | 3,300 | 3,093 |
| Village of Green Island | 875 | 872 |
| Village of Menands | 1,153 | -- |
| Village of Ravena | 1,103 | -- |
| Village of Voorheesville | 1,100 | -- |
| Total † | 120,448 | 110,741 |
| <p>* Survey data was self reported by the jurisdiction, in some cases these numbers were rounded. ** The Town of Green Island and Village of Green Island share assessment but collect taxes separately. The Town only collects County taxes, while the Village collects only Village taxes. † Jurisdictions with no value listed in "County Assessment Database," have assessment done by another municipality. Also, total tax collection parcels are higher because a parcel can be taxed by more than one jurisdiction.</p> | | |

School districts also vary in size. Colonie collects on nearly 31,000 parcels for five school districts: Menands, Mohonassen, Niskayuna, North Colonie and South Colonie. The Guilderland Central School District relies on collectors in the three municipalities within its borders to collect its school taxes. School/municipality collection sharing is also done in the Bethlehem, Ravena-Coeymans-Selkirk and Schalmont school districts. Among school districts that do their own collecting, Albany City is by far the largest with over 30,000 parcels. Other school districts in Albany

County range in size from 2,700 to 6,800 parcels, with the average district collecting for 4,600 parcels.

| Table G: County Parcels by School District | |
|--|--------------------------|
| <i>Jurisdiction</i> | <i>Parcels - Survey*</i> |
| School District | |
| Albany City School District | 30,000 |
| Berne-Knox-Westerlo CSD | 4,278 |
| Bethlehem CSD** | 980 |
| Cairo Durham CSD | 6,816 |
| Cohoes City School Dist. | 5,220 |
| Duanesburg CSD | 2,700 |
| Greenville | 6,200 |
| Guilderland CSD | 186 |
| Mannsville/Watervliet | 3,701 |
| Menands | 926 |
| Mohonasen | 305 |
| Niskayuna | 877 |
| North Colonie | 14,007 |
| Ravena Coeymans Selkirk CSD | 3,980 |
| South Colonie | 14,728 |
| Voorheesville CSD | 3,425 |
| * Survey data was self reported by the jurisdiction, in some cases these numbers were rounded. | |
| **Bethlehem CSD number are only for parcels in New Scotland. | |
| Note: Parcels not reported for Green Island SD, Middleburgh SD, and Schoharie SD. Schalmont SD parcels that fall in Albany County are collected by the Town of Guilderland and are included in that total. | |

| Table H: Shared Tax Collection | |
|---------------------------------------|--|
| <i>Collector</i> | <i>Collects for:</i> |
| Town of Guilderland | Guilderland SD Town parcels in: - Mohonasen SD - Schalmont SD - South Colonie SD |
| Town of Colonie | Town parcels in: - Menands SD - Mohonasen SD - Niskayuna SD - North Colonie SD - South Colonie SD |
| Town of Bethlehem | Town parcels in: - Bethlehem CSD - Guilderland CSD - Ravena-Coeymans-Selkirk CSD |

Staff & Cost of Collection Services

Because jurisdictions in Albany County are structured differently and include cities, towns, villages and school districts, the responsibility of tax collection is often housed in different departments. Most jurisdictions have a designated, often elected, tax collector or receiver of taxes, while others assign tax collection responsibilities to the director of finance, treasurer, town clerk or a business manager (particularly in the case of a school district). Often a person in this role is supported by a deputy or assistant and in some cases a small staff.

| <i>Jurisdiction Type</i> | <i>Total Staff (FT & PT Employees)</i> | <i>Average Staff Size</i> | <i>Total Budget</i> | <i>Average Budget</i> |
|--------------------------|--|---------------------------|---------------------|-----------------------|
| City | 13 | 4 | \$ 1,338,430.00 | \$ 446,143.33 |
| Town | 28 | 3 | \$ 450,050.00 | \$ 45,005.00 |
| Village | 13 | 2 | \$ 124,900.00 | \$ 20,816.67 |
| School District | 19 | 2 | \$ 922,160.00 | \$ 83,832.73 |
| TOTAL | 73 | | \$ 2,835,540.00 | |

Because tax collection is done twice a year for school and property taxes, many jurisdictions also rely on part-time staff during the height of the collection season, while others shift duties of existing personnel to cover tax collection responsibility. This makes determining full-time staff allocation over the course of the year difficult. In the case of smaller jurisdictions, less than one full-time equivalent staff is dedicated to tax collection. The City of Albany has the largest staff, with nine FTEs in the treasury department involved in the tax collection process.

Since the cost of staffing tax collection services is the largest driver in determining the cost of such services, it is difficult to make appropriate comparisons across jurisdictions, as many of the tax and finance offices have other functions in addition to collecting school and property taxes.⁴⁸ Nevertheless, the larger municipalities that do their own tax collection (the cities and the towns) spend at least \$100,000 on this function, with the City of Albany spending over \$1 million. In addition, Albany County spends several hundred thousand dollars on its own property tax collection work, including nearly \$70,000 on maintaining its MUNIS software tax-system module.

⁴⁸ For example, a number of these offices collect water and sewer bills and also oversee finance and budget matters.

Technology

Software

All of the reporting tax collecting jurisdictions use some type of computerized database system to track information and payments. Over half of jurisdictions in Albany County use one of five types of software:

- iTax Tax Collection System provided by Business Automated Systems, Inc. (BAS)
- KVS Tax Billing provided by KVS Systems, Inc.
- InfoTax
- TaxPro
- TB2000 provided by Capital Region BOCES

| <i>Software</i> | <i>Number of Jurisdictions</i> | <i>Estimated Number of Parcels</i> | <i>Percentage of Parcels</i> |
|---------------------------------|--------------------------------|------------------------------------|------------------------------|
| Software Unique to Jurisdiction | 10 | 71791 | 39% |
| TaxPro | 1 | 31000 | 17% |
| TB2000 | 5 | 44104 | 24% |
| InfoTax | 3 | 18236 | 10% |
| iTAX Tax Collection System | 6 | 10347 | 6% |
| KVS Tax Billing | 5 | 9486 | 5% |

* This table assumes "double-counting" of parcels because several jurisdictions count the same parcel for purposes of both school and property taxes.

Security

Nearly all jurisdictions rely on standard password protection either through the software, operating system or both as a security measure for tax collection information. Typically only the staff involved in tax collection and technical support has access to the database and software.

Hardware

The majority of respondent jurisdictions reported housing their tax collection database on a local server in the municipal or school district office. Databases for those districts using the BOCES tax collection services are housed on the BOCES server. Some smaller jurisdictions only have the database on a local computer hard drive. Backup procedures for the databases vary widely as well. About half of the jurisdictions have nightly backup based on existing server protocols. Capital Region BOCES performs two backups per day which are stored

offsite. The remaining jurisdictions use flash drives, external hard drives, CD-RW or tape backups, typically on a nightly basis.

Jurisdictions typically have one to three computers used by tax collection staff. The exception to this is the City of Albany, where thirteen computers are configured to handle tax collection, each with a bar code scanner. Albany also allocates two printers to tax collection, where other jurisdictions use only one or share use of a printer with other departments.

Approximately 30 percent of jurisdictions use bar coding options in the processing of data or payments, including the City of Albany. However, the second largest jurisdiction, the Town of Colonie, does not. A slightly higher percentage (35 percent) use some form of scanning in data or payment processing, including the scanning of checks.

| Table K: Bar Coding and Scanning | | | |
|--|------------|-----------|---|
| | <i>Yes</i> | <i>No</i> | <i>Jurisdictions</i> |
| Are bar coding options used in the processing of data or payments? | 9 | 21 | Used by: City of Albany, Town of Bethlehem, Town of Guilderland, Town of New Scotland, Albany City SD, Berne-Knox-Westerlo CSD, Duanesburg SD, Watervliet City SD, Voorheesville SD |
| Are scanning options used in the processing of data or payments? | 10 | 20 | Used by: City of Albany, Town of Bethlehem, Town of Colonie (including parcels in Menands SD, Mohonasen SD, Niskayuna SD, N. Colonie SD, S. Colonie SD), Town of Guilderland, Town of New Scotland, Village of Altamont, Albany City SD, Berne-Knox-Westerlo CSD, Duanesburg SD, Watervliet City SD, Voorheesville SD |

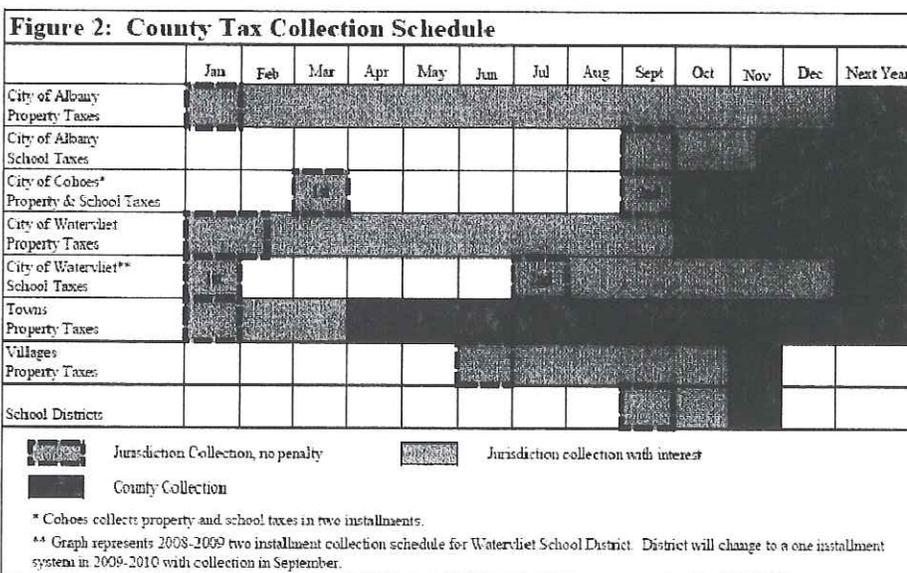
Internet

Nearly 90 percent of responding jurisdictions have high-speed Internet in the tax collection office, yet only about 30 percent make tax collection information available to staff via Internet. All but two of the jurisdictions allow tax collection staff to view individual parcel tax bills and payment status on local computers. In terms of taxpayer accessibility, only five of the reporting jurisdictions allow taxpayers to view their property tax bills online: City of Albany, City of Cohoes, Town of Bethlehem, Town of Guilderland and Cohoes Central School District.

| Table L: Internet Accessibility | | | |
|--|-----|----|---|
| | Yes | No | Jurisdictions |
| Does the taxing jurisdiction have high speed internet access? | 26 | 4 | Available to all Jurisdictions EXCEPT : Town of Knox, Town of Rensselaerville, Town of Menands, and Guilderland CSD |
| Is information accessible to staff via the internet? | 9 | 21 | Available to: City of Albany, City of Cohoes, Town of Berne, Town of Coeymans, Town of Guilderland, Town of Westerlo, Village of Ravena, Cohoes City SD, Watervliet City SD |
| Is information accessible to property owners via the internet? | 4 | 26 | Available to: City of Albany, City of Cohoes, Town of Bethlehem, Town of Guilderland, |

Payments

Respondent jurisdictions typically collect taxes for a two-to-four month window. For cities and towns, collection season falls during the first three months of the year; village tax collection occurs during the summer from June through October; and school districts collect from September through October. There are exceptions to this. The City of Albany accepts tax payments all year, while the Cities of Cohoes and Watervliet extend their collection season through September.



All tax collection jurisdictions allow property tax payments to be made by check and most accept cash as well. Only five of the responding

jurisdictions accept credit card payments. Payments typically are accepted via mail, in-person at the tax collection office or, in some of the larger jurisdictions, by electronic payments.⁴⁹ Twenty of the responding jurisdictions use banks to assist in payment processing, with most using Key Bank.

Relatively few taxpayers use credit cards to pay for property taxes because of the high cost to do so. The tax collecting jurisdictions are required by law to collect the full taxable amount and thus any credit card convenience fee (typically two or three percent) must be absorbed by the taxpayer. This makes it less attractive than most retail credit card transactions where the merchant generally absorbs the fee in return for getting paid instantly.⁵⁰

| | <i>Yes</i> | <i>No</i> | <i>Jurisdictions</i> |
|---------------------------|------------|-----------|--|
| Cash | 28 | 2 | Accepted by all EXCEPT : Berne-Knox-Westerlo CSD and Bethlehem CSD |
| Check | 30 | 0 | |
| Money Order | 10 | 21 | Accepted by: City of Albany, Town of Green Island, Town of Rensselaerville, Town of Westerlo, Town of Bethlehem, Village of Green Island, Village of Voorheesville, Duanesburg CSD, Ravena-Coeymans-Selkirk CSD, Voorheesville CSD |
| Electronic Funds Transfer | 2 | 28 | Accepted by: City of Cohoes and Town of Bethlehem |
| Credit Card | 5 | 25 | Accepted by: City of Albany, City of Cohoes, City of Watervliet, Town of Colonie (including parcels in Menands SD, Mohonasen, Niskayuna, N. Colonie, and S. Colonie), Town of Guilderland (including parcels in Schalmont SD) |

In addition to payments directly from property owners, tax payments are also received from banks or tax service organizations for property taxes that are escrowed, which is done in all jurisdictions.

⁴⁹ Electronic and credit card payments are done through third-party vendors such as Official Payments or Municipal-Payments.

⁵⁰ It should be noted that only the Town of Guilderland uses the Discover Card, which unlike other credit cards that have a flat percentage fee for all transactions, uses a sliding scale that has a maximum convenience fee of \$25 for transactions over \$2,000.

Views from the Municipalities

As noted previously, in addition to the general survey sent to all jurisdictions, CGR also conducted individual and group interviews with tax collection officials to focus in on particular themes and to gain clarity about the strengths and weaknesses in the current system.

Customer Service Focus

While the current tax collection system clearly has gaps and is costly to maintain, most of the tax collection personnel that CGR interviewed insisted that the strongest positive aspect of the current system is its ability to provide high levels of customer service to individual property owners. While this may reflect the fact that most of the larger localities have elected tax collectors who are elected based on their performance in office, the notion of local accountability does seem to bear this out.

Local collectors were concerned that a larger and more centralized system would lose some of its customer focus and perhaps be less efficient.

Accuracy

Another theme that emerges from discussions with local tax collectors is related to the first and involves the accuracy of tax records. The logic is that the local tax collector (and assessor for that matter) has a greater ability to maintain accurate records than the County would have in a larger system, both because of accountability to the local residents and because of the relatively smaller size of the database. In other words, if there were a system that had all 111,000 parcels in it, there would be more mistakes that would not be caught as easily.⁵¹

⁵¹ That said, there is no inherent reason that a larger database would in fact be less accurate than a smaller one, especially if the local officials are doing the data entry. Moreover, errors that may lead to delinquencies become County problems later in the process, meaning that the County has an equal stake in data accuracy.

Challenges with Current Tax Collection System

Notwithstanding the above arguments that the current tax collection system is a good one because it delivers accurate information and is responsive to local citizens, the system does have its challenges, which fit into three basic categories:

1. Timeliness and Sharing of Information
2. Accuracy
3. Cost

Timeliness & Sharing of Information

While most municipalities have relatively good internal systems (both human and technological) to share information back and forth between various offices within that locality (*e.g.* assessment, collection and finance), the communication between ORPS, the County and the municipalities is not optimal both because of the number of different systems and the lag of information flow from one level of government to the next.

For example, according to the County's Tax Record Manager, the County's tax collection system is a combination of electronic and manual records and processes. The County receives a list of unpaid property tax bills from each municipality at the end of their collection period. Along with this paper list, the County also receives an electronic file that it uses to import the delinquent taxes into the County's own tax collection system (MUNIS).⁵²

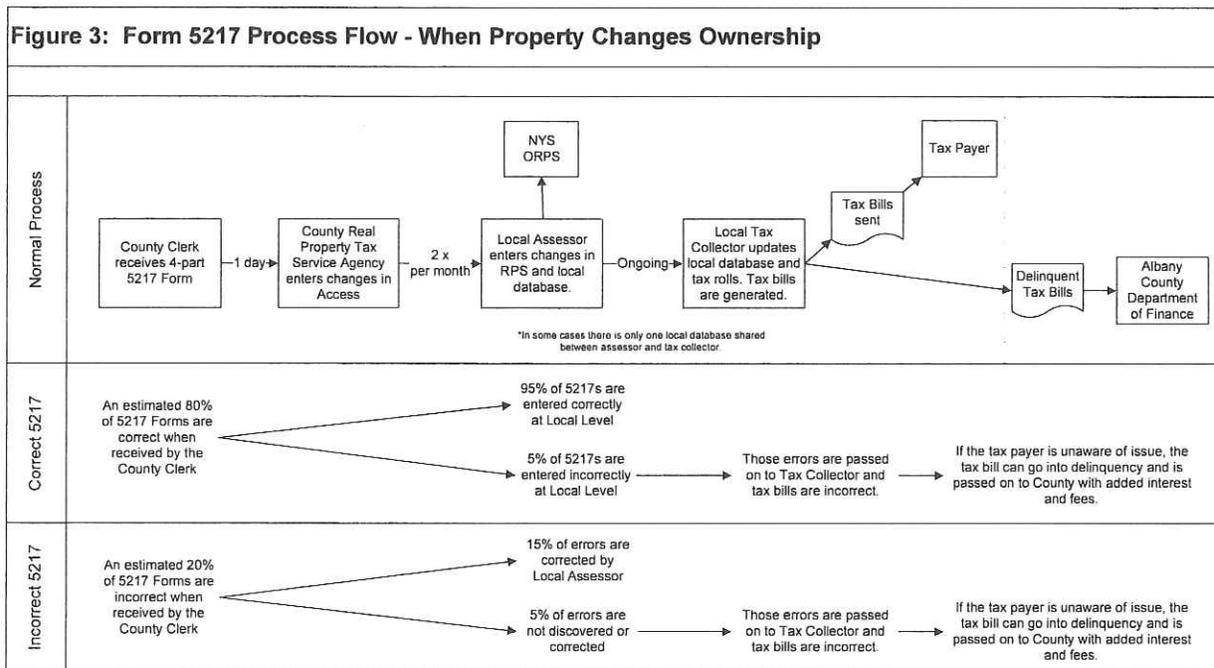
The County also receives a tax roll which is the legal document it uses to provide public information. This contains the taxes that were paid to the municipality and taxes that are still unpaid and will be pursued by the County. Once the County begins collection, the municipalities do not have a real-time way to check the tax-payment status of properties, because they do not have a link to the County's system. Thus the municipalities have to call the County to check on the tax-payment status of the delinquent parcels in their jurisdictions.

Accuracy

Because information is largely entered at every level of government into different systems and on different hardware and software platforms, the

⁵² These lists often contain the same information.

probability of errors goes up.⁵³ For example, information from the RP-5217 form is entered multiple times: at the County Real Property Tax Service Office, at the municipal level or levels (if there are town and village collectors) and at ORPS. Since this is a paper form with three “carbons,” it becomes progressively harder to read as each copy is used, especially with the lack of typewriters in most offices (*i.e.* it is most often hand-written). A graphic depiction of the RP-5217 process is shown below.



Cost

Although the local tax collection function does result in a high level of personal service, the fact is that each jurisdiction has its own collection office which sends out bills, collects taxes and maintains its own system. In fact, the school districts already piggy back onto the larger towns to do their collection with little apparent loss of customer service. Furthermore, the County maintains its own staff to handle delinquencies and foreclosures which may duplicate the staff capacity of what already exists in the localities. Finally, with each municipality staffing its own tax

⁵³ Furthermore, it is also the case that error correction is not of primary interest to local tax collectors after the collection is turned over to the County for collection, but it may be of interest to other local officials who may have to deal with the fallout over the error.

collection function, it may be more challenging to find good people, train them and maintain institutional knowledge going forward. In interviews, multiple tax collectors mentioned that they were struggling to maintain a full staff in light of budget cuts, retirements and general fiscal constraints.

In addition to the cost of overlapping personnel, there is also a large cost to maintaining individual computer systems and different software and hardware platforms. These costs not only include the initial cost of acquisition, but keeping both the hardware and software current and training staff on its use as well as duplicating information entry.

A Worst Case Scenario?

By way of the following vignette, the potential pitfall of the lack of a shared database is illustrated.

John and Mabel Smith purchased their residence in the city of Albany in late July 2006. At their property closing they were informed that all current taxes were included in the costs and they would receive the next tax bill in the mail.

The first tax bill they received was in January 2007 which was the property tax bill from the Albany city treasurer. The Smiths went ahead and paid this bill.

In June 2007 the Smiths received a delinquent tax notice from Albany County which indicated that a tax was unpaid from the year 2006. Mr. Smith, who remembered that the closing statement indicated that 2006 taxes were paid at that time, gathered his documents and called Albany County.

Upon calling Albany County Mr. Smith was informed that the notice was for the unpaid school tax bill of September 2006. He was confused and stated that when he purchased the property in July 2006 he was told at that time he would receive his first tax bill in the mail.

Albany County informed Mr. Smith that the school tax bill mailed in September 2006 was sent to the former owner (who apparently did not forward the bill to Mr. Smith). He was also told that this is a common occurrence due to the closing taking place in the last half of the calendar year whereby mailing addresses are not usually updated.

After protesting with arguments such as "how can you pay a bill if you do not receive one" and "we are new in the area therefore were not aware of the date tax bills are due," the Smiths paid the

school tax bill that included an eleven percent late charge (one percent for each month) and a five percent penalty.

As with many taxpayers in this situation, the Smiths felt that the system failed them due to the fact they did not receive a bill. Whether a unified collection system or common database shared by all jurisdictions would be the only way to solve this problem is subject to debate but it does raise the issue of how to deal with such problems.

Potential Solutions

Full Consolidation of the Tax Collection System

One of the solutions that have been considered in select other counties in New York is the full consolidation of the tax collection system into a county function where all taxes would be collected by the county and then disbursed to the localities. Franklin and Cayuga Counties have had consulting firms recommend this as a possible solution for their tax collection systems.

While this solution may present attractive benefits in theory, the cost of transitioning the collection function from the 19 municipalities and 20 school districts to Albany County would likely be prohibitively expensive and unlikely to be absorbed by the County. In addition, there would likely need to be voter approved changes in the law in every jurisdiction, another hurdle that would be difficult to overcome, especially in the short run.

Finally, while there is much to recommend county-level services, it does not seem to necessarily make sense to separate the revenue collecting function from the local government itself. If New York were to abolish home rule and consolidate all government functions at the County level, it might make more sense to have a unified revenue function, but it is unlikely to happen. While Franklin and Cayuga Counties are exploring this option, they are both small counties with populations of less than a third of Albany County's and many fewer local governments.

Partial Consolidation or Shared Services

Another possible way to deal with the costliness and disconnectedness of the current tax collection system in Albany County is to do some sort of partial consolidation or sharing of services. There are several ways to accomplish this, but they probably fall into the following categories:

1. Sharing of services between municipalities;
2. Sharing of software systems;
3. Joint purchasing of hardware or software or credit card services;
4. The County assuming some of the local functions.

Sharing of services between municipalities could be along the lines of what already exists where cities and towns do collection for school districts, or it could be a broader sharing of services to encompass not only sharing people but also software or hardware systems. The advantage of this would be potential cost savings as well as continuity in staffing or process.

By purchasing common services or products, localities and the County could share information and also take advantage of economies of scale. For example, instead of having to charge taxpayers two or three percent to use a credit card to pay their taxes, a deal could be negotiated with all the collectors to reduce this price (and encourage more people to take advantage of it). Similar savings could also be taken for common software or hardware packages.

The County could also assume some local functions, especially in the realm of property tax transfers with the RP-5217 form. If the County and the local collectors' computer systems were connected and the 5217 process were automated, then the localities would be able to access the information and not have to load it into the system manually.

Currently, ORPS is conducting a pilot program in Dutchess County to create a one-part electronic RP-5217 form. The pilot program uses Adobe® software to create an electronic form with a dynamic barcode that can be saved as a .pdf file and printed or transmitted electronically. From the printed form, the user can scan the dynamic barcode and, through a proprietary software system, the RP-5217 data is decoded and automatically populates pre-determined data fields. Users can add any notes and save these changes which updates the barcode. According to one ORPS official, State law does not currently allow for electronic signatures, so a physical copy of the form still exists. Beginning in April 2009, three title companies will begin testing the electronic forms. ORPS plans to evaluate the effectiveness of the Dutchess County pilot program in September.

Related to the sharing of information theme is the County's role as collector of delinquent taxes. As noted above, currently local collectors do not have access to information about the collection of delinquent taxes in their jurisdictions until the County provides it to them on a quarterly basis. With a shared system the localities could potentially get access to the County's records (and vice-versa) in order to address questions and maintain accurate records locally.

Centralized Database

An intermediate solution to the problems of the fragmented tax collection system currently in place would be to have a centralized database. This

would have the potential to greatly simplify the current system and ally communications among the taxing jurisdictions. According to ORPS, a centralized database system would have several benefits such as

1. Increased efficiencies and cooperation among local collection officials.
2. Full integration from collection through management of delinquencies.
3. Simplified data collection with automatically accessible data by municipalities, schools and the County. Furthermore, all of the charges on a given parcel would be viewable by any user.
4. Accuracy would be improved through countywide error checking and balancing.
5. Online access would reduce taxpayer confusion and the number of inquiries to individual collectors or to the County.
6. With a common software platform installed by the same vendor countywide there may be less support required, as the system can be used and understood in multiple jurisdictions.
7. Training needs could be coordinated countywide.
8. Collection of installment payments (where permitted) is simplified for collectors and taxpayers, yielding greater collections. An improved rate of collection can impact County budgets and lead to fewer foreclosures.

In other words, a centralized database would deal with the three major challenges already identified: (1) timeliness, (2) accuracy and (3) cost. However there remains the central issue of how to implement such a solution.

Implementation Challenges

Whatever solution is proposed for improving the County's current tax collection system, there remains the challenge of how to implement any of them.

First and foremost is the cost of any transition to a new system, whether it is a full system run by the County, a shared database system or sharing of some services. In addition to supporting the work of CGR in drafting this analysis of the collection system with a grant of \$25,000, there is an additional \$25,000 available from ORPS to defray implementation expenses for those counties that opt to create a common tax collection database (whether it is in any of the forms discussed above – full or partial consolidation or a shared database). However generous these grants are, it is unlikely that they will cover the full cost of the transition and the County will have to determine whether the long-term benefits that flow to

it (and the municipalities using the system) would be sufficiently large to make an investment in any new system going forward.

Second is the issue of how the timing of any new system would work and what the steps would be in transitioning from the current system to a new one, especially one that might involve any new hardware, software or training. While many of the municipalities are on similar calendars for collection (*e.g.* activity peaks twice a year around the generation of bills in August and December), there are other aspects of the timing that would need to be examined closely before implementing any new system.

Third is the issue of how any system would work technologically. Questions such as whether the system would be housed on a County server and allow access to local collectors through a terminal, or over the Internet via a personal computer, are beyond the scope of this report but need to be carefully examined prior to embarking down any implementation path. For example, given scarce IT resources at the County, it is not certain how staff would be deployed to maintain the system.

Finally is the important issue of how to get participation from local tax collectors who, although they have an imperfect system, maintain a system that they largely are comfortable with.

Incentives to Spur a Collective Effort

The first argument for joining a centralized database effort is to realize that the individual systems – particularly from a software and hardware perspective – each local collection unit currently uses will eventually become obsolete. A group replacement process or joint procurement may save money in the long run.

Second, a centralized system may consolidate and reduce certain system maintenance costs by spreading them across multiple jurisdictions.

Third, the potential advantages of a centralized information system go beyond the local tax collectors. Other municipal officials would be in a position to utilize the system. Supervisors and mayors have expressed interest in having access to detailed parcel histories, delinquencies and tax status for each property. They could serve as a good support group in the centralization effort.

Fourth, while the individual collection processes may seem efficient in isolation, when considered as part of an overall system, the data handoffs between the various players in the system are intermittent, and often inaccurate and out-of-date. From the County Clerk's office and its recording of deeds, to the RP-5217 process, to the generation of tax maps, to recording a parcel's current status, to current bills, to delinquencies and enforcement, the County has a front-end and a back-end role. If

municipalities participated with the County in a centralized information system, local jurisdictions would have to do fewer corrections and would have access to better data about the properties within their boundaries.

APPENDIX

Assessment Section

Table A-1: Municipal Overview

Table A-2: Staffing, Certification and Office Hours

Table A-3: Budget and Parcel Overview

Table A-4: Indicators of Assessment Quality

Table A-5: Municipal Assessing IT Capacity

Table A-6: FTE Personnel Analysis

Table A-7: Comparative Cost Analysis of Options

Table A-8: Assessor Meeting Attendees

Tax Collection Section

Table B-1: Survey Responses: Municipalities

Table B-2: Survey Responses: School Districts

Table B-3: Tax Collector Survey Responses and Meeting Attendees

Table B-4: Delinquency & Foreclosure Statistics and Process Overview

Table A-1: Albany County

| Municipalities | | Assessment Offices | | Existing Collaboration | | |
|----------------|-------------------------|-----------------------------|--|------------------------|--|---|
| SWIS | Municipal Name | Assessor or 3 Person Board? | Assessor Name | Part of CAP? | Assessor Works for Multiple Municipalities | Contract with County for Asmt Services? |
| 10100 | City of Albany | Sole Assessor | Keith McDonald | No | No | No |
| 10300 | City of Cohoes | Sole Assessor | Thomas E. Jacques | No | No | No |
| 11800 | City of Watervliet | Sole Assessor | Mark R. Gilchrist | No | No | No |
| 12000 | Town of Berne | 3 Person Board | Brian Crawford, Carol Crounse, Robert Motschmann | No | No | No |
| 12200 | Town of Bethlehem | Sole Assessor | Patricia McVee | No | No | No |
| 12489 | Town of Coeymans | Sole Assessor | Laura J. Van Valkenburg | No | Not in Albany Co. ¹ | No |
| 12600 | Town of Colonie | Sole Assessor | Ronald L. Monfils | No | Village of Menands & Village of Colonie | No |
| 12601 | Village of Colonie | Sole Assessor | Pat Hurley | No | No | No |
| 12801 | Village of Green Island | Sole Assessor | Maggie Alix | No | No | No |
| 13001 | Town of Guilderland | Sole Assessor | John J. Macejka Jr. | No | No | No |
| 13200 | Town of Knox | Sole Assessor | Russell Pokorny | No | No | No |
| 13400 | Town of New Scotland | Sole Assessor | Deborah Corbari | No | No | No |
| 13600 | Town of Rensselaerville | 3 Person Board | Peter H. Hotaling, Donna Kropp, Jeffery Pine | No | Peter Hotaling - Westerlo | No |
| 13800 | Town of Westerlo | Sole Assessor | Peter H. Hotaling | No | Rensselaerville | No |

¹ Assessor serves as County Director in Greene Co.

