

A Review of Property Tax Assessment Options for Orleans County

February, 2009

Prepared for:
Orleans County

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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. Orleans County was one of 51 counties to receive a CPTAP grant to explore opportunities for collaborative assessment. 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 Orleans County's assessors and feedback from town supervisors, interviews with county administration 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 Orleans 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 Orleans County, this report establishes a baseline foundation for making those decisions going forward.

Acknowledgements

CGR acknowledges the assistance of many Orleans County and municipal officials during the course of this project. Dawn Allen, Orleans 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 CGR Research Assistant 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 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.

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 Orleans County's assessment system.

THE EXISTING ASSESSMENT SYSTEM IN ORLEANS COUNTY

The property tax assessment system in Orleans County has undergone substantial changes in the last couple of years. New leadership has encouraged new partnerships and brought creative innovation to the assessment system countywide. The County has done away with all three-person boards in favor of single appointed assessors. They have also eliminated all village assessing units, formed a couple of coordinated assessment programs, synchronized all the assessment cycles, and raised their county-wide equalization rate to one of the highest in the state. Interviews with local assessors and County officials revealed that while the current system operates reasonably well, they are constantly striving to

better allocate scarce resources for the relatively small number of parcels represented in the county.

All towns conducted a revaluation in 2007 and plan to conduct another one in 2010. The County is currently piloting a real-time centralized database with four local assessing jurisdictions, and hopes to incorporate all others during the spring of 2009. In addition, the County offers many other services to local jurisdictions, and local assessors collaborate with one another on a regular basis, including when they need help with valuations.

Orleans 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. The assessing units, in conjunction with Orleans County, have already made significant strides in addressing some variability in assessment standards, thus reducing overall inequity. However, assessment valuation standards still vary across the County, and the standards by which assessors serve the public and conduct assessments also vary by individual.

To document the current assessment system in Orleans County, CGR obtained data from several different sources. Primary data came from a survey of all town assessors. 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 and the County Director of Computer Services. 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 Orleans 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

Orleans County is divided into ten towns:

- Albion
- Gaines
- Shelby
- Yates
- Ridgeway
- Barre
- Carlton

- Clarendon
- Kendall
- Murray

At one time, each town was its own assessing jurisdiction. However, several have entered collaborative arrangements in recent years. Pursuant to sections 1537 and 1573 of the Real Property Tax Services Law, in 2007 the Towns of Albion and Gaines created a coordinated assessment program (CAP) and currently contract with Orleans County's Real Property Tax Services (RPTS) Office to provide assessment services to both municipalities. In 1998 the Towns of Shelby and Yates formed a CAP and currently share one assessor. The Town of Barre currently shares an assessor with two towns in Genesee County that are actually a CAP. **Tables 1 and 2** in the appendix present staffing and other overview information for each assessing unit.

Municipal Level

There are eight individual assessors and no three-person boards covering the eight assessing jurisdictions. Of the eight individual assessors, all are appointed to their position. As identified in **Table 2** of the appendix, there are 12 total assessment staff persons across the eight assessment units (including the assessors). Not all are full-time, and the 12 positions translate into 8.3 full-time equivalent (FTE) positions. Each unit averages 1.5 staff positions, or the equivalent of 1.0 FTE.

There are currently two assessors who do not meet the State's certification requirements to be an assessor.¹ Both of these assessors are in compliance with the State, as they are in the training process and within official timelines to receive their certification. One assessor in the county has received state designation as "advanced"².and there are no assessors designated as "professional"³ through the Institute of Assessing Officers (IAO) in New York State.

The average assessing unit in Orleans County reported being open for 24 office hours per week, staffed by the assessor and/or one of the support staff. According to assessment staff, over 90 percent of office hours on average are devoted to customer service issues.

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.

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 Orleans 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 Orleans County Director of Real Property Tax Services revealed the range in parcels per FTE was broad – the lowest parcels-per-FTE ratio was 1,625, while the highest was 6,885. 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 Orleans County assessing jurisdiction has an FTE staff person covering more than 3,000 parcels⁵. All other jurisdictions 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 jurisdictions with fewer parcels per FTE.

County Level (RPTS)

The County operates a Real Property Tax Service office overseen by the Director of Real Property Tax Services. There are three staff persons (2 FTE) that report to the Director. Two staff persons work part-time (17.5 hours per week) and provide clerical support for the office⁶ while the other staff person is full time and serves as the assessor for the Towns of Albion and Gaines. Tax mapping is currently outsourced to Genesee County through an inter-municipal shared services agreement.

In 2008, the County budgeted \$184,000 for the RPTS office. After revenues are subtracted, the net cost to County residents was anticipated to be roughly \$67,000.

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

⁴ www.iaao.org

⁵ The Albion/Gaines CAP assessor technically operates at a ratio of 3809 parcels, but this does not account for the office support obtained by sharing the office with county staff.

⁶ Responsibilities include clerical support for the CAP with Albion and Gaines as well as general office support for County RPTS operations.

- Valuation technical assistance and field review;
- Tax levy coordination and calculation of tax rates for County and Town tax extensions;
- Processing and printing of tax rolls and bills;
- Board of Assessment Review (BAR) training;
- Tax map preparation (currently outsourced to Genesee County);
- Assessor orientation and ongoing RPTL procedural guidance;
- Printing of tentative and final assessment rolls;
- RPS software tech support (coordinating upgrades and training, maintenance of data integrity and database including GIS);
- Printing of assessor annual reports;
- Advice with complex commercial appraisals;
- Facilitating deed and sales transmittals reports to assessors;
- State-level information updates;
- Providing reports to towns, villages, fire departments, school districts, other County departments, businesses and the public;
- Process applications for corrected tax bills; and
- Serve as member of the Agricultural Land and Farm Protection Board.

Many of these services are provided pursuant to state statute.

