

Assess Your Assessment

Why Can't You Just Leave the Assessments as They Are?

By Jean Murdock
Town of Webb Assessor

The above question and those that follow are questions frequently asked at the Assessor's Office. Why do you need to do a revaluation? What's wrong with the assessments the way they are? What do you want to do, raise my taxes? Don't you get IT - My taxes are too high now. Why are you trying to drive me out of here by raising my taxes? Don't you know the last revaluation was thrown out? And more.....

In 2005 a revaluation was completed in the Town of Webb. When the Final Assessment Roll was issued in July 2005, all properties were considered to be at 100% of full market value and assessments in all neighborhoods were equitable. However, by July 2007, the uniform percent of value was 83%, remained at 83% in 2008, went down to 74% in 2009 and in 2010 rebounded to 82%. The uniform percent of value is a general indicator of the ratio of the total current assessed values compared to the total full market value for all properties in a municipality.

The level of assessment is a general indicator of the ratio of assessment/sale price for an entire municipality. However, as each individual neighborhood is analyzed, there can be significant differences in the assessed value/sale price ratio. In the five years elapsed since the 2005 revaluation, inequities have developed among neighborhoods. For instance one neighborhood has an assessment/sale price ratio of 49% while another has a ratio of 111%. This ratio indicates that overall the properties in one neighborhood are valued at approximately 51% less than full market value while the second neighborhood is valued 11% over full market value. The remaining neighborhoods have differing ratios between 49% and 111%. When this situation occurs, the property owners in neighborhoods with low ratios are under assessed in relationship to full market value and therefore are underpaying taxes. At the other end of the spectrum, a neighborhood with a high ratio has properties that are valued at more than full market value and therefore are overpaying taxes.

The following is an example of what happens when property values shift at varying rates among neighborhoods, assessments become inequitable, and are not applied at current full market value.

Mr. Jones and Mr. Smith both own ranch style homes constructed by the same contractor, utilizing the same blue prints with the same sq. footage. Mr. Jones' home is located in a neighborhood with higher land values.

Mr. Smith's home is located on Smith Rd, in a neighborhood with lower land values, one-half mile from Mr. Jones' location. The assessments for both properties following construction are listed below. Both assessments are at full market value (100% equalization).

	Mr. Jones	Mr. Smith	Total Value of Parcels	Total Taxes Collected by Town
Assessment Following construction	\$ 250,000	\$ 150,000	\$ 400,000	\$ 5,000
Property Taxes	\$ 3,125	\$ 1,875		

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Five years later both Mr. Smith and Mr. Jones have their properties appraised; the values are listed below. Mr. Jones' home has appreciated in value at a higher rate than Mr. Smith's. Mr. Jones property is valued at \$350,000; Mr. Smith's @ \$185,000

	Mr. Jones	Mr. Smith	Total Value of Parcels	Total Taxes Collected by Town
Property Value Following Appraisals	\$ 350,000	\$ 185,000	\$ 535,000	\$ 5,000
Taxes based on Appraised Value	\$ 3,271	\$ 1,729		
Assessment	\$ 250,000	\$ 150,000	\$400,000	
Taxes paid based on Assessment	\$ 3,125	\$ 1,875		
Level of Assessment	71%	81%		
Inequity in taxes being paid	\$ (146)	\$ 146		

Mr. Jones home is currently assessed at \$250,000, 71% of full market value (\$350,000). Mr. Smith's current assessment is \$150,000, 81% of full market value (\$185,000). As a result of this inequity in percentage of full market value, Mr. Jones is paying \$146 too little in taxes and Mr. Smith is paying \$146 too much in taxes.

The longer the period of time between revaluations, the more varied and substantial the inequities in assessments and resulting tax payments become. When frequent revaluations occur, the reaction to changes in assessments can more quickly reflect the real estate market (increases, status quo, or decreases). Leaving assessments "Just as They Are" perpetuates the inequities that have developed in property assessments and the subsequent property taxes. When property values are not equalized among neighborhoods, there are tax payers who pay more than their fair share of taxes and those who pay less than their fair share.

A revaluation or Assessment Equity Project reinstates equity in property values, with all values at 100% of full market value, so all property owners pay their fair share of taxes – no more and no less.

If you have questions regarding equalization of assessments, the Town of Webb Assessor will be able to assist you. More information regarding equalization is also available on the NYS Real Property Services website: <http://www.orps.state.ny.us>.