Table A-2: Albany County

| Municipalities | | Assessment Offices | | | | | | | | | |
|----------------|-------------------------|--------------------|--|--|----------------|---------------------------------|----------------------|-----------------------|-----------------------------------|--|--|
| SWIS | Municipal Name | Type of Assessor | Assessor Name | Professional Designation | IAO Membership | # of Staff (including Assessor) | Staff FTE Equivalent | Office Hours Per Week | % of Office Hours for Cust. Serv. | | |
| 10100 | City of Albany | Sole Assessor | Keith McDonald | SCAA | | 8.00 | 8.00 | 40 | 80 | | |
| 10300 | City of Cohoes | Sole Assessor | Thomas E. Jacques | NYS Certified Appraiser; will be SCA after taking one more class | no | 2.00 | 1.00 | 40 | 50 | | |
| 11800 | City of Watervliet | Sole Assessor | Mark R. Gilchrist | SCAA | no | 2.00 | 0.60 | 40 | 40 | | |
| 12000 | Town of Berne | 3 Person Board | Brian Crawford, Carol Crounse, Robert Motschmann | none | | 3.00 | 1.80 | 10 | 20 | | |
| 12200 | Town of Bethlehem | Sole Assessor | Patricia McVee | SCAA, SCAP | yes | 4.00 | 3.75 | 40 | 50 | | |
| 12489 | Town of Coeymans | Sole Assessor | Laura J. Van Valkenburg | SCAA | yes | 3.00 | 1.50 | 46 | 50 | | |
| 12600 | Town of Colonie | Sole Assessor | Ronald L. Monfils | General Real Property Appraiser, but not certified through NYS ORPS | yes | 12.00 | 10.13 | 35 | 60 | | |
| 12601 | Village of Colonie | Sole Assessor | Pat Hurley | none | | 1.00 | 1.00 | 40 | 50 | | |
| 12801 | Village of Green Island | Sole Assessor | Maggie Alix | SCA | | 1.00 | 0.50 | 37.5 | 70 | | |
| 13001 | Town of Guilderland | Sole Assessor | John J. Macejka Jr. | SCA | no | 6.00 | 5.75 | 40 | 75 | | |
| 13200 | Town of Knox | Sole Assessor | Russell Pokorny | two more classes before certified with State ORPS for basic certification of SCA | | 2.00 | 0.70 | 20 | 50 | | |
| 13400 | Town of New Scotland | Sole Assessor | Deborah Corbari | none | | 2.00 | 1.00 | 37.5 | 12 | | |
| 13600 | Town of Rensselaerville | 3 Person Board | Peter H. Hotaling, Donna Kropp, Jeffery Pine | SCAA | yes | 4.00 | 1.00 | 22 | 50 | | |
| 13800 | Town of Westerlo | Sole Assessor | Peter H. Hotaling | SCAA | yes | 2.00 | 0.75 | 15 | 75 | | |
| | | | | Total | | 52.0 | 37.5 | 33.1 | 52.3 | | |
| | | | | Average | | 3.7 | 2.7 | | | | |

Table A-3: Albany County

| Municipalities | | Municipal Characteristics | | | | | | | | | |
|----------------|--------------------------------------|--|-----------------------------|-------------------------|--|------------------------------|---------------|--------------|-------------------------------|-----------------------------------|--|
| SWIS | Municipal Name | Total Budget for Assessment Function (w Fringe Benefits, if offered) | % of total Municipal Budget | Total Number of Parcels | Sq. Footage Used for Assessment Function | Assessment Budget Per Parcel | FTE Employees | Parcels/FTE | Number of Residential Parcels | % of Parcels That Are Residential | |
| 10100 | City of Albany | \$529,553 | 0.3% | 30,219 | 6000 | \$17.52 | 8.0 | 3,777 | 21,389 | 70.8% | |
| 10300 | City of Cohoes | \$130,375 | 0.6% | 5,220 | 300 | \$24.98 | 1.0 | 5,220 | 3,792 | 72.6% | |
| 11800 | City of Watervliet | \$53,672 | 0.4% | 2,827 | 637 | \$18.99 | 0.6 | 4,712 | 2,331 | 82.5% | |
| 12000 | Town of Berne | \$35,000 | 1.8% | 2,057 | 35 | \$17.02 | 1.8 | 1,143 | 1,265 | 61.5% | |
| 12200 | Town of Bethlehem | \$289,650 | 0.7% | 13,165 | 704 | \$22.00 | 3.8 | 3,511 | 10,696 | 81.2% | |
| 12489 | Town of Coeymans | \$70,523 | 1.2% | 3,062 | 336 | \$23.03 | 1.5 | 2,041 | 2,145 | 70.1% | |
| 12600 | Town of Colonie | \$950,036 | 7.0% | 28,039 | 2134 | \$33.88 | 10.1 | 2,769 | 22,652 | 80.8% | |
| 12601 | Village of Colonie | \$7,000 | 0.6% | 3,093 | n/a | \$2.26 | 1.0 | 3,093 | 2,846 | 92.0% | |
| 12801 | Village of Green Island ¹ | \$56,692 | 1.0% | 872 | 500 | \$65.01 | 0.5 | 1,744 | 577 | 66.2% | |
| 13001 | Town of Guilderland | \$367,000 | 4.0% | 12,367 | 1800 | \$29.68 | 5.8 | 2,151 | 10,271 | 83.1% | |
| 13200 | Town of Knox | \$23,600 | 1.2% | 1,546 | 200 | \$15.27 | 0.7 | 2,209 | 948 | 61.3% | |
| 13400 | Town of New Scotland | \$94,637 | 1.8% | 4,273 | n/a | \$22.15 | 1.0 | 4,273 | 3,138 | 73.4% | |
| 13600 | Town of Rensselaerville | \$33,751 | 1.5% | 1,925 | 150 | \$17.53 | 1.0 | 1,925 | 1,164 | 60.5% | |
| 13800 | Town of Westerlo | \$43,000 | 2.0% | 2,076 | 340 | \$20.71 | 0.8 | 2,768 | 1,393 | 67.1% | |
| | Total | \$2,684,489 | | 110,741 | 13,136 | | 37.48 | | 84,607 | | |
| | Average | \$180,406 | 1.7% | 7,910 | 1,095 | \$24.24 | 2.68 | 2,953 | 6,043 | 73.1% | |
| | Minimum | \$7,000 | 0.3% | 872 | 35 | \$2.26 | 0.50 | 1,143 | 577 | 60.5% | |
| | Maximum | \$950,036 | 7.0% | 30,219 | 6,000 | \$65.01 | 10.13 | 5,220 | 22,652 | 92.0% | |

¹ A portion of the Village budget is paid by the Town through an intermunicipal shared services agreement.

Table A-4: Albany County

| Municipalities | | Indicators of Assessment Equity | | | | | | | | | | |
|----------------|-------------------------|---------------------------------|------------------------------------|----------------------------|-------------------------|-------------------------------|------------------------|------------------------------|---------------------|------------------|-----------|----------------------|
| SWIS | Municipal Name | 2008 Eq. Rate | 2008 LOA of Various Property Types | 2008 COD-Muni Reported | All Property COD - ORPS | Yr of All Property COD - ORPS | Residential COD - ORPS | Yr of Residential COD - ORPS | Latest Reassessment | Latest State Aid | Aid Type | Planned Reassessment |
| 12489 | Town of Coeymans | 100 | 100 | 27,952 | n/a | | 9,680 | Sales-2008 | 2007 | \$14,680 | Triennial | none planned |
| 13200 | Town of Knox | 53 | 53 | 43,687 | 32,260 | 2005 | 14,430 | 2006 | 1997 | \$0 | none | none planned |
| 10300 | City of Cohoes | 57 | 57 | 24,250 | 24,250 | 2003 | 18,410 | 2006 | 2001 | \$24,465 | Triennial | none planned |
| 13800 | Town of Westerlo | 0.78 | 0.83 | 98,592 | 31,070 | 2005 | 21,170 | 2006 | never | \$0 | none | none planned |
| 12200 | Town of Bethlehem | 92.45 | 92.45 | 14,449 | n/a | | 9,170 | Sales-2008 | 2006 | \$64,430 | Triennial | depends on Eq. rate |
| 10100 | City of Albany | 101.3 | 101.3 | do not calculate or use-do | n/a | | 10,130 | Sales-2008 | 2007 | \$138,100 | Triennial | 2011 |
| 12000 | Town of Berne | 56 | 56 | n/a | 21,840 | 2005 | 17,480 | 2006 | 1997 | \$760 | Triennial | none planned |
| 12600 | Town of Colonie | 67 | 67 | 13,440 | 16,200 | 2003 | 10,480 | 2006 | 2001 | \$147,150 | Annual | Near future |
| 12601 | Village of Colonie | 3.53 | n/a | n/a | | | | | never | \$0 | none | unknown |
| 13001 | Town of Guildford | 79.62 | 100 | 17,920 | n/a | | 11,620 | Sales-2008 | 2005 | \$59,630 | Triennial | undecided |
| 11800 | City of Watervliet | 63.88 | 63.88 | 0.350 | 24.41 | 2005 | 23.58 | 2006 | 1996 | \$1,200 | Triennial | soon |
| 12801 | Village of Green Island | 5.37 | 5.37 | n/a | 20.28 | 2005 | 17.16 | 2006 | 1960s | \$0 | none | n/a |
| 13400 | Town of New Scotland | 94 | 94 | n/a | n/a | n/a | 12,220 | Sales-2008 | 2006 | \$20,265 | Triennial | unknown |
| 13600 | Town of Rensselaerville | 52 | 52 | 54,500 | 33.77 | 2005 | 35.7 | 2007 | 1998 | \$0 | none | none planned |

| Table A-5: Albany County Assessment Administration System | | | | | | | | | | | | | | |
|---|-------------------------|---------------------------|--|--------------------------------|--------------------------------|------------------------------------|-------------------------|----------------------|-------------|----------------------|-----------------------------|----------------|--|--|
| Municipalities | | Processing Responsibility | | | | | Databases | | | Communication | | | IT Support | |
| SWIS | Municipal Name | System Used | Annual Fees/License Assoc. with System | ORPS' Reports | Rolls & Bills | Analysis / Valuation | Location | How Updated | Speed (GHz) | Capacity (MB of RAM) | Capacity (GB of hard drive) | Is GIS Used? | Who | |
| 12489 | Town of Coeymans | RPS | \$1,300 | Assessor | Town Clerk | Assessor | Town of Coeymans | Yearly | 3.0 GHz | 0.99 GB of RAM | | No | IT person on call - paid for by town | |
| 13200 | Town of Knox | RPS | \$1,000 | Assessor | ETC Data/Assessor | Assessor | Town of Knox | Several times per yr | 1.73 GHz | 990 MB of RAM | 100 GB | No | NYS ORPS | |
| 10300 | City of Cohoes | RPS v.4 | \$1,500 | Thomas Jacques / Rosalie Fahey | Thomas Jacques / Rosalie Fahey | Thomas Jacques / Rosalie Fahey | City of Cohoes | Annually | 2.3 GHz | 2.93 GB | don't know | Yes | Staff | |
| 13800 | Town of Westerlo | RPS v.4 | \$1,200 | Assessor/Staff | Customer Lynx | Assessor/Staff | Town of Westerlo | 3x per yr | 1 GHz | don't know | 3.99 GB | Yes | ETC Ltd. | |
| 12200 | Town of Bethlehem | RPS v.4 | \$1,950 | assessor | Bethlehem IT Dept | Assessor/Staff | Town of Bethlehem | Annually | 3.0 GHz | don't know | 74.4 GB | Yes | Office of Real Property and Internal MIS Staff | |
| 10100 | City of Albany | RPS v.4 | \$2,000 | City Data Processing | City Data Processing | Assessor | City Data Processing | As often as needed | 2.4 GHz | 2 GB of RAM | 297 GB | Yes | City Data Processing | |
| 12000 | Town of Berne | RPS v.4 | \$850 | Assessor (Carol) | Customer Lynx | Assessor Board (Brian, Bob, Carol) | Town Hall | Annually | 2.80 GHz | 504 MB of RAM | 80 GB | No | Brett Meray, RDB, LTD | |
| 12600 | Town of Colonie | RPS v.4 | \$2,100 | Assessor and TOC MIS | Tax Collector & TOC MIS | Assessor & Staff | Town of Colonie | Annually | 2.92 GHz | don't know | 148 GB | Yes | TOC MIS Dept. & ORPS | |
| 12601 | Village of Colonie | KVS Information Systems | \$255 | Assessor | Assessor | Assessor | Village of Colonie | 1x per yr | 2.33 GHz | 2.95 GB RAM | 74.3 GB | no | KVS Info Systems | |
| 13001 | Town of Guilderland | RPS | \$2,000 | In house | NexLink | Assessor | Town of Guilderland | Upon request | 2.99 GHz | | 300 GB | Yes | DRJ Services | |
| 11800 | City of Watervliet | RPS | \$1,200 | In house | Systems East | in house | City of Watervliet | Per request | | | | yes | Capital Region IT | |
| 13400 | Town of New Scotland | RPS v.4 | \$1,500 | Assessor | Assessor | Assessor | County | don't know | | | | yes, as needed | Integral One Network Solutions (Rich Holt, 518-486-1000) | |
| 13400 | Town of Rensselaerville | RPS v.4 | \$1,000 | Assessor/Staff | Customer Lynx | Assessor/Staff | Town of Rensselaerville | 3x per yr | 2.53 GHz | | 74.4 GB | Yes | Radical Systems, Greenville NY | |
| 12801 | Village of Green Island | RPS v.4 | \$850 | assessor | Tax Collector | assessor | Village of Green Island | 2x per yr | 2.4 GHz | 1.24 GB of RAM | don't know | yes, as needed | ORPS | |

Table A-6: FTE Personnel Analysis

| | Single Assessing Unit Models | | Multiple Assessing Unit Models | | | |
|---------------------|--|----------------------|--------------------------------|-----------------|---|--|
| | Option 1 | Option 2 | Option 3 | Option 4 | Other | |
| FTE Personnel Count | Existing Operation for Albany County Assessment Services | County Run Assessing | County CAP Managed by County | Possible CAP | All Towns contract w/County for assessment services under RPTL 1537 | Current Structure w/additional consolidation and inter-municipal agreement |
| County | 4.5 | 45.5 | 5.5 | 4.5 | Variable | Variable |
| Towns | 37.5 | 0 | 40 | Variable | Variable | Variable |
| Total | 42 | 45.5 | 45.5 | Variable | Variable | Variable |

| Table A-7: Albany County Cost/Aid Comparison of Options | | | | | | |
|---|------------------------------|------------------------------|---|---|--|-----------------|
| | Single Assessing Unit Models | | | Multiple Assessing Unit Models | | |
| | Option 1 | Option 2 | Option 3 | Option 4 | Other | |
| Start-up Costs | County Run Assessing | County CAP Managed by County | Possible CAP of City's of Watervliet & Cohoes and Village of Green Island | All Towns contract w/County for assessment services under RPTL 1537 | Current Structure w/additional consolidation and inter-municipal agreement | |
| Establish Equitable assessments at a common level throughout the County | \$0 | \$2,221,590 | \$423,653 | \$0 | \$0 | \$0 |
| Transitional costs for County Run or County CAP managed by County (Space, Computers, telephones, supplies, furniture) | \$0 | \$237,840 | \$0 | \$0 | \$0 | \$0 |
| Available State Aid for reassessment - Municipal Aid | \$0 | (\$300,110) | (\$44,595) | Variable | Variable | Variable |
| State Consolidation Aid - Town Aid | \$0 | \$0 | (\$62,433) | \$0 | Variable | Variable |
| State Consolidation Aid for County Run Assessing, RPTL 1573 - County Aid | \$0 | (\$647,381) | \$0 | \$0 | \$0 | \$0 |
| State Aid for County Run Assessing Referendum Approval - County Aid | \$0 | (\$221,482) | \$0 | \$0 | \$0 | \$0 |
| State Consolidation Aid for County providing services, RPTL 1573 | \$0 | \$0 | \$0 | Variable | Variable | Variable |
| State Aid IF County Managed County wide CAP | \$0 | (\$221,482) | \$0 | \$0 | \$0 | \$0 |
| Total One Time Start-up Costs | \$0 | \$1,290,457 | \$316,625 | \$0 | \$0 | \$0 |
| Cost Per Parcel - County | \$0.00 | (\$5.70) | \$0.00 | Variable | Variable | Variable |
| Cost Per Parcel - Town | \$0.00 | \$32.01 | \$5.28 | Variable | Variable | Variable |
| Combined Cost Per Parcel | \$0.00 | \$11.65 | \$2.96 | Unknown | Unknown | Unknown |

Table A-8
Assessors Who Participated in CGR
Facilitated Assessors Meeting

| | |
|-------------|---------------------|
| Albany | Keith McDonald |
| Cohoes | Tom Jacques |
| Berne | Brian Crawford |
| Bethlehem | Patricia McVee |
| Coeymans | Laura VanValkenburg |
| Colonie | Ronald Monfils |
| Guilderland | John Macejka |
| Knox | Russ Pokorney |
| Westerlo | Peter Hotaling |

Table B-1 (Survey Responses: Municipalities)

| Jurisdiction | Total Staff | FTE | Share Collection? | Parcels Covered | Budget | Hi-Speed Internet? | Software: House Data | Software: Access Data | Software: Analyze Data | Software: Report Data | Database Location | Staff Maintaining Data | Staff Maintaining System | Maintenance/Support Cost |
|--------------------------|--|---|---|-----------------|--|--------------------|---|--|-------------------------------------|--|--|--|---|--------------------------|
| City of Albany | 9 | 9 | no | 31325 | \$1,131,907 | yes | New World Systems on AS 400 | Client Access for AS400 | New World Systems, Microsoft Office | New World Systems, Microsoft Office | Management Information Systems (MIS) Department, City Hall | MIS Department Supervisor | MIS Department Supervisor | 656,180 |
| City of Cohoes | 2 | 2 | no | 5800 | \$83,000 | yes | KVS | KVS | KVS | KVS | Local Server at City Hall | Treasurer, Deputy Treasurer, IT manager | IT Manager | \$10,000 |
| City of Watervliet | 1 | 2 | no | 2800 | | yes | Microsoft SQL | TCS (Total Collection Solutions) | TCS | TCS | Local Server | Deputy Director of Finance | Deputy Director of Finance | \$4,728 |
| Town of Berne | 1 | 1 | no | 2001 | \$11,350 | yes | BAS (Business Automated System) | BAS | BAS | BAS | Tax Collector's PC | Tax Collector | BAS | \$850 |
| Town of Bethlehem | no staff solely dedicated to tax collection. Approx. 50% of work hrs are spent on tax processing | 3.25 | no | 13200 | Actual cost in tax office was \$199,834. Fifty % of the total (part that is spent on tax processing) would be \$99,917 | yes | Town of Bethlehem | Sunguard Public Sector Software | Sunguard Public Sector Software | Sunguard Public Sector Software | In-house local server | Tax Department Staff | Town MIS Staff | \$9,500 |
| Town of Coeymans | 4 | 3 | no | 2975 | \$5,640 | yes | SQL | i-tax collection | i-tax collection | i-tax collection | Town Clerk's office | Town Clerk, Tax Collector | Town Clerk, Tax Collector | \$740 |
| Town of Colanle | | 3 FTE & 3 PT | no | 31000+ | \$260,000 | yes | Tax Pro | Tax Pro | Tax Pro | Tax Pro & RPS | Local Area Network | Tax Receiver, Deputy Tax Receiver | Tax Receiver, Deputy Tax Receiver, MIS Dep. | \$1,000 |
| Town of Green Island | 1 FTE for Jan, Fridays only for Feb & Mar | 1 FTE for Jan, Fridays only for Feb & Mar | no | 875 | \$2,971 | yes | Microsoft SQL | iTAX Tax Collection System from Business Automation Systems | Microsoft SQL | iTAX Tax Collection System from Business Automation Systems | Stand Alone Desktop PC | Town Tax Collector | Town Tax Collector | \$230 |
| Town of Guilderland | 3 | 0 | no | 12500 | \$20,000 | yes | Allen Tunnell Corp | Allen Tunnell Corp. | | | Local Server | | | \$2,100 |
| Town of Knox | 2 | 1 | no | 1546 | \$8,176 | no | BAS | BAS | BAS | BAS | PC | Tax Collector, Deputy Tax Collector | BAS | \$540 |
| Town of New Scotland | 3 | 1 | no | 4276 | \$50,000 est | yes | SCA-Software Consulting Associates | SCA | SCA | SCA | Network Server | Town Clerk | Town Clerk | \$2,000 |
| Town of Rensselaerville | 2 | 0.25 | no | 1925 | \$2,000 | no | MS DOS prompt | MS DOS prompt | | | Local Server | Town Clerk, Deputy Town Clerk | Plan Tool-Hickey Computer Assoc. Town Clerk and Deputy Town Clerk | \$756 |
| Town of Westerlo | 2 | 1.5 | no | 2075 | N/A | yes | BAS | BAS | BAS | BAS | Local Server | All staff | All Staff | \$1,150 |
| Village of Altamont | 1-2 | | Guilderland does assessments and files | 619 | | yes | Williamson Law Book Tax Program Windows | Refer to Guilderland | Refer to Guilderland | Refer to Guilderland | Village Office | Clerk, Treasurer | Clerk, Treasurer | |
| Village of Colonie | 4 | 4 | no | 3300 | not separate | yes | KVS | KVS | KVS | KVS | Local Server | Clerk, Deputy Clerk, Treasurer, Deputy Treasurer | Clerk | |
| Village of Green Island | 1 FTE for June & July, as needed Aug -Oct | 1 FTE for June & July, as needed Aug -Oct | no | 875 | \$1,500 | yes | Microsoft SQL | iTAX Tax Collection System from Business Automation Software | Microsoft SQL | iTAX Tax Collection System from Business Automation Software | Local Server | Village Treasurer, Deputy Treasurer, Tax Collector | Village Treasurer, Deputy Treasurer, Tax Collector | \$340 |
| Village of Menands | 1 | 1 | no | 1153 | part of Clerk 1- Salary and Duties approx. \$18,000 | no | KVS | KVS | KVS | KVS | Local Server | Clerk I | Clerk I | \$2,000 |
| Village of Ravena | 3 | 1.5 | no | 1103 | \$103,433 (combined in gen. budget with clerks) | yes | KVS Software-Windows | KVS | KVS | KVS | Local Server | Clerks | Clerks | \$880 |
| Village of Voorheesville | 2 | 2 | yes, assessing done by Town of New Scotland | 1100 | \$2,000 | yes | KVS | KVS | KVS | KVS | Local Server | Clerk Treasurer, Deputy Clerk Treasurer | Clerk Treasurer, Deputy Clerk Treasurer | |

| Jurisdiction | Staff Access | Staff Inputting Data | User Support | Accessible by Staff via Internet? | Accessible by Property Owners | Can Staff View Indiv. Tax Bills and payment status? | Payment Methods | When Accepted? | Where Accepted? | What Bank? | Bar Coding? | Scanning? |
|--------------------------|--|--|---|---------------------------------------|-------------------------------|---|---|--|--|--|------------------|-------------------|
| City of Albany | MIS Personnel, All Treasurer Office Personnel | All Treasurer Office Personnel | New World Systems, MIS Department | yes | yes | yes | cash, check, money order, credit card via internet | 1/2 - 12/31, M-F 8:30 am - 5:00 pm Saturdays in January 9:00 am - 12:00 pm | City Hall | Key Bank | yes | yes |
| City of Cohoes | Treasurer, Deputy Treasurer, Comptroller, IT Manager | Treasurer, Deputy Treasurer | KVS | yes | yes | yes | check, cash/check at HSBC, online, credit cards in Mar. 2009 | March-Sept-Property, March, June, Sept, Dec-water/sewer | via mail, some at city hall, HSBC, internet via citinet | HSBC Bank | no | no |
| City of Watervliet | Director of Finance, Deputy Director of Finance | Director of Finance, Deputy Director of Finance | Systems East | no | no | yes | cash, check, credit card (internet) | January - September | Tax Office | Bank of America | no | no |
| Town of Berne | Tax Collector Only | Tax Collector | BAS Business Automation Services | yes | no | detail listing of tax rolls open to anyone | one full payment (not; phone'd town, pay; accept cash, check) | 1/1-3/31 | town hall, collector's home | Citizens Bank | No but available | no |
| Town of Bethlehem | Tax Staff-read/update, Building, Engineering, DPW, Comptroller-read only | Tax Department Staff | MIS staff & software vendor | no, but could be through a secure VPN | yes | yes | cash, check, and automatic bank drafts | 12/31-3/31 | Town Hall, mail, automated bank drafting | except for automated bank drafting, do not use bank--do our own processing | yes | yes, OCR |
| Town of Coeymans | Town Clerk, Deputy Town Clerk, 2 PT Clerks | Town Clerk, Deputy Town Clerk, 2 PT Clerks | BAS Business Automation Services | yes | no | yes | cash, check | 1/2-3/1 | town clerk's office | none | no | no |
| Town of Colonie | Some Restrictions Only | All for processing | CCS Technologies & Colonie MIS Dept | no | no | yes | cash, check, credit card | during collection periods set by statute during normal business hours and extended hours | office, in person, mail | none | no | check scanning |
| Town of Green Island | Town Tax Collector | Town Tax Collector | Business Automation Services Inc. of Clifton Park, NY | no | no | yes | cash, check, money order | 1/1-3-31 (Fridays only in Feb, Mar) | town office | none | no | no |
| Town of Guilderland | Receiver, Deputy Receiver, Clerk | Receiver, Deputy Receiver, Clerk | Allen Tunnell Corp. | Yes | yes | yes | cash, check, credit card (Discover Card, Mastercard, Visa) | Property--Jan-Mar., School-Sept-Dec. | Town Tax Office & First Niagara Bank | Chase Bank & First Niagara Bank | Yes & no | yes |
| Town of Knax | Tax Collector, Deputy Tax Collector | Tax Collector, Deputy Tax Collector | BAS | no | no | yes | cash, check | 1/1 - 3/31 | Mailing address for bills, Knox Town Hall on 3 Saturdays in Jan, or by appointment at collector's home | Key Bank | no | no |
| Town of New Scotland | Tax Collector, Deputy Tax Collector | all 3 people | SCA | no | no | yes | cash, check | 1/1 - 4/1 | Town Hall | none | yes | yes |
| Town of Rensselaerville | Town Clerk, Deputy Town Clerk, Collector | Town Clerk and Deputy Town Clerk | McKay Computer Associates | no | no | yes | cash, check, money order | 1/1-3/31 | Rensselaerville Town Hall | none | no | no |
| Town of Westerlo | Clerk/Collector, Deputy | Clerk/Collector, Deputy | BAS | yes | no | yes | cash, check, money order | M,W,F 8am-5pm T, Th 6pm-9pm | Town Clerk, Tax Collector's Office | none | no | no |
| Village of Altamont | Clerk, Treasurer, Deputy Clerk | Clerk, Treasurer, Deputy Clerk | Williamson | no | no | yes | cash, check | Daily 9-4 | Village Office | Key Bank | no | Bank scans checks |
| Village of Colonie | Clerk, Deputy Clerk, Treasurer, Deputy Treasurer | Clerk, Deputy Clerk, Treasurer, Deputy Treasurer | KVS Info Systems | no | no | yes | cash, check | 6/1-10/31 M-F 8.30-4.30 | Village Hall & US Mail | 1st National of Scotia | no | no |
| Village of Green Island | Village Treasurer, Deputy Treasurer, Tax Collector | Mainly Tax Collector with oversight by Village Treasurer | Business Automation Services Inc. of Clifton Park, NY | no | no | yes | cash, check, money order | 6/1-10/31 | Village Office | none | no | no |
| Village of Menands | Clerk II/Clerk-Treasurer | clerk I | KVS | no | no | yes | cash, check | 6/1-10/31 | Village Hall | Key Bank | no | no |
| Village of Ravena | 3 clerks | clerks | KVS | yes | no | yes | cash, check | during business 8:30-4 pm M-F until 11/1 | Village Office | none | no | no |
| Village of Voorheesville | Clerk Treasurer, Deputy Clerk Treasurer | Clerk Treasurer, Deputy Clerk Treasurer | KVS | no | no | no | cash, check, money order | 6/1-10/30 9 am-4 pm | | First Niagara | no | no |

| Jurisdiction | How Changes Processed | Backup Procedures | Security Procedures | Cost of Licensing | Computer-Related Equip. |
|--------------------------|---|--|--|---|--|
| City of Albany | Supervisors | Daily off site storage system. Tape back up every night | Off site storage. Locked, limited access to database hardware. Standard password protocols. | New World, \$75,000 | 13 Desktops, 1 server, 1 Scanner, 13 Handheld Scanners (barcode), 2 printers, 1 copiers |
| City of Cohoes | via treasurer & deputy treasurer | backed up daily by IT manager | users have log-ins and passwords | KVS, \$10000 yearly; Citinet, 6250 yearly | 2 computers, 2 printers, 1 server |
| City of Watervliet | real time | Nightly Tape Backup. Microsoft SQL Maintenance Plan | Each Function has separate security level Password Protected. | N/A | 3 Desktops, 1 Server, 1 Printer |
| Town of Berne | tax collector | Tax collector backs up system weekly, sends copy to town clerk who downloads to town server | only person who can make changes to system is tax collector. Town clerk can only "read" files. | BAS, \$850 | 1 computer, 1 monitor, 1 printer/scanner / fax machine, 1 server (town's backup) |
| Town of Bethlehem | real-time into the system | incremental backup performed nightly. Full system save performed monthly. | security authorization lists, user passwords | none-system purchased in full | 7 desktop PC, 1 laser printer, 3 OCR readers, Town-wide shared iSenes server, 1 shared Windows 2003 server |
| Town of Coeymans | with direction by town clerk to staff | our technician backs up program through server | put in safe | BAS-740 | 3 desktops, 2 printers |
| Town of Colonie | Receiver is responsible | Automatic backup at night on a daily basis. External to tape | password protected | Tax Pro, \$1000 | 6 desktop computers, 2 printers, 1 check scanner |
| Town of Green Island | software modifications are made by Business Automation Services annually | iTax Tax collection system creates a backup file and moves it to a flash drive | can only be accessed by town tax collector | BAS iTax Tax Collection System, \$500 one time license | 1 desktop PC and 1 printer |
| Town of Guilderland | Receiver of Taxes makes adjustments per approved requests to the Assessor | Handled by DRJ Support Services | Handled by DRJ Support Services | Allen Tunnel Corp- \$2100 | 3 desktops, 1 server, 3 printers, 1 copier |
| Town of Knos | on the PC software with supporting paperwork | DVD-RW, 8 GB Lexar | | BAS, 850 | 1 desktop, 1 scanner/printer/copier, 1 fax machine |
| Town of New Scotland | There are procedures within the program that allow for changes. This has security levels. | The network is backed up daily off site | password protected | SCA, \$1470 | 3 desktops, 1 bar code reader, 3 printers |
| Town of Rensselaerville | County Legislature | goes to server | Town Clerk/collector, Deputy town clerk and McKey Computer Associates are the only people that can see into computer | | 1 desktop, 1 printer |
| Town of Westerlo | support from BAS | SQL | Passwords | BAS | 1 Desktop, 1 printer, 1 copier |
| Village of Altamont | update ownership and mailing address | floppy disk and village network backup system | password | | server, 3 desktop, printer, copier |
| Village of Colonie | | | | | 1 server |
| Village of Green Island | software modifications are made by Business Automation Services annually | iTax Tax collection system creates a backup file and moves it to a tape drive which is backed up daily and moved off premises daily. | can only be accessed by village treasurer, and deputy treasurer, and tax collector | BAS iTax Tax Collection System, \$500 one time license | 1 server, 1 desktop PC, 1 printer for tax collector |
| Village of Menands | Clerk I | local server | password protected, backup | KVS, \$2000 | 2 desktops, 1 printer, 1 copier, 1 server |
| Village of Ravena | input by clerks | backup done every night on zip drive & jump drive and transferred to another location | stored in a fireproof locked vault | KVS, \$648 | 2 desktops, 2 printers |
| Village of Voorheesville | | backup to cd and to external hard drive | password protected | tax billing-290, tax collection-90, database-165, NY RPS-85, phone support-1070 | 3 desktops, 2 printers, 1 copier |