Parcel Characteristics

Orleans County contains 20,421 property parcels, two thirds 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 slightly more than nine percent of the total property class designation. Commercial and Industrial classifications account for around four percent of all parcels in the County.

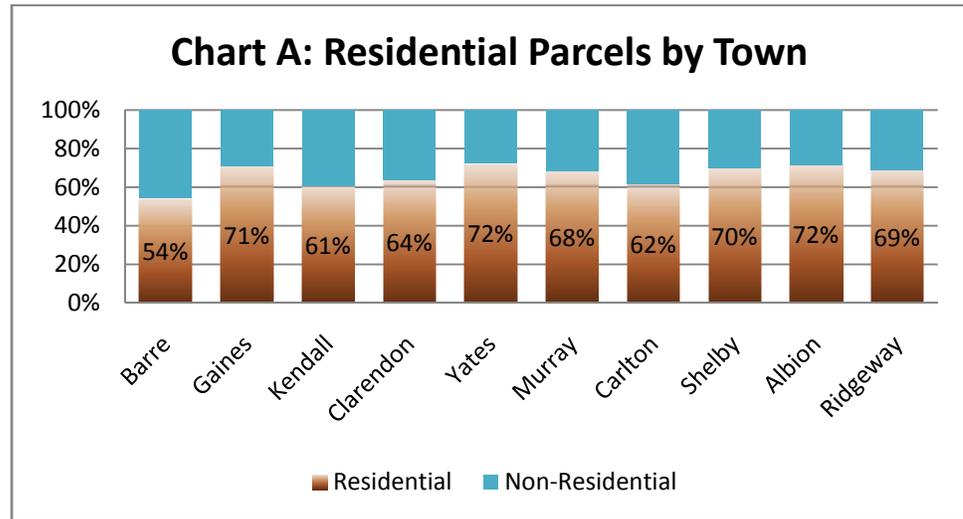
<i>Property Class</i>	<i>Parcels</i>	<i>%</i>
Wild & Public Parks	36	0.2%
Recreation & Entertainment	65	0.3%
Industrial	70	0.3%
Community Services	282	1.4%
Public Services	415	2.0%
Commercial	780	3.8%
Agricultural	1,870	9.2%
Vacant Land	3,295	16.1%
Residential	13,608	66.6%
<i>Total</i>	<i>20,421</i>	<i>100.0%</i>

As shown in **Table B**, the Town of Ridgeway has the most total parcels in the County (3,148, or 15.4 percent of the total). Ridgeway also contains the largest percentage of residential properties (15.9 percent of all county residential parcels). The Town of Gaines has the fewest total parcels at 1,259 (6.2 percent of all county parcels) but the Town of Barre actually has the fewest residential parcels (745 parcels or 5.5 percent of the total residential parcels in the county).

<i>Town</i>	<i>Parcels</i>	<i>%</i>
Town of Gaines	1,259	6.2%
Town of Barre	1,377	6.7%
Town of Yates	1,708	8.4%
Town of Kendall	1,742	8.5%
Town of Clarendon	1,780	8.7%
Town of Murray	2,113	10.3%
Town of Shelby	2,304	11.3%
Town of Carlton	2,440	11.9%
Town of Albion	2,550	12.5%
Town of Ridgeway	3,148	15.4%
<i>Total</i>	<i>20,421</i>	<i>100.0%</i>

The chart below displays the percentage of total parcels per town that are classified as residential. The Towns of Yates and Albion have the highest

percentage of total parcels classified as residential; Barre has the lowest concentration of residential parcels.



Building Permit Data

CGR obtained new project permit data from the Genesee Finger Lakes Regional Planning Council that detailed the number of permits issued from 2004-2006 in Orleans County for new residential, industrial, commercial, and community service projects⁷. The data was incomplete with several localities not reporting.⁸

Of those that did report, the total number of permits issued declined on an annual basis between 2004 and 2006 from 76 to 47. At the highpoint in 2004, the number of permits issued represented less than one half of one percent of the total parcels in the County. Over ninety percent of permits in each year were issued for new residential projects.

Budgets and State Aid

For the most recent year, Orleans County's local assessment functions report spending approximately \$368,000 including fringe benefits. This averages out to \$36,800 per assessing unit, or roughly 2.0 percent of the average town budget. **Table 3** in the appendix details the breakdown for each Town.

⁷ Context for this data can be obtained by reviewing the 2006 Land Use Monitoring Report online at <http://www.gflrpc.org/Publications/LandUseMonitoring.htm>.

⁸ The permits represent data for "new" projects and should not be construed to represent all the permits that were issued in any local jurisdiction.

The “cost per parcel” of local assessment functions ranges from \$12.88 in the least expensive town to \$28.54 in the most expensive. In other words, the town with the highest cost-per-parcel ratio in the County is paying 121 percent more than the lowest cost town. On average, the cost per parcel across all towns in the county is \$18.01. Full details on this information can be found in **Table 3** of the appendix.

All of the assessing units in Orleans County receive triennial state aid. While the Town of Barre has been part of the triennial aid program since 2001, as of 2009 they are moving to an annual cycle. Aid amounts vary across the units, ranging from \$6,105 to \$14,965. **Table 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 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

