

Navigating Town Reassessments & the Impact on Local Property Tax



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Inflation causes the value of a dollar to decrease. Over time, it takes more dollars to equal what one dollar used to be worth.



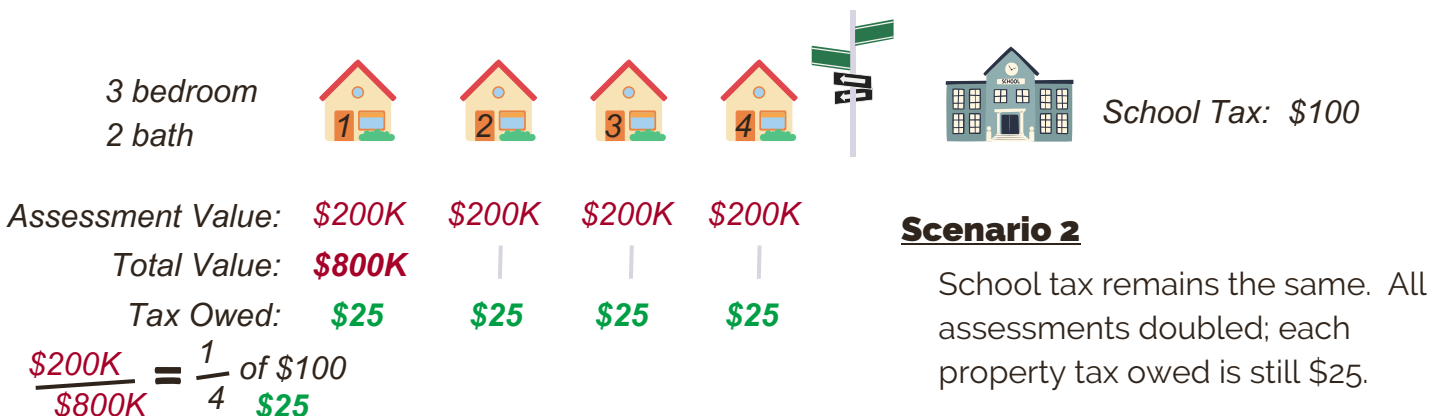
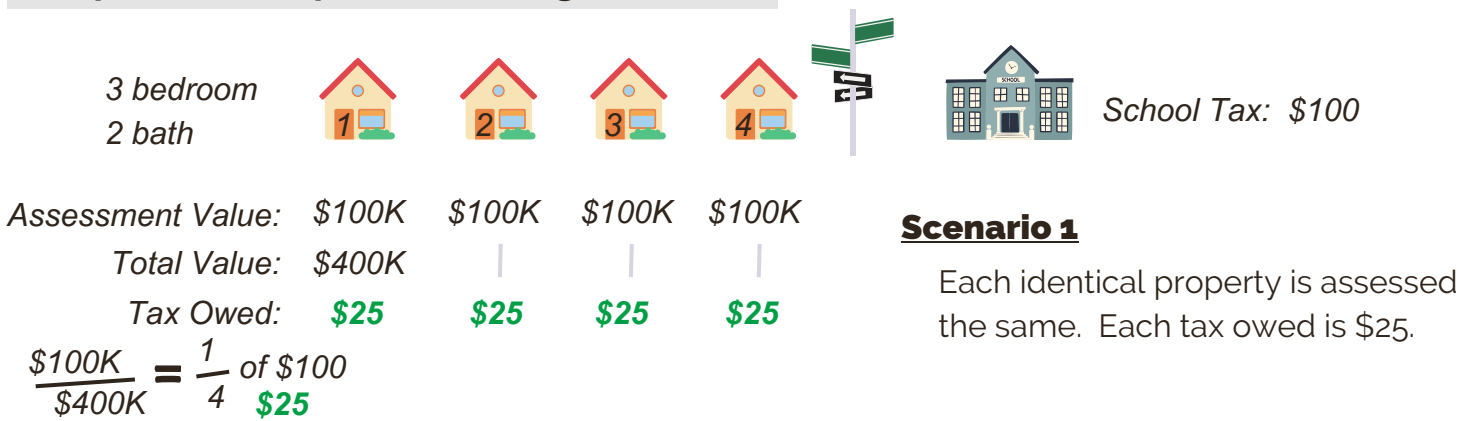
The market value of your home is how much money a property like yours could be sold for at the time your home is assessed. If a significant amount of time passes since your home was last assessed, the market value of your property is likely higher than your assessment.