Table B-2 (Survey Responses: School Districts)

| Jurisdiction | Staff Access | Staff Inputting Data | User Support | Accessible by Staff via Internet? | Accessible by Property Owners | Can Staff View Indiv. Tax Bills and payment status? | Payment Methods | When Accepted? | Where Accepted? | What Bank? | Bar Coding? | Scanning? |
|---|---|--|------------------------------|-----------------------------------|-------------------------------|---|--|--|--|----------------------------|-------------|-----------|
| Albany City School District | Tax Collector | Tax collector /NERIC | NERIC | no | no | yes | checks (by mail) checks/cash (at bank) | Sept 1 - Nov 15 (through February 28 for installments) | Key Bank 60 State Street Albany | NERIC | yes | yes |
| Berne-Knox-Westerlo CSD | Tax Collector and 3 work stations | Data Entry, Coordinators, Programmers (NERIC) | Capital Region BOCES - NERIC | no | no | yes | check | 9/1-10/31 | PO Box in Albany Key Bank in Alamont | Key Bank | yes | yes |
| Bethlehem CSD (Town of New Scotland ONLY) | Tax Collector | Tax Collector | N/A | no | no | no | check | 9/1-11/1 | P.O Box | T.D Banknorth | no | no |
| Cairo Durham CSD | Tax Collector, Treasurer | Tax Collector | Info-tax | no | no | yes | cash, check | 9/1-10/31 | Bank of Greene Co. | Bank of Greene Co. | no | no |
| Cohoes City School Dist. | all business office (8) | Tax Collector, Treasurer, Deputy Treasurer | Info-tax | yes | yes | yes | cash, check | 9/1-4/30 | HSBC Bank (local) | HSBC Bank | no | no |
| Duanesburg CSD | Tax Collector, Business Manager | Tax Collector | Capital Region BOCES | no | no | yes | cash, check, money order | 9-3 M-F, Sept-Oct | Business Office of DCS | NBT for deposits | yes | yes |
| Greenville | 3 Business Office Staff | Tax Collector | InfoFund | no | no | yes | all | Sept 1 - Oct 31 | local bank | National Bank of Coxsackie | no | no |
| Guilderland CSD | Senior Account Clerk | Senior Account Clerk | n/a | no | no | yes | cash, check | 9/1-10/31 | Guilderland C.S.D. District Office | 1st Niagara | no | no |
| Mansville/Waterford | 3 Business Office Staff | Tax Collector | BOCES | yes | no | yes | cash, check | July and January | Business Office | none | yes | yes |
| Ravena Coeymans Selkirk CSD | Management Confidential, secretary | Tax Collector | UCIS systems | no | no | yes | cash, check, money order | 9/1-10/30 | National Bank of Coxsackie, or District Office | National Bank of Coxsackie | no | no |
| Voorheesville CSD | Tax Collector, District Treasurer, Asst. Superintendent for Business, Secretary to Superintendent | Tax Collector, Asst. Superintendent for Business | BOCES | no | no | yes | cash, check, money order | sept & oct, business days from 8:30 am-4:30 pm | District Office Voorheesville Central School | Key Bank | yes | no |

| Jurisdiction | Total Staff | FTE | Share Collection? | Parcel Covered | Budget | Hi-Speed Internet? | Software: House Data | Software: Access Data | Software: Analyze Data | Software: Report Data | Database Location | Staff Maintaining Data | Staff Maintaining System | Maintenance/Support Cost |
|---|----------------------------------|------|------------------------|----------------|-----------|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------|--|---------------------------------|--|
| Albany City School District | 1 | 1 | no | 30000 | \$102,700 | yes | TB2000/ Access | TB2000 | TB2000 | TB2000 | Capital Region BOCES - NERIC | NERIC | NERIC | \$37,098 |
| Berne-Knox-Westerlo CSD | BOCES Collection Services + 1 PT | 1 | no | 4278 | \$17,790 | yes | TB2000/ Access | TB2000 | TB2000 | TB2000 | Capital Region BOCES - NERIC | Capital Region BOCES - NERIC | Capital Region BOCES - NERIC | \$10320 Included in BOCES Tax Collection |
| Bethlehem CSD (Town of New Scotland ONLY) | 3 | 0.5 | yes, Town of Bethlehem | 980 | \$8,500 | yes | Excel | Excel | Excel | Excel | Local Server | Tax Collector | N/A | N/A |
| Cairo Durham CSD | 3 | 1.25 | no | 6816 | \$12,467 | yes | info-tax software | info-tax software | excel | info-tax software | Local Server | Tax Collector, Treasurer | Tax Collector, Treasurer | \$795 |
| Cohoes City School Dist. | 2.5 | 1 | no | 5220 | \$21,200 | yes | info-tax | info-tax, Adobe | info-tax, Excel | Info-tax | Local Server | Tax Collector, Treasurer, Deputy Treasurer | IT, Deputy Treasurer, Treasurer | \$1,400 |
| Duanesburg CSD | 1 | 1 | no | 2700 | \$9,800 | yes | TB2000 | TB2000 | TB2000 | TB2000 | Local Server | Tax Collector | Technology Coordinator | \$6,000 |
| Greenville | 1 | 0.25 | no | 6200 | \$8,306 | yes | InfoTax (provided by Customer Linx) | Local Server | Tax Collector | Director of IT | \$795.00 |
| Guilderland CSD | 1 | 0.5 | no | 186 | \$693,789 | no | Access/Excel | Access/Excel | Access | Access/Excel | Local Server | Sr. Account Clerk | Chief Tech Specialist | \$0 |
| Mansville/Waterford | 0 | 3 | no | 3701 | \$12,580 | yes | TB2000 | TB2000 | TB2000 | TB2000 | BOCES server | Tax Collector | BOCES | \$6,000 |
| Ravena Coeymans Selkirk CSD | 1 | 0.75 | yes, Town of Bethlehem | 3980 | \$17,000 | yes | UCIS System | UCIS System | UCIS System | UCIS System | Local Server | Tax Collector, 1 Secretary | Business Administrator | |
| Voorheesville CSD | 1 | 0.25 | no | 3425 | \$16,580 | yes | TB2000 (BOCES) | TB2000 (BOCES) | TB2000 (BOCES) | TB2000 (BOCES) | Local Server | Tax Collector | Technology Coordinator | \$6500 (BOCES) |

| Jurisdiction | How Changes Processed | Backup Procedures | Security Procedures | Cost of Licensing | Computer-Related Equip. |
|---|---|--|--|----------------------------------|--|
| Albany City School District | communicated to NERIC | 2 back ups daily, stored off site | login and password required | TB2000, \$37098 includes support | server, 2 PCs, printer |
| Berne-Knox-Westerlo CSD | Tax collector communicates changes to BOCES to be | Back-up 2 times daily, stored off site | 2 sets of password/sign on screens | TB2000, \$1378 | Server, PC, printer, barcode reader, fax |
| Bethlehem CSD (Town of New Scotland ONLY) | Tax Collector | | | N/A | 1 desktop, 1 printer |
| Cairo Durham CSD | tax collector/treasurer enters | tapes changed daily | password protected | info-tax, 795 | 1 desktop, 1 printer |
| Cubaer City School Dist. | manually | on local server via tapes | user ID, password protected | info-tax, 1400 | 1 desktop, 2 laptops, 1 server, 3 printers |
| Duanesburg CSD | Tax Collector | daily by Central Ofc Staff (usually tax collector) | server holding data is locked in vault | | 1 desktop, 1 server, 1 bar code reader, 1 printer/copier |
| Greenville | | everyday by IT director | | InfoFund, \$795 | 1 desktop, 1 shared printer |
| Guilderland CSD | individually inputted | weekly backup to server | password protected | | 1 desktop, 1 printer, 1 copier, 1 server |
| Mansville/Watervliet | Tax Collector | BOCES - daily | Limited Access, Password Protected | N/A | 3 Desktops, 2 Bar Code readers, 1 Printer |
| Ravens Coeymans Selkirk CSD | by tax collector | provided by UCIS | besides tax collector, 1 staff member has access | | 2 desktops |
| Voorheesville CSD | BOCES | external tape stored off site | limited access by password | TB2000, \$6500 | 1 desktop, 1 printer, 1 copier, 1 bar code reader |

Table B-3 (Tax Collector Survey Responses and Meeting Attendees)

| Tax Collector Participation | | | | | |
|------------------------------------|----------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|
| Type | Survey | | | Meeting | |
| | Total Jurisdictions | Total Received | Percentage Received | Total Represented | Percentage Represented |
| City | 3 | 2 | 67% | 2 | 67% |
| Town | 10 | 10 | 100% | 5 | 50% |
| Village | 6 | 6 | 100% | 2 | 33% |
| School | 20 | 16 | 80% | 10 | 67% |
| Total | 39 | 34 | 87% | 19 | 49% |

| Attendees of Tax Collectors Meeting held February 11, 2009 | |
|---|---|
| Name | Jurisdiction |
| Chris DeWitt <i>Tax Collector</i> | Albany City School District |
| Deborah Baron <i>Tax Collector</i> | Voorheesville Central School District |
| Diane Dechenes <i>Tax Collector</i> | Town of New Scotland |
| Linda Pasquali <i>Clerk/Treasurer</i> | Village of Voorheesville |
| Kathy Haas <i>Clerk/Treasurer</i> | Village of Colonie |
| Frank Leak <i>Mayor</i> | Village of Colonie |
| Gerald O'Malley <i>Tax Collector</i> | Town of Berne |
| Michele Zilgme <i>Receiver of Taxes</i> | Town of Colonie and following School Districts: Menands, S. Colonie, N. Colonie, Niskayuna, Mohonasen |
| Colleen Hytko <i>Treasurer</i> | City of Cohoes |
| Adam Hotaling <i>Tax Collector</i> | Cohoes City School District |
| Nancy Mendick <i>Receiver of Taxes</i> | Town of Bethlehem |
| Cindy Vatararo <i>Deputy Town Clerk</i> | Town of Coeymans |
| Diane Millious <i>Town Clerk</i> | Town of Coeymans |
| Betty Barnette <i>Treasurer</i> | City of Albany |
| Norma Henness <i>Tax Collector</i> | Town of Knox and Town of New Scotland, Guilderland School District |
| Shawn Conners <i>Applications Developer</i> | Capital Region BOCES |

Table B-4: Delinquency & Foreclosure Statistics and Process Overview
Data and Information provided by the Albany County Division of Finance

| Table B-4: Actual Delinquency Statistics for 2003 and 2004, City of Albany Only | | |
|--|-------------|-------------|
| | 2003 | 2004 |
| Bills Received* | 6200 | 6100 |
| Delinquency Notices Sent | 3435 | 3804 |
| <i>Percent of Bills Received</i> | 55% | 62% |
| List of Delinquent Taxes | 704 | 1229 |
| <i>Percent of Bills Received</i> | 11% | 20% |
| Sent to Title Search | 313 | 454 |
| <i>Percent of Bills Received</i> | 5% | 7% |
| Petition and Notice of Foreclosure | 221 | 297 |
| <i>Percent of Bills Received</i> | 4% | 5% |

**Number received needs verification*

Process Overview:

1. Yearly unpaid tax bills turned over to County for collection;
2. Delinquency Notices Mailed within 45 days of receipt of taxes—Installment Plan offered: approximately **4,500 1st Class** letters (*some properties in Albany City have unpaid School and Property bills for any given lien year, School re-levied onto Town bills thus only one bill is turned over to the County);
3. **List of Delinquent Taxes** (LofDT) filed about 1 year later: approximately **2000 properties** (*some properties in Albany City have unpaid School and Property bills for any given lien year, School re-levied onto Town bills thus only one bill is turned over to the County);
4. Yearly **Notice of Arrears** letters mailed by County for all lien years not in foreclosure — approximately **5,000 1st Class** letters (2003-2008 lien years mailed in November 2008)--returns looked up in ACCURINT database, re-sent to any address that appears there (may not be owner), address data not retained;
5. **Electronic file** sent to Localities for NOTICE OF ARREARS posting on January Tax bills—December each year, contains all that have unpaid taxes (1964-2008, for instance);
6. If taxes are unpaid after 3 years, all unpaids by lien year are sent out to **title search**
7. Title Search is a paper intensive process—takes about 3-4 months to complete reviews and mail notices (details below if needed). About **750-1,000** Properties countywide are sent notices in any given year. Due to requirements of law (lien holders, certified and 1st Class mail, etc.) there are about 7,500 pieces of mail generated;
8. Anything left unpaid is foreclosed—County takes deed. The County has been averaging less than **200** properties taken for any given lien year. The properties in the Towns tend to pay at a higher rate than the City of Albany, where more distressed structures exist.

Title search sent to 3rd party vendor—cost of \$185 per search, added to tax bill. Hard copy of searches are returned in about 3 months—broken up by City of Albany, City of Cohoes, City of Watervliet, Towns—too much volume to do them all simultaneously

Review and verification process takes another 3 months:

Note from Foreclosure Unit:

First step is getting the searches back and checking them. They need to be checked for accuracy making sure we have all the attachments, reference the correct parcels, etc. Typos in address, parcel IDs, et. are caught at this stage. If not accurate, foreclosure can be challenged in

court and overturned. If lien holder is missed, their lien is not extinguished by County action, clouding title. Accuracy is more important than speed. The envelopes received with the search, 2 for each address for owners and for lien holders/ judgment creditors/mortgage holders are matched to the addresses identified in the search. This process takes on average 30 to 45 minutes per search but can take as long as 1 ½ hours depending on the size of the search and number of envelopes. Extreme examples are 50+ envelopes for one search. Generally averages to 15 per search.

Processing the Mailing begins once the review of searches is complete. A legal mailing date is set and foreclosure documents printed containing that date. These are copied and collated, stapled to ensure that identical copies of the forms are inserted as-is into the envelopes (1 set 1st Class, 1 set Certified by law):

*Excel spread sheet listing all the parcels is mail merged to the **Tax Enforcement Statement** so the information for each parcel is shown on the bottom of the page. This merged document is then attached to the Petition and Notice of Foreclosure as exhibit "A") This takes on average 3 hours. Sometimes names have to be changed under new owner and "also known as" a/k/a designations.*

*The Tax Enforcement Statement for each parcel and its corresponding envelopes and labels are collated. Staff count the envelopes and make that many copies of the Statement. Then **labels are placed on the Statement** that correspond with the envelope address. After the labels are all on, **2 copies are made**, one for County files and one for the affidavit of mailing. Staple each Tax Enforcement Statement to a copy of the Petition and Notice of Foreclosure and bundle it all up with the envelopes and the certified slips and it is about ready to be stuffed. All this takes about 30 minutes on average for a parcel but could be an hour or so depending on how many envelopes.*

Tax Enforcement Statement and Petition and Notice of Foreclosure are matched to the corresponding envelope and the certified mail form/receipt is placed onto one of the envelopes. This takes about 10 minutes a parcel on average and can take as long as 30 depending on the amount of envelopes.

FYI--envelopes are manually stuffed and sealed, matching the addresses on the certified mail receipt, envelope and collated foreclosure paperwork. Given the legal proscribed form and required affidavit of mailing, the County cannot outsource this to a mail house—not set up for automated processing (inserts too large, certified mail receipts on envelopes).

Whole mailing delivered to the County mailroom the day prior to mailing and metered with date on Tax Statement. Finance staff deliver to the Post Office, then sign an affidavit of mailing stating that the letters were handled as stated above and entered into the mail system on that date (matches date on inserts—see merged Tax Enforcement/Petition and Notice above). Post Office stamps the certified slips and returns them to the County.

Note: where both 1st Class and Certified mailing for any lienholder or owner are returned undeliverable, the County is required to post the premises and/or business offices of the lienholder. Additionally, the county is required to request forwarding address information from the destination ZIP Code in writing. This would be the same PO that returned the mail as undeliverable. A 3-6 month window apparently exists for forwarding-order-expired records before the new address data is deleted. From a practical standpoint the county posts all unpaid properties twice during this period to comply with the intent of the law. The returns for lien holders are sorted separately to ensure that returns are processed in accordance with law.

Once 90-day Period of Redemption has ended, the county completes paperwork and submits judgment to the Courts. Court review can take 30-90 days (longer in the event that the military attorney review has not been received) and has taken up to a year. Judge signs judgment, County files deed. **The County took title to 38 properties in 2007, and approximately 190 in 2008.**

A Review of Property Tax Assessment Options for Chemung County

February, 2009

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A Review of Property Tax Assessment Options for Chemung County

February, 2009

EXECUTIVE SUMMARY

According to New York State's Office of Real Property Services (ORPS), New York is one of only three states nationwide without a statewide uniform level of assessment. Furthermore, it is one of twelve states without a statewide requirement for how often a reassessment must happen. There are over 1100 assessing jurisdictions, 700 school districts and 1000 other special purpose districts that are non-contiguous and serve to make property assessment complicated and confusing to property owners.

In the fall of 2007, ORPS established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local property tax systems. Chemung County was one of 51 counties to receive a CPTAP grant to explore opportunities for collaborative assessment. Early in 2009, the County engaged CGR Inc. (Center for Governmental Research) to conduct its centralized property tax study.

The study completed by CGR and detailed in this report conforms to analytical and reporting parameters established by the State Office of Real Property Services. ORPS identified a series of specific assessment models to be analyzed and reported on in each county that received a CPTAP grant. The parameters for the collaborative assessment study can be viewed online via the Office of Real Property Services website at

<http://www.orps.state.ny.us/cptap/resources/CPTAPCollectionOutline.pdf>.

ORPS' officials have been clear throughout the process that the program is not intended to force change towards a county-run assessment system. Rather, its goal is to have authorities develop assessment models that uniformly affect every parcel within respective counties, and which result in the following performance standards:

1. a common level of assessment for all assessing units within each county;

2. a common database of assessment, inventory, pictures and valuation data for all the assessing units within each county; and
3. consistent assessment administration standards (i.e. regular reassessment cycles; timely verification, correction and transmittal of sales data; and current and accurate inventory collection and maintenance) for all assessing units within each county.

Working to better understand the process, sharing ideas for how to collaborate and moving to a common standard throughout the County could enhance current assessment practices and benefit taxpayers through:

- *equity* - A system that provides a mechanism for obtaining and maintaining equitable assessments;
- *transparency* - A system that is understandable to taxpayers; and
- *efficiency* - A system that functions efficiently and consistently across the County.

Importantly, ORPS notes, “the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike.”

Working within these guidelines, CGR collected data and interviewed key stakeholders in the community to help establish a baseline of operations in the County. Some key findings from within the Chemung County assessment community are as follows:

- jurisdictions struggle with limited resources for staffing and salaries for professional services;
- taxpayers express frustration regarding reassessments and property tax administration;
- assessment valuation and data collection standards vary across the County (including outside contractors);
- standards by which assessors serve the public and conduct reassessments vary by individual;
- there is need for technology improvements and/or Internet access for the more rural assessment offices;

- public officials have a limited knowledge of the property assessment process creating both anxiety and even a lack of interest in actually making any changes;
- local assessors express concern that local budgets and staffing patterns do not necessarily represent the workload that is required to properly carry out the duties and functions of assessment;
- the County has taken significant steps towards adopting common assessment standards and by 2010, eight out of 12 assessing units will have an LOA of 100 percent due to reassessment projects;
- New York State aid is absolutely critical to helping local municipalities upgrade their data and conduct reassessments; and
- New York State may need to adopt a mandatory statewide cycle bill in order to achieve common levels of assessment across the State.

Currently six towns in the County are in the annual reassessment program and annually maintain assessments at full market value. The town of Elmira will complete a reassessment project for the 2009 assessment roll and the town of Veteran will complete a project for the 2010 assessment roll. The towns of Ashland and Baldwin have not done a reassessment in decades. The town of Erin and the City of Elmira completed reassessments in 2002 and 1995, respectively.

The common level of assessment assumed for this report's analysis is 100 percent of market value. To reach this benchmark, Ashland, Baldwin, Erin and the City of Elmira would have to do complete reassessment projects, while the aforementioned eight towns must update/maintain assessments at full market value. Ashland, Baldwin, Erin and the City of Elmira have current levels of assessment ranging from 2.02 to 92 percent of full value.

In documenting the extent of diversity in current assessment process, approach, level and output in Chemung County, this report establishes a baseline foundation for making decisions going forward. While specific reform concepts will no doubt require additional analysis and consideration of detailed components, a full understanding of the baseline delivery of assessment services is essential to beginning any change process.

Using the baseline information, CGR considered the cost/benefit implications of four assessment options in comparison to the *status quo*:

1. County-run assessment system;

2. County-coordinated assessment system;
3. Localized coordinated assessment systems; and
4. Towns contracting with the County.

In addition to these four primary options, CGR also considered intermediate options that would serve as preliminary steps towards building a more robust County assessment operation.

Each option that CGR analyzed is comprised of two primary cost considerations: Transition costs and operating costs. The current assessment operation in Chemung County costs roughly \$530,000, which includes municipal and County budgets along with anticipated revenue. Relative to this baseline aggregate cost:

- the County-run option would cost approximately \$465,000. Thus, a County-run operation would likely yield savings of close to \$65,000 in ongoing operational expense.
 - one-time transitional costs would net to \$427,000 to transition into a County-run option.
 - a County-run option requires two separate public referenda and several other steps to synchronize assessment calendars and upgrade LOAs to 100 across the County.
- the County CAP option would likely cost about \$530,000 in ongoing operations. Thus, while more expensive than the County-run model, it is break-even compared to current operations with some potential benefits in terms of implementation and future efficiency.
 - one-time transitional costs would net to \$41,800 to transition to a CCAP.
 - the CCAP does not require referenda but could be accomplished through action by local municipal boards.
 - similar considerations to the County-run model include synchronizing assessment calendars and achieving a LOA of 100 across all jurisdictions.
- other models, including those just mentioned are detailed in Table A-7 in the appendix and explained in detail in the report.

Other ideas that were explored involved the County being more actively involved in commercial appraisals and exemption services, and

establishing common assessment standards for all assessing jurisdictions. The County could also be more proactive in establishing a synchronized assessment calendar for all jurisdictions as well as a synchronized reassessment schedule.

It is not the intent of the grant or this study to recommend, promote or identify every operational detail of one option or model over other alternatives. Rather, this analysis and report intends to provide County and local officials with a cost/benefit analysis of a series of assessment models identified by ORPS. With that information, County and local officials will be well positioned to make future decisions regarding Chemung County's assessment system. The intent of this report and the information contained herein is, in the most basic sense, *to empower real property tax officials at the County and local level to make decisions regarding the future of assessment administration in the Chemung County community.*

Acknowledgements

CGR acknowledges the assistance of many Chemung County and municipal officials during the course of this project. Lynne Cole-Gott and Evelyn Arnold from Chemung County's Real Property Tax Services Office provided data assistance and insight into Chemung County's assessment process. Local assessors and town supervisors supplied financial and operational data essential to completing a comprehensive analysis. Local assessors and County officials also made themselves available for in-person interviews to discuss the current assessment system and opportunities for improvement.

CGR would also like to thank Catherine Cullivan and Janet Lasell from the New York State Office of Real Property Services Central Region Office for providing data and perspective to help complete our study.

Staff Team

Scott Sittig, Senior Research Associate at CGR, managed this project and completed major data analysis and report writing. Joseph Stefko, Ph.D., CGR's Director of Public Finance, directed the engagement. Additional staff support and research was provided by CGR Research Associate Katherine Corley.

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INTRODUCTION

In the fall of 2007, New York State's Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local real property assessment and tax administration systems. According to ORPS, New York is one of only three states nationwide that does not have a statewide uniform level of assessment. Further, it is one of twelve states which do not have a statewide requirement for how often a reassessment must happen.

New York has 1,128 separate assessing units, compared to a national per state median of 85 units. It is one of only seven states which have over 500 assessing jurisdictions. By contrast, thirty states have less than 100. New York's assessing picture is further complicated by nearly 700 school districts and approximately 1,000 other special purpose districts (*e.g.* fire and library districts) which can impose property taxes and are not contiguous with the 1,128 assessing jurisdictions.

In an effort to explore reform opportunities, New York State created the CPTAP grant program as a tool for counties to document their assessment and tax administration systems and consider alternative models. ORPS officials have been clear throughout the process that the program is not intended to force change towards a county-run assessment system. Rather, its goal is to have authorities develop assessment models that uniformly affect every parcel within respective counties, and which result in the following performance standards:

1. a common level of assessment for all assessing units within each county;
2. a common database of assessment, inventory, pictures and valuation data for all the assessing units within each county; and
3. consistent assessment administration standards (*i.e.* regular reassessment cycles; timely verification, correction and transmittal of sales data; and current and accurate inventory collection and maintenance) for all assessing units within each county.

Stated differently, ORPS' goal is to enhance current assessment practices statewide on the following standards:

- *equity* - A system that provides a mechanism for obtaining and maintaining equitable assessments;
- *transparency* - A system that is understandable to taxpayers; and

- *efficiency* - A system that functions efficiently and consistently across a county.

Only two counties in New York State, Nassau and Tompkins, operate under a fully county-run assessing system. In all other counties, levels of assessment (LOA) and reassessment schedules vary greatly from one municipality to another. According to ORPS, the discrepancies are large. By way of example, one county has an equalization rate range of 0.83 to 101.3, with some municipalities maintaining 100 percent assessments while neighboring jurisdictions have not reassessed since the Civil War. The resulting disparities create challenges for the State and counties, not to mention confusion for taxpayers, particularly regarding apportionment of school and county tax levies.

A report issued in the spring of 2008 by the New York State Commission on Local Government Efficiency and Competitiveness highlighted this fragmentation and the disparities in the system, and recommended that assessment functions across the State be consolidated at the county level. The transition to county-run assessment programs was acknowledged to potentially cost more money in some locations, but the Commission believed that a centralized system would be more efficient; make better use of professional expertise; and enhance equity and transparency.

The foregoing is provided as context for this CPTAP study. It is not the intent of the grant or this study to recommend or even promote one option or model over other alternatives. Rather, this analysis and report intends to provide County and local officials with a cost/benefit analysis of a series of assessment models identified by ORPS. With that information, County and local officials will be well positioned to make future decisions regarding Chemung County's assessment system.

THE EXISTING ASSESSMENT SYSTEM IN CHEMUNG COUNTY

The property tax assessment system in Chemung County operates in a decentralized fashion with the County Real Property Tax Services (RPTS) Office providing required services to local assessors. Within the past year, the County created the full-time position of Director of RPTS to replace a part-time Director that was shared with Schuyler County. This new staffing capacity creates new opportunities to provide some more services at the County level that could not have been offered previously. In addition, the County has facilitated for many years the use of a real-time centralized Real Property Services database. Until recently, this database was housed offsite and maintained by an independent contractor. As of

February 2009, the database will be physically relocated in the County office building and maintained by County staff.

In addition to these County actions, several local jurisdictions have taken steps to consolidate their assessment functions. There is one Coordinated Assessment Program (CAP) in the County, and there are many instances of assessors sharing assessment responsibilities for multiple jurisdictions. Further steps have been considered as local jurisdictions struggle with limited resources and taxpayers express frustration regarding reassessments and property tax administration.

Chemung County applied for the CPTAP grant to document its current assessment system in order to provide a benchmark from which to ascertain future opportunities for efficiency. Assessment valuation and data collection standards vary across the County (including outside contractors), and the standards by which assessors serve the public and conduct assessments vary by individual. Complicating the situation in Chemung County is the presence of the City of Elmira, which not only has the most parcels, but also operates on a completely different assessment calendar than the rest of the assessing jurisdictions.

To document the current assessment system in Chemung County, CGR obtained data from several different sources. Primary data came from a survey of all town assessors and town supervisors. CGR also obtained and analyzed sales and parcel data for the entire County from ORPS, as well as directly from the County RPTS office. During the process, CGR interviewed the person then serving as the County RPTS Director, the current County RPTS Deputy Director, the Deputy County Executive, the County Planning Commissioner, the City of Elmira City Manager and Assessor for the Town of Southport and City of Elmira. In addition, CGR attended and facilitated a meeting of the County's local assessors' group and the Rural Association of Mayors and Supervisors. These facilitated meetings provided an opportunity to discuss the study, current practices and opportunities to improve the assessment process for jurisdictions countywide.

The following sections detail the current assessment budgets and operations for all assessing jurisdictions in Chemung County. As noted below, a series of tables are included in the appendix with detailed information on each assessing unit in the County.

Structure and Staffing

Property assessment services in Chemung County are divided between eleven towns and one city:

- City of Elmira

- Town of Elmira
- Town of Southport
- Town of Chemung
- Town of Catlin
- Town of Van Etten
- Town of Big Flats
- Town of Horseheads
- Town of Ashland
- Town of Baldwin
- Town of Erin
- Town of Veteran

Several of the assessing jurisdictions have entered into collaborative arrangements in recent years. Pursuant to sections 1537 and 1573 of the Real Property Tax Services Law, in 2008 the Towns of Chemung and Van Etten created a coordinated assessment program (CAP) with the Town of Barton in Tioga County. While this is the only official CAP in the County, 60 percent of the remaining units currently share an assessor with at least one other town. **Tables A-1 and A-2** in the appendix presents staffing and other overview information for each assessing unit.

Municipal Level

There are eight individual assessors and no three-person boards covering the twelve assessing jurisdictions. Of the eight individual assessors, all are appointed to their position. As identified in **Table A-2** of the appendix, there are 22 total assessment staff persons across the twelve assessment units (including the assessors). Not all are full-time, and the 22 positions translate into 11.3 full-time equivalent (FTE) positions. Each unit averages 1.8 staff positions, or the equivalent of 0.9 FTE.

There is only one assessor who does not meet the State's certification requirements to be an assessor.¹ The assessor is in compliance with the State Board of Real Property Services as she is in the training process within official timelines to receive her certification. Five assessors in the county have received state designation as "advanced"²; there is one assessor designated as "professional"³ through the Institute of Assessing

¹ State Certified Assessor (SCA) is the minimal certification, requires training in a state certified program and must be completed within three years of the first appointment.

² State Certified Assessor Advanced (SCAA) designation requires extra coursework provided by NYS beyond the SCA certification.

³ Professional designation (SCAP) requires coursework and passing a five-hour exam administered by the IAO. Any NYS assessor can be a member of the IAO without having the "professional" designation.

Officers (IAO) in New York State. Two assessors are also state licensed real estate appraisers.

The average assessing unit in Chemung County reported being open for 26 office hours per week, staffed by the assessor and/or one of the support staff. According to assessment staff, over 59 percent of office hours on average are devoted to customer service issues.

The International Association of Assessing Officers (IAAO)⁴ has established benchmarks for average number of staff per parcel. For jurisdictions that have systems supported by computers, the average number of parcels per FTE employee is approximately 2,000. For those without computer support, the average is roughly 1,800. Interviews with assessors from both Chemung County and elsewhere in New York State revealed that it is not uncommon for the parcels-per-FTE ratio to be 3,500 or more depending on the municipality and the type of parcels involved.

Information gleaned from the surveys revealed the range in parcels per FTE was broad – the lowest parcels-per-FTE ratio was 1,460, while the highest was 15,493. It is important to note that this disparity should be interpreted in terms of effort being expended by assessors, not necessarily in terms of actual parcels covered by one FTE staff person. Five Chemung County assessing jurisdiction have a FTE staff person covering more than 2,500 parcels⁵. All other jurisdictions that have ratios in excess of 2,500 parcels-per-FTE have less than one FTE covering all the parcels. Again, this represents a level of effort expended by these local assessors that exceeds the level of effort expended by other jurisdictions with fewer parcels per FTE.

Local assessors did express concern that local budgets and staffing patterns do not necessarily represent the workload required to carry out the duties and functions of assessment properly. The above figures seem to underscore their observation. The assessor with a parcel ratio of 15,493 is likely not able to provide the same quality of service as the assessor who is carrying a parcel ratio significantly less than that.