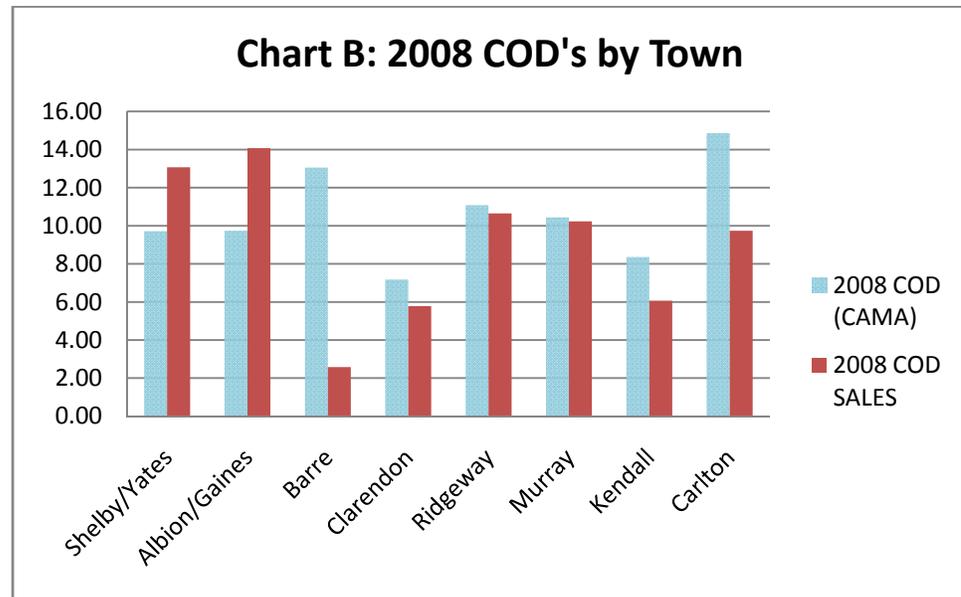
The Coefficient of Dispersion (COD) is a common statistical measure of uniformity (often called “horizontal” equity). According to ORPS, “the COD measures the extent to which the assessment ratios from a given roll exhibit dispersion around a midpoint. It is generally accepted that the median assessment 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**, 67 percent of

⁹ *Assessment Equity in New York: Results from the 2004 Market Value Survey*, Office of Real Property Services.

Orleans County properties are residential and 16 percent are classified as vacant.

Current CAMA CODs¹⁰ for Orleans County towns range from 7.175 to 14.864. None of the eight assessing units exceed the 15 percent threshold defined by the IAAO. The largest COD of the eight assessing units is slightly more than 2.0 times higher than the smallest. Sales ratio CODs range from 2.580 – 14.072. The widest variation between the Sales and CAMA COD ratios in any one town is found in the Town of Barre.



Price Related Differential

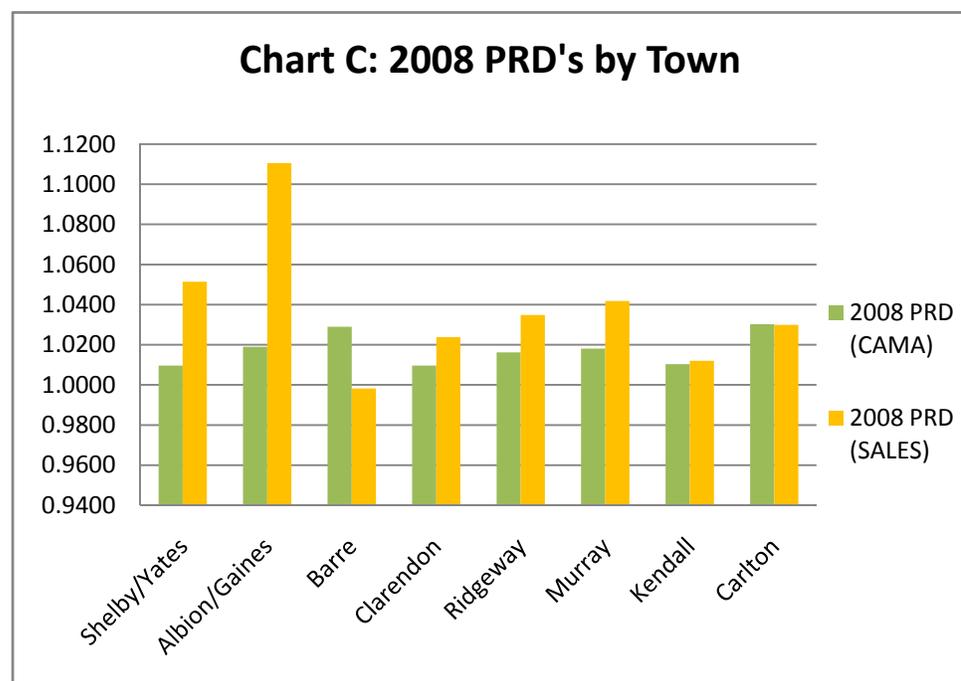
Another measure of assessment uniformity is known as Price Related Differential (PRD). According to ORPS, the PRD “is used to determine if there is a bias on an assessment roll toward systematic over-assessment of either high- or low-value properties in comparison to the average property. In computing 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.

¹⁰ Computer Assisted Mass Appraisal (CAMA) COD. Both CAMA and Sales COD data provided by the NYS Office of Real Property Services.

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

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 CAMA numbers in Chart C below, no Orleans County assessing units exhibit unacceptable bias relative to the acceptable range. All units have CAMA values in excess of 1.0 and thus show some regressivity in their valuation of properties. Sales related PRD's exhibit a wider range 1.00 – 1.11 revealing a slightly more regressive valuation standard than was observed using the CAMA statistics. 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.



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 for LOA across Orleans County is 94 to 100. Only one assessing unit reported an LOA of 100 for its most recent reporting period.

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

Of the seven assessing units that did not have an LOA of 100, all are planning a reassessment in 2010. The Town of Barre is also planning a reassessment in 2009 as part of a transition to an annual reassessment cycle.

Sales Data Quality

Since the latest reassessment for each town was in 2007, interviews and surveys suggested that the general quality of data in Orleans County is good. There was some concern that statistics alone do not reveal the whole story for some assessing jurisdictions. For instance, due to the allowance that a town can claim a level of assessment 5% above or below the ORPS calculated market ratio, there is room for some variance in the actual full value of the town that may, in turn, affect apportionment of county and school taxes. In addition, COD and PRD data within municipalities can appear within acceptable limits and yet not tell the entire story across assessing jurisdiction boundaries. CGR could not verify these concerns.