The taxes you pay are based on your assessment, so the town will re-assess your property at certain times to make sure everyone pays the correct amount of tax in your area.

There are many factors that determine the amount of property tax you may owe. The following scenarios provide the most simplified explanation to help you better understand how rising property assessments may affect you as a property owner and tax payer.

- A rising assessment value on your property does not necessarily mean you will have a tax increase.

Simplified Example: Your Neighborhood



3 bedroom
2 bath



School Tax: \$100

Assessment Value: \$200K \$200K \$100K \$100K

Total Value: \$600K

Tax Owed: \$33 \$33 \$17 \$17

$$\frac{\$200K}{\$600K} = \frac{1}{3} \text{ of } \$100 = \$33$$

$$\frac{\$100K}{\$600K} = \frac{1}{6} \text{ of } \$100 = \$17$$

Scenario 3

You and your neighbor built a garage and added a pool. Your assessments doubled and your taxes went up, but the tax did not double. Tax on your other neighbor's houses went down.

3 bedroom
2 bath



School Tax: \$100

Assessment Value: \$200K \$200K \$100K \$100K \$400K

Total Value: \$1000K

Tax Owed: \$20 \$20 \$10 \$10 \$40

$$\frac{\$200K}{\$1000K} = \frac{1}{5} \text{ of } \$100 = \$20$$

$$\frac{\$400K}{\$1000K} = \frac{2}{5} \text{ of } \$100 = \$40$$

Scenario 4

Just like Scenario 3, but a new neighbor built a house on your street. Your tax actually decreases because the new neighbor is paying a larger share of the school tax levy.

The scenarios above represent simplified examples of one street in one town. School taxes are paid by all towns within the given school district boundary. Reassessments across all towns are not conducted at the same time. Some reassessments are years apart, which might make property taxation unfair.

To make the calculation of school tax fairer for everyone, a property tax **equalization factor** is added. According to www.tax.ny.gov, an **equalization rate** is New York State's measure of a municipality's (town's) assessment level (equalization rates are percentages).

Equalization
Rate

=

Total Assessment in a
Municipality (Town)

÷

Total Market Value of
that Municipality (Town)



Equalization rates are used to make sure property owners in different towns within a taxing district (such as a school district) pay a fair amount of the total tax since property assessments may not be most current across all towns.

Simplified Example: Equalization Rates



Town 1

Last Reassessment: **2024**
 Total Market Value: \$500 million
 Total Assessment: **\$500 million**

Equalization Rate:
100%



Town 2

Last Reassessment: **2020**
 Total Market Value: \$500 million
 Total Assessment: **\$375 million**

Equalization Rate:
75%

*Assume all towns are identical



Town 3

Last Reassessment: **2016**
 Total Market Value: \$500 million
 Total Assessment: **\$250 million**

Equalization Rate:
50%



Your 3 bedroom, 2 bathroom house in Town #1 is assessed at \$100,000. In Town #2, the same home is assessed at \$75,000. In Town #3, it is assessed at \$50,000.

When equalization rates are applied across each town for a similar property as described above, each property is taxed at a value of \$100,000 across all three towns.

This works to eliminate the status of reassessment across all towns. You would pay the fair amount of tax on your home no matter which town you lived in.

● **Town 1** $\frac{\$100,000}{1.0 (100\%)} = \$100,000$ ✓

● **Town 2** $\frac{\$75,000}{0.75 (75\%)} = \$100,000$ ✓

● **Town 3** $\frac{\$50,000}{0.50 (50\%)} = \$100,000$ ✓

Applying Equalization Factors



After a reassessment, if you think your home could not sell for the amount of the new assessment, contact your town assessor and arrange to go to Grievance Day.

Higher assessment values suggest your property may have greater value to potential buyers if you were to sell your property. Your home, as an investment, has improved.

School districts have no influence on, or authority over, the determination of property assessments. Contact your town's office of the assessor for more details and to answer your specific property questions.

References:

www.tax.ny.gov / Mr. Don Weber, Onondaga County Tax / Mr. Mike Shusda, Fiscal Advisors