County Level (RPTS)

The County operates a Real Property Tax Service office currently staffed with three FTE individuals. For many years, the County shared a part-time Director for this office with Schuyler County. As of 2008, the part-

⁴ www.iaao.org

⁵ The City of Elmira, Town of Big Flats, Town of Elmira, Town of Horseheads, and the Town of Southport all have FTE ratios in excess of 2,500.

time Director decided to work full-time in Schuyler County, creating a vacancy for the part-time position in Chemung County. Chemung County transitioned the part-time position to full-time and appointed an interim Director of RPTS. As of the writing of this report, ORPS has determined that the interim Director does not have sufficient credentials to fulfill the role as a permanent Director, thus leaving the County in a position to decide what to do with the current staff person as well as how to staff the Director position. Discussions are under way and subject to change, but preliminary thought is that the County will at least maintain the position as a full-time position.

Two other staff persons (2 FTE) report to the Interim Director. One staff person serves as the Deputy Director and provides clerical support for the office, while the other staff person was recently hired to provide tax-mapping services to all the local jurisdictions.

For 2009, the County has budgeted \$243,000 for the RPTS office. After revenues are subtracted, the RPTS office presents no net cost to County residents (*i.e.* revenues exceed budgeted costs by \$161,000). In other words, even with the new staff addition, the County RPTS office is currently expected to generate net revenue for the County budget.

Some of the services that the County provides in support of the assessment function are as follows:

- tax levy coordination and calculation of tax rates for County and Town tax extensions;
- printing of tentative and final assessment rolls;
- printing and sending out disclosure notices at town's request;
- data mailers at town's request;
- processing and printing of tax rolls for the villages and the City of Elmira;
- processing and printing of tax rolls and bills for the towns and County;
- Board of Assessment Review (BAR) training;
- maintaining tax maps and printing new cards after map changes for the County of Chemung and the County of Schuyler.
- assessor orientation and ongoing RPTL procedural guidance (in conjunction with ORPS);
- printing of assessor annual reports;
- facilitating deed and sales transmittals to ORPS, updating the name and address file of bank codes and adding new bank name and address information.
- New York State RPS V4 'software' updates and database administrative updates;

- preparing agreements and invoices and providing GIS information on CD to various clients.
- providing reports to towns, villages, fire departments, school districts, other County departments, businesses and the public;
- processing applications for corrected tax bills; and
- preparing letters of omitted taxes after exemption removal from parcels.
- preparing and mailing PILOT bills and receiving payment.
- receiving escrow account data and distribute to assessors.
- analyzing and trending data;
- printing enhanced STAR renewal forms for the towns, city and not-for-profits;
- helping abstractors and property owners either in the office or on the phone;
- serving as member of the Agricultural Land and Farm Protection Board.

Many of these services are provided pursuant to state statute.

Parcel Characteristics

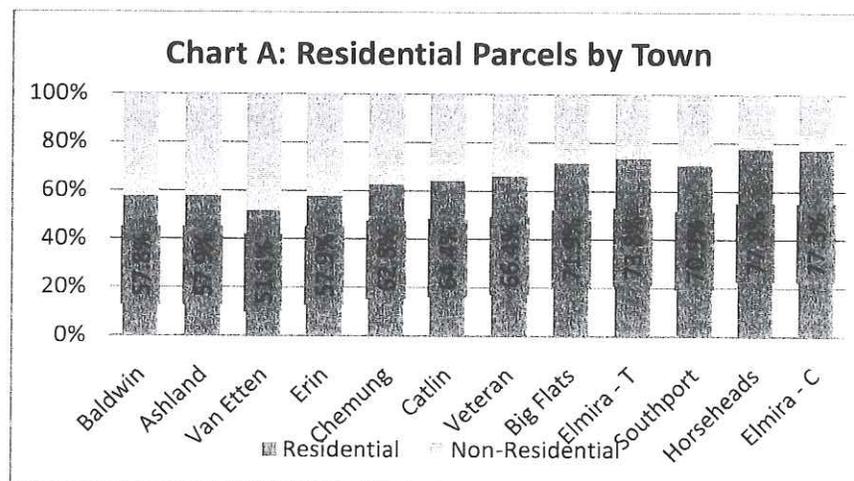
Chemung County contains 39,496 property parcels, over seventy percent of which are classified as residential (see **Table A**). Reflecting the County’s rural character, the next highest classification is vacant land. Commercial class parcels are the third most common property class in the County with slightly more than five percent of the total property class designation. Commercial and Industrial classifications combined account for around 5.8 percent of all parcels in the County.

| Table A: County Parcels by Property Class | | |
|--|----------------|---------------|
| <i>Property Class</i> | <i>Parcels</i> | <i>%</i> |
| Recreation & Entertainment | 108 | 0.3% |
| Industrial | 185 | 0.5% |
| Wild, Conservation & Public Park | 289 | 0.7% |
| Agricultural | 347 | 0.9% |
| Public Services | 521 | 1.3% |
| Community Service | 527 | 1.3% |
| Commercial | 2,107 | 5.3% |
| Vacant | 6,899 | 17.5% |
| Residential | 28,513 | 72.2% |
| Total | 39,496 | 100.0% |

As shown in **Table B**, the City of Elmira has the most total parcels in the County (9,745, or 24.7 percent of the total). The City of Elmira also contains the largest percentage of residential properties (26.4 percent of all County residential parcels). The Town of Baldwin has the fewest total parcels at 550 (1.4 percent of all County parcels) and the fewest residential parcels (318 parcels or 1.1 percent of the total residential parcels in the County).

| <i>Town</i> | <i>Parcels</i> | <i>%</i> |
|--------------------|----------------|---------------|
| Town of Baldwin | 550 | 1.4% |
| Town of Ashland | 730 | 1.8% |
| Town of Van Etten | 1,162 | 2.9% |
| Town of Erin | 1,236 | 3.1% |
| Town of Catlin | 1,396 | 3.5% |
| Town of Chemung | 1,459 | 3.7% |
| Town of Veteran | 1,817 | 4.6% |
| Town of Elmira | 3,794 | 9.6% |
| Town of Big Flats | 3,917 | 9.9% |
| Town of Southport | 5,426 | 13.7% |
| Town of Horseheads | 8,264 | 20.9% |
| City of Elmira | 9,745 | 24.7% |
| Total | 39,496 | 100.0% |

Chart A below displays the percentage of total parcels per town that are classified as residential. The Town of Horseheads and City of Elmira have the highest percentage of total parcels classified as residential; Van Etten has the lowest concentration of residential parcels.



Budgets and State Aid

For the most recent year, Chemung County's local assessment functions reported spending approximately \$760,000⁶. This averaged out to \$63,300 per assessing unit, or roughly two percent of the average municipal budget. The median budget for assessment was \$32,500, revealing the upward pull on the average due to the larger jurisdictions in the County. **Table A-3** in the appendix details the breakdown for each jurisdiction.

The "cost per parcel" of local assessment functions ranges from \$9.21 in the least expensive municipality to \$27.55 in the most expensive. In other words, the municipality with the highest cost-per-parcel ratio in the County is paying almost 200 percent more than the lowest cost municipality. On average, the cost per parcel across all towns in the County is \$19.24. The median value is \$16.20. Full details on this information can be found in **Table A-3** of the appendix.

The municipalities receive state aid for a variety of reasons. Six of the assessing units receive aid annually as part of their enrollment in the six-year reassessment plan. Only the Town of Erin and the CAP of Chemung and Van Etten receive triennial state aid. Chemung and Van Etten also receive aid for being a CAP. Three municipalities received some maintenance aid back in 2004 and two municipalities received attainment aid⁷ dating back to 1991. Aid amounts vary across the units, ranging from \$970 to \$39,298. **Table A-4** in the appendix contains detailed information on the most recent state aid received by each of the assessing units.

Indicators of Assessment Equity and Uniformity

Real Property Tax Law, Section 305, requires that assessing jurisdictions treat all of their respective parcels the same by assessing all real property at a uniform percentage of market value. The following statistical measures illustrate how consistently assessors are treating parcels throughout the County. (Note: **Table A-4** in the appendix contains additional detail on the measures discussed in this section.)

⁶ CGR could not verify if the budget reported from the Town of Veteran included fringe benefits. All other entities reported fringe benefits with their total assessment budget.

⁷<http://www.orps.state.ny.us/ref/pubs/2008report/section2.htm#attainment>. Reference this publication for a complete explanation of Maintenance and Attainment Aid. Neither classification currently exists under Real Property Tax Law.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) is a common statistical measure of uniformity (often called “horizontal” equity). According to ORPS, “the COD measures the extent to which the assessment ratios from a given roll exhibit dispersion around a midpoint. It is generally accepted that the median assessment ratio best serves as the midpoint or central tendency measure from which the average level of dispersion should be calculated.”⁸

The lower the COD, the more uniformity there is in assessments within the jurisdiction. The *Standard on Ratio Studies*⁹ produced by the IAAO documents acceptable COD ratios among various parcel classifications. According to the publication, newer, homogenous residential parcels should have a relationship between assessed value and market value where the COD is between 5 and 10 percent. The COD ratio is considered acceptable up to 15 percent for older, more heterogeneous residential parcels. For other parcel classifications such as vacant and/or seasonal land, acceptable ratios can range as high as 25 percent. The general benchmark when all parcels are analyzed together is to have a COD of less than 20 percent. As shown previously in **Table A**, 72.2 percent of Chemung County properties are residential and 17.5 percent are classified as vacant.

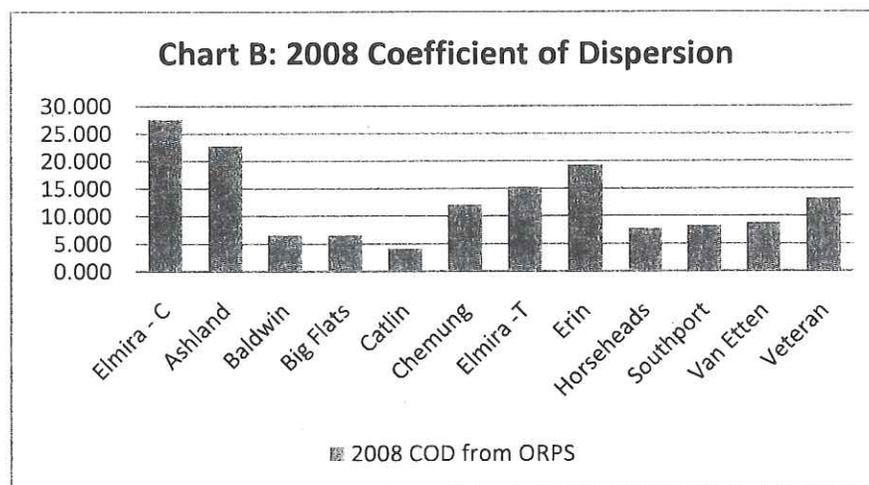
Current Sales CODs¹⁰ for Chemung County municipalities range from 4.053 to 27.596. Four of the twelve assessing units exceed the 15 percent threshold defined by the IAAO. The largest COD of the twelve assessing units is almost seven times higher than the smallest. As might be anticipated, the jurisdictions completing annual reassessments represent the lowest sales CODs, indicating greater uniformity within those jurisdictions regarding assessed and market values.

The one anomaly in the data is the Town of Baldwin. While not having done a reassessment in decades, it has a low COD. The probable explanation for this is a low number of sales in the Town for the period on which data was analyzed. Low sales volume significantly impacts the accuracy of the statistical measures used to produce the sales COD statistic.

⁸ *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

⁹ Executive Board. (2007). *Standard on Ratio Studies*. Kansas City, MO: International Association of Assessing Officers.

¹⁰ Sales COD data provided by the NYS Office of Real Property Services.



Price Related Differential

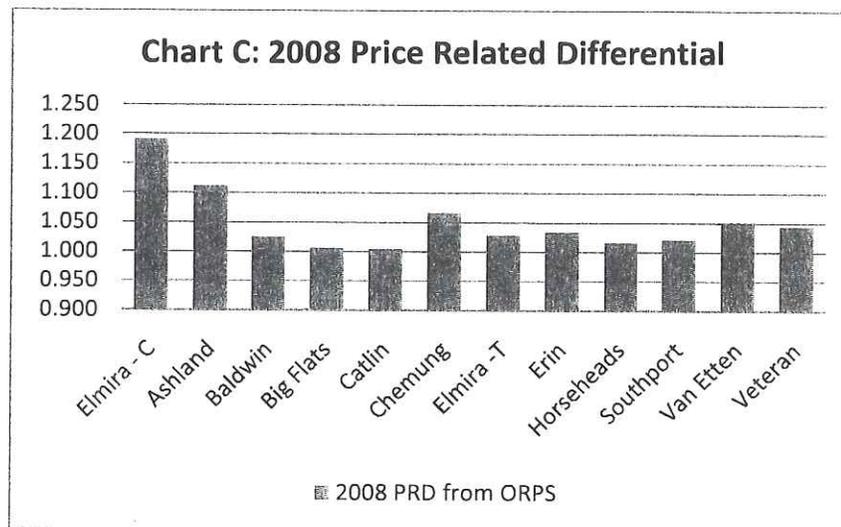
Another measure of assessment uniformity is known as Price Related Differential (PRD). According to ORPS, the PRD “is used to determine if there is a bias on an assessment roll toward systematic over-assessment of either high- or low-value properties in comparison to the average property. In computing the PRD, the simple mean of the assessment ratios is divided by the value-weighted mean ratio. If no bias exists, the two ratios should be close to each other, and the PRD should be near 1.00.”¹¹ PRDs that are significantly greater (or less than) 1.00 show price-related bias – a “progressivity” if higher-value properties are over-assessed and lower-value ones under-assessed, or a “regressivity” if the opposite is true.

The IAAO standard for acceptable PRDs is 0.98 to 1.03. Values below this range indicate progressivity; values above this range indicate regressivity.

As observed by the sales numbers in **Chart C** below, several Chemung County assessing units exhibit some level of bias relative to the acceptable range. All units have values in excess of 1.0, ranging as high as 1.19. Fifty percent of the assessing units are outside the acceptable IAAO range using the sales PRD statistics. According to the IAAO, further statistical analysis¹² would have to be conducted to determine the validity of these PRDs.

¹¹ *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

¹² IAAO recommends either the Spearman Rank Test or a Correlation or Regression analysis to determine the validity of the PRD calculations.



Level of Assessment

The Level of Assessment (LOA) represents the percentage of full value at which parcels within a particular community are assessed. A LOA of 25 percent would indicate assessments are one-quarter of full market value; a LOA of 100 would indicate full market value assessments.

The current range for LOA across Chemung County is 2.02 to 100. The six assessing units that are currently conducting annual reassessments reported a LOA of 100 for 2008. Of the six assessing units that did not have a LOA of 100, one is planning a reassessment in 2009 and the one other in 2010. The four remaining units have not specified a date when they will conduct a reassessment project.

General Data Quality

The general quality of data in Chemung County varies by jurisdiction. The Supervisor for the Town of Ashland reported that they have never done a reassessment and ORPS has no record of Baldwin ever completing a reassessment. Consensus among peer assessors is that any reassessment project for these two towns would require a complete data collection project. The towns of Erin and Veteran have older data that need to be updated. The Town of Elmira conducted a data collection project in 2008 and will complete a reassessment in 2009. The Town of Veteran is in the process of completing a data collection project and expects to complete a reassessment in 2010. The City of Elmira self-reports having relatively good data, but it has not done a data verification process since the mid-1990s. All the other assessing jurisdictions have moved into annual cycles and are maintaining their data annually.

Reassessment

The towns of Big Flats, Catlin, Chemung, Horseheads, Southport and Van Etten all participate in ORPS sponsored annual reassessment program. As mentioned above, the Town of Elmira plans to conduct a reassessment project in 2009 as part of an application process to move into a six-year plan¹³. The Town of Veteran will conduct a reassessment project in 2010. The City of Elmira, Town of Erin, Town of Ashland and Town of Baldwin did not specify when they anticipated conducting a reassessment project. The assessor for Ashland and Baldwin expressed openness to the idea of reassessment, but noted numerous hurdles that would have to be overcome to make it officially happen. **Table A-4** in the appendix details information regarding reassessment.

Real Property Administration System

Type of System

According to information provided to CGR by local assessors and the County, all assessing units in Chemung County are using Real Property System (RPS) V4 software. RPS is a collection of assessment, physical inventory and valuation programs that assist the assessment community in producing an equitable assessment roll. The RPS application allows the assessor to keep their assessment and inventory data current and produces reports required by ORPS' Rules & Regulations and the New York State Real Property Tax Law.

Local assessors access RPS through Terminal Services, which connects them to a Countywide centralized database. In total, the County reported that assessing units paid \$12,960 in annual license and maintenance fees to the State for use of the RPS software. It is interesting to note that license fees for the towns in the CAP were substantially less than the other towns. A CAP is considered as one unit and thus each participant pays a portion of the license fee as opposed to other units that are charged for the full value of the license fee.¹⁴

For many years, the database was housed at the City of Elmira and the data was accessed via Citrix technology. However, when personnel who managed the software began to retire or move on, the expertise for the system left with them. At that point, the County chose to outsource the database to a company named Sewall. This relationship meant that all data was physically relocated to servers owned by the County but housed

¹³ Although the Town of Elmira has the option, they have not yet officially decided to go into the Annual Reassessment Program.

¹⁴ The value of the license fee is based upon number of parcels.

in Atlanta. This has proven difficult for local assessors who complain of terminal services sessions timing out, trouble with printing, and/or not wanting to change their passwords so often. As of February 2009, the County had made plans to address these problems by letting the contract with Sewall expire and physically relocating the servers to County offices in Chemung County.

According to ORPS, minimum requirements for stand-alone or client/server computers running RPS V4 include a 3.2 GHz processor with 1 GB of RAM.¹⁵ When GIS capabilities are used, they also recommend 80 GB of storage capacity, a 17-inch monitor, external storage for backup and MS Windows XP SP2.

CGR was unable to obtain data on all the stand-alone machines in each jurisdiction. For the seven towns that reported on their equipment, 4 out of 7 machines meet the minimum RAM requirement, but none has a processor speed that meets the minimum requirement. Due to the transition, it is unknown at this time what the final configuration of the County's server(s) will look like.

All of the assessing units in the County use GIS in support of their assessment function, though some with greater success than others. ORPS provides technical assistance to the local assessors to enhance their functional knowledge of how to incorporate GIS into data records and management.

As noted earlier, the County and ORPS together provide IT support for RPS to all of their assessing units upon request. The City of Elmira also has in-house technicians that assist in resolving technical difficulties for the assessor in the City.

Logistics

The presence of a real-time centralized database affords the County access to current data to provide many of the services listed earlier. By May 1 of each year, the County processes and prints the tentative assessment rolls for all the towns. By July 1 of each year, it processes final assessment rolls for the towns and the tentative assessment roll for the City. The City's final assessment roll is processed by August 10.

The County uses RPS data to produce tax bill extract files that are used to print and mail tax bills for the towns as well as for reconciliation purposes within the towns, villages and the City. Tax bill extract files for villages and the City are usually sent to an outside vendor for processing and

¹⁵ <http://www.orps.state.ny.us/rps/v4/rpsconfig.htm>

mailing, but occasionally the villages use the extract files to send out bills on their own.

School district tax files are created in August and September and the County sends the files to BOCES for all but three districts. For Horseheads, Corning and Newfield School Districts, the County sends the files directly to the district. All the school districts print their own tax bills. The County does process an assessment roll for the Corning School District and sends them the file while for Newfield they fax them an assessment print. The County adds omitted taxes to the school, village and County/town tax file as well as the school, village, sewer, and water relievis. In addition, refuse and mowing charges are added to the tax files.

The County also maintains an online presence with the help of SDG Associates. SDG uses RPS data to populate the interface, which makes the most current parcel information available to the public on the web. In addition to parcel information, there are links to GIS and tax map information as well as links to ORPS website for useful context on the assessment process in NYS.

POSSIBLE ALTERNATIVE MODELS

As noted at the outset of this report, the NYS Office of Real Property Services established a specific list of options to be analyzed and cost out in each county's CPTAP study. The following sections detail those four primary options:

1. County-run assessing
2. County Coordinated Assessment Program (CAP)
3. Localized Coordinated Assessment Programs (CAP)
4. Towns contracting with the County

Table A-7 in the appendix shows the detailed cost/revenue implications for each of the models considered below.

Collaboration Incentives

In the context of reviewing alternative models, it is important to note the availability of certain collaboration/consolidation incentives for communities. The Office of Real Property Services provides state aid (currently up to \$7/parcel) to groups of municipalities who consolidate their assessment functions, share an assessor and achieve a common level of assessment. Counties are also eligible to receive a separate \$1/parcel in state aid if agreements are reached to provide services under RPTL 1537.

In addition to the aid available to municipalities, counties are eligible for grant money up \$2/parcel if municipalities consolidate their services at the County level. This grant money is reduced to \$1/parcel if some but not all of the municipalities opt to consolidate in this manner.¹⁶

Besides the obvious municipal cost benefits related to consolidation, the Coordinated Assessing Program (CAP) and or inter-municipal agreements potentially reduce the number of assessment officials who need to be trained and certified and reduce the number of individual equalization rates that need to be computed by the State. One concern that was repeated several times in CGR's discussions with assessment officials in Chemung County was that fewer and fewer people are in the pipeline to become assessors. While positions are currently filled in all assessing jurisdictions in Chemung County, the possibility exists that there will not be a sufficient number of highly qualified individuals to fill future vacancies. Reducing the number of posts needed to be filled would alleviate this concern.

COUNTY-LEVEL MODELS

According to the state's Commission on Local Government Efficiency and Competitiveness, the primary benefits associated with a county-level assessment model would be gains in efficiency and professionalism, along with a more streamlined system for applying and maintaining equalization rates across the state. This section projects the costs of transitioning to, and operating, the County-run and County-coordinated assessing models in Chemung County.

Option 1: County-run Assessing

Overview

County-run assessment places the responsibility for property assessment solely with the county government. Since local municipalities would be surrendering their right to conduct local assessments and appoint an assessor, the consolidation to a county model would require a county-wide referendum¹⁷. Since Chemung County contains one city but has no

¹⁶ State Aid and grant numbers mentioned in this study are estimates and there is no guarantee that state aid will not be cut in future budgets. State Aid was reduced for year 2008 by 2 percent.

¹⁷ Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum. If there are cities in the county it must be approved by a majority of the votes cast in the towns considered as a single unit and a majority in the cities as a single unit.

villages that provide assessment services, the referendum must pass by a majority vote of all eligible city voters and separately by a vote of all eligible town voters (a so-called double referendum).

State Real Property Tax Law, Sections 1530 and 1540, requires that under a county assessing system, the county's Director of Real Property Tax Services would be replaced by a Director of Assessment. The County Legislature appoints the Director, either for a six-year term of office or civil service appointment. All other employees in the department would be civil service staff. By way of comparison, Tompkins County (one of two county-run models in the state) appointed a civil service Director of Assessment that is not subject to six-year term limits.

Once a county became a single assessing unit, the state would calculate a single equalization rate based upon the aggregate assessed value to market value ratio of the entire county, and the county legislature would be responsible for setting the revaluation schedule. Once a full value revaluation has been implemented, Real Property Tax Law authorizes the county legislature to direct an assessment of all property at a uniform percentage of value.

Transition Costs

A precondition to a fully county-run assessing model is uniform assessment levels across the jurisdictions to be consolidated. In Chemung County, six assessment units are on an annual reassessment cycle and have a LOA of 100 (Big Flats, Catlin, Chemung, Horseheads, Southport and Van Etten), while the remaining six units range from 2.02 to 92.00. Of the six units with a LOA of less than 100, the Town of Elmira anticipates conducting a reassessment in 2009 and the Town of Veteran anticipates conducting one in 2010.¹⁸ The remaining four (City of Elmira, Towns of Ashland, Baldwin and Erin) do not have a formal plan for reassessment.¹⁹

The most significant challenge for addressing a common level of assessment will be upgrading the data in the Towns of Ashland and Baldwin. Aside from the challenging political dynamics of encouraging this process, there would also be a significant expenditure involved relative to their respective town budgets. Outside contractor fees to conduct a full data collection and verification process can range between \$40-\$70 parcel depending on complexity and scope of service. Assuming an average project cost of roughly \$55 per parcel for Ashland and

¹⁸ CGR did not include these two towns in our cost estimate for reassessment since they are already planning to conduct a reassessment.

¹⁹For analysis, CGR assumed that the revaluation would occur in 2011 with a possible transition as of 2012 roll.

Baldwin, the full reassessment of these parcels would produce a gross cost of \$70,400. This would be offset by aid available to Ashland and Baldwin of up to \$5/parcel for the reassessment (\$6,400) and then the aid available to them due to consolidation (\$8,960). In sum, the cost to these two communities would net to just over \$55,000.

The next challenge would be for the City of Elmira and Town of Erin to schedule and conduct a reassessment. The data in each of their respective communities is reasonably accurate and clean. A reassessment project in these communities would likely only cost in the \$20-\$50 per parcel range. At an average cost of \$35/parcel, the City of Elmira could expect to spend \$341,000 for a complete reassessment and the Town of Erin could expect to spend around \$43,000. The net cost to the City of Elmira after aid was applied would be \$224,000 while in the Town of Erin the net cost would be approximately \$28,000. In total, gross reassessment costs for the towns of Ashland, Baldwin, Erin and the City of Elmira would be close to \$455,000. When all potential aid is received by these jurisdictions, the aggregate net cost would be \$307,000.

In addition to reassessment, there would be operational transition costs associated with relocating staff, establishing new offices, and buying computers and related equipment. County officials cited that the biggest hurdle would be finding space to house a centralized real property services operation. The current assessment offices reported having approximately 5,700 square feet of combined office space among all their respective units. The current County RPTS office is not large enough to accommodate this or even a significant portion of this. One suggestion that CGR considered was the purchase of a building for sale near current County offices. The building is located at 200 Baldwin Street. It has first floor access with over 8,000 square feet and is already configured for office space, as it used to serve as the site for the Department of Labor. It also has access to a parking lot with additional street parking available in front of the building. The price for the building has recently been reduced to \$350,000. (A specification sheet provided by the realtor can be viewed in the appendix after Table A-7).

Beyond space, the County would have to furnish the office with furniture and equipment. As itemized in the next section (*Operating Costs*), CGR models the addition of 13 new positions to properly staff the centralized office. Based on this number, we model \$3,000 per new staff person, or \$39,000 in additional cost for furniture and equipment for a new office.

In summary, building and office transition costs have been modeled at \$389,000 (\$350,000 plus \$39,000). CGR did not attempt to model a financing plan for the purchase of the new building. Should the County only provide a down payment rather than payment in full, the transition

costs would not only be lower, but ongoing operational (future) costs would increase to accommodate debt payments.

As mentioned above, each community conducting a reassessment will be eligible for reassessment aid of up to \$5/parcel (sum total of \$61,305). Each parcel would also be eligible for consolidation aid of \$7/parcel and the County may receive \$2/parcel as part of the transition²⁰. Reassessment, consolidation and grant money would total slightly less than \$417,000. When all potential costs and aid are contemplated, the net effect could be \$427,000 in up-front transition costs.

Operating Costs

Personnel

Operating costs of the county-run model would largely depend on the parcels-per-FTE ratio assumed for the new County assessment office. As noted previously, the general guideline is one FTE staff member per every 2,000 parcels, but the figure can reasonably range up to 3,500. Under these assumptions, the staffing range in the County assessment office would likely be between 12 and 20 FTEs.²¹

The County has no history with running a comprehensive centralized Real Property Tax Services Office and thus it is difficult to estimate the precise size of the department. CGR has chosen to model our assumptions based upon a combined staff size of 15 FTE positions in support of one Director (16 FTE total). The positions would include nine appraisal staff along with three more clerical positions and one additional tax map technician. That would bring total clerical positions to four FTE along with two tax map technicians and nine FTE appraisal staff all under the supervision of one Director of Assessment. At fifteen FTE staff (not including the Director); the parcels-per-FTE ratio would be 2,633. Appraisers would be responsible in general terms for 4,400 parcels per person with four FTE clerical positions to support them.

Based upon a review of current salaries for assessors and CGR's experience with other counties around the state, we have modeled new appraisal positions at roughly \$40,000 with a benefits package of approximately 45 percent of salary. Assuming creation of nine FTE positions at these rates, the total additional cost to the County would be \$522,000.

Clerical and tax map staff could be added for a salary of approximately \$28,000 with a benefits package of 45 percent of salary. Using these

²⁰ The grant providing the \$2/parcel is subject to change according the new NYS Budget.

²¹ These numbers are derived using the 39,496 parcels currently on record.

figures, four new FTE clerical positions would cost the County an additional \$162,400.

The sum total of additional staff would cost the County \$684,400. CGR estimates that the current budget of \$242,547 would need to increase by 10 percent to cover salary adjustments for the new Director of Assessment in addition to other overhead-related cost increases.

Other Operational Considerations

Other operational considerations include whether current revenue will continue, potential annual aid, and costs associated with annual reassessments. CGR has accounted for these numbers as follows:

- CGR reviewed the County RPTS budget and believes that under a County-run model, all revenue currently being received and applied to the RPTS budget would continue (\$403,500).
- CGR models new revenue that would be available to the County because of aid from the state for annual reassessments (\$197,000).
- CGR assumes that there would be increased costs associated with annual reassessments that would total roughly fifteen percent of the current average cost per parcel for municipal budgets within the County (\$2.89 per parcel, or \$114,000 annually).²²

Total Operational Impact

CGR calculates that the current cost of providing assessment services in Chemung County is approximately \$530,000. This includes municipal assessing jurisdictions and the County, less County revenues and annual aid to municipalities. Comparatively, the operating costs of the County-run model are estimated to cost \$465,000, producing a net decrease of roughly \$65,000.

Assessors were careful to caveat that it is difficult to say with certainty what the cost of providing services at the municipal level is currently since many of the budgets are limited to what municipalities can afford, not what they need. Thus, the decrease in cost associated with a County-run

²² Annual reassessments will generate increases in operational costs for printing, processing and mailing notices, rolls, and bills. During interviews, CGR heard from assessors that their current budgets may not accurately capture the “real” cost of doing business as budgets are constrained. For planning purposes, CGR has assumed that adding 15 percent of the average cost/parcel in the county would help offset these increases.

²² Currently all assessing jurisdictions outside of the City of Elmira share the same assessment calendar.

model may be larger, but may also reflect a potential upgrade in the quality of service that can be provided.

There are a variety of additional advantages to consider under a County-run model:

- as all staff would be county employees, training and/or educational credentials could be set to standardize quality and professionalism;
- the County would operate on one assessment calendar and conduct annual reassessments; and
- the County would be able to initiate a common standard of service and work towards implementing a higher level of transparency through web-based applications and reporting for County residents.

Implementation Path

Three major steps must occur in order to achieve this option. The first two steps are the most significant and should precede the third.

1. First, reassessments would be required in order to get all assessing jurisdictions to a uniform level of assessment.
2. Second, the City of Elmira *or* all of the other assessing jurisdictions²³ would have to pass local laws amending their assessment calendars such that all calendars in the County would be synchronized.
3. Third, two formal referenda would need to be developed – one for the City of Elmira and one for the residents of all other towns in the County. Public hearings should be held, notices filed, and the referenda officially placed on ballots at designated times for public vote.

