

**WESTCHESTER COUNTY BOARD OF LEGISLATORS
COMMITTEE ON GOVERNMENT OPERATIONS
Wednesday, March 25, 2009, 2:00 pm
MEETING MINUTES**

In Attendance:

Committee Members: Leg. Ken Jenkins, Chair; Legislators Lois Bronz, Gordon Burrows, William Burton, Peter Harckham, Vito Pinto, Martin Rogowsky. Housing Advisory Members: Albert Annunziata; Committee Coordinator: Barbara Dodds

Others: John Wolham, NYS ORPS; Sonja Brown, Town of Greenburgh; LWVW: Mary Beth Gose, Adelaide D'Giorgi, Janet Zagoni, Karen Schatzel; CEO: Donna Greene, Karen Pasquale, Andrew Neuman; Law Dept.: Linda Trentecoste; Westchester Municipal Officials' Association: Alfred A. Gatta, CAS Committee Chair, Village Manager, Town/Village of Scarsdale; Westchester County Chapter, New York State Assessors' Association: Nanette, J. Albanese, Assessor, Town/Village of Scarsdale; Josette J. Polzella, Assessor, Town of Ossining; David Jackson, Executive Director, Westchester County Tax Commission, Lloyd Tasch, White Plains, Linda Cooper, Village of Ossining and Barbara Gerard, Town of New Castle.

Minutes Approved: Feb. 3, 2009

With a quorum present, Leg. Jenkins opened the meeting at 2:08 pm. A motion to approve Feb. 3, 2009 minutes was moved by Leg. Pinto and seconded by Leg. Burton. All voted in favor. Leg. Jenkins welcomed Alfred Gatta, the Collaborative Assessment Study Committee Chair, and other members of the committee. Mr. Gatta described the study group as a collaboration of 3 groups: the Westchester Municipal Officers Assn., Westchester County Tax Commission, and the Westchester County Assessors Assn. Because there are so many broad topics within the issue of property valuation, the group decided to narrow the scope to achieve the following objective:

- to establish a set of procedures for assessing properties for tax purposes, concentrating on two practices a) how best to collect and standardize information and b) how to establish and apply consistent valuation tools that will be fair and equitable. (Different methodologies are used throughout the county.)

They stayed away from the larger issues of county-wide evaluation, equalization rates, effective property rate, and public policy matters such as property tax relief measures. Property is valued for different purposes: for mortgage, for investment, for insurance and an assessment value for tax purposes only. Most often the valuations are not the same. In any case, tackling the larger issue of county-wide valuation must first involve developing the procedures and tools discussed in this study.

Mr. Gatta introduced Nanette Albanese, assessor of Scarsdale. She described the study group as un-paid volunteers who are professional assessors from different municipalities. She noted that they have worked on the study for nine months in their spare time whereas studies in other counties have been conducted by paid consultants. Ms. Albanese distributed a summary of the study report. She emphasized that throughout the County, assessment functions are under funded. In 2008/09, over \$4 billion dollars was raised by the real property tax but only \$9.3 million was spent on the assessment function representing 3/10 of one percent and used for administration—supplies, salaries and equipment but does not include pensions and benefits. The recommended amount is 1.5-2%.

She suggested that some state laws need to be changed. She also pointed out that the basis for any new sustainable assessment system should be a good, accurate and current inventory that is computerized. This would require recollection, verification and maintenance of existing and new inventory involving the use of new technologies such as street level, aerial, ortho/oblique aerial photography as well as a shared centralized commercial database to ensure the equitable treatment of commercial properties countywide and efficient handling of certiorari complaints.

Additional suggestions to improve the system included: a county-wide calendar, a classified tax structure after reassessment, a commercial assessment ratio, PILOT charges for tax-exempt organizations, a co-op transfer tax and state aid options.

Josette J. Polzella, Assessor, Town of Ossining, reviewed the history of the study. A grant of \$50,000 was awarded from the NYS Office of Real Property (ORPS) in July 1998. \$25,000 was prepaid and the other \$25,000 will be given when this presentation is concluded. The Collaborative Assessment Study Committee (CASC) asks that the funds be applied to improving assessment practices and have some ideas on how those funds should be used.

