

INSTRUCTIONS FOR FILING ASSESSMENT APPEALS

An appeal of your assessed value, called a **grievance**, can be filed during the month of May at the Town of Clay Assessors Office. Grievance Day is **Tuesday, May 24th, 2016 from 5pm until 9pm**. Appointments can be made by submitting a completed grievance form to the Assessors office previous to the close of business on May 24th at 4:30 pm. **(a personal appointment is NOT REQUIRED by the board. You may submit appropriate paperwork for review by the assessment review board without making an appointment)** In most cases any documents submitted within 3 business days of grievance day will be heard on a separate day than May 24th due to volume. That day will be determined by the Board of Assessment review after the initial night of hearings. Application packets are available at the Assessors Office, M-F 8:30 am-4:30 pm beginning May 1, 2015.

Suggestions:

1. Filing a grievance is specifically about the assessed value of your property being higher than similar properties. **It is not about taxes.** The taxes are a function of the budget levy requests of the taxing jurisdictions (school, county, town and special districts) and those rates, once the budgets are adopted by the appropriate governments, are non-negotiable. The Assessor does not set the budget amount, tax levies or have input into those processes. Your assessed value WILL NOT be adjusted because your taxes are high. The taxes are high for all of us.
2. You must complete the application, including information on any new construction and its value, a **recent** appraisal or any other evidence you feel should be presented to the board. (Valuation date for suburban towns is July 1, 2013. All values should reflect that date) The preferred information is “comparable sales or assessed values” of similar properties. If you feel your assessment is too high, “Part Three, Paragraph B-Excessive Assessment” is the paragraph to fill in. **(WARNING:** Appraisals are done for a specific purpose, like a purchase or a refinance. The value of the appraisal is often tied specifically to the sale price or the amount of money to be borrowed on an existing home and **may not reflect** market value. In some cases, the **APPRAISERS PERMISSION** is required to use the appraisal for any other purpose other than its intended use. An individual sale price **IS NOT** evidence to support a reduction in most cases. An individual sales price is just that, not a reflection of sales of similar properties. Property **OUTSIDE** the Town of Clay cannot be used.
3. Remember that your taxes are levied on your assessed value, not the **MARKET VALUE** that appears on your tax bill.
4. **Only similar style buildings are accepted as comparables.** For example, if you own a 1,000 square foot ranch, look for ranches of comparable size . If you own a 2,000 square foot colonial, look at other similar sized colonials that have sold or are assessed for less.
5. Comparable property research can be done by going on line at <http://ongov.net> and searching Onondaga County property information.
6. The Board of Assessment Review members are only interested in the assessment of the building, not personal demographics of the owners or property taxes.
7. Additional Assessment information and publications are available from the New York State Office of Property Services at www.orps.state.ny.us

THE “SALES PRICE IS THE ASSESSMENT” URBAN MYTH

There has been, is and forever more will be a difference of professional opinion on whether a property sale price is considered its market value for assessment purposes. Like the legendary theoretical existence of Bigfoot, it is not absolutely true, depending on the circumstances and conditions.

Everyone that buys a property for LESS than assessed value wants the assessment lowered. If that same process is followed for ALL sale prices (part of the assessment process is being fair to ALL TAXPAYERS by equally distributing the tax burden), not just the select few who buy low, then there would be a huge volume of people upset by the exact same process...raising a value to reflect a higher sales price. I only hear complaints from lawyers, real estate salespeople and taxpayers when one is true, and not the other. That is not how “mass appraisal” works in the property tax system.

The reality is that all sales are examined on a case by case basis.

Case law clearly supports this process. In (People ex rel. Buck v. Rapp), the court states that: Price is determined by short term factors and by the caprices of the market. Value on the other hand is dependent upon long term factors and is directly related to the intrinsic worth of the property that resists the impact of temporary or abnormal conditions. **The court clearly draws a distinction between PRICE and VALUE!**

The decision further states that: **value, even more than price, is a matter of judgment reached after full consideration of all relevant elements that may conceivably affect it.**

One of the **potential** relevant elements is the sale price, but not all relevant elements. **(in new residential developments, the sale price is usually the best indicator of value because there is no secondary sales market within that neighborhood-in many cases, people with the most expensive new home often complain that their value is too high, even though they paid more for their house than other taxpayers. I have always found that complaint interesting)** If that were the case, banks would simply lend money on the sale price WITHOUT an appraisal to verify the amount of the lend (which may or may not be a market value lend). And that is the true purpose of a “bank appraisal”, regardless of whether it is a refinance or initial mortgage purchase...**to validate to the lender that the money lent for the property is a good business deal for the bank.** In many cases appraisals will show just that... the purchase is a good business deal for the bank. Review your own numbers. Look at the sale price per square foot comparisons of the comparable properties on the appraisal. If they are in congruence with the square footage value of the sale within reason, and are similar homes of similar quality, it can be used as evidence to support an assessment change. **If the sale price was less or more per square foot than the comparables, it is not an appraisal that will justify an assessment change and should not be used as such. It is just an appraisal to justify the lend.**

The most legitimate method of valuing property in the mass appraisal format is “Sales of similar properties.” The “sales approach” is utilized internationally and accepted unilaterally as the most equitable methodology in determining value for purposes for taxation. (See the website of the International Association of Assessing Officers-IAAO) **It does not favor those who buy and individual property low, and does not penalize those who buy an individual property high.** The Mass Appraisal process practiced internationally by all assessors and tax policy administrators looks at market value of similar properties as a basis for valuation.

Further, New York State has a hand in all of this as well. All assessment processes are mandated by New York State property tax law.. Our deadlines, our forms, our appraisal and valuation practices are outlined by New York State. Local governments have little input into the process, which hopefully also keeps the politics out of it.

Section 10, paragraph 4 of the NYS Equalization Determination handbook states as follows: A transfer (sale) may be excluded based upon appraisal judgment. In such cases objective data must be available that establishes that a sales price is not indicative of market value. Such objective data may include a list of other properties and their price or comparison of price per square foot or per acre.

Paragraph 5 states: A transfer or transfers may be excluded if staff (New York State Dept. of Taxation and Finance Staff) determines that “sales chasing (selective reassessment) has occurred for that parcel or parcels either on the roll being used for the ratio study or on the roll for which the rate is being established.

The assessors job is to create equity in the roll. New York State, which determines the equalization rate for distribution of taxes between shared taxing jurisdictions, forbids “sales chasing,” also called “selective reassessment. Bottom line: We cannot do it, so do not expect it!

Remember:

Market value to a salesperson is what something sold for (the sale price)

Market value to an Assessor in the Mass Appraisal format is: Sales of Similar Size and Type Properties, which may include your own sale as part of the data base. The only exception considered is the purchase of a new home in a new neighborhood, which generally reflects the dollar value of purchased options. (unless, of course, the owner had given the builder cash outside the contract, in which case the RP 5217 filed by the attorneys and signed by the buyer/seller in an effort to avoid mortgage tax and potential assessments may be considered fraudulent .

These are two different definitions and the former (sale or refi price) will generally not suffice for an assessment reduction. We cannot change the rules of mass appraisal.