The timeline for coordination of reassessments is crucial to allow all units to achieve a LOA of 100 for the same assessment year. Considering the Town of Veteran is not planning a reassessment until 2010, the earliest that all units could be at the same level would be 2010. This is likely too soon for each of the communities needing data collection projects, particularly Ashland and Baldwin, to pass the necessary approvals in their respective municipalities to move forward with a reassessment. The more likely scenario is that by the 2012 assessment roll, each of the assessing

²³ Currently all assessing jurisdictions outside of the City of Elmira share the same assessment calendar.

jurisdictions currently needing data collection and verification projects could complete that work and file updated rolls. The six units conducting annual reassessments and the two units updating over the course of this year and next could maintain their data so that only minor adjustments would need to be made for the 2012 roll. They could then achieve a LOA of 100 on the same roll as the newly updated assessment units.

During the transition, County officials should be educating themselves as to the logistical implications of making this transition, including deciding on assessment standards and when the first official public assessment roll would be filed as a County-run operation.

The County would have to develop a new budget along with new position descriptions, and decisions would have to be made regarding space allocation. Supplies and equipment would have to be identified and purchased, and new staff hired. Allowing sufficient time to work through these details will make a significant difference in a successful implementation.

Option 2: County Coordinated Assessment Program (County CAP)

Overview

Transitioning to a county coordinated assessment program (CCAP)²⁴ consolidates the assessing function at the county level, but does not eliminate municipal assessing jurisdictions. Each municipality would surrender operation of their local assessment function and contract with a county for all assessment services in accordance with RPTL §1537.

Unlike the County-run model, this option does *not* require referenda but can be formed by agreement between a county and each local governing body. A CCAP agreement must be approved by majority vote of each governing body at least 45 days before a taxable status date (usually March 1). A copy of the agreement must be filed with the State Board of Real Property Services (herein after referred to as the State Board) by the taxable status date.

Most importantly, the CCAP model as prescribed by Real Property Tax Law, Section 579, involves the following:

- *a single appointed assessor other than the Director of RPTS, appointed to hold the office in all individual assessing units, with*

²⁴ RPTL §579

the appointment taking effect no later than 60 days after initiation of the agreement;

- *a common standard of assessment*, whereby property is assessed at a uniform percentage in all individual assessing units; and
- *a synchronized assessment calendar*, with all individual assessing units operating on the same assessment calendar throughout the term of the agreement.²⁵

A CCAP program can also be terminated at any time by at least 50 percent of the participating assessing units agreeing to termination through the adoption of local laws or resolutions. Alternatively, a county could adopt a county law terminating the program. Both methods require adoption of local laws by a majority of the governing body and must be filed with the State Board no less than 6 months prior to the taxable status date of the first assessment roll to which it would apply.²⁶

Regarding equalization rates, for any market value survey begun after the first assessment roll conducted under a new CCAP, the State Board would conduct a common market value survey including all the assessing units participating in the program. The State Board would establish the same equalization rate and apply it to all of the assessing units participating in the CCAP.

Transition Costs

The transitional costs in a CCAP related to reassessment are likely very similar to those of the County-run option and have been modeled the same. The significant difference in transitional costs involves the flexibility available in how the CCAP is staffed and where staff are located. CGR has modeled transitional costs that would likely not include the purchase of a new building since staff could be decentralized in existing locations. Thus, transition costs under this model simply involve supplies, materials and equipment to support a new operation.

Most of the transition aid that is available under the County-run model would still be available to the County and municipalities, with the exception that those in the current CAP (Chemung/Van Etten) would not

²⁵ Currently, all town level assessing jurisdictions in Chemung County share the same assessment calendar. The City of Elmira operates on a different calendar.

²⁶ Termination by any entity within 10 years of joining any CAP arrangement would subject the terminating entity to a repayment of a prorated portion of the aid they received for joining the CAP.

be eligible to receive the consolidation incentive²⁷. In addition, an additional \$1/parcel aid incentive may also be received by the County pending the types of services that were offered and agreed to by the municipalities.

One other difference in transition costs between the County-run model and CCAP approach involves the level at which costs and aid would be fixed (*i.e.* County versus municipal-level). Aid that flows into the County could be used to offset the transitional costs experienced by the municipalities and thus reduce the impact. In sum, our model indicates that the County and municipalities in aggregate would incur a cost of more than \$41,800 to transition to a CCAP.

Operating Costs

Personnel

Ongoing operational costs are hard to quantify precisely without knowing the structure that would evolve as part of the intermunicipal agreements between the towns and County. For cost estimation purposes, CGR assumes that the County would hire a single assessor for all participating municipalities to appoint as their assessor. This position has been modeled at \$50,000 plus 45 percent benefits. In addition, CGR assumes that twelve FTE support positions would be added such that total new staff would equal thirteen FTE, similar to the County-run model. CGR modeled the addition of twelve FTE support staff at \$35,000 (plus 45 percent benefits). Lastly, CGR added 10 percent to the current County budget as well as the new staff estimates to account for administrative overhead and potential salary adjustments for current County staff. In sum, these additions total almost \$774,000.

Other Operational Considerations

Other operational considerations include whether current revenue will continue, potential annual aid, and costs associated with annual reassessments. CGR has accounted for these numbers as follows:

- CGR reviewed the County RPTS budget and believes that under a County CAP model, all revenue currently being received and applied to the RPTS budget would continue (\$403,500).
- CGR models new revenue that would be available to the County because of aid from the state for annual reassessments (\$197,000).

²⁷ State law dictates that municipalities that have already received consolidation aid would not be eligible to receive it a second time under a new CAP agreement.

- CGR assumes that there would be increased costs associated with annual reassessments that would total roughly fifteen percent of the current average cost per parcel for municipal budgets within the County (\$2.89 per parcel, or \$114,000 annually).²⁸

Total Operational Impact

The sum total of the personnel and other operational considerations yields a CCAP that costs slightly almost \$530,000. This represents a nearly break-even cost compared to the current operation and a \$65,000 increase over the County-run option.

The primary difference in costs modeled with the CCAP versus the County-run is found in the personnel costs. According to RPTL section 1537(4), the newly appointed assessor for the consolidated units cannot be the current Director of RPTS. The addition of an assessor changes the staff composition to be added, and the corresponding salary and benefits total is different. There are also unknowns for the intermunicipal agreements and what requirements the towns might put upon the County as part of those agreements.

The specifics of the intermunicipal agreements will ultimately dictate personnel costs. For instance, reducing the number of additional support staff by one would save an additional \$56,000. If this same change was combined with a lower benefits ratio of 35 percent, the combined savings would be \$104,000 making it nearly \$40,000 less expensive than the County-run option.

Implementation Path

The first step in implementation of this model involves town assessing units agreeing to the plan through majority vote of their respective governing bodies, and adopting an intermunicipal agreement for the County to serve as assessing unit for the municipality. Once an assessor is appointed for the CCAP, assessing units would likely be integrated in phases. To facilitate the process, it makes sense to incorporate first those assessing units that are already at 100 percent level of assessment. Remaining assessing units could be integrated thereafter, subsequent to reassessment to bring them to 100 percent.

Similar to the County-run option, the CCAP would require that either the City of Elmira *or* all of the towns who contract with the County change their assessment calendar in order to have them all synchronized. This

²⁸ See Footnote 22.

would be a necessary first step before intermunicipal agreements were signed to allow this option to take effect.

Among the other logistical issues to resolve in transitioning to a CCAP would be synchronization of computer software across the units, and the roles of local office staff. As part of drafting the intermunicipal agreement, officials will need to make decisions regarding the following:

- timelines for filing the first assessment roll;
- locations and hours of local assessment offices;
- whether mobile units might serve local needs better than local assessment offices (please reference the section on “Other Options” later in the report for a more detailed discussion of mobile units);
- the extent to which responsibilities of current County staff will change;
- the process for handling complex property valuation; and
- whether to institute a formal reassessment cycle.

LOCAL-LEVEL MODELS

Aside from the County-run and CCAP models, there are other options available to the County that may yield efficiency, equity, transparency and standardization benefits. The two options presented in this section use intermunicipal agreements between and among assessing units. However, it is important to note their common goals:

- 1) A common level of assessment at 100 percent across all assessing units, qualifying them for state aid of up to \$5/parcel;
- 2) A common reassessment cycle to ensure more standardization across assessing units; and
- 3) A common process for inventory and sales verification to ensure more reliability and accuracy across assessing units.

There are varieties of possible permutations for these options. For example, a localized coordinated assessment program (CAP) may be implemented for two, three, four or more municipalities²⁹. Similarly,

²⁹ It is important to note that the ideas presented in Option Three are not contingent upon all assessing jurisdictions adopting County-wide assessment standards consistent with

local jurisdictions may contract with each other or the County for specific services. In each case, actual costs and aid benefits will be driven by the specifics of the agreement.

Option 3: Localized Coordinated Assessment Programs (CAP)

Section 579 of the Real Property Tax Law allows two or more assessing units located in the same county (or adjoining counties), having the same level of assessment, and having the same assessor, to enter into an agreement to become a Coordinated Assessment Program (CAP). Under this arrangement, the State Board establishes identical equalization rates for all of the assessing units in the CAP. In addition to yielding standardization benefits, the CAP model can be particularly useful in spreading assessment costs between or among jurisdictions. For example, multiple assessing units in a CAP may be able to acquire professional assessment services that would otherwise be cost prohibitive were they acting separately. In addition, licensing fees for the RPS software can be shared between municipalities thus reducing the cost.

According to ORPS, the membership size of a CAP can evolve during the life of the agreement. The agreement can be amended to add new assessing units. On the other hand, assessing units can withdraw from the program if the local law or resolution providing for the withdrawal is approved by a majority vote of the unit's governing body and filed with the State Board at least six months before the taxable status date of the first assessment roll to which it is to apply.³⁰

The CAP model also may represent an opportunity for further collaboration and efficiencies going forward. For example, a CAP (or series of CAPs) may serve as a building block for bringing all assessing units under agreement across the County in a way that enables standard levels of assessment and valuation standards. It may also facilitate more local jurisdictions contracting with the County for particular assessment-related services.

ORPS goals. However, the intent of this grant, and ORPS goal, is that all jurisdictions have common standards and common LOAs. Thus, should local municipalities decide to CAP without the County, the County should still consider adopting common assessment standards as outlined in Option Four that would apply to all the assessing jurisdictions, including the new CAP.

³⁰ Should a municipality withdraw within ten years of joining a CAP, they would be subject to repay to NYS a prorated portion of the aid they received.

Potential CAPs in Chemung County

Chemung County already has one CAP. As previously discussed, the Towns of Chemung and Van Etten formed a CAP with the Town of Barton in Tioga County. However, as also observed in **Table A-1** in the appendix, there are several instances of municipalities sharing assessors. For instance, the same assessor serving the CAP also provides assessment services for the Town of Catlin. The Towns of Ashland and Baldwin share an assessor, and the Town of Southport and City of Elmira share an assessor.

Several CAP possibilities exist in Chemung County. One CAP that has been discussed is that of combining Southport, the Town of Elmira, Big Flats, Horseheads and the City of Elmira. Both the City Manager of Elmira and the assessor expressed interest in facilitating this idea. The Town of Elmira is already considering a six-year plan and Big Flats, Horseheads and Southport already abide by that plan. The City of Elmira would have to amend its charter to modify its assessment calendar, conduct a revaluation and then apply to be part of the six-year plan. There is natural synergy with this CAP due to the proximity of the parcels around the City of Elmira and their general similarities. These municipalities represent 79 percent of the total parcels in the County and the five largest municipalities in terms of total parcels per municipality.

Another natural CAP might be the addition of Catlin into the current CAP of Chemung, Van Etten and Barton. Ashland and Baldwin represent another potential opportunity for a CAP, especially as a means to helping them achieve the longer-term goal of reassessing all parcels in the two towns. Since Ashland and Baldwin share similar LOAs, have similar parcel characteristics and share a common assessor, they are theoretically nearly a CAP already. They would merely need to adopt the same LOA, have their boards sign-off on creating a CAP, and apply to the state to become a CAP. The benefit to this option is that they could receive the state aid for consolidation and apply that towards the cost of a future revaluation.

Cost Implications of a Sample CAP

Quantifying the true cost of a coordinated assessment program would depend on a number of factors that are indeterminate at the present time. Community size, parcel volume, valuation complexity and current costs and staff size would all need to be included in a full analysis of a proposed CAP.

In order to provide guidance to the County and its assessing units on how to think through the cost analysis process, we present a hypothetical example of a new CAP in Chemung County. This example assumes that

the largest five jurisdictions entered into a CAP, and considers the cost implications of so doing.

At present, the City of Elmira and Town of Southport share an assessor while the other three have appointed assessors. The five municipalities represent 31,146 parcels, a FTE staff equivalent of 8.25, and total annual spending of \$630,096.

Shifting to a CAP agreement with a shared assessor could result in a staff configuration of one (1) FTE assessor, three (3) FTE appraisers, and 4.5 support staff members. Were the assessor salaried at \$50,000 plus 45 percent benefits, the appraisers at \$40,000 plus 45 percent benefits and the support staff members at \$28,000 with 45 percent benefits, plus a 20 percent markup for office overhead, the total annual cost of the CAP in this scenario would be \$515,000. Dividing this total cost by the parcels involved yields a cost per parcel of \$16.54. The actual impact to each municipality would be part of a negotiated agreement but would likely be favorable to most of the entities listed due to lower costs and/or increases in annual state aid.

The real benefit to any CAP is the added revenue brought into each municipality because of the state aid that is available.³¹ In the case of Big Flats, aid in excess of \$47,000 would be available as part of the CAP process. Horseheads could receive almost \$99,000. Southport would receive slightly more than \$65,000 and the Town of Elmira would receive more than \$45,000. The City of Elmira would actually receive more than \$116,000. Among all of the communities, more than \$218,000 could be generated in consolidation aid and an additional \$156,000 in reassessment aid by creating this CAP agreement. Table C highlights the possible ongoing operational cost and revenue implications to each participating municipality in this CAP.

Table C:
Operational Impact for CAP of the City of Elmira & Towns of Southport, Big Flats, Elmira and Horseheads

| <i>Town</i> | <i>Parcels</i> | <i>Current Budget</i> | <i>Current Average Cost/Parcel</i> | <i>* Proposed Cost/Parcel</i> | <i>Proposed Cost</i> | <i>** Aid Available</i> | <i>Proposed Net Cost</i> | <i>Difference from Current Budget</i> |
|--------------------|----------------|-----------------------|------------------------------------|-------------------------------|----------------------|-------------------------|--------------------------|---------------------------------------|
| Town of Elmira | 3,794 | \$104,534 | \$27.55 | \$16.54 | \$62,734 | \$18,970 | \$43,764 | (\$60,770) |
| Town of Big Flats | 3,917 | \$84,168 | \$21.49 | \$16.54 | \$64,768 | \$19,585 | \$45,183 | (\$38,985) |
| Town of Southport | 5,426 | \$90,000 | \$16.59 | \$16.54 | \$89,719 | \$27,130 | \$62,589 | (\$27,411) |
| Town of Horseheads | 8,264 | \$218,060 | \$26.39 | \$16.54 | \$136,645 | \$41,320 | \$95,325 | (\$122,735) |
| City of Elmira | 9,745 | \$133,334 | \$13.68 | \$16.54 | \$161,134 | \$48,725 | \$112,409 | (\$20,925) |
| Total | 31,146 | \$630,096 | \$20.23 | \$16.54 | \$515,000 | \$155,730 | \$359,270 | (\$270,826) |

* Proposed Cost/Parcel is based upon a CAP budget of \$515,000 divided by 31,146 parcels.

** Aid available is based upon \$5/parcel annual reassessment aid.

³¹ \$5/parcel reassessment aid and \$7/parcel consolidation aid is available to each municipality as part of a CAP transition.

Unique to this arrangement would be the requirements placed upon the City of Elmira. They would need to modify their City charter to adopt a new assessment cycle. In addition, they would likely have to conduct a formal reassessment in order to bring their LOA up to 100. As previously noted, a reassessment for the City could cost in excess of \$340,000 and could be offset by reassessment and consolidation aid of around \$116,000.

These hurdles notwithstanding, a CAP of the five largest municipalities could create efficiencies in the process, utilize existing training and certifications of assessors in a cost effective manner and transition over 70 percent of the parcels in the County to a common assessment calendar with a common equalization rate.

Option 4: Towns Contract with County

“Real Property Tax Law, Section 1537 allows an assessing unit to enter into a joint services contract with a county to perform some or all of the assessing function. Under Section 1537 agreements, assessing units remain autonomous, each individually analyzed for equalization rates, residential assessment ratios and reassessment aid.”³² Additionally, the town retains its appointing authority, even though the appointed assessor would become a county employee.

As mentioned earlier in this report, Chemung County Real Property Services currently provides minimal services to the municipalities in support of the assessment function. There are no formal agreements between the municipalities and the County. The other options summarized below are arrangements that could be formally considered as a way of expanding the County’s facilitation role and enhancing consistency, standardization and efficiency.

Commercial & Industrial Assessments

At present, each town’s assessing unit manages its own assessments of commercial and industrial property. As these parcels represent only a small fraction of the total parcel count, and as Chemung County does not have a high number of complex commercial and industrial properties, local control of this function has worked reasonably well.

Under a new model, the County could assume responsibility for all commercial and industrial assessments. This would likely require hiring someone at the County level with expertise in this sort of valuation and

³² *Assessment Administration Analysis Report*, New York State Association of County Directors of Real Property Tax Services.

appraisal technique. Alternatively, the job could be outsourced as is done (or being considered) in certain other counties.

As shown in **Table D**, there are 2,292 parcels in Chemung County classified as commercial or industrial. As a rough estimate of the cost of assessing those properties, the table applies the average assessment budget per parcel for each assessing unit (see **Table A-3** in the appendix) to the number of commercial/industrial parcels in each unit. Using this method, municipalities in Chemung County are spending roughly \$37,084 to maintain the assessments for these parcel classifications.

**Table D: Commercial & Industrial
Assessment Cost by Town**

| Municipality | Comm & Indus Parcels | Budget Per Parcel | Total Cost |
|---------------------|-------------------------------------|------------------------------|-----------------------|
| Town of Baldwin | 2 | \$10.36 | \$21 |
| Town of Erin | 17 | \$9.21 | \$157 |
| Town of Van Etten | 31 | \$12.65 | \$392 |
| Town of Catlin | 29 | \$15.81 | \$458 |
| Town of Ashland | 32 | \$14.85 | \$475 |
| Town of Veteran | 34 | \$17.61 | \$599 |
| Town of Chemung | 39 | \$22.62 | \$882 |
| Town of Elmira | 104 | \$15.00 | \$1,560 |
| Town of Southport | 185 | \$16.59 | \$3,069 |
| Town of Big Flats | 189 | \$17.91 | \$3,386 |
| Town of Horseheads | 608 | \$19.91 | \$12,103 |
| City of Elmira | 1,022 | \$13.68 | \$13,983 |
| Total | 2,292 | | \$37,084 |

Were each of the municipalities to enter into an inter-municipal agreement for the County to handle all commercial and industrial assessment, the County could explore providing this service in one of two ways. As mentioned, they could hire a commercial appraiser to focus on these parcels full-time. The parcel ratio per FTE would be good, but the cost would likely far exceed what is currently being spent on average, as a starting salary for someone with this expertise is likely \$50,000.

Alternatively, outsourcing the commercial work is an option. In other counties, estimates for this service include an initial up-front cost to clean up the data and get it set up, and then an ongoing maintenance fee. The up-front cost could range from \$50-\$60 per parcel and the ongoing maintenance fee would likely be approximately \$5 per parcel. In total, a transition would cost between \$114,000 and \$138,000, and ongoing maintenance would be approximately \$11,500 annually. Thus, a transition of this sort would pay for itself in aggregate terms in roughly five years based upon the averages involved in this analysis. However, it may pay

for itself sooner if it helped businesses to stop filing grievances on their assessments.

Handling of Exemptions

Assessors in Chemung County repeatedly expressed to CGR that certain times of the year produce an overwhelming amount of paperwork, as exemptions need to be processed. The level of service provided to accomplish this function is highly variable, with some assessors making house calls to complete forms and obtain signatures, and others merely processing paperwork through the mail.

In order to standardize the level of service in regards to exemptions, and in order to alleviate some of the pressure on local assessors to process and maintain these exemptions, one scenario that was discussed was to have the County assume responsibility for receiving and processing all exemptions. It is unknown at this time how many staff would be required to fulfill the responsibility at the County level. Similarly, it is difficult to quantify the actual cost incurred at the local level, especially given its seasonality.

The primary benefit to this alternative would appear to be a standardization of service across the County and a lightening of responsibility on local assessors. This would allow local assessors more time to focus on property valuation and making sure their assessment rolls were clean, accurate and equitable. To facilitate the processing of exemptions at the County level, the County may also be better positioned to leverage technology to make paperwork available to the community.

While local assessors point to the burden placed on them by exemptions, they also point out perceived disadvantages of shifting responsibility to the County level. From the perspective of many local assessors in the County, the primary downside would be the effect on seniors in the community who have come to rely on personal service, including home visitation, in order to maintain their exemptions. Centralizing exemption processing in the County seat of the City of Elmira may inconvenience some residents in outlying parts of the County who would prefer to handle their exemption processing in person. Local assessors also point to the “personal touch” that they are able to provide in processing exemptions. In their view, centralizing the function at the County level may sacrifice that level of service and result in certain residents losing exemptions.

Countywide Common Assessment Standards

Although not a fee-for-service type of municipal contract, assessing units in Chemung County may agree to adopt countywide common assessment standards. Common assessment standards make assessment more transparent throughout the entire system and reduce inconsistencies and

complexity. In addition, common standards address equity concerns system-wide by bringing all jurisdictions equal in areas like levels of assessment, parcel data storage/format, assessment calendar and reassessment schedules.

Synchronize Assessment Calendars

As stated in several of the options above, one of the inhibiting factors to combining assessment operations across the County is the difference in assessment calendars between the City of Elmira and all other assessing jurisdictions. Without initiating any other changes, either the City of Elmira or the other assessing jurisdictions should consider whether synchronizing assessment calendars would be advantageous. A consistent calendar across all jurisdictions helps school districts in their planning and also improves transparency in the system. While there may be no immediate benefit to an individual jurisdiction, it could certainly pave the way for future collaborative opportunities.

Common Revaluation Schedule

A significant step the County could take to improve equity and transparency would be to facilitate a common revaluation schedule. Half (50 percent) of the assessment jurisdictions operate on an annual reassessment cycle. The County could help the remaining six units achieve this within the next 10 years. Initially, it could set a goal of getting all non-annual units through a revaluation and to a common level of assessment in the next five years. Once that is achieved, each unit could apply to be on the triennial aid program and work towards maintaining their rolls on an annual basis. At the end of the next three years, each unit would conduct another reassessment. By that point, each unit should be in a position to apply to be on the six-year plan for an annual reassessment cycle. Thus, by 2019, every remaining assessment unit could be operating on an annual reassessment cycle.

Other Common Standards

Other standards could include agreements for a common level of assessment and common practices for valuation of all parcels. Levels of assessment that are consistently held at 100 can significantly improve transparency and reduce complexity in the system. Transparency has the benefit of increasing taxpayer understanding and confidence.

CGR observed that currently all assessing jurisdictions have different valuation practices, and interviews with city and other municipal officials reveal there remain some inconsistencies in the data among jurisdictions. For instance, some data have been updated regularly and gives a fair representation of current property inventory, while other data bear no resemblance to the inventory that exists today. Resolving these inconsistencies and formally agreeing to value properties in the same

manner will improve equity and enhance taxpayer confidence in the assessment system.

There may also be efficiencies gained through the adoption of countywide data collection standards. One example regards reassessments. To the extent that outside vendors are used in the reassessment process, the County purchasing department could play a more active role in bidding out this service and screening for reputable, reliable contractors that could service all jurisdictions equitably and efficiently. There may also be economy of scale benefits in contract costs from using this approach.

OTHER OPTIONS

City CAP

CGR briefly explored the option of creating a City CAP similar to a County CAP. Conversations with the City Manager for the City of Elmira indicated that this option would likely only be viable if the City were to be held harmless financially. After analyzing the cost of running a County-run and county CAP system, CGR determined that a City CAP is unlikely to hold the City harmless and thus would not be a viable option to pursue.

Beyond the cost to the City, several other issues make this option a challenge. First, the County is required by statute to provide certain services. There would be little to no cost savings involved in centralizing services within the City of Elmira since the County would continue to provide certain services. Second, under current statute, the state aid available to municipalities who CAP with the County would not be available under a CAP agreement with the City. Third, there would likely have to be State legislative changes for the City to provide assessment services through intermunicipal agreements with other assessing jurisdictions.

Mobile Units

Under either a County-run or County CAP model, County officials could consider offering mobile units to service local towns. These mobile units would go to different towns on different days of the week and take applications and/or answer questions for local taxpayers. This type of service may add cost for transportation, computer equipment and potentially space depending on the arrangements worked out with town officials. The added cost for this service could range from \$10,000 - \$20,000 annually.

Privatizing Assessment

CGR briefly researched the possibility of privatizing the assessment operation for Chemung County. The only viable model for completely privatizing assessment that we found is in the province of Ontario, Canada. In 1998, the Government of Ontario transferred responsibility for property assessment from the Ministry of Finance to what is now known as the Municipal Property Assessment Corporation (MPAC), a non-share capital, non-profit corporation with its own board of directors.

The organization is held accountable to the public through a 15-member board. Eight of the board members are municipal representatives, five members represent property tax payers, and two members represent provincial interests. The Minister of Finance appoints all members of the board.

In addition to administering a province-wide property assessment system based on current value assessment, it provides municipalities a range of other services, including preparation of annual assessment rolls used by municipalities to calculate property taxes. More detail can be found by looking at their website at www.mpac.ca.

A strong concern was expressed by the assessors of Chemung County (and reiterated by ORPS) regarding the quality of outside contractors and the variability that exists in the standards that they apply to the work they are contracted for. Should the County consider finding further detail about privatizing assessment, it should pay careful attention to the quality of the service providers and the complexity of the work that would be involved. In addition, ORPS and the NYS Board would have to provide counsel on the parameters involved in holding outside contractors accountable and meeting all state mandated requirements.

Create CAPS through Attrition

Finding new people interested in becoming professional or even part-time assessors is increasingly difficult across the state. Professionalizing these positions and creating salaried opportunities with benefits may help to attract interested individuals. However, another means to cope with fewer people is to create coordinated programs between municipalities as current assessors retire. Not only could it create efficiencies through shared service arrangements, it would alleviate the necessity in some cases of trying to fill vacant positions. Over time, there would be better coordination throughout the County, more municipalities would be partaking in aid available to them through the state, and the County would be further along in the process of centralizing services should it ever consider that as a viable option.

IMPLEMENTATION CONSIDERATIONS

In addition to the implementation strategies discussed as part of the options above, there are general guidelines that should be considered. First, if any option for collaborative assessment is to work, efforts must be directed toward building consensus among participants regarding the need for assessment equity. This should not be construed as an obstacle, but an issue to be deliberately addressed by leaders within each community. It is clear to CGR through our interviews in Chemung County and in other counties that most public officials have a limited knowledge of the property assessment process. This creates both anxiety and even a lack of interest in actually making any changes. Through working to better understand the process and then sharing ideas for how to collaborate, new ideas will emerge that will enhance the quality of the assessment process.

Second, if Chemung County and/or its assessing units desire to move towards any of the options presented, individual jurisdictions should begin taking steps to coordinate their reassessment plans. They should also formally agree on a date by which all LOAs across the County will equal 100 percent. The State could assist in this process by considering the adoption of a mandatory three or four-year cycle bill. The bill would have the effect of synchronizing the assessment calendars across the State while continuing to provide incentives through state aid to conduct reassessment projects annually. In addition, a mandatory cycle bill would eventually raise the statewide equalization rate to 100 percent.

Third, the new strategies are likely to be cost prohibitive if municipalities do not take advantage of state aid available for conducting reassessments and/or consolidations. Aid options should be considered as part of any reform discussion. Factoring these incentives in, municipalities can generate revenue, offset certain transition costs and reduce the overall cost of the assessment function.

CONCLUSION

The Centralized Property Tax Administration Program (CPTAP) began as an effort to address the complexity and confusion inherent in New York State's property tax system. As one of only three states without a statewide standard of assessing, and one of twelve without a mandated reassessment cycle, New York contains an incredible diversity of assessment levels, practices and approaches. From a financial standpoint, the result is a system in which property owners may (or may not) be taxed equitably simply because of where they live in a community. From a public accessibility standpoint, the result is inordinately complicated, not always easily accessible or transparent, and difficult to understand.

In that context, the CPTAP program was established to build a foundation for charting reform. Importantly, ORPS notes, “the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike.”

The assessment system in Chemung County is largely decentralized but functional. The presence of a centralized database represents a significant commitment to a well run system that is cost effective and efficient. The intent of this report and the information contained herein is, in the most basic sense, *to empower real property tax officials at the County and local level to build on this foundation and make decisions regarding the future of assessment administration in the Chemung County community.* While specific reform concepts will no doubt require additional analysis and consideration of detailed components, this report establishes a baseline foundation for making those decisions going forward.