Reassessment

All reassessments within Orleans County were done as of 2007. Regarding future reassessment plans, the Town of Barre plans to conduct a reassessment in 2009. In 2010, all assessing jurisdictions will conduct a reassessment as a requirement of the triennial or annual aid they receive.

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 Orleans County are using Real Property System (RPS) V4 software to track and report their assessment activities. Presently, each town retains its own data on its own equipment with the exception of Albion and Gaines, who contract with the County to provide that service. 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 (every other month) to enable the County to maintain a relatively current master file. In total, assessing units are paying \$9300 in annual license and maintenance fees to ORPS for use of the RPS software.

According to ORPS, minimum requirements for stand-alone computers running RPS V4 include a 3.2 Ghz processor with 1 GB of RAM. When GIS capabilities are used they 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 town. For those towns that reported on their equipment, 7 out of 10 machines met the minimum RAM requirement, but only 2 reported a processor speed, of which only one met the requirement. The County has two dedicated servers that are newer and adequate to house the database as well as run the RPS software at full function and capability both locally and remotely through terminal services.¹³

Fifty percent of the assessing units in the County use GIS in support of their assessment function. The County Director of RPTS is working with all the local assessors to enhance their functional knowledge of how to incorporate GIS into their data records and management.

As noted earlier, the County provides IT support for RPS to all of its assessing units upon request. It is not common for local jurisdictions to seek this support from the county with the majority of the units preferring to access support from other sources (primarily internal IT staff or NYS ORPS). One town indicated that they used an outside source for technical support related to hardware, but interviews with county officials indicated this was more common than the survey revealed.

Currently four assessing units are piloting the use of terminal services software which connects each assessor via the web to a central RPS database housed in, and maintained by, the County Director of Computer Services. The four units participating in this pilot are Yates/Shelby, Ridgeway, Albion/Gaines and Kendall. The goal is to transition the remaining four units in May of 2009, provided that the pilot is running smoothly. In addition to the County having real time data, the goal is to reduce the license fees being paid by each assessing unit, thus saving money and improving overall efficiency.

Logistics

The County processes and prints the tentative and final tax and assessment rolls for the towns of Kendall, Murray, Carlton, Shelby, Yates, Albion and Gaines. The Town of Barre occasionally has the County print these rolls and the towns of Ridgeway and Clarendon produce and print their own rolls. As mentioned in the previous section, local assessors send a backup copy of their data to the County off of which the County produces the required tax and assessment rolls. When tax bills need to be produced, tax bill extract files are created and sent to an outside vendor for printing and mailing.

¹³ <http://www.orps.state.ny.us/rps/v4/rpsconfig.htm>

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. The data is not real time and the County is limited in the support it can provide centrally in valuation and data verification throughout the year. Further, no centralized real time source exists for valuation benchmarking if an assessor wants to compare values outside of his/her immediate jurisdiction. While neighboring assessors are generally accommodating in providing such assistance, common real time data would enhance the process. As mentioned previously, the county is already planning for a transition to a centralized database in 2009.

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 in CGR’s discussions with assessment officials in Orleans County was that fewer and fewer people are in the pipeline to become assessors. While positions are currently filled in all assessing jurisdictions in Orleans 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 Orleans 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 referendum¹⁴. Since there are no cities in Orleans 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 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 the county became a single assessing unit, the state would calculate a single equalization rate based upon the aggregate assessed value to

¹⁴ 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.

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 Orleans County, three assessment units have an LOA of 98 (Shelby/Yates, Ridgeway, Clarendon), two units are at 97 (Albion/Gaines, Murray) and the remaining three range from 95 – 100. All units anticipate a revaluation in 2010 due to their status of receiving triennial or annual aid. Thus, all units will likely be at a uniform percentage of value for the 2010 assessment roll.¹⁵

Since data is relatively current for most of these assessing units, a full data collection and valuation project is not likely necessary in 2010. The majority of the eight units will likely perform their own analysis and update their data in-house with support from ORPS and the County. Some concern was expressed by the County Director of RPTS regarding the different methods of data collection used by the various units. Property characteristics should be described and coded in a consistent way to develop a standardized valuation model among all municipalities. This may be achieved through routine edits in some areas, or could require a more thorough evaluation with the assistance of an outside contractor. Outside contractor fees for this service can range between \$25-\$70 parcel depending on complexity and scope of service. Assuming that 20% of the total parcels may need contractor assistance, at an average cost of \$47.50 per parcel; the full reassessment of these properties would produce a gross cost of 194,000.

In addition to reassessment, there would be operational transition costs associated with relocating staff, establishing new offices, and buying computers and related equipment. While it is challenging to precisely calculate this cost, County officials provided CGR with an estimate that this could be as much as \$25,000. This figure includes an estimated \$12,000 for new computer equipment, as well as transitional space costs for personnel and storage not to exceed \$13,000 from moving into another county owned facility.

¹⁵ Should the County decide not to move forward on county run assessing, all jurisdictions could agree to an annual reassessment cycle as of 2010 and be eligible for annual state aid. The Town of Barre will already be on an annual cycle.

A portion of the transition costs would be offset by state aid. Reassessment aid of \$5/parcel would be available to the parcels requiring more extensive revaluation work, bringing the net cost for reassessment to roughly \$42.5/parcel. Since all other parcels in the County are performing annual maintenance, they would also receive reassessment aid. In addition, each town would be eligible for consolidation aid of \$7/parcel. The county would receive \$2/parcel as part of the transition. *In summary, the net effect of transition would be new revenue to the community of nearly \$67,000 over and above total 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 6 and 10 FTEs¹⁶.