APPENDIX

Table A-1: Municipal Overview

Table A-2: Staffing, Certification and Office Hours

Table A-3: Budget and Parcel Overview

Table A-4: Indicators of Assessment Quality

Table A-5: Municipal Assessing IT Capacity

Table A-6: FTE Personnel Analysis

Table A-7: Comparative Cost Analysis of Options

Realtor Specification Sheet for 200 Baldwin Street

Table A-1: Chemung County

| Municipalities | | Assessment Offices | | Existing Collaboration | | |
|----------------|--------------------|-----------------------------|----------------------|--|---|---|
| SWIS | Municipal Name | Assessor or 3 Person Board? | Assessor Name | Part of CAP? | Assessor Works for Multiple Municipalities | Contract with County for Asmt Services? |
| 70400 | City of Elmira | Sole Assessor | Bruce A. Stanko | No | Yes-Southport | No |
| 72000 | Town of Ashland | Sole Assessor | Joseph M Leonard | No | Yes--Town of Baldwin | No |
| 72200 | Town of Baldwin | Sole Assessor | Joseph M Leonard | No | Yes--Town of Ashland | No |
| 72400 | Town of Big Flats | Sole Assessor | W.R. Torp | No | Yes-Town of Wayne (Steuben Co.) | No |
| 72600 | Town of Catlin | Sole Assessor | Catherine J. Edwards | No | Yes-Town of Berkshire, Town of Barton, Town of Van Etten, Town of Chemung | No |
| 72800 | Town of Chemung | Sole Assessor | Catherine J. Edwards | Yes--Town of Barton (Tioga Co.), Town of Van Etten | Yes-Town of Berkshire, Town of Barton, Town of Van Etten, Town of Catlin | No |
| 73000 | Town of Elmira | Sole Assessor | Theresa R. Murdock | No | No | No |
| 73200 | Town of Erin | Sole Assessor | Mary Jo LeClaire | No | No | No |
| 73400 | Town of Horseheads | Sole Assessor | Cindy Brand | No | No | No |
| 73600 | Town of Southport | Sole Assessor | Bruce A. Stanko | No | Yes-City of Elmira | No |
| 73800 | Town of Van Etten | Sole Assessor | Catherine J. Edwards | Yes--Town of Chemung; Town of Barton (Tioga Co.) | Yes-Town of Berkshire, Town of Barton, Town of Catlin, Town of Chemung | No |
| 74000 | Town of Veteran | Sole Assessor | Terry Brown | No | No | No |

Table A-2: Chemung County

| Municipalities | | Assessment Offices | | | | | | |
|----------------|--------------------|--------------------|----------------------|---------------------------------------|---------------------------------|----------------------|-----------------------|-----------------------------------|
| SWIS | Municipal Name | Type of Assessor | Assessor Name | IAO or Other Professional Designation | # of Staff (including Assessor) | Staff FTE Equivalent | Office Hours Per Week | % of Office Hours for Cust. Serv. |
| 70400 | City of Elmira | Sole Assessor | Bruce A. Stanko | Licensed R.E. Appraiser, SCA | 3 | 2.50 | 40 | 50 |
| 72000 | Town of Ashland | Sole Assessor | Joseph M Leonardi | SCAA | 1 | 0.50 | 20 | 40 |
| 72200 | Town of Baldwin | Sole Assessor | Joseph M Leonardi | SCAA | 1 | 0.25 | 20 | 40 |
| 72400 | Town of Big Flats | Sole Assessor | W.R. Torp | Licensed Res. Appraiser, SCA & IAO | 2 | 1.25 | 35 | 40 |
| 72600 | Town of Catlin | Sole Assessor | Catherine J. Edwards | SCAA | 1 | 0.25 | 3 | 75 |
| 72800 | Town of Chemung | Sole Assessor | Catherine J. Edwards | SCAA | 2 | 0.70 | 18 | 75 |
| 73000 | Town of Elmira | Sole Assessor | Theresa R. Murdock | SCAA | 2 | 1.50 | 35 | 90 |
| 73200 | Town of Erin | Sole Assessor | Mary Jo LeClaire | SCAA | 1 | 0.25 | 30 | 100 |
| 73400 | Town of Horseheads | Sole Assessor | Cindy Brand | None | 3 | 1.00 | 40 | 30 |
| 73600 | Town of Southport | Sole Assessor | Bruce A. Stanko | Licensed R.E. Appraiser, SCA | 3 | 2.00 | 40 | 50 |
| 73800 | Town of Van Etten | Sole Assessor | Catherine J. Edwards | SCAA | 2 | 0.08 | 3 | 75 |
| 74000 | Town of Veteran | Sole Assessor | Terry Brown | SCAA | 1 | 1.00 | 32 | 45 |
| Total | | | | | 22.0 | 11.3 | 316.0 | |
| Average | | | | | 1.8 | 0.9 | 26.3 | 59.2 |

Table A-3: Chemung County

| Municipalities | | Municipal Characteristics | | | | | | | | | | |
|----------------|--------------------|--------------------------------------|-----------------------------|----------------|-------------------------|------------------------------|--------------|-----------------|-------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| SWIS | Municipal Name | Total Budget for Assessment Function | % of total Municipal Budget | Office Sq. Ft. | Total Number of Parcels | Assessment Budget Per Parcel | FTE | Parcels per FTE | Parcels per Sq. Ft. of Office Space | Staff Per Sq. Ft. of Office Space | Number of Residential Parcels | % of Parcels That Are Residential |
| 70400 | City of Elmira | \$133,334 | 0.00% | 800 | 9,745 | \$13.68 | 2.50 | 3,898 | 12.2 | 266.7 | 7,535 | 77.3% |
| 72000 | Town of Ashland | \$10,838 | 1.88% | 300 | 730 | \$14.85 | 0.50 | 1,460 | 2.4 | 300.0 | 423 | 57.9% |
| 72200 | Town of Baldwin | \$5,700 | 1.50% | 300 | 550 | \$10.36 | 0.25 | 2,200 | 1.8 | 300.0 | 318 | 57.8% |
| 72400 | Town of Big Flats | \$84,168 | 3.80% | 200 | 3,917 | \$21.49 | 1.25 | 3,134 | 19.6 | 100.0 | 2,726 | 69.6% |
| 72600 | Town of Catlin | \$22,070 | 0.50% | 140 | 1,396 | \$15.81 | 0.25 | 5,584 | 10.0 | 140.0 | 940 | 67.3% |
| 72800 | Town of Chemung | \$33,000 | 4.00% | 512 | 1,459 | \$22.62 | 0.70 | 2,084 | 2.8 | 256.0 | 877 | 60.1% |
| 73000 | Town of Elmira | \$104,534 | 1.68% | 266 | 3,794 | \$27.55 | 1.50 | 2,529 | 14.3 | 133.0 | 2,889 | 76.1% |
| 73200 | Town of Erin | \$11,382 | 1.00% | 88 | 1,236 | \$9.21 | 0.25 | 4,944 | 14.0 | 88.0 | 716 | 57.9% |
| 73400 | Town of Horseheads | \$218,060 | 3.00% | 1960 | 8,264 | \$26.39 | 1.00 | 8,264 | 4.2 | 653.3 | 6,432 | 77.8% |
| 73600 | Town of Southport | \$90,000 | 1.79% | 800 | 5,426 | \$16.59 | 2.00 | 2,713 | 6.8 | 266.7 | 3,848 | 70.9% |
| 73800 | Town of Van Etten | \$14,700 | 0.50% | 84 | 1,162 | \$12.65 | 0.08 | 15,493 | 13.8 | 42.0 | 602 | 51.8% |
| 74000 | Town of Veteran | \$32,000 | 1.50% | 280 | 1,817 | \$17.61 | 1.00 | 1,817 | 6.5 | 280.0 | 1,207 | 66.4% |
| | Total | \$759,786 | | 5,730 | 39,496 | | 11.28 | | | | 28,513 | |
| | Average | \$63,315.50 | 1.8% | 478 | 3,291 | \$19.24 | 0.94 | 4,510 | 9 | 235 | 2,376 | 65.9% |
| | Min | \$5,700 | 0.0% | 84 | 550 | \$9.21 | 0.08 | 1,460 | 2 | 42 | 318 | 51.8% |
| | Max | \$218,060 | 4.0% | 1,960 | 9,745 | \$27.55 | 2.50 | 15,493 | 20 | 653 | 7,535 | 77.8% |

Table A-4: Chemung County

| Municipalities | | Indicators of Assessment Equity | | | | | | | | | |
|----------------|--------------------|---------------------------------|--|--------------------------|--------------------------|---------------------|------------------|-----------------|----------------------|--|--|
| SWIS | Municipal Name | Latest Eq. Rate (2008) | 2008 Overall LOA of Various Property Types | 2008 Sales COD from ORPS | 2008 Sales PRD from ORPS | Latest Reassessment | Latest State Aid | Aid Type * | Planned Reassessment | | |
| 70400 | City of Elmira | 92.00 | 92.00 | 27,596 | 1,191 | 1995 | \$18,512 | maintenance | unknown | | |
| 72000 | Town of Ashland | 2.02 | 2.02 | 22,768 | 1,112 | Unknown | \$1,396 | attainment | unknown | | |
| 72200 | Town of Baldwin | 2.14 | 2.14 | 6,637 | 1,025 | Unknown | \$970 | attainment | unknown | | |
| 72400 | Town of Big Flats | 100.00 | 100.00 | 6,570 | 1,007 | 2008 | \$18,345 | annual | annual | | |
| 72600 | Town of Catlin | 100.00 | 100.00 | 4,053 | 1,005 | 2008 | \$6,625 | annual | annual | | |
| 72800 | Town of Chemung | 100.00 | 100.00 | 12,086 | 1,067 | 2008 | \$17,224 | CAP & Triennial | annual | | |
| 73000 | Town of Elmira | 76.00 | 76.00 | 15,316 | 1,029 | 1992 | \$7,302 | maintenance | 2009 | | |
| 73200 | Town of Erin | 78.50 | 78.50 | 19,333 | 1,034 | 2002 | \$5,870 | triennial | unknown | | |
| 73400 | Town of Horseheads | 100.00 | 100.00 | 7,770 | 1,016 | 2008 | \$39,298 | annual | annual | | |
| 73600 | Town of Southport | 100.00 | 100.00 | 8,286 | 1,021 | 2008 | \$25,994 | annual | annual | | |
| 73800 | Town of Van Etten | 100.00 | 100.00 | 8,765 | 1,052 | 2008 | \$13,631 | CAP & Triennial | annual | | |
| 74000 | Town of Veteran | 89.00 | 89.00 | 13,217 | 1,044 | 1998 | \$3,462 | maintenance | 2010 | | |

❖ Attainment Aid: aid to defray the costs of equitable assessment administration to municipalities made in four (4) payments based on specific criteria. Availability terminated in 1996.

❖ Maintenance Aid: created to help assessing units preserve the system of improved real property tax administration they had already achieved through regular updating of rolls based on specific requirements. Availability terminated in 2005.

❖ Annual/Triennial Aid: changed the Maintenance Aid program creating a new annual aid program of financial assistance, supplemented by a program of triennial aid payments for those localities having completed a recent reassessment.

❖ CAP Aid: consolidated incentive aid program that offers local governments aid if two or more assessing units unify their assessing functions based on certain criteria.

Details at: <http://www.orps.state.ny.us/ref/pubs/2008report>

Table A-5: Chemung County Assessment Administration System

| SWIS | Municipalities | System Used | | | | Annual Fees/License Assoc. with System | Processing Responsibility | | | Databases | | Communication Speed (GHz) | Communication Capacity (MB of RAM) | Is GIS Used? | IT Support Who |
|-------|--------------------|------------------------|----------------------|-----------------|---------------|--|---------------------------|----------|-------------|-----------|----------|---------------------------|------------------------------------|------------------------------|----------------|
| | | Assessment & Inventory | Analysis / Valuation | ORPS Reports | Rolls & Bills | | Analysis / Valuation | Location | How Updated | | | | | | |
| 70400 | City of Elmira | RPS v4 | RPS v4 | County | \$1,750 | County | County, City, School | City | County | Real Time | 2.7 GHz | 2 GB | Yes | City, County, Shared Service | |
| 72000 | Town of Ashland | RPS v4 | RPS v4 | County/Assessor | \$850 | County/Assessor | County | Assessor | County | Real Time | Unknown | Unknown | Yes | County | |
| 72200 | Town of Baldwin | RPS v4 | RPS v4 | County/Assessor | \$850 | County/Assessor | County | Assessor | County | Real Time | Unknown | Unknown | Yes | County | |
| 72400 | Town of Big Flats | RPS v4 | RPS v4 | Town | \$1,300 | Town | County | Town | County | Real Time | | | Yes | County | |
| 72800 | Town of Catlin | RPS v4 | RPS v4 | County | \$1,000 | County | County | County | County | Real Time | 2.8 GHz | 500 MB | Yes | County | |
| 73000 | Town of Chemung | RPS v4 | RPS v4 | County | \$330 | County | County | Assessor | County | Real Time | 2.8 GHz | 500 MB | Yes | County | |
| 73200 | Town of Elmira | RPS v4 | RPS v4 | County | \$1,300 | County | County/BOCES | Assessor | County | Real Time | 1.7 GHz | 256 MB | Yes | County | |
| 73400 | Town of Horseheads | RPS v4 | RPS v4 | State | \$1,000 | State | County | Town | County | Real Time | | | Yes | County | |
| 73600 | Town of Southport | RPS v4 | RPS v4 | County | \$1,750 | County | County, Town, School | Assessor | County | Real Time | 2.6 GHz | 1.5 GB | Rarely | County | |
| 73800 | Town of Van Eiten | Excel & RPS v4 | RPS v4 | County | \$330 | County | County | Assessor | County | Real Time | 2.8 GHz | 500 MB | yes-some | County | |
| 74000 | Town of Veteran | RPS v4 | RPS v 4 | Assessor | \$1,000 | Assessor | Assessor | Assessor | County | Real Time | 1.81 GHz | 1 GB | Rarely | County | |

Table A-6: FTE Personnel Analysis

| FTE Personnel Count | Single Assessing Unit Models | | Multiple Assessing Unit Models | | |
|---------------------|--|----------------------|--|---|--|
| | Option 1 | Option 2 | Option 3 | Option 4 | Other |
| | Existing Assessment System within Chemung County | County-run Assessing | CAP of City, Towns of Elmira, Big Flats, Horseheads, Southport | Towns contract w/County for assessment services under RPTL 1537 | Current Structure w/additional consolidation and inter-municipal agreement |
| County | 3 | 16 | 4 | 3 | Variable |
| Towns | 11.3 | 0 | 12 | 11.3 | 11.3 |
| Total | 14.3 | 16 | 16 | 14.3 | Variable |

| Start-up Costs | Table A-7: Chemung County Cost/Aid Comparison of Options | | | | | |
|--|--|------------------------------|------------------------------|--|---|------------|
| | Existing Assessment System within Chemung County * | Single Assessing Unit Models | | | Multiple Assessing Unit Models | |
| | | Option 1 | Option 2 | Option 3 | | Option 4 |
| | | County-run Assessing | County CAP Managed by County | CAP of City, Towns of Elmira, Big Flats, Horseheads, Southport | Towns contract w/County for assessment services under RPTL 1537 | Other |
| Establish Equitable assessments at a common level throughout the County | \$0 | \$454,735 | \$454,735 | \$341,075 | \$0 | Variable |
| Transitional costs for County Run or County CAP managed by County (Computers, telephones, supplies, furniture) | \$0 | \$389,000 | \$25,000 | \$0 | \$0 | \$0 |
| Available State Aid for reassessment - Muni Aid | \$0 | (\$61,305) | (\$61,305) | (\$155,730) | \$0 | Variable |
| State Consolidation Aid - Muni Aid | \$0 | \$0 | (\$258,125) | (\$218,022) | \$0 | Variable |
| State Consolidation Aid for County Run Assessing, RPTL 1573 - County Aid | \$0 | (\$276,472) | \$0 | \$0 | \$0 | \$0 |
| State Aid for County Run Assessing Referendum Approval - County Aid | \$0 | (\$78,992) | \$0 | \$0 | \$0 | \$0 |
| State Consolidation Aid for County providing services, RPTL 1573 | \$0 | \$0 | (\$39,496) | \$0 | (\$39,496) | (\$39,496) |
| State Aid IF County Managed County wide CAP | \$0 | \$0 | (\$78,992) | \$0 | \$0 | \$0 |
| Total One Time Start-up Costs | No Change | \$426,966 | \$41,817 | (\$32,677) | (\$39,496) | (\$39,496) |
| Cost Per Parcel - County | \$0.00 | \$0.85 | (\$0.37) | \$0.00 | (\$1.00) | (\$1.00) |
| Cost Per Parcel - Town | \$0.00 | \$32.09 | \$11.04 | (\$2.67) | \$0.00 | Variable |
| Combined Cost Per Parcel | \$0.00 | \$10.81 | \$1.06 | (\$0.63) | (\$1.00) | (\$1.00) |

Table A-7 continues on the next page.

Table A-7 (Continued): Chemung County Cost/Aid Comparison of Options

| Operational Costs | | | | | | |
|---|------------------|------------------|------------------|------------------|-----|------------------|
| Town Assessment Depts. | \$759,786 | \$0 | \$0 | \$644,690 | *** | \$759,786 |
| County RPTS | \$242,547 | \$951,201.70 | \$266,802 | \$242,547 | | \$242,547 |
| Less Revenues | (\$403,500) | (\$403,500) | (\$403,500) | (\$403,500) | | (\$403,500) |
| Cost of a County Consolidated Assessing Unit | \$0 | \$0 | \$749,650 | \$0 | | \$0 |
| Additional Cost of annually maintaining assessments at a common LOA throughout the County | \$51,571 | \$113,968 | \$113,968 | \$96,704 | | \$113,968 |
| State Aid for Annual Reassessment ** | (\$121,117) | (\$197,480) | (\$197,480) | (\$197,480) | | (\$197,480) |
| Total Annual Operational Costs | \$529,287 | \$464,190 | \$529,440 | \$389,361 | | \$515,321 |
| Cost Per Parcel - County | (\$2.77) | \$11.75 | \$13.40 | (\$6.46) | | (\$6.19) |
| Cost Per Parcel - Town | \$19.24 | \$0.00 | \$0.00 | \$16.32 | | \$19.24 |
| Combined Cost Per Parcel | \$13.40 | \$11.75 | \$13.40 | \$9.86 | | \$13.05 |
| Difference from Current Structure | No Change | (\$65,097.05) | \$152.95 | (\$139,926.15) | | (\$13,965.75) |

* This column represents the baseline costs of the current assessment system in Chemung County.

** Annual Reassessment Aid of \$197,480 may be available under the current structure if all towns reassessed in the same year (39,496 x \$5).

*** CGR modeled a decrease in cost to Towns of 25% and an increase to the County of 50%.

Assumptions

| | | | | | |
|--------------------------------------|-----------|-------------------|----------|---------------------|-----------|
| Appraisers | 9 | Salary Per Person | \$40,000 | Total plus Benefits | \$522,000 |
| Clerical & Tax Map | 4 | | \$28,000 | | \$162,400 |
| Fringes | 45% | | | | |
| Annual State Aid | (\$5) | | | | |
| Triennial State Aid | (\$5) | | | | |
| Consolidation Aid | (\$7) | | | | |
| County Aid - \$2 | (\$2) | | | | |
| County Aid - \$1 | (\$1) | | | | |
| Maintenance of LOA Cost/Parcel | \$2.89 | | | | |
| Total Parcels | 39,496 | | | | |
| Parcels Needing Reassessment | 12,261 | | | | |
| Parcels Receiving Annual Aid | 21,624 | | | | |
| Reassessment Cost/Parcel | \$47.5 | | | | |
| Transitional Costs | \$389,000 | | | | |
| County Run | \$25,000 | | | | |
| Transitional Costs | \$25,000 | | | | |
| County CAP | \$19,24 | | | | |
| Average Budget/Parcel in Chemung Co. | | | | | |

= 15% of Average budget/parcel for Chemung Co.

= City of Elmira, Towns of Ashland, Baldwin, Erin (Costs would vary by municipality)

= Catlin, Chemung, Van Etten, Horseheads, Big Flats, Southport

= Buy a new building to house the RPTS operation and add \$3000 per new employee

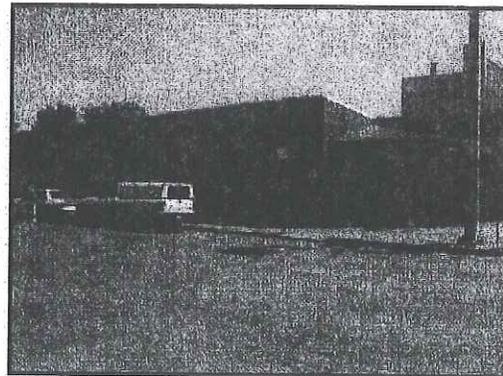
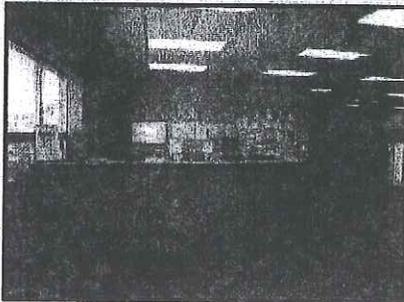
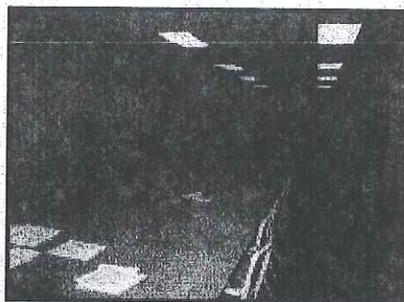
= Buy equipment for a mobile unit and supplies and materials to accommodate new office



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A Review of Property Tax Assessment Options for Wayne County

February, 2009

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A Review of Property Tax Assessment Options for Wayne County

February, 2009

EXECUTIVE SUMMARY

In the fall of 2007, New York State's Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local real property assessment and tax administration systems. Wayne County was one of 51 counties to receive a CPTAP grant to explore opportunities for collaborative assessment. Following a Request-for-Proposal process in the summer of 2008, the County engaged CGR Inc. (Center for Governmental Research) to conduct its centralized property tax study.

The study completed by CGR and detailed in this report conforms to analytical and reporting parameters established by the State Office of Real Property Services. ORPS identified a series of specific assessment models to be analyzed and reported on in each county that received a CPTAP grant. The parameters for the collaborative assessment study can be viewed online via the Office of Real Property Services website at

<http://www.orps.state.ny.us/cptap/resources/CPTAPCollectionOutline.pdf>.

Using information collected from all of Wayne County's town assessors and town supervisors, interviews with county and local assessment officials, and sales/parcel data provided by the County and ORPS, CGR considered the implications of four assessment options in comparison to the *status quo*:

1. County-run assessment system;
2. County-coordinated assessment system;
3. Localized coordinated assessment systems; and
4. Towns contracting with the County.

The intent of this report and the information contained herein is, in the most basic sense, *to empower real property tax officials at the County and local level to make decisions regarding the future administration of*

property tax in the Wayne County community. While specific reform concepts will no doubt require additional analysis and consideration of detailed components, a full understanding of the baseline delivery of assessment services is essential to beginning any change process. In documenting the extent of diversity in current assessment process, approach, level and output in Wayne County, this report establishes a baseline foundation for making those decisions going forward.

Acknowledgements

CGR acknowledges the assistance of many Wayne County and municipal officials during the course of this project. Shirley Bement, Wayne County's Director of Real Property Tax Services, provided invaluable assistance with data collection and project management throughout the course of the study. Local assessors and town supervisors supplied financial and operational data essential to completing a comprehensive analysis. And local assessors and county officials made themselves available for in-person interviews to discuss the current assessment system and opportunities for improvement.

Staff Team

Scott Sittig, Senior Research Associate at CGR, managed this project and completed major data analysis and report writing. Joseph Stefko, Ph.D., CGR's Director of Public Finance, directed the engagement. Additional staff support and research was provided by Katherine Corley and Kirstin Pryor.

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INTRODUCTION

In the fall of 2007, New York State's Office of Real Property Services (ORPS) established the Centralized Property Tax Administration Program (CPTAP) to encourage county and local municipal officials to study reform opportunities for their local real property assessment and tax administration systems. According to ORPS, New York is one of only three states nationwide that does not have a statewide uniform level of assessment. Further, it is one of twelve states which do not have a statewide requirement for how often a reassessment must happen.

New York has 1,128 separate assessing units, compared to a national median of 85 units. It is one of only seven states which have over 500 assessing jurisdictions. By contrast, thirty states have less than 100. New York's assessing picture is further complicated by nearly 700 school districts and approximately 1,000 other special purpose districts (e.g. fire and library districts) which can impose property taxes and are not contiguous with the 1,128 assessing jurisdictions.

In an effort to explore reform opportunities, New York State created the CPTAP grant program as a tool for counties to document their assessment and tax administration systems and consider alternative models. ORPS officials have been clear throughout the process that the program is not intended to force change towards a county run assessment system. Rather, its goal is assessment models that uniformly affect every parcel within respective counties, and which result in the following performance standards:

1. a common level of assessment for all assessing units within each county;
2. a common database of assessment, inventory, pictures and valuation data for all the assessing units within each county; and
3. consistent assessment administration standards (*i.e.* regular reassessment cycles; timely verification, correction and transmittal of sales data; and current and accurate inventory collection and maintenance) for all assessing units within each county.

Stated differently, ORPS' goal is to enhance current assessment practices statewide on the following standards:

- **Equity:** A system that provides a mechanism for obtaining and maintaining equitable assessments;
- **Transparency:** A system that is understandable to taxpayers; and

- **Efficiency:** A system that functions efficiently and consistently across the county.

Only two counties in New York State, Nassau and Tompkins, operate under a fully county-run assessing system. In all other counties, levels of assessment (LOA) and reassessment schedules vary greatly from one municipality to another. According to ORPS, the discrepancies are large. By way of example, one county has an equalization rate range of 0.83 to 101.3, with some municipalities maintaining 100 percent assessments while neighboring jurisdictions have not reassessed since the Civil War. The resulting disparities create challenges for the State and counties, not to mention confusion for taxpayers, particularly regarding apportionment of school and county tax levies.

A report issued in the spring of 2008 by the New York State Commission on Local Government Efficiency and Competitiveness highlighted this fragmentation and the disparities in the system, and recommended that assessment functions across the State be consolidated at the county level. The transition to county-run assessment programs was acknowledged to potentially cost more money in some locations, but the Commission believed that a centralized system would be more efficient; make better use of professional expertise; and enhance equity and transparency.

However, the foregoing is provided as context for the CPTAP study. It is not the intent of this study to recommend or even promote one option or model over other alternatives. Rather, this analysis and report intends to provide county and local officials with a cost/benefit analysis of a series of assessment models identified by ORPS. With that information, county and local officials will be well positioned to make future decisions regarding Wayne County's assessment system.

THE EXISTING ASSESSMENT SYSTEM IN WAYNE COUNTY

The property tax assessment system in Wayne County is not functionally "broken." Interviews with local assessors and with County officials revealed that the system operates well and there are very few complaints in terms of functionality. The oldest revaluation is from 2004 and while the County does not have a real-time centralized database, regular backups are provided by local units and provide the County with relatively accurate and current information throughout the year. In addition, the County offers many services to local jurisdictions, and local assessors collaborate with one another on a regular basis, including when they need help with valuation.

If a well-functioning system were the only criteria by which an evaluation of the current system should be made, then Wayne County need not make any drastic changes. However, the goals of this study are not only to examine how the system currently functions, but also to analyze the equity, transparency and efficiency of the current system. In this regard, the Wayne County assessment system does show some variability that breeds inequity. Not only are assessment valuation standards variable across the County, the standards by which assessors serve the public and conduct assessments also vary by individual.

To document the current assessment system in Wayne County, CGR obtained data from several different sources. Data came from a survey of all town assessors as well as each town supervisor. CGR also obtained and analyzed sales and parcel data for the entire County from ORPS, as well as directly from the County. During the process, CGR also interviewed the County Real Property Tax Services Director, the County Administrator, the County Attorney, and the County Information Technology Director. In addition, CGR attended and facilitated a meeting of the County's local assessors' group, which provided an opportunity to discuss the study, current practices and opportunities with local assessors from jurisdictions countywide.

The following sections detail the current assessment budgets and operations for all assessing jurisdictions in Wayne County. As noted below, a series of tables are included in the appendix with detailed information on each assessing unit in the County.

Structure and Staffing

Wayne County is divided into fifteen municipal assessing units, each of which has boundaries contiguous with a town in the County. Those units are:

- Arcadia
- Butler
- Galen
- Huron
- Lyons
- Macedon
- Marion
- Ontario
- Palmyra
- Rose
- Savannah
- Sodus
- Walworth

- Williamson
- Wolcott

There are currently no coordinated assessment programs (CAPs) among Wayne County's assessing units, and none of the units obtain contractual services from the county pursuant to Section 1537 of the Real Property Tax Law. **Tables 1 and 2** in the appendix present staffing and other overview information for each assessing unit.

Municipal Level

There are eleven individual assessors and two three-person boards covering the fifteen assessing units. Of the eleven with individual assessors, eight are appointed and three are elected. The Towns of Butler, Galen and Rose have hired the same assessor. The assessor for the Town of Savannah also serves as assessor for three assessing units outside of Wayne County.

As identified in **Table 2** of the appendix, there are 32 total assessment staff persons in the fifteen assessment units (including the assessors). This translates into 19 full-time equivalent (FTE) positions. Each unit averages two staff positions, or the equivalent of 1.3 FTEs.

All but one assessor is at least minimally certified to be an assessor.¹ Four assessors have received state designation as "advanced"² and two assessors are certified as "professionals" through the Institute of Assessing Officers (IAO) in New York State.³

The Town of Huron assessing board is comprised of three individuals who are all nearing retirement. One board member is one course shy of full certification as an assessor and, as of the writing of this report, intends to complete that final course. The Town of Rose assessor position was temporarily being filled by the Town of Lyons assessor, but Rose recently permanently filled the slot for 2009 by hiring the assessor who also serves the Towns of Butler and Galen.

The average assessing unit in Wayne County is open for 30 office hours per week, staffed by the assessor and/or one of the support staff.

¹ State Certified Assessor (SCA) is the minimal certification and requires training in a state certified program.

² State Certified Assessor Advanced (SCAA) designation requires extra coursework provided by NYS beyond the SCA certification.

³ Professional designation (SCAP) requires coursework and passing a five-hour exam administered by the IAO. Any NYS assessor can be a member of the IAO without having the "professional" designation.

According to assessment staff, over 80 percent of office hours on average are devoted to customer service issues.

The International Association of Assessing Officers (IAAO)⁴ has established benchmarks for average number of staff per parcel. For jurisdictions that have systems supported by computers, the average number of parcels per FTE employee is approximately 2,000. For those without computer support, the average is roughly 1,800. Interviews with assessors both from Wayne County and elsewhere in New York State revealed that, in many communities, it is not uncommon for the parcels-per-FTE ratio to be 3,500 or more depending on the town and the type of parcels involved.

Information gleaned from the surveys and subsequently verified by the Wayne County Director of Real Property Tax Services revealed the number of full time equivalent staff for each town in Wayne County. The range in parcels per FTE was broad – the lowest parcels-per-FTE ratio was 1,517, while the highest was 5,268. It is important to note that this disparity should be interpreted in terms of effort being expended by assessors, not necessarily in terms of actual parcels covered by one FTE staff person. Only one Wayne County town has an FTE staff person covering more than 3,000 parcels. All other towns that have ratios in excess of 3,000 parcels-per-FTE have less than one FTE covering all the parcels. Again, this represents a level of effort expended by these town assessors that exceeds the level of effort expended by other towns with fewer parcels per FTE.

County Level (RPTS)

The County operates a Real Property Tax Service (RPTS) office, headed by the Director of Real Property Tax Services. There are six staff persons that report to the Director. Two staff persons are assigned to support assessing; two staff persons are devoted to tax mapping; and two staff provide clerical support for the office. In 2009, the County budgeted \$730,000 for the RPTS office. After revenues are subtracted, the net cost to County residents was anticipated to be \$648,500. Some of the services that the County provides in support of the assessment function are as follows:

- Data mailers (in fall and winter)
- Full disclosure of assessment change notices
- Tax enforcement

⁴ www.iaao.org

- Tax levy coordination and calculation of tax rate
- Processing of tax rolls and bills
- Board of Assessment Review (BAR) training
- Tax map preparation
- Assessor orientation
- Printing of tentative and final assessment rolls
- RPS software tech support (coordinates upgrades and training)
- Printing of assessor annual reports
- Advice with complex commercial appraisals
- Sales transmittals
- State level information updates

Many of these services are provided pursuant to state statute.

Parcel Characteristics

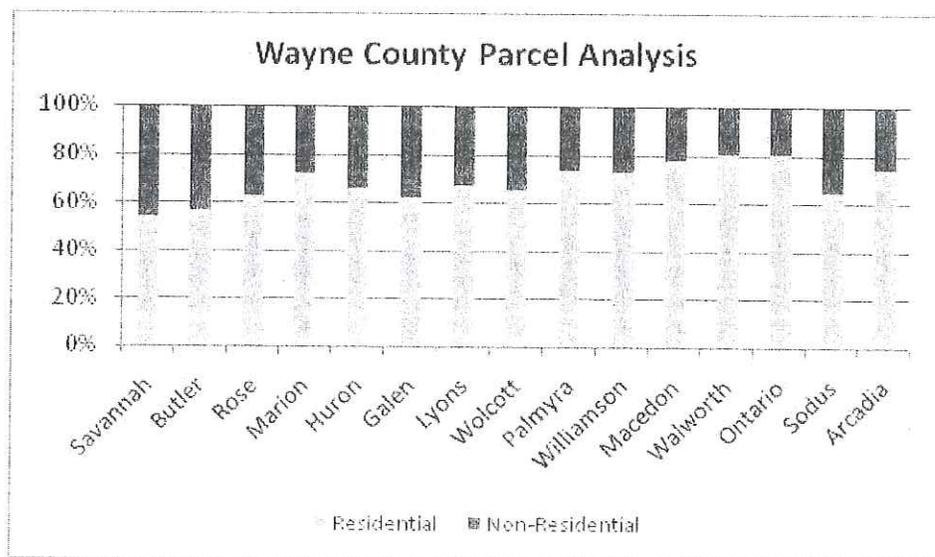
Wayne County contains 43,316 property parcels, the majority of which are classified as residential (see **Table A**). Reflecting the County's rural character, the next highest classification is vacant land. Agricultural is the third most common property class in the County with almost six percent of the total property class designation. Commercial and Industrial classifications account for less than five percent of all parcels in the County.

| <i>Property Class</i> | <i>Parcels</i> | <i>%</i> |
|----------------------------|----------------|---------------|
| Recreation & Entertainment | 137 | 0.3% |
| Industrial | 186 | 0.4% |
| Wild & Public Lands | 228 | 0.5% |
| Community Service | 561 | 1.3% |
| Public Services | 743 | 1.7% |
| Commercial | 1,876 | 4.3% |
| Agricultural | 2,553 | 5.9% |
| Vacant Land | 6,145 | 14.2% |
| Residential | 30,887 | 71.3% |
| Total | 43,316 | 100.0% |

As shown in **Table B**, the Town of Arcadia has the most total parcels in the County (5,557, or 12.8 percent of the total). Arcadia also contains the largest percentage of residential properties (13.4 percent of all county

residential parcels). Savannah has the fewest parcels at 1,000 (2.3 percent of all county parcels).

| <i>Town</i> | <i>Total</i> | <i>%</i> | <i>Residential</i> | <i>%</i> |
|--------------|---------------|---------------|--------------------|---------------|
| Savannah | 1,000 | 2.3% | 543 | 1.8% |
| Butler | 1,096 | 2.5% | 620 | 2.0% |
| Rose | 1,330 | 3.1% | 841 | 2.7% |
| Marion | 2,107 | 4.9% | 1,525 | 4.9% |
| Huron | 2,172 | 5.0% | 1,439 | 4.7% |
| Galen | 2,326 | 5.4% | 1,446 | 4.7% |
| Lyons | 2,563 | 5.9% | 1,724 | 5.6% |
| Wolcott | 2,671 | 6.2% | 1,743 | 5.6% |
| Palmyra | 3,034 | 7.0% | 2,237 | 7.2% |
| Williamson | 3,161 | 7.3% | 2,319 | 7.5% |
| Macedon | 3,679 | 8.5% | 2,866 | 9.3% |
| Walworth | 3,795 | 8.8% | 3,066 | 9.9% |
| Ontario | 4,091 | 9.4% | 3,307 | 10.7% |
| Sodus | 4,734 | 10.9% | 3,080 | 10.0% |
| Arcadia | 5,557 | 12.8% | 4,131 | 13.4% |
| Total | 43,316 | 100.0% | 30,887 | 100.0% |



The above graphic displays the percentage of total parcels per town that are classified as residential. The towns of Walworth and Ontario have the

highest percentage of total parcels classified as residential; Savannah has the lowest concentration of residential parcels.

Early in the study, CGR received feedback that Wayne County's parcel "mix" is quite diverse as one moves throughout the County. The parcel analysis supports this anecdotal observation. CGR reviewed the six eastern towns⁵ versus the six western towns⁶ to compare the percentage of parcels that are classified as residential. The six eastern towns have a residential parcel percentage of 63 percent, versus 77 percent in the six western towns. Further, the eastern towns have a higher percentage of total parcels classified as agricultural (41 percent) compared to the western towns (31 percent).

CGR also conducted an analysis to determine the assessed value of property along the lake⁷ as compared to towns in the southern⁸ part of the county. The analysis revealed that the towns in the southern part of the county have a total assessed value that is roughly 92 percent of the total assessed value of the property along the lake.

Budgets and State Aid

For the most recent year, Wayne County's local assessment functions report spending approximately \$773,000. This averages out to \$51,500 per assessing unit, or roughly 3.4 percent of the average town budget. **Table 3** in the appendix details the breakdown for each Town.

The "cost per parcel" of local assessment functions ranges from \$11.41 in the least expensive town to \$26.57 in the most expensive. In other words, the town with the highest cost-per-parcel ratio in the County is paying 133 percent more than the lowest cost town. Full details on this information can be found in **Table 3** of the appendix.

State aid varies across the assessing units. Two thirds of the units receive triennial state aid; the others receive annual aid. Aid amounts vary across the units, ranging from \$4,500 to \$26,545. **Table 4** in the appendix contains detailed information on state aid received by each of the assessing units.)

⁵ Eastern towns: Huron, Wolcott, Rose, Butler, Galen, Savannah

⁶ Western towns: Ontario, Williamson, Walworth, Marion, Macedon, Palmyra

⁷ Lakefront towns: Ontario, Williamson, Sodus, Huron, Wolcott

⁸ Southern towns: Macedon, Palmyra, Arcadia, Lyons, Galen, Savannah

Indicators of Assessment Equity and Uniformity

Real Property Tax Law, Section 305, requires that assessing jurisdictions treat all parcels the same by assessing all real property at a uniform percentage of market value. The following statistical measures illustrate how consistently assessors are treating parcels throughout the County. (Note: **Table 4** in the appendix contains additional detail on the measures discussed in this section.)

Coefficient of Dispersion

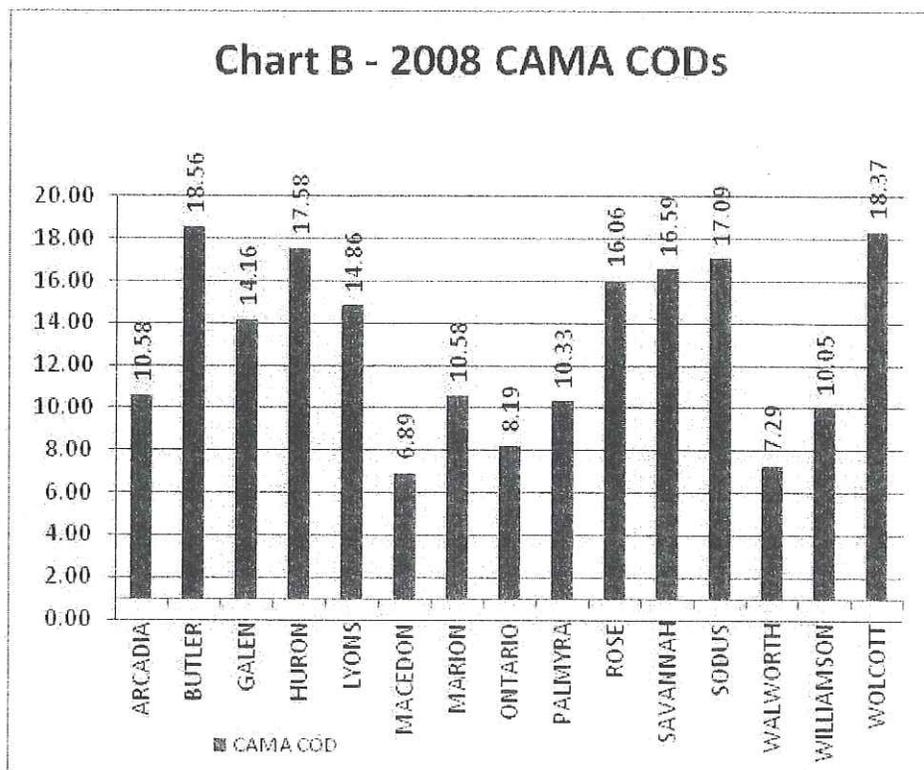
The Coefficient of Dispersion (COD) is a common statistical measure of uniformity (often called “horizontal” equity). According to ORPS, “the COD measures the extent to which the assessment ratios from a given roll exhibit dispersion around a midpoint. It is generally accepted that the median assessment ratio best serves as the midpoint or central tendency measure from which the average level of dispersion should be calculated.”⁹

The lower the COD, the more uniformity there is in assessments within the jurisdiction. According to the IAAO, residential parcels should have a relationship between assessed value and market value where the COD is between 5 and 15 percent. For counties with more rural parcels and parcels classified as vacant, an acceptable ratio can be as high as 25 percent. The general benchmark for all parcels analyzed together is roughly 20 percent. As shown previously in **Table A**, 71 percent of Wayne County properties are residential and 14 percent are classified as vacant.

Current CAMA CODs¹⁰ for Wayne County towns range from 6.89 to 18.56. Five of the fifteen assessing units exceed the 15-percent threshold defined by the IAAO. The largest COD of the fifteen assessing units is 2.7 times higher than the smallest. Sales ratio COD’s range from 2.44 – 15.39.

⁹ *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

¹⁰ Computer Assisted Mass Appraisal (CAMA) COD. Both CAMA and Sales COD data were provided by the NYS Office of Real Property Services.



Level of Assessment

The Level of Assessment (LOA) represents the percentage of full value at which parcels within a particular community are assessed. An LOA of 25 percent would indicate assessments are one-quarter of full market value; an LOA of 100 would indicate full market value assessments.

The current range of LOA across Wayne County is 84 to 100. Two-thirds of assessing units have an LOA of 100 for their most recent reporting period. Of the five assessing units that did not have an LOA of 100, four are planning a reassessment in the next 3 to 5 years.

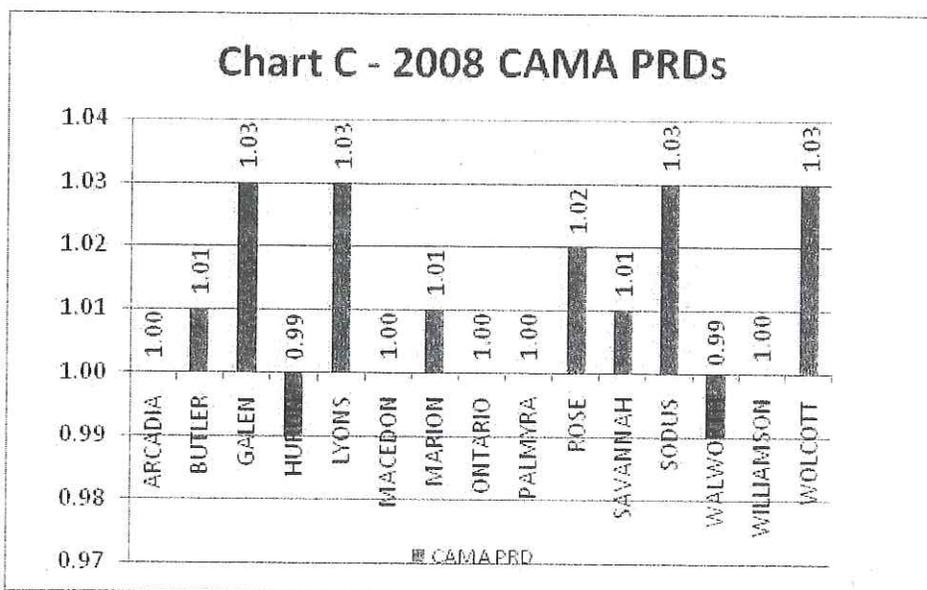
Price Related Differential

Another measure of assessment uniformity is known as Price Related Differential (PRD). According to ORPS, the PRD “is used to determine if there is a bias on an assessment roll toward systematic over-assessment of either high- or low-value properties in comparison to the average property. In computing the PRD, the simple mean of the assessment ratios is divided by the value-weighted mean ratio. If no bias exists, the two ratios should

be close to each other, and the PRD should be near 1.00."¹¹ PRDs that are significantly greater (or less than) 1.00 show price-related bias – a “progressivity” if higher-value properties are over-assessed and lower-value ones under-assessed, or a “regressivity” if the opposite is true.

The IAAO standard for acceptable PRDs is 0.98 to 1.03. Values below this range indicate progressivity; values above this range indicate regressivity.

As observed in Chart C below, no Wayne County assessing units exhibit bias relative to the acceptable range. Sales related PRD's exhibit a similar lack of bias and range 1.00 – 1.06. According to the IAAO, further statistical analysis¹² would have to be conducted to determine the validity of these PRDs.



Sales Data Quality

During the course of its analysis and interviews, CGR did not learn of any obvious discrepancies or observe any specific weaknesses regarding the quality of the data kept by the assessing units within Wayne County. However, there are opportunities to enhance the way data and information are stored, as outlined in the following section.

¹¹ *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

¹² IAAO recommends either the Spearman Rank Test or a Correlation or Regression analysis to determine the validity of the PRD calculations.

Reassessment

Most assessments within Wayne County are fairly recent. The oldest reassessment in the County was done in 2004. Three towns fall into this category. All others reported more recent reassessments. Regarding future reassessment plans, four units report having no current plans for reassessments in the immediate future. Eleven units noted that they have a plan for future reassessment, with two having submitted a plan to the state to be on a six-year reassessment cycle. Four of the towns used a contractor for their last reassessment.

Table 4 in the appendix details information regarding reassessment.

Real Property Administration System

Type of System

According to information provided to CGR by local assessors and the County, all assessing units in Wayne County are using Real Property System (RPS) V4 software to track and report their assessment activities. Each town retains its own data on its own equipment. Backups are performed on the local machines regularly, and backup files are sent by the assessing units to the County approximately six times per year to enable the County to maintain a relatively current master file.

All but two assessing units in the County use GIS in support of their assessment function. One of the units not using GIS indicated that it was moving in that direction and would institute the use of GIS software.

Regarding actual computer equipment in the assessing units, CGR was unable to obtain data on all the machines in town. For those towns that reported on their equipment, the machines were generally newer and capable of supporting the data and software requirements associated with RPS V4.

As noted earlier, the County provides IT support to all of its assessing units upon request. In addition, two towns indicated that they used an outside source for technical support of their equipment.

Logistics

The County processes all assessment rolls and tax bills. The typical process involves local assessors sending a backup copy of their data to the County, off of which the County produces the required assessment rolls and bills.

One complication with this process is that the County does not have access to real time data at all points throughout the year. Backups come from

local assessors on a bi-monthly basis, and concerns were expressed to CGR about this issue. First, there have been instances when mistakes were made and multiple files had to be created and sent, causing confusion at the County level and increasing the chance for error. Second, because the data is not real time, the County is limited in the support it can provide centrally in valuation and data verification throughout the year. Thirdly, no centralized real time source exists for valuation benchmarking if an assessor wants to compare values outside of their immediate jurisdiction. While neighboring assessors are generally accommodating in providing such assistance, common real time data would enhance the process.

POSSIBLE ALTERNATIVE MODELS

As noted at the outset of this report, the NYS Office of Real Property Services established a specific list of options to be analyzed and costed out in each county's CPTAP study. The following sections detail those four primary options:

1. County-Run Assessing
2. County Coordinated Assessment Program (CAP)
3. Localized Coordinated Assessment Programs (CAP)
4. Towns Contracting with County

Table 7 in the appendix shows the detailed cost/revenue implications for each of the models considered below.

Collaboration Incentives

In the context of reviewing alternative models, it is important to note the availability of certain collaboration/consolidation incentives for communities. The Office of Real Property Services provides state aid (currently up to \$7/parcel) to groups of municipalities who consolidate their assessment functions, share an assessor and achieve a common level of assessment. In addition to the aid available to municipalities, counties are eligible for up to \$2/parcel if municipalities consolidate their services at the county level. This aid is reduced to \$1/parcel if some but not all of the municipalities opt to consolidate in this manner.

Besides the obvious municipal cost benefits related to consolidation, the Coordinated Assessing Program (CAP) and or inter-municipal agreements potentially reduce the number of assessment officials who need to be trained and certified and reduce the number of individual equalization rates that need to be computed by the State. One concern that was repeated several times was that fewer and fewer people are in the pipeline

to become assessors. While positions are currently filled in all municipalities in Wayne County, the possibility exists that there will not be highly qualified individuals in the future to fill vacant posts. Reducing the number of posts needed to be filled addresses this future concern.

COUNTY-LEVEL MODELS

According to the state's Commission on Local Government Efficiency and Competitiveness, the primary benefits associated with a county-level assessment model would be gains in efficiency and professionalism, along with a more streamlined system for applying and maintaining equalizations rates across the state. This section projects the costs of transitioning to, and operating, the county-run and county-coordinated assessing models in Wayne County. It also explores opportunities for intermunicipal sharing of services as alternatives to a truly county-run system.

Option 1: County-Run Assessing

County-run assessment places the responsibility for property assessment solely with the county government. Since local municipalities would be surrendering their right to conduct local assessments, the consolidation to a county model would require a county-wide referendum¹³. Since there are no cities in Wayne County and none of the villages are assessing units, the referendum must pass by a simple majority vote of all county voters.

State Real Property Tax Law, Sections 1530 and 1540, requires that under a county assessing system, the county's Director of Real Property Tax Services would be replaced by a Director of Assessment. The Board of Supervisors appoints the Director, either for a six-year term of office or civil service appointment. All other employees in the department would be civil service staff. By way of comparison, Tompkins County (one of two county-run models in the state) appointed a civil service Director of Assessment that is not subject to six year term limits.

Once the county became a single assessing unit, the state would calculate a single equalization rate based upon the aggregate assessed value to market value ratio of the entire county, and the County Board of Supervisors would be responsible for setting the revaluation schedule. Once a full value revaluation has been implemented, Real Property Tax

¹³ Article IX, §1(h)(1) of the State Constitution provides that where a transfer of functions to the county occurs, it must be approved by a majority of the votes cast in a referendum.

Law authorizes the Board of Supervisors to direct an assessment of all property at a uniform percentage of value.

Transition Costs

A precondition to a fully county-run assessing model is uniform assessment levels across the jurisdictions to be consolidated. In Wayne County, six assessment units currently have levels of assessment below 100 (Savannah, Butler, Huron, Galen, Williamson and Wolcott). Bringing those units to a common level of assessment with the remaining units would require a more comprehensive reassessment of 12,426 parcels¹⁴. In addition, as of 2011, the towns of Arcadia and Marion may also require a more comprehensive reassessment in order to be at an LOA of 100. These towns represent 7,664 parcels. Assuming an average reassessment cost of roughly \$25 per parcel, the full reassessment of these properties would produce a gross cost of \$502,000.

After consultation with county officials, there was concern that the annual reassessments conducted by the remaining assessing jurisdictions might not lend to a uniform centralized database. To address this concern, county officials anticipate needing to conduct a full data verification project for the remaining assessing jurisdictions in the county. This would affect the remaining 23,246 parcels in the county and assuming the same \$25 per parcel cost would add additional cost of \$580,700. Total cost for reassessment is anticipated to be approximately \$1,083,000.¹⁵

In addition to reassessment, there would be operational transition costs associated with relocating staff, establishing new offices, and buying computers and related equipment. Space needs exist for personnel and file storage and logistics would have to be addressed for both as details are finalized regarding the transition. While it is challenging to precisely calculate this cost, County officials provided CGR with an estimate that this could be as much as \$405,000. The primary cost is \$400,000 dedicated to purchasing and/or renovating space in order to relocate county department personnel in anticipation of adding staff to the RPTS office. \$5,000 has been allocated for the purchase of a new computer server dedicated to running Real Property Services software.

It is likely that a portion of the transition costs would be offset by state aid. Reassessment aid of \$5/parcel would be available, bringing the net cost for

¹⁴For analysis, CGR assumed that this transition would occur as of 2011.

¹⁵ Estimates for transition costs related to reassessment were provided by Wayne County officials. CGR's research of ORPS guidelines suggests that the transition to an equalized level of assessment of 100 may not require parcels currently updating their data annually (23,246) to conduct a formal reassessment thus reducing the transition cost by \$580,700.

reassessment to roughly \$20/parcel. In addition, each town would be eligible for consolidation aid of \$7/parcel. The county would also receive \$2/parcel as part of the transition. *When all potential aid is contemplated, the net effect could be \$881,000 in up-front transition costs. Were less comprehensive reassessments conducted for current annual and triennial state aid recipients, the actual transitional cost could be lowered by over \$550,000.*¹⁶

Operating Costs

Operating costs of the county-run model would largely depend on the parcels-per-FTE ratio assumed for the new county assessment office. As noted previously, the general guideline is one FTE staff member per every 2,000 parcels, but the figure can reasonably range up to 3,500. Under these assumptions, the staffing range in the county assessment office would likely be between 12 and 22 FTEs. According to County officials, there are currently two staff persons already dedicated to assessment at the county level. Therefore, between 10 and 20 new staff would have to be added to the county operation to adequately meet the needs of the new department.

For cost estimation purposes, CGR has assumed thirteen additional positions, which would bring the size of total dedicated assessment staff to 15.¹⁷ At fifteen dedicated staff, the parcels-per-FTE ratio (applied to dedicated assessment staff only) would be 2,887. Including all department staff in the ratio (*i.e.* including clerical and administrative staff) brings the ratio to 2,280.

Based upon conversations with Wayne County, new positions would likely be added within a salary range of \$35,000 to \$45,000 with a benefits package of approximately 35 percent of salary. Assuming creation of thirteen FTE positions at \$45,000, the total additional cost to the County would be \$790,000. In other words, compared to the current local assessment expenditure of \$773,000, the operating costs of the county-run model would produce a net increase of \$17,000.

In addition to the increase in assessment staff, Wayne County anticipates hiring a part-time attorney to handle tax certiorari cases. This position

¹⁶ See Footnote #15.

¹⁷ CGR assumed total staff of 15 (out of a projected range of 12 to 22 FTEs) for two reasons. First, the County's Real Property Tax Director advised that required staff size would almost certainly be less than the mid-point of the projected range. Secondly, the projected figure is still much more conservative than Tompkins County's county-run model, as Tompkins has parcel-per-FTE ratios of 3,833 for dedicated assessment staff only, and 2,465 for all department staff.

would likely be added for roughly \$40,000. An additional \$30,000 would be added in anticipation of needing independent appraisals associated with the certiorari cases. Another \$5,000 would be built into the budget for anticipated costs associated with human resources. \$20,000 is built into the anticipated budget to cover a potential raise for the current position of Director of RPTS. \$20,000 is also built into the budget to accommodate potential space issues for housing new employees. State aid would increase due to all parcels being annually reassessed in the county bringing additional annual revenue of over \$216,000. In summary, under the county-run model the community would spend roughly \$45,000 *more* than the current system in Wayne County.

It is important to note that lowering the assumed number of new staff below thirteen, or assuming a lower average salary, would actually make the per parcel cost of the county-run model *lower* than the status quo. By way of example, assuming just one fewer staff member and an average salary of \$40,000 instead of \$45,000 would reduce the cost from \$790,000 to \$648,000. Under those assumptions, the county-run model would actually *save* \$97,000 over the current system.

There are a variety of additional advantages to consider under a county-run model:

- As all staff would be county employees, training and/or educational credentials could be set to standardize quality and professionalism;
- One centralized database would enable greater flexibility when conducting revaluations, as the County would not be constrained by municipal boundaries;
- The County's IT department could help maintain this database with minimal effort and thus supply all assessors with real time, countywide valuation data; and
- The County would be able to initiate a common standard of service and also work towards implementing a higher level of transparency through web-based applications and reporting for county residents.

Implementation Path

As mentioned above, two major steps must occur in order to achieve this option. Both steps should occur relatively simultaneous in regards to planning. First, reassessment would be required for those towns whose levels of assessment are below 100. Second, a formal referendum would need to be developed, with necessary public hearings and notices, and officially placed on a ballot at some designated time for public vote.

While both of these steps are occurring, public officials should be educating themselves as to the logistical implications of making this transition, including deciding on assessment standards and when the first official public roll¹⁸ would be filed as the new entity.

Budgets will have to be developed along with position descriptions, space allocation and supplies and equipment identified, and new staff will have to be hired. There are many details to be worked out and allowing sufficient time to work through these details will make a tremendous difference in a successful implementation.

Option 2: County Coordinated Assessment Program (County CAP)

Transitioning to a county coordinated assessment program (CCAP)¹⁹ consolidates the assessing function at the county level, but does not eliminate municipal assessing jurisdictions. Each municipality would surrender operation of their local assessment function and contract with the county for all assessment services in accordance with RPTL §1537.

Unlike the county-run model, this option does *not* require a referendum but can be formed by agreement between the county and each governing body. A CCAP agreement must be approved by majority vote of each governing body at least 45 days before a taxable status date (usually March 1). A copy of the agreement must be filed with the State Board by the taxable status date.

Most importantly, the CCAP model as prescribed by Real Property Tax Law, Section 579, involves the following:

- *A single appointed assessor*, appointed to hold the office in all individual assessing units, with the appointment taking effect no later than 60 days after initiation of the agreement.
- *A common standard of assessment*, whereby property is assessed at a uniform percentage in all individual assessing units.
- *A synchronized assessment calendar*, with all individual assessing units operating on the same assessment calendar throughout the term of the agreement.

¹⁸ CGR's analytical assumptions are based upon presenting the first official roll in 2011.

¹⁹ RPTL §579

A CCAP program can also be terminated at any time by at least 50 percent of the participating assessing units agreeing to termination through the adoption of local laws or resolutions. If the county is involved, then the county could adopt a county law terminating the program. Both methods require adoption of local laws by a majority of the governing body and must be filed with the State board no less than 6 months prior to the taxable status date of the first assessment role to which it would apply.

Regarding equalization rates, for any market value survey commenced after the first assessment roll conducted under a new CCAP, the state board shall conduct a common market value survey including all the assessing units participating in the program. The state board shall establish the same equalization rate to be applied to all of the assessing units participating in the CCAP.

Cost Estimate

The transitional costs associated with this option are likely very similar to those of the county-run option, with one exception. Because local jurisdictions would be maintaining their assessment function and simply agreeing that the county would fulfill it, this likely changes the space needs at the county level. Under this scenario, CGR has modeled that there would be no additional space needs (saving \$400,000 in transition costs off the county-run model), as existing localities would remain as sites for support staff under the County's direction. However, all the transition aid that is available under the county run model would still be available to the County and towns and thus make the transition even less costly should this assumption about location and space needs hold true. Beyond transitional cost savings for space needs, the primary difference in transition costs between the county-run model and CCAP approach involves at which level the costs and aid would be fixed (*i.e.* county versus town-level). In sum, our model indicates that it might cost the county and towns close to \$438,000 to transition to a CCAP.²⁰

Ongoing operational costs are hard to quantify with precision absent knowing the structure that would evolve as part of the intermunicipal agreements between the towns and County. For cost estimation purposes, CGR assumes that one new FTE assessor position would be added with a \$50,000 salary (plus 35 percent benefits). The position would become a county employee and would serve as the single appointed assessor for all towns in Wayne County. In addition, CGR assumes that one FTE support

²⁰ As per the previous section, over \$550,000 could be saved if less comprehensive reassessments were conducted on 23,246 parcels to achieve an LOA of 100. This would translate into potential aggregate net revenue to the County and Towns of \$112,000 as part of the transition to a CCAP.

position would be located in each assessing jurisdiction. (Note: At present, Wayne County's local assessing units average 1.3 FTEs per unit – including the assessor. Under a CCAP, it is likely that the assessing units would retain some staff support at the local level. In many cases, assessing units would likely be in a position to use less than a full FTE position, but CGR opted to include the more conservative assumption for the purposes of analysis.) CGR modeled the addition of fifteen FTE support staff at \$35,000 (plus 35 percent benefits). Lastly, for this model to account for all the potential costs, CGR added in 20 percent for overhead. In sum, these additions total \$931,500 and represent an increase of nearly \$30,000 over the *status quo*.

Again, note that the assumptions used in the analysis – especially those regarding staff levels in the local jurisdictions – will ultimately determine final costs. In fact, the CCAP model analyzed above would be “break even” – that is, equivalent in cost to the *status quo* – if 0.95 FTE support staff were assumed in each assessing unit (14.5 FTE in total), instead of a full FTE.

Implementation Path

The first step in implementation of this model involves town assessing units agreeing to the plan through majority vote of their respective governing bodies, adopting an intermunicipal agreement for the County to serve as assessor for the town. Once an assessor was appointed for the CCAP, assessing units would likely be integrated in phases. To facilitate the process, it makes sense to incorporate first those assessing units that are already at 100 percent level of assessment. Remaining assessing units could be integrated thereafter, subsequent to reassessment to bring them to 100 percent.

Among the logistical issues to resolve in transitioning to a CCAP would be synchronization of computer software across the units, and the roles and size of local office staff. As part of drafting the intermunicipal agreement, officials will also need to make decisions regarding timelines for filing the first assessment roll; locations and hours of local assessment offices; the extent to which responsibilities of current County staff will change; development and maintenance of a common, countywide database; process for handling complex property valuation; and whether or not to institute a formal reassessment cycle.

LOCAL-LEVEL MODELS

Aside from the county-run and CCAP models, there are other options available to the County that may yield efficiency, equity, transparency and standardization benefits. The two options presented in this section use

intermunicipal agreements between and among assessing units. Their respective implementation and operational costs are presented in **Table 7** in the appendix. However, it is important to note their common goals: 1) A common level of assessment at 100 percent across more assessing units, qualifying them for state aid of \$5/parcel, 2) A common reassessment cycle to ensure more standardization across assessing units, 3) A common process for inventory and sales verification to ensure more reliability and accuracy across assessing units, and 4) a shared, centralized database that ensures comprehensive, accessible and real time information.

There are a variety of possible permutations for these options. For example, a localized coordinated assessment program (CAP) may be implemented for two, three, four or more towns. Similarly, local jurisdictions may contract with each other or the County for specific services. In each case, actual costs and aid benefits will be driven by the specifics of the agreement.

Option 3: Localized Coordinated Assessment Programs (CAP)

Section 579 of the Real Property Tax Law allows two or more assessing units located in the same county (or adjoining counties), having the same level of assessment, and having the same assessor, to enter into an agreement to become a Coordinated Assessment Program (CAP). Under this arrangement in which all participating municipalities are considered one assessing unit, the state board establishes identical equalization rates for all of the assessing units in the CAP. In addition to yielding standardization benefits, the CAP model can be particularly useful in spreading assessment costs between or among jurisdictions. For example, multiple assessing units in a CAP may be able to acquire professional assessment services that would otherwise be cost prohibitive were they acting separately.

According to ORPS, the membership size of a CAP can evolve during the life of the agreement. The agreement can be amended to add new assessing units. On the other hand, assessing units can withdraw from the program provided that the local law or resolution providing for the withdrawal is approved by a majority vote of the unit's governing body and filed with the state board at least six months before the taxable status date of the first assessment roll to which it is to apply.

The CAP model also may represent an opportunity for further collaboration and efficiencies going forward. For example, a CAP (or series of CAPs) may serve as a building block for bringing all assessing units under agreement across the County in a way that enables standard levels of assessment and valuation standards. It may also facilitate more

local jurisdictions contracting with the County for particular assessment-related services.

Potential CAPs in Wayne County

During the course of this study, it was brought to CGR's attention that Wayne County has several potential opportunities for CAPs. For example, the Town of Huron has a three-person elected assessor board, all of whom are nearing retirement. The Town of Wolcott also has a three person elected board. Were Huron and Wolcott to disband their boards in favor of an appointed assessor, a CAP may represent an opportunity for collaboration. Towns' COD, PRD and last reassessment are extremely comparable; both appear to have similar valuation practices; and both are lakefront towns.

Another example is the towns of Rose, Butler and Galen. Currently they all share the services of the same assessor without a formal CAP agreement. The Towns of Butler and Galen have shared the same assessor for a number of years while the town of Rose just recently hired the Assessor that covers these two assessing units. This represents an informal CAP and could be considered for a formal CAP should the municipalities want to take advantage of the State Aid that is available to them.

Another possibility for inclusion in a CAP with Rose, Butler and Galen is the Town of Savannah, where 1,000 parcels are served by an assessor that also serves three municipalities outside of Wayne County. The similarities among the parcels in these towns suggest they may be a good candidate for a CAP agreement.