Consultation with county officials revealed their assumption that the department could run well with eight FTE positions in support of one Director. The positions would include adding 4 appraisal staff along with two more clerical positions. That would bring total clerical positions to three FTE along with five FTE appraisal staff. At eight total FTE staff, the parcels-per-FTE ratio would be 2,552. Appraisers would be responsible in general terms for 4,100 parcels per person with three FTE clerical positions to support them.

Based upon conversations with Orleans County, new appraisal positions would likely be added for a salary of roughly \$36,700 with a benefits package of approximately 36 percent of salary. Assuming creation of four FTE positions at these figures, the total additional cost to the County would be \$200,000.

Clerical staff would likely be added for a salary of approximately \$23,000 with a benefits package of 36 percent of salary. Using these figures, two new FTE clerical positions would cost the county an additional \$62,560.

The sum total of additional staff would cost the county \$262,560. CGR estimates that the current budget of \$184,000 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.

¹⁶ These numbers are derived using the 20,421 parcels currently on record.

Other Operational Considerations

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

- CGR verified with county officials that under a county run model, all revenue currently being received and applied to the RPTS budget would continue (\$117,000).
- CGR assumes that new revenue would be available to the county because of aid from the state for annual reassessments (\$102,000).
- County officials would 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 tax payers. 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 has been modeled at \$10,000.
- 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 (\$1.80 per parcel or \$36,780 annually).

Total Operational Impact

CGR calculates that the *current* cost of providing assessment services in Orleans County is approximately \$435,000. This includes municipal assessing jurisdictions and the county budget less county revenues. Comparatively, the operating costs of the county-run model are estimated to cost \$395,000, producing a net decrease of \$40,000. However, since aid would increase due to all parcels being annually reassessed (approximately \$102,000 in new state aid); the county-run model would cost roughly \$142,000 *less* than the current system in Orleans County.

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 in order to get all towns to a uniform level of assessment. 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 roll¹⁷ 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)

Overview

Transitioning to a county coordinated assessment program (CCAP)¹⁸ 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 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

¹⁷ CGR's analytical assumptions are based upon presenting the first official roll in 2010.

¹⁸ RPTL §579

(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.¹⁹

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 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.

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 associated with this option are likely very similar to those of the county-run option and have been modeled the same. All the transition aid that is available under the county run model would still be available to the County and towns, but an additional \$1/parcel may be possible pending the types of services that were offered by the county and agreed to by the towns. The primary difference in transition costs between the county-run model and CCAP approach involves the level at which

¹⁹ Currently, all assessing jurisdictions in Orleans County share the same assessment calendar.

costs and aid would be fixed (*i.e.* county versus town-level). Aid that flows into the County could be used to offset the transitional costs experienced by the towns and thus reduce the impact. In sum, our model indicates that the county and towns in aggregate would receive approximately \$87,000 in net revenue if they transition to a CCAP.

Operating Costs

Personnel

Ongoing operational costs are hard to quantify with precision 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 and appoint a single assessor for all towns. This position has been modeled at \$45,000 plus 36% benefits. In addition, CGR assumes that five FTE support positions would be added such that total new staff would equal six FTE similar to the county-run model. CGR modeled the addition of five FTE support staff at \$35,000 (plus 36 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 \$348,000.*

Other Operational Considerations

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

- CGR assumes that under a CCAP model, all revenue currently being received and applied to the RPTS budget would continue (\$117,000).
- CGR assumes that new revenue would be available to the county because of aid from the state for annual reassessments (\$102,000).
- County officials would 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 tax payers. 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 is has been modeled at \$10,000.
- CGR assumes that there would be increased costs for work associated with annual reassessments that would total roughly ten percent of the current average cost per parcel for municipal budgets within the county (\$1.80 per parcel or \$36,780 annually).

Total Operational Impact

The sum total of the personnel and other operational considerations yields a CCAP that costs nearly \$360,000. This represents a \$75,000 reduction over the current operation but is slightly more expensive than 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 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 requirements the towns might put upon the county 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 assessor for the town. 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.

Among the 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 timelines for filing the first assessment roll; locations and hours of local assessment offices (if mobile units are used); 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 all 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, 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 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.²⁰

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

²⁰ If withdrawal happens within 10 years of the agreement, the municipality must return a prorated portion of the state aid.

local jurisdictions contracting with the County for particular assessment-related services.

Potential CAPs in Orleans County

Orleans County already has two CAPs. As previously discussed, the Towns of Albion and Gaines formed the most recent CAP and provide a very good synopsis of the potential benefits associated with pursuing this option.

Prior to the CAP, Albion budgeted \$60,882 and Gaines budgeted \$18,000, for a combined cost of \$78,882, to provide assessment services in their respective towns. As of the 2009 budget for Albion and Gaines CAP, they will be spending \$61,900: a savings of close to \$17,000. Some of this savings was from hiring a less-experienced assessor to work for the new CAP at the County. Other savings has been found in not having to pay for a Hearing Officer and being more efficient in postage and other administrative costs.

In addition to cost savings, the transition to a CAP also brought new revenue to each community. Consolidation and reassessment aid to each community generated over \$66,000 split according to parcels between the two towns. Albion and Gaines were already conditioned for this transition in that the current Director of RPTS for the County used to serve as a single assessor for both municipalities. This sort of synergy made the CAP a natural extension of their current operation and generated revenue in the process.

The Towns of Shelby and Yates formed a CAP in 1998 and data was not available detailing the cost pre and post CAP formation. Other options for CAPS between or among towns could be considered in order to achieve similar efficiencies as Albion and Gaines and bring revenue into participating towns.

Other Potential CAPs

Several alternatives for CAP arrangements have been discussed within the County. Kendall and Carlton represent one possible CAP and Murray and Clarendon might also be a good CAP alternative. Albion and Gaines could possibly absorb the Town of Barre since the number of parcels in Barre is not large. There have also been discussions around the possibility of Ridgeway joining with Shelby and Yates to make one large CAP for the towns on the western edge of the County.

Succession planning is a significant factor to consider in thinking through possible CAP alternatives. As noted earlier, finding new people interested in the profession of assessment is increasingly difficult. Attrition due to

retirement might make CAP options more viable and alleviate the strain on finding new people to fill those roles.

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 Orleans County. This example assumes that Kendall and Carlton opted to enter a CAP, and considers the cost implications of so doing.

At present, both Kendall and Carlton have appointed assessors seeking official certification from NYS. Between them, they have 4,182 parcels, an FTE staff equivalent of 1.5, and total annual spending of \$63,332. Shifting to a CAP agreement with a shared assessor would likely result in one FTE assessor and one half FTE support staff member. Were the assessor salaried at \$35,000 plus 36 percent benefits and the support staff member at \$15,000 with no benefits, plus a 10 percent markup for office overhead²¹, the total annual cost of the CAP in this scenario would be \$68,860.

The final structure of any localized CAP will dictate eventual cost and/or savings levels. The CAP discussed in the above example is not necessarily more costly than the current approach. Assuming a \$32,000 salary for the assessor and a part-time support staff member at \$14,000 without benefits, the structure can essentially be cost-neutral to the *status quo*.

The real benefit to any CAP is the added revenue brought into each town because of the aid that is available. In the case of Kendall, aid totaling \$21,000 would be available as part of the CAP process and Carlton could receive slightly more than \$29,000²². Between the two communities, slightly more than \$50,000 could be generated by creating a CAP agreement.

²¹ CGR analyzed the 2009 proposed budget for Albion/Gaines CAP and determined overhead to be slightly less than 7 percent. Thus, we conservatively used 10 percent for our calculation of potential overhead costs.

²² \$5/parcel reassessment aid and \$7/parcel consolidation aid is available to each municipality as part of a CAP transition.

One additional benefit to this particular CAP option is the possibility of saving on future training costs associated with certifying one of the assessors. Both assessors are three courses shy of their official certification and one would likely not have to finish the process if only one assessor was appointed to the CAP.

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.”²³ Additionally, the town retains its appointing authority.

As mentioned earlier in this report, Orleans County Real Property Services already provides many services to the municipalities in support of the assessment function. Only in the case of Albion/Gaines have these services been formalized into an intermunicipal agreement, but clearly many of the other assessing jurisdictions heavily rely on the County in informal ways. 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 Orleans 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. The current County Real Property Tax Director does have experience with these assessments and could oversee this transition fairly seamlessly.

As shown in **Table C**, there are 853 parcels in Orleans 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 Orleans County are spending roughly \$15,447 to

²³ *Assessment Administration Analysis Report*, New York State Association of County Directors of Real Property Tax Services.

maintain the assessments for these parcel classifications. On average, this cost equals \$18.11 per parcel.

Municipality	Comm/Indus Parcels	Budget per Parcel	Total Cost
Town of Albion	222	\$16.39	\$3,639
Town of Barre	25	\$18.32	\$458
Town of Carlton	24	\$12.99	\$312
Town of Clarendon	22	\$28.54	\$628
Town of Gaines	36	\$16.42	\$591
Town of Kendall	17	\$18.16	\$309
Town of Murray	127	\$20.82	\$2,644
Town of Ridgeway	241	\$19.29	\$4,648
Town of Shelby	103	\$17.03	\$1,754
Town of Yates	36	\$12.88	\$464
	853		\$15,447

Were each of the municipalities to enter into an inter-municipal agreement for the County to handle all commercial and industrial assessment, conversations with County officials reveal that the County would likely contract with an outside vendor to support this work. 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 \$5 per parcel. In total, a transition would cost between \$43,000 and \$51,000, and ongoing maintenance would be approximately \$4,300 annually.

Handling of Exemptions

Assessors in Orleans 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 in the County seat of the Village of Albion 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 Orleans 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 and reassessment schedules.

Currently all assessing units abide by a common revaluation schedule. In addition, each assessing jurisdiction is on the same assessment cycle. A consistent cycle across all jurisdictions helps school districts in their planning and also improves the transparency in the system.

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 in the system. Since every jurisdiction is bound to regular reassessments through their triennial or annual aid agreements, the groundwork is laid for this to happen.

CGR observes that currently all assessing jurisdictions informally adhere to common valuation practices, but interviews with county officials reveal there remain some inconsistencies in the data between jurisdictions. For instance, there may be variations in the valuation and collection methods

contributing to a difference in assessed valuation for two buildings that are essentially the same in every respect. 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 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 Orleans 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.

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 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 Orleans County is functional and has made some significant changes in recent years to improve the overall quality of the service. They have eliminated all three-person boards, synchronized assessment calendars, formed CAPs, eliminated village assessing units and raised the quality of their assessments such that they are now one of the top counties in the state in regards to their county-wide equalization rate.

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 those improvements and make decisions regarding the future administration of property tax in the Orleans 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 A-1: Orleans County

Municipalities		Assessment Offices		Existing Collaboration		
SWIS	Municipal Name	Type of Assessor	Assessor Name	Part of CAP?	Assessor Works for Multiple Municipalities	Contract with County for Asmt Services?
342000	Town of Albion	Assessor	Coleen A. Pahura	Yes	Yes, Gaines	Yes
342200	Town of Barre	Assessor	Barry Flansburg	No	Yes in Genesee County (Byron, Oakfield)	No
342400	Town of Carlton	Assessor	Karen L. Adams	No	No	No
342600	Town of Clarendon	Assessor	Cynthia Boheen Davis	No	No	No
342800	Town of Gaines	Assessor	Coleen A. Pahura	Yes	Yes, Albion	Yes
343000	Town of Kendall	Assessor	A. "Gene" Massey	No	No	No
343200	Town of Murray	Assessor	Lynn Wood	No	No	No
343400	Town of Ridgeway	Assessor	Patricia Laszewski	No	No	No
343689	Town of Shelby	Assessor	Michele L. Harling	Yes	Yes, Yates	No
343889	Town of Yates	Assessor	Michele L. Harling	Yes	Yes, Shelby	No