Cost Implications of a Sample CAP

Quantifying the true cost of a coordinated assessment program would depend on a number of factors that are indeterminate at the present time. Community size, parcel volume, valuation complexity and current costs and staff size would all need to be included in a full analysis of a proposed CAP.

In order to provide guidance to the County and its assessing units on how to think through the cost analysis process, we present a hypothetical example of a new CAP in Wayne County. This example assumes that Huron and Wolcott opted to enter a CAP, and considers the cost implications of so doing.

At present, both Huron and Wolcott have three-member assessment boards. Between them, they have 4,483 parcels, an FTE staff equivalent of 2.5, and total annual spending of \$85,632. Shifting to a CAP agreement with a shared assessor would likely result in one FTE assessor and, very

conservatively, one FTE support staff member. Were the assessor salaried at \$45,000 and the support staff member at \$25,000, plus benefits and 20 percent office overhead, the total annual cost of the CAP in this scenario would be \$113,400. (Note: Applying the parcels-per-FTE ratio of another existing assessment collaborative in the County, involving Butler and Galen, would suggest the support staff member position could likely be something less than a full-time equivalent.)

Again, as noted Option 2, the final structure of any localized CAP will dictate eventual cost/savings levels. The CAP discussed in the above example is not necessarily more costly than the current approach. Assuming a \$40,000 salary for the assessor and a part-time support staff member without benefits, the structure can essentially be cost-neutral to the *status quo*.

Option 4: Towns Contract With County

“Real Property Tax Law, Section 1537 allows an assessing unit to enter into a joint services contract with the county to perform some or all of the assessing function. Under Section 1537 agreements, assessing units remain autonomous, each individually analyzed for equalization rates, residential assessment ratios and reassessment and aid.”²¹ Additionally, the town retains its appointing authority.

As mentioned earlier in this report, Wayne County Real Property Services already provides many services to the municipalities in support of the assessment function. While none of these services has been formalized into an intermunicipal agreement, the system has adapted to the service model and is functioning well. The other options considered below are arrangements that could be formally considered as a way of expanding the County’s facilitation role and enhancing consistency, standardization and efficiency.

Commercial & Industrial Assessments

At present, each town’s assessing unit manages its own assessments of commercial and industrial property. As these parcels represent only a small fraction of the total parcel count and as Wayne County does not have a high incidence of complex commercial and industrial property, local control of this function has worked reasonably well.

Under a new model, the County could assume responsibility for all commercial and industrial assessments. The current County Real Property

²¹ *Assessment Administration Analysis Report*, New York State Association of County Directors of Real Property Tax Services.

Tax Director does have experience with these assessments and could oversee this transition fairly seamlessly.

| | <i>Commercial</i> | <i>Industrial</i> | <i>Combined</i> | <i>Budget/Parcel</i> | <i>Cost</i> |
|---------------------|---------------------|-------------------|---------------------|----------------------|------------------------|
| <i>Arcadia</i> | 322 | 31 | 353 | \$15.03 | \$5,304 |
| <i>Butler</i> | 23 | 10 | 33 | \$26.57 | \$877 |
| <i>Galen</i> | 108 | 15 | 123 | \$15.58 | \$1,916 |
| <i>Huron</i> | 28 | 2 | 30 | \$21.47 | \$644 |
| <i>Lyons</i> | 174 | 8 | 182 | \$19.12 | \$3,480 |
| <i>Macedon</i> | 144 | 27 | 171 | \$20.66 | \$3,532 |
| <i>Marion</i> | 67 | 11 | 78 | \$17.66 | \$1,378 |
| <i>Ontario</i> | 189 | 16 | 205 | \$22.82 | \$4,679 |
| <i>Palmyra</i> | 182 | 13 | 195 | \$25.12 | \$4,897 |
| <i>Rose</i> | 38 | 4 | 42 | \$13.69 | \$575 |
| <i>Savannah</i> | 40 | 1 | 41 | \$16.99 | \$697 |
| <i>Sodus</i> | 244 | 20 | 264 | \$11.41 | \$3,011 |
| <i>Walworth</i> | 49 | 4 | 53 | \$18.01 | \$954 |
| <i>Williamson</i> | 128 | 12 | 140 | \$15.61 | \$2,186 |
| <i>Wolcott</i> | 140 | 12 | 152 | \$14.60 | \$2,219 |
| <i>Total</i> | <i>1,876</i> | <i>186</i> | <i>2,062</i> | | <i>\$36,350</i> |

As shown in **Table C**, there are 2,062 parcels in Wayne County classified as commercial or industrial. As a rough estimate of the cost of assessing those properties, the table applies the average assessment budget per parcel for each assessing unit (see **Table 3** in the appendix) to the number of commercial/industrial parcels in each unit. Using this method, municipalities in Wayne County are spending roughly \$36,350 to maintain the assessments for these parcel classifications.

Were each of the municipalities to enter into an inter-municipal agreement for the County to handle all commercial and industrial assessment, the County would likely hire one position to cover this responsibility full time. This position would likely be hired at a slightly higher wage scale to attract someone with these qualifications and expertise. Thus, CGR estimates that a new position would cost the County roughly \$50,000 in salary plus benefits at 35 percent, for a total investment of \$67,500. This represents an increase in cost to the County as a whole of roughly \$30,000.

Another, potentially more cost-effective option may be for the County to explore contracting out this service. A private vendor may be able to offer a competitive price and bring even more expertise and consistency to the process of assessing commercial and industrial properties.

Handling of Exemptions

Assessors in Wayne County repeatedly expressed to CGR that certain times of the year produce an overwhelming amount of paperwork as exemptions need to be processed. The level of service provided to accomplish this function is highly variable with some assessors making house calls to complete forms and obtain signatures, and others merely processing paperwork through the mail.

In order to standardize the level of service in regards to exemptions, and in order to alleviate some of the pressure on local assessors to process and maintain these exemptions, one scenario that was discussed was to have the County assume responsibility for receiving and processing all exemptions. It is unknown at this time how many staff would be required to fulfill the responsibility at the County level. Similarly, it is difficult to quantify the actual cost incurred at the local level, especially given its seasonality.

The primary benefit to this alternative would appear to be a standardization of service across the County and a lightening of responsibility on local assessors. This would allow local assessors more time to focus on property valuation. To facilitate the processing of exemptions at the County level, the County may also be better positioned to leverage technology to make paperwork available to the community.

While local assessors point to the burden placed on them by exemptions, they also point out perceived disadvantages of shifting responsibility to the County level. From the perspective of many local assessors in the County, the primary downside would be the effect on seniors in the community who have come to rely on personal service, including home visitation, in order to maintain their exemptions. Centralizing exemption in the County seat of the Village of Lyons may inconvenience some residents in outlying parts of the County who would prefer to handle their exemption processing in person. Local assessors also point to the “personal touch” that they are able to provide in processing exemptions. In their view, centralizing the function at the County level may sacrifice that level of service and result in certain residents losing exemptions.

Countywide Common Assessment Standards

Although not a fee-for-service type of municipal contract, assessing units in Wayne County may agree to adopt countywide common assessment standards. These standards may include a common revaluation schedule, a common level of assessment and common practices for valuation of all parcels. Common assessment standards would make assessment more transparent throughout the entire system and reduce inconsistencies and complexity. In addition, common standards would address equity

concerns system wide by bringing all jurisdictions equal in areas like levels of assessment, parcel data storage/format and reassessment schedules.

There may also be efficiencies gained through the adoption of countywide standards. One example regards reassessments. To the extent that outside vendors are used in the reassessment process, synchronized reassessment schedules would allow for a joint bidding covering multiple (or all) jurisdictions.

IMPLEMENTATION CONSIDERATIONS

In addition to the implementation strategies discussed as part of the options above, there are general guidelines that should be considered. First, if any option for collaborative assessment is to work, efforts must be directed toward building consensus among participants regarding the need for assessment equity. This should not be construed as an obstacle, but an issue to be deliberately addressed by leaders within each community.

Second, if Wayne County and/or its assessing units desire to move towards any of the options presented, individual jurisdictions should begin taking steps to coordinate their reassessment plans. They should also formally agree on a date by which all LOAs across the County will equal 100 percent. There is state aid available to conduct these reassessments; each municipality not currently at 100 percent should consider when they will get there, devise a plan for the reassessment and apply for the aid once it is done.

Third, the new strategies are likely to be cost prohibitive if municipalities do not take advantage of state aid available for conducting reassessments and/or consolidations. Aid options should be considered as part of any reform discussion. Factoring these incentives in, municipalities can generate revenue, offset certain transition costs and reduce the overall cost of the assessment function.

CONCLUSION

The Centralized Property Tax Administration Program (CPTAP) began as an effort to address the complexity and confusion inherent in New York State's property tax system. As one of only three states without a statewide standard of assessing, and one of twelve without a mandated reassessment cycle, New York contains an incredible diversity of assessment levels, practices and approaches. From a financial standpoint, the result is a system in which property owners may be taxed equitably or not simply as a result of where they live in a community. From a public

accessibility standpoint, the result is inordinately complicated, not always easily accessible or transparent, and difficult to understand.

In that context, the CPTAP program was established to build a foundation for charting reform. Importantly, ORPS notes that “the intent of the program is for counties to chart their own paths to reform. The program does not presuppose a one-size fits all approach to such improvements. By analyzing the particulars of their county, local officials are determining what will work best for their taxpayers and the taxing jurisdictions alike.”

The assessment system in Wayne County is not “broken.” But not unlike communities across the state, it does contain a diversity of assessment levels, reassessment schedules and horizontal equity. The intent of this report and the information contained herein is, in the most basic sense, *to empower real property tax officials at the County and local level to make decisions regarding the future administration of property tax in the Wayne County community.* While specific reform concepts will no doubt require additional analysis and consideration of detailed components, this report establishes a baseline foundation for making those decisions going forward.

APPENDIX

Table 1: Municipal Overview

Table 2: Staffing, Certification and Office Hours

Table 3: Budget and Parcel Overview

Table 4: Indicators of Assessment Quality

Table 5: Municipal Assessing IT Capacity

Table 6: FTE Personnel Analysis

Table 7: Comparative Cost Analysis of Options

Table 1: Wayne County Municipal Overview

| SWIS | Municipal Name | Type of Assessor | Assessor Name | Part of CAP? | Assessor Works for Multiple Municipalities | Contract with County for Asmt Services? |
|------|----------------|------------------|-----------------------------|--------------|--|---|
| 5420 | Arcadia | Assessor | Lawrence Quinn | No | No | No |
| 5422 | Butler | Assessor | Kathleen Davis | No | Yes | No |
| 5424 | Galen | Assessor | Kathleen Davis | No | Yes | No |
| 5426 | Huron | 3 person Board | Scudder, Hamilton, Buckalew | No | No | No |
| 5428 | Lyons | Assessor | Nancy Collins | No | No | No |
| 5430 | Macedon | Assessor | Susan Datthyn | No | No | No |
| 5432 | Marion | Assessor | Paul A. DeRue | No | No | No |
| 5434 | Ontario | Assessor | Chris Luteyn | No | No | No |
| 5436 | Palmyra | Assessor | Elaine C. Herman | No | No | No |
| 5438 | Rose | Assessor | Kathleen Davis | No | Yes | No |
| 5440 | Savannah | Assessor | Linda Wright** | No | Yes | No |
| 5442 | Sodus | Assessor | Anita Barnello | No | No | No |
| 5444 | Walworth | Assessor | Karen Ambroz | No | No | No |
| 5446 | Williamson | Assessor | Stephen Haywood | No | No | No |
| 5448 | Wolcott | 3 Person Board | Blankley, Perkins, Roberts | No | No | No |

**Assessor also serves Aurelius, Moravia & Cayuga City

Table 2: Wayne County Staffing, Certifications and Office Hours

| SWIS | Municipal Name | Type of Assessor | Assessor Name | IAO or Other Professional Designation | # of Staff (including Assessor) | Staff FTE Equivalent | Office Hours Per Week | % of Office Hours for Cust. Serv. |
|------|----------------|------------------|-----------------------------|---------------------------------------|---------------------------------|----------------------|-----------------------|-----------------------------------|
| 5420 | Arcadia | Assessor | Lawrence Quinn | SCAP | 2 | 2.00 | 35.0 | 70 |
| 5422 | Butler | Assessor | Kathleen Davis | SCAP | 2 | 0.40 | 35.0 | 100 |
| 5424 | Galen | Assessor | Kathleen Davis | SCAP | 2 | 0.75 | 19.5 | 100 |
| 5426 | Huron | 3 person Board | Scudder, Hamilton, Buckalew | 2 SCA, 1 Working toward SCA | 3 | 1.00 | 12.0 | 100 |
| 5428 | Lyons | Assessor | Nancy Collins | SCA | 2 | 1.50 | 24.0 | 100 |
| 5430 | Macedon | Assessor | Susan Dathyn | SCA | 2 | 2.00 | 32.0 | 50 |
| 5432 | Marion | Assessor | Paul A. DeRue | SCAA | 2 | 0.40 | 37.5 | 75 |
| 5434 | Ontario | Assessor | Chris Luteyn | SCA | 3 | 1.00 | 40.0 | 90 |
| 5436 | Palmyra | Assessor | Elaine C. Herman | SCA | 2 | 2.00 | 35.0 | 100 |
| 5438 | Rose | Assessor | Kathleen Davis | SCAP | 1 | 0.40 | 16 | 100 |
| 5440 | Savannah | Assessor | Linda Wright | SCAA | 1 | 0.25 | 8.0 | 50 |
| 5442 | Sodus | Assessor | Anita Barnello | SCA | 2 | 2.00 | 40.0 | 40 |
| 5444 | Walworth | Assessor | Karen Ambroz | SCA | 2 | 2.00 | 37.0 | 90 |
| 5446 | Williamson | Assessor | Stephen Haywood | SCAA | 2 | 2.00 | 37.5 | 100 |
| 5448 | Wolcott | 3 Person Board | Blankley, Perkins, Roberts | 1 SCAA, 2 SCA | 4 | 1.50 | 32.0 | 85 |
| | | | | | Total | 19.20 | | |
| | | | | | Average | 1.28 | 30.3 | 83 |

SCA = State Certified Assessor
 SCAP = State Certified Assessor Professional
 SCAA = State Certified Assessor Advanced

Table 3: Wayne County Budget and Parcel Overview

| Municipalities | | Municipal Characteristics | | | | | | | | | |
|----------------|----------------|---|-----------------------------|-------------------------|------------------------------|----------------------|-----------------|-------------------------------|-----------------------------------|--|--|
| SWIS | Municipal Name | Total Budget for Assessment Function - 2008 | % of total Municipal Budget | Total Number of Parcels | Assessment Budget Per Parcel | Staff FTE Equivalent | Parcels Per FTE | Number of Residential Parcels | % of Parcels That Are Residential | | |
| 5436 | Palmyra | \$76,200 | 2.80 | 3,034 | \$25.12 | 2.00 | 1,517 | 2,237 | 74% | | |
| 5446 | Williamson | \$49,353 | 1.10 | 3,161 | \$15.61 | 2.00 | 1,581 | 2,319 | 73% | | |
| 5428 | Lyons | \$49,000 | 5.00 | 2,563 | \$19.12 | 1.50 | 1,709 | 1,724 | 67% | | |
| 5448 | Wolcott | \$39,000 | 7.00 | 2,671 | \$14.60 | 1.50 | 1,781 | 1,743 | 65% | | |
| 5430 | Macedon | \$76,000 | 9.00 | 3,679 | \$20.66 | 2.00 | 1,840 | 2,866 | 78% | | |
| 5444 | Walworth | \$68,330 | 3.00 | 3,795 | \$18.01 | 2.00 | 1,898 | 3,066 | 81% | | |
| 5426 | Huron | \$46,632 | 3.50 | 2,172 | \$21.47 | 1.00 | 2,172 | 1,439 | 66% | | |
| 5442 | Sodus | \$54,000 | 2.80 | 4,734 | \$11.41 | 2.00 | 2,367 | 3,080 | 65% | | |
| 5422 | Butler | \$29,121 | 2.80 | 1,096 | \$26.57 | 0.40 | 2,740 | 620 | 57% | | |
| 5420 | Arcadia | \$83,500 | 3.02 | 5,557 | \$15.03 | 2.00 | 2,779 | 4,131 | 74% | | |
| 5424 | Galen | \$36,234 | 2.68 | 2,326 | \$15.58 | 0.75 | 3,101 | 1,446 | 62% | | |
| 5438 | Rose | \$18,205 | 1.00 | 1,330 | \$13.69 | 0.40 | 3,325 | 841 | 63% | | |
| 5440 | Savannah | \$16,994 | 1.90 | 1,000 | \$16.99 | 0.25 | 4,000 | 543 | 54% | | |
| 5434 | Ontario | \$93,370 | 3.00 | 4,091 | \$22.82 | 1.00 | 4,091 | 3,307 | 81% | | |
| 5432 | Marion | \$37,213 | 2.00 | 2,107 | \$17.66 | 0.40 | 5,268 | 1,525 | 72% | | |
| | Total | \$773,152 | | 43,316 | | | | 30,887 | | | |
| | Average | \$51,543 | 3.37 | 2,888 | \$17.85 | 1.28 | 2,678 | 2,059 | 69% | | |

Table 4: Wayne County Indicators of Assessment Quality

| SWIS | Municipal Name | Indicators of Assessment Equity | | | | | | | | | | Planned Reassessment |
|------|----------------|---------------------------------|--------------------------------------|----------------|----------------|---------------------|--------------------|------------------|-------------------------------|--|--|----------------------|
| | | Latest Eq. Rate | Latest LOA of Various Property Types | 2008 CAMA CODs | 2008 CAMA PRDs | Latest Reassessment | Latest State Aid * | Aid Type | | | | |
| 5440 | Savannah | 92 | 92 | 16,5900 | 1,0100 | 2004 | \$4,500.00 | triennial | 2010 | | | |
| 5442 | Sodus | 100 | 100 | 17,0900 | 1,0300 | 2008 | \$22,885.00 | annual | 2009 | | | |
| 5432 | Marion | 100 | 100 | 10,5800 | 1,0100 | 2008 | \$10,080.00 | triennial | No | | | |
| 5422 | Butler | 90 | 90 | 18,5600 | 1,0100 | 2004 | \$5,010.00 | triennial (2004) | 2010 | | | |
| 5438 | Rose | 100 | 100 | 16,0600 | 1,0200 | 2008 | \$6,350.00 | annual | No | | | |
| 5426 | Huron | 97 | 97 | 17,5800 | 0,9900 | 2007 | \$10,695.00 | triennial | No | | | |
| 5424 | Galen | 84 | 84 | 14,1600 | 1,0300 | 2004 | \$10,845.00 | triennial | 2009 | | | |
| 5428 | Lyons | 100 | 100 | 14,8600 | 1,0300 | 2008 | \$4,838.00 | Triennial | Applied for 6 yr. Plan - 2009 | | | |
| 5448 | Wolcott | 97 | 97 | 18,3700 | 1,0300 | 2007 | \$12,615.00 | triennial | 2010 | | | |
| 5436 | Palmyra | 100 | 100 | 10,3300 | 1,0000 | 2008 | \$14,045.00 | Triennial | Applied for 6 yr. Plan - 2009 | | | |
| 5446 | Williamson | 98 | 98 | 10,0500 | 1,0000 | 2007 | \$15,290.00 | triennial | next 3 - 5 years | | | |
| 5430 | Macedon | 100 | 100 | 6,8900 | 1,0000 | 2008 | \$17,755.00 | annual | 2009 | | | |
| 5444 | Walworth | 100 | 100 | 7,2900 | 0,9900 | 2008 | \$18,430.00 | annual | 2009 | | | |
| 5434 | Ontario | 100 | 100 | 8,1900 | 1,0000 | 2008 | \$19,845.00 | annual | 2009 | | | |
| 5420 | Arcadia | 100 | 100 | 10,5800 | 1,0000 | 2006 | \$26,545.00 | triennial (2006) | No | | | |
| | Average | 97 | 97 | 13,1453 | 1,0100 | | \$13,315.20 | | | | | |

* ORPS provided most recent State Aid figures.

Table 5: Municipal Assessing IT Capacity

| Municipal Name | System Used | | Annual License Fees | Processing Responsibility | | Databases | | Communication | | Is GIS Used? | IT Support | |
|----------------|------------------------|---------------------------|---------------------|---|---------------|-------------------------------------|--|-----------------|----------------|----------------|------------------------------------|--|
| | Assessment & Inventory | Analysis / Valuation | | ORPS' Reports | Rolls & Bills | Location | How Updated | Speed | Capacity | | Who | |
| Arcadia | RPS V4 | RPS V4 | \$1,500 | Assessor/ RPTS | County RPTS | Assessor's office | Back-ups | 2.33 GHz | 250 GB | Yes | Wayne Co. Data Processing | |
| Butler | RPS | RPS | \$1,000 | Wayne County RPT | County RPTS | Assessor's office | Back-ups | | | Yes | County | |
| Galen | ORPS | ORPS | \$1,200 | Assessor/RPT Dept | County RPTS | Assessor's office | Back-ups | | | Yes | County | |
| Huron | RPS V4 | RPS V4 | \$1,300 | Assessor's office and County | County RPTS | Assessor's office | Flash drive | | | Yes | County and State | |
| Lyons | RPS V4 | RPS V4 | \$1,200 | Municipality, County, State | County RPTS | Assessor's office | Original, Back-up, Copy | 192 KB | 179276 KB | Yes | Wayne Co. Data Processing | |
| Macedon | RPS V4 | RPS V4 | \$1,500 | Assessor | County RPTS | Assessor's office | Back-ups (daily) | | | Yes | Town | |
| Marion | RPS V4 | RPS V4 | \$1,300 | Assessor, Town Clerk+school tax collector | County RPTS | Assessor's office | Back-ups | 2.53 Ghz | 1047544 KB RAM | No but will be | County | |
| Ontario | RPS V4 | RPS V4 | \$1,600 | Town/County | County RPTS | Town Hall | Original Server/ Backup | 213 GHz | 1.97 G-Ram | Yes | ORPS (Batavia) | |
| Palmyra | RPS | RPS/SDG | \$1400* | Town/County RPTO | County RPTS | Assessor's office | Original | 1.8GHZ/2 GB Ram | 160 Gig HD | Yes | ORPS (Batavia); Integrated Systems | |
| Rose | RPS V4 | RPS V4 | \$1,000 | Municipality, County, State | County RPTS | Assessor's office | Original, Back-up, Copy | 12 KB | 147068 KB | Yes | Wayne Co. Data Processing | |
| Savannah | RPS | RPS | \$170 | Local & County RPTS | County RPTS | Town Office | Using RPS back-ups, V4 reports | | new computer | No | County | |
| Sodus | V4 | V4 | \$150 | County | County RPTS | Town Hall Office | Back-ups | | 372 GB | Yes | County | |
| Walworth | RPS V4 | RPS V4 | \$1,300 | Town/County | County RPTS | 3600 Lorraine Dr. Walworth NY 14568 | Server Back-ups, Back-ups from Tower | 4.6 GB | 100 MB | Yes | ORPS (Batavia); Integrated Systems | |
| Williamson | RPS V4 | RPS V4 - Valuation Module | \$1400* | County, Assessors Office | County RPTS | Town Complex, Client Service System | Daily Tape Back-Up, Flash drives, CD's | | | Yes | Microworx | |
| Wolcott | RPS | RPS | \$1,200 | Town/County | County RPTS | Town of Wolcott | Original, Back-up | | | Yes | County | |

Table 6: FTE Personnel Analysis

| | Current Structure - Modified to provide equitable assessments to all properties | Single Assessing Unit Models | | | | Multiple Assessing Unit Models | | | |
|---------------------|---|------------------------------|------------------------------------|--|--|--|----------|-------|--|
| | | Option 1 | Option 2 | Option 3 | Option 4 | Option 3 | Option 4 | Other | |
| FTE Personnel Count | | County Run Assessing | County CAP Managed by County | County CAP not managed by County (one CAP or multiple CAPS with common LOA agreement) | All Towns contract w/County for assessment services under RPTL 1537 | Current Structure w/additional consolidation and inter-municipal agreement | | | |
| County | 7 | 20 | 8 | 7 | Variable | Variable | | | |
| Towns | 19 | 0 | 15 | Variable | Variable | Variable | | | |
| Total | 26 | 20 | 23 | Variable | Variable | Variable | | | |

Table 7: Wayne County Cost/Aid Comparison of Options

| | Current Structure - Modified to provide equitable assessments to all properties | Single Assessing Unit Models | | Multiple Assessing Unit Models | | | |
|--|---|-------------------------------------|--|--|--|------------------|------------------|
| | | Option 1 County Run Assessing | Option 2 County CAP Managed by County | Option 3 County CAP not managed by County (one CAP or multiple CAPS with common LOA agreement) | Option 4 All Towns contract w/County for assessment services under RPTL 1537 | Other | |
| Start-up Costs | | | | | | | |
| Establish Equitable assessments at a common level throughout the County | \$1,082,900 | \$1,082,900 | \$1,082,900 | \$1,082,900 | \$1,082,900 | \$1,082,900 | \$1,082,900 |
| Transitional costs for County Run or County CAP managed by County (Computers, telephones, supplies, furniture) | \$0 | \$405,000 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| Available State Aid for reassessment - Town Aid | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) |
| State Consolidation Aid - Town Aid | \$0 | \$0 | (\$303,212) | \$0 | \$0 | Variable | |
| State Consolidation Aid for County Run Assessing, RPTL 1573 - County Aid | \$0 | (\$303,212) | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Aid for County Run Assessing Referendum Approval - County Aid | \$0 | (\$86,632) | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Consolidation Aid for County providing services, RPTL 1573 | \$0 | \$0 | (\$43,316) | (\$43,316) | (\$43,316) | (\$43,316) | (\$43,316) |
| State Aid IF County Managed County wide CAP | \$0 | \$0 | (\$86,632) | \$0 | \$0 | \$0 | \$0 |
| Total One Time Start-up Costs | \$866,320 | \$881,476 | \$438,160 | \$823,004 | \$823,004 | \$823,004 | \$823,004 |
| Cost Per Parcel - County | \$0.00 | \$0.35 | (\$0.88) | (\$1.00) | (\$1.00) | (\$1.00) | (\$1.00) |
| Cost Per Parcel - Town | \$20.00 | \$20.00 | \$13.00 | \$20.00 | \$20.00 | Variable | Variable |
| Combined Cost Per Parcel | \$20.00 | \$20.35 | \$10.12 | \$19.00 | \$19.00 | \$19.00 | \$19.00 |

Table 7 (Continued): Wayne County Cost/Aid Comparison of Options

| Operational Costs | | | | | | | | |
|---|--------------------|--------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Town Assessment Depts. | \$773,152 | \$0 | \$0 | \$773,152 | \$579,864 | \$773,152 | \$579,864 | \$773,152 |
| County RPTS | \$730,038 | \$1,634,788 | \$730,038 | \$730,038 | \$912,548 | \$730,038 | \$912,548 | \$730,038 |
| Less Revenues | (\$81,500) | (\$40,000) | (\$81,500) | (\$81,500) | (\$81,500) | (\$81,500) | (\$81,500) | (\$81,500) |
| Cost of a County Consolidated Assessing Unit | \$0 | \$0 | \$931,500 | | | | | \$0 |
| Additional Cost of annually maintaining assessments at a common LOA throughout the County | \$77,315 | \$77,315 | \$77,315 | \$77,315 | \$77,315 | \$77,315 | \$77,315 | \$77,315 |
| State Aid for Annual Reassessment * | (\$88,145) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) | (\$216,580) |
| Total Annual Operational Costs | \$1,410,860 | \$1,455,523 | \$1,440,773 | \$1,282,425 | \$1,271,647 | \$1,282,425 | \$1,271,647 | \$1,282,425 |
| Cost Per Parcel - County | \$16.76 | \$33.60 | \$33.26 | \$11.76 | \$15.97 | \$11.76 | \$15.97 | \$11.76 |
| Cost Per Parcel - Town | \$17.85 | \$0.00 | \$0.00 | \$17.85 | \$13.39 | \$17.85 | \$13.39 | \$17.85 |
| Combined Cost Per Parcel | \$32.57 | \$33.60 | \$33.26 | \$29.61 | \$29.36 | \$29.61 | \$29.36 | \$29.61 |
| Difference from Current Structure | | \$44,663.00 | \$29,913.00 | (\$128,435.00) | (\$139,213.50) | (\$128,435.00) | (\$139,213.50) | (\$128,435.00) |

* Annual Reassessment Aid of \$216,500 may be available under the current structure if all towns reassessed in the same year (43,316 x \$5).
 (\$88,145) = Parcels Receiving Annual Aid times \$5/parcel (17,629 x \$5)

** CGR modeled a decrease in cost to Towns of 25% and an increase to the County of 25%

| Assumptions | | | | | | | | |
|------------------------------------|-----------|--|--|--|--|--|--|---|
| Additional Staff | 13 | | | | | | | |
| Salary | \$45,000 | | | | | | | |
| Fringes | 35% | | | | | | | |
| Salary Increase for Dir RPTS | \$20,000 | | | | | | | |
| Other Annual Costs | \$95,000 | | | | | | | = \$70,000 for PT Attorney/Appraisals, \$5,000 for HR Support, \$20,000 for space costs |
| Annual State Aid | (\$5) | | | | | | | |
| Triennial State Aid | (\$5) | | | | | | | |
| Consolidation Aid | (\$7) | | | | | | | |
| County Aid - \$2 | (\$2) | | | | | | | |
| County Aid - \$1 | (\$1) | | | | | | | |
| Maintenance of LOA Cost/Parcel | \$1.78 | | | | | | | = 10% of Average budget/parcel for Wayne Co. |
| Total Parcels | 43,316 | | | | | | | |
| Parcels Needing Reassessment | 43,316 | | | | | | | |
| Parcels Receiving Annual Aid | 17,629 | | | | | | | = All Parcels in the year prior to transition |
| Reassessment Cost/Parcel | \$25 | | | | | | | = Sodus, Rose, Macedon, Walworth, Ontario |
| Transitional Costs - County Run | \$405,000 | | | | | | | = \$400,000 for space to reorganize departments & \$5,000 for computer equipment |
| Transitional Costs - County CAP | \$5,000 | | | | | | | = \$5000 for computer equipment |
| Average Budget/Parcel in Wayne Co. | \$17.85 | | | | | | | |

Request for Proposals – Regional Assessing Analysis

ATTACHMENT B

CERTIFICATE

Pursuant to Massachusetts General Law (MGL) Chapter 62C, Section 49A, I certify under the penalties of perjury that I, to the best of my knowledge and belief, have filed all state tax returns and paid all state taxes required under the law.

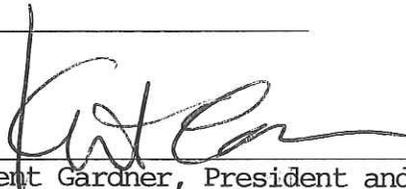
In accordance with MGL Chapter 30B, Section 10, I certify under the penalties of perjury that this bid/proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certificate, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other legal organization, entity or group of individuals.

Company: Center for Governmental Research, Inc.

Address: 1 South Washington Street, Suite 400

Rochester, NY 14614

Signature of Individual Signing
Bid, or Corporate Officer:



Kent Gardner, President and CEO

Telephone Number:

(585) 327-7054

Social Security Number or
Federal Identification Number:

16-0754774

Date:

9/1/2010

Any person or corporation which fails to execute this document will be considered a non-responsive bidder and will be rejected pursuant to MGL Chapter 30B.

**CERTIFICATE MUST BE SIGNED AND
SUBMITTED WITH BID OR PROPOSAL**