Table A-2: Orleans 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.	
342000	Town of Albion	Assessor	Coleen A. Pahura	SCA	1	1	35	100	
342200	Town of Barre	Assessor	Barry Flansburg	SCAA	1	0.2	8	100	
342400	Town of Carlton	Assessor	Karen L. Adams	None	2	0.9	18	50	
342600	Town of Clarendon	Assessor	Cynthia Boheen Davis	SCA	1	1	32	100	
342800	Town of Gaines	Assessor	Coleen A. Pahura	SCA	CAP	CAP	35	100	
343000	Town of Kendall	Assessor	A. "Gene" Massey	None	1	1	24	100	
343200	Town of Murray	Assessor	Lynn Wood	SCA	2	1.3	15	90	
343400	Town of Ridgeway	Assessor	Patricia Laszewski	SCA	2	1.5	32.5	100	
343689	Town of Shelby	Assessor	Michele L. Harling	SCA	2	1.4	22.5	100	
343889	Town of Yates	Assessor	Michele L. Harling	SCA	CAP	CAP	15	100	
					Total	12	8.3		
					Average	1.5	1.0	23.7	94.0

*Assessor is PT, only works Tues 10-3:30 and Thurs 10- 0.1875

**Assessor & Clerk are PT, only work Wed-Fri 8:30-2:30. 0.9

Table A-3: Orleans County

Municipalities		Municipal Characteristics							
SWIS	Municipal Name	Total 2008 Budget for Assessment Function	% of total Municipal Budget	Assessment Budget Per Parcel	Total Number of Parcels - 2008 Final Roll	FTE	Total Parcels Per FTE	Number of Residential Parcels	% of Parcels That Are Residential
342800	Town of Gaines	\$20,672	1.46	\$16.42	1,259	0.0	CAP	893	70.9%
342200	Town of Barre	\$25,229	2.00	\$18.32	1,377	0.2	6,885	745	54.1%
343889	Town of Yates	\$22,000	2.00	\$12.88	1,708	0.0	CAP	1,235	72.3%
343000	Town of Kendall	\$31,636	1.96	\$18.16	1,742	1.0	1,742	1,056	60.6%
342400	Town of Carlton	\$31,696	2.00	\$12.99	2,440	0.9	2,711	1,501	61.5%
343200	Town of Murray	\$43,995	1.70	\$20.82	2,113	1.3	1,625	1,442	68.2%
342600	Town of Clarendon	\$50,803	3.00	\$28.54	1,780	1.0	1,780	1,131	63.5%
342000	Town of Albion	\$41,803	1.55	\$16.39	2,550	1.0	3,809	1,826	71.6%
343400	Town of Ridgeway	\$60,714	2.00	\$19.29	3,148	1.5	2,099	2,168	68.9%
343689	Town of Shelby	\$39,230	2.00	\$17.03	2,304	1.4	2,866	1,611	69.9%
	Total	\$367,776			20,421			13,608	
	Average	\$36,778	1.97	\$18.01	2,042	0.8	2,940	1,361	66.17%

Table A-4: Orleans County

Municipalities		Indicators of Assessment Equity							
SWIS	Municipal Name	Latest Eq. Rate (2008)	Latest LOA of Various Property Types	2008 COD (CAMA)	2008 COD (SALE)	Latest Reassessment	Latest State Aid	Aid Type	Planned Reassessment
342000	Town of Albion	97	97	9.733	14.072	2007	\$12,065	Triennial	2010
342200	Town of Barre	95	95	13.049	2.580	2007	\$6,615	Triennial	2009
342400	Town of Carlton	100	100	14.864	9.733	2007	\$11,940	Triennial	2010
342600	Town of Clarendon	98	98	7.175	5.780	2007	\$8,605	Triennial	2010
342800	Town of Gaines	97	97	9.733	14.072	2007	\$6,105	Triennial	2010
343000	Town of Kendall	94	94	8.355	6.059	2007	\$8,460	Triennial	2010
343200	Town of Murray	97	97	10.440	10.023	2007	\$9,920	Triennial	2010
343400	Town of Ridgeway	98	98	11.079	10.647	2007	\$14,965	Triennial	2010
343689	Town of Shelby	98	98	9.712	13.073	2007	\$10,935	Triennial	2010
343889	Town of Yates	98	98	9.712	13.073	2007	\$8,180	Triennial	2010

Table A-5: Orleans County

Municipalities		Assessment Administration System											
SWIS	Municipal Name	System Used		Annual Fees/License Assoc. with System	Processing Responsibility			Databases		Communication		Is GIS Used?	IT Support Who
		Assessment & Inventory	Analysis / Valuation		ORPS' Reports	Rolls *	Analysis / Valuation	Location	How Updated	Speed (GHz)	Capacity (MB of RAM)		
343889	Town of Yates	RPSV4	RPSV4	\$554	Assessor	Assessor	Assessor	Town of Yates	Original	2	512	No	ORPS
342000	Town of Albion	RPSV4	RPSV4	\$870	Assessor	Assessor	Assessor	Orleans County, 35 Main St, Albion	Original			No	Orleans County IT Dept
342200	Town of Barre	RPSV4	RPSV4	\$1,000	Town	County	Town	Town of Barre laptop	Backup		38092.8	Yes	Assessor
342600	Town of Clarendon	RPSV4 + paper files	RPSV4 + manual	\$1,000	Assessor	County	Assessor	Clarendon Town Hall - alarmed office	Original db maintained by Assr, backup done regularly and taken off site by assr		1536	No	ORPS
342800	Town of Gaines	RPSV4	RPSV4	\$430	Assessor	Assessor	Assessor	Orleans County, 35 Main St, Albion	Original			No	Orleans County IT Dept
343400	Town of Ridgeway	RPSV4	RPSV4	\$1,300	Town w/ NYS asst.	County	Town w/ NYS asst.	410 Est Ave Medina (Town Bldg)	All		258	Yes	System - Private Vendor; Database - ORPS
343200	Town of Murray	RPSV4	RPSV4	\$1,200	County, town, and state*	County	State	Town of Murray	County backs up		2048	No	Private Vendor
343689	Town of Shelby	RPSV4	RPSV4	\$746	Assessor	Assessor	Assessor	Town of Shelby	Original	2.6	896	No	Town of Shelby
343000	Town of Kendall	RPSV4	RPSV4	\$1,000	Assessor	Assessor	Assessor	Town Hall	Original w/ backups	3.16	2048	Yes	Dell, ORPS
342400	Town of Carlton	RPSV4	RPSV4	\$1,200	Assessor	Assessor	Assessor	Office	Backup			Yes	Assessor

* County provides all billing services

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	Current Structure - Modified to provide equitable assessments to all properties	County Run Assessing	County CAP Managed by County	CAP of Kendall and Carlton	Towns contract w/County for assessment services under RPTL 1537	Current Structure w/additional consolidation and inter-municipal agreement
County	3	9	4	3	Variable	Variable
Towns	8.3	0	5	8.3	8.3	8.3
Total	11.3	9	9	11.3	Variable	Variable

Table A-7: Orleans 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	Option 2	Option 3	Option 4	Other
Start-up Costs		County Run Assessing	County CAP Managed by County	CAP of Kendall and Carlton	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	\$194,000	\$194,000	\$194,000	\$82,745	Variable	Variable
Transitional costs for County Run or County CAP managed by County (Computers, telephones, supplies, furniture)	\$0	\$25,000	\$25,000	\$0	\$0	\$0
Available State Aid for reassessment - Town Aid	(\$102,105)	(\$102,105)	(\$102,105)	(\$20,910)	Variable	Variable
State Consolidation Aid - Town Aid	\$0	\$0	(\$142,947)	(\$29,274)	\$0	Variable
State Consolidation Aid for County Run Assessing, RPTL 1573 - County Aid	\$0	(\$142,947)	\$0	\$0	\$0	\$0
State Aid for County Run Assessing Referendum Approval - County Aid	\$0	(\$40,842)	\$0	\$0	\$0	\$0
State Consolidation Aid for County providing services, RPTL 1573	\$0	\$0	(\$20,421)	\$0	(\$20,421)	(\$20,421)
State Aid IF County Managed County wide CAP	\$0	\$0	(\$40,842)	\$0	\$0	\$0
Total One Time Start-up Costs	\$91,895	(\$66,895)	(\$87,316)	\$32,561	(\$20,421)	(\$20,421)
Cost Per Parcel - County	\$0.00	(\$7.78)	\$0.22	\$0.00	(\$1.00)	(\$1.00)
Cost Per Parcel - Town	\$4.50	\$22.50	(\$12.50)	\$7.97	Variable	Variable
Combined Cost Per Parcel	\$4.50	(\$3.28)	(\$4.28)	\$1.59	(\$1.00)	(\$1.00)

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

Operational Costs					**	
Town Assessment Depts.	\$367,776	\$0	\$0	\$373,304	\$275,832	\$367,776
County RPTS	\$184,583	\$475,601	\$203,041	\$184,583	\$276,875	\$184,583
Less Revenues	(\$117,147)	(\$117,147)	(\$117,147)	(\$117,147)	(\$117,147)	(\$117,147)
Cost of a County Consolidated Assessing Unit	\$0	\$0	\$339,120	\$0	\$0	\$0
Additional Cost of annually maintaining assessments at a common LOA throughout the County	\$0	\$36,778	\$36,778	\$0	\$36,778	\$36,778
State Aid for Annual Reassessment *	\$0	(\$102,105)	(\$102,105)	(\$102,105)	(\$102,105)	(\$102,105)
Total Annual Operational Costs	\$435,212	\$293,127	\$359,687	\$338,635	\$370,232	\$369,885
Cost Per Parcel - County	\$3.30	\$14.35	\$17.61	(\$1.70)	\$4.62	\$0.10
Cost Per Parcel - Town	\$18.01	\$0.00	\$0.00	\$18.28	\$13.51	\$18.01
Combined Cost Per Parcel	\$21.31	\$14.35	\$17.61	\$16.58	\$18.13	\$18.11
Difference from Current Structure		(\$142,085.18)	(\$75,525.18)	(\$96,576.63)	(\$64,979.91)	(\$65,327.39)

* Annual Reassessment Aid of \$102,105 may be available under the current structure if all towns reassessed in the same year (20,421 x \$5).

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

Assumptions		Salary Per Person	Total plus Benefits
Appraisers	4	\$36,765	\$200,000
Clerical	2	\$23,000	\$62,560
Fringes	36%		
Annual State Aid	(\$5)		
Triennial State Aid	(\$5)		
Consolidation Aid	(\$7)		
County Aid - \$2	(\$2)		
County Aid - \$1	(\$1)		
Maintenance of LOA	\$1.80	= 10% of Average budget/parcel for Orleans Co.	
Cost/Parcel			
Total Parcels	20,421		
Parcels Needing Reassessment	4,084	= 20% of All Parcels	
Parcels Receiving Annual Aid	0		
Reassessment Cost/Parcel	\$47.5		
Transitional Costs - County Run	\$25,000		
Transitional Costs - County CAP	\$25,000		
Average Budget/Parcel in Orleans Co.	\$18.01		