Ms. Polzella described the uniqueness of a provision of the Westchester County Charter. It is the only county in New York State where tax warrants do not expire, where towns and cities make the county and school districts whole when taxes are delinquent and where the municipalities are rendered the enforcement authorities. The two benefits of this provision are: a) county and school districts have no liability for unpaid taxes and therefore have preferred bond ratings reducing their borrowing costs for capital improvements, and b) local jurisdictions have control over planning, zoning, assessing, and tax collection and may choose to use, sell, lease or develop the foreclosed parcel in the best interest of the local community.

Because there is no county liability for unpaid property taxes and because local governments control land use and development within their own borders, Westchester County government does not have a vested interest in the administration of assessments. As a result, it would be illogical and imprudent to move the assessment venue to the county. Therefore, the committee concluded that the most appropriate and applicable model to be studied under this grant is the Municipally-Administered Model—municipalities would either contract among themselves or with an agent to treat all parcels identically so that practices are transparent, equitable and efficient and potentially achieve economy of scale.

There are a number of difficulties in applying common standards:

- New York State has one of the most complex assessment administration structures in the country.
- Diversity of land uses, housing stock, family income levels and investment levels make what has been desirable in one municipality not needed in another.
- Functions that are the responsibility of other departments are critical to the implementation of equitable assessments.
- There are 300 types of tax exemptions such as senior citizens, firemen, clergy, volunteer ambulance workers, veterans, etc. And STAR has become a major time consuming function of assessor's office.
- Condos and coops are treated differently. Condominiums are treated as if they are an income producing entity. Since NYS case law directs how commercial properties are to be evaluated there are many contradictions. Associations are working to get changes to the tax case law.

Nonetheless, there are many things the assessor associations can do with the County Board of Legislators collaboratively to improve the system. Therefore, the study committee decided to address the existing assessment system in Westchester County and the opportunities for its improvement.

Of the 40 municipal assessing units in Westchester, there are 6 city units, 19 Town units and 15 village units. Only two towns and 1 village have conducted reassessments at 100% of market value and maintain it by periodic updates. 109 municipal employees administer the entire Westchester County assessing function. Technical support services to municipal assessors are provided by the Westchester County Tax Commission which has only 2 full time employees. The Commission is also responsible for the apportionment of the county tax among the 25 cities and towns, correction of errors and public inquiries about real property taxation in the county.

Needs and suggestions:

- It is critical to get a centralized commercial data base. Equitable commercial assessments create long-term stability in tax revenues and avoid large, unpredictable certiorari settlements.
- Share income expense data on commercial properties with ORPS to facilitate equalization. Leg. Rogowsky said income expense data is critical to evaluation of community properties and imperative in Yonkers & Mt. Vernon
- Tax maps
- Inventory needs to be updated throughout the county— Aerial photography—polometry—oblique aerial data and computerized inventory for 257,000 parcels with field verification of interiors, exterior attached and detached extensions like decks, pools, etc. There is a huge economy of scale by having the whole county do the photometry.
- Additional funding and staffing. Inadequate funding causes problems such as lack of electronic data. Property tax administration is still the least expensive of the three major forms of taxation—property, income and sales. Coordinated data verification & recollection would require a total staff of about 15 consisting of 13 data collectors and 2 supervisors. A staff of this size could verify data for all Westchester parcels within approximately 3 years. It would be the responsibility of each municipality to provide staffing for maintenance and periodic inspection.
- Same valuation date. The adoption of a periodic reassessment cycle would reduce the dollar amount of certiorari refunds.
- A same level of assessment maintained by each assessment jurisdiction would enhance County equity.
- Update the base data, edit it and do quality control as a starting point for creating computerized inventory.
- Standardize names for things such as residential characteristics (about 50). Leg. Harckham asked if standard software would be used by all the municipalities. NYS has very good standards on how to collect the data that all assessors are trained in and it can be processed through the state's RPS system or by an outside vendor including about 20 kinds of data.
- Education of the public and local leadership--annual evaluation confuses property owners
- A version of a package that everyone knows and understands.

Leg. Rogowsky asked why the policy can't be worked on while the data is being collected. The three organizations had different ideas on how to do it. There are wide ranging views.

There are some municipalities where properties have two different assessments from schools and town.

Mr. Annunziata suggested establishing a partnership with the feds to collect data: surveys coming up are 2010 Census, Census of Business and American Community Study.

Ms. Cooper commented that Yonkers has the ball rolling. The county has to get everybody to look at and do it the same way. Perhaps get Bradley and Brodsky to issue a strong policy statement stance that would reverberate among municipalities since Yonkers is now on board. The legislators should figure out what they like or don't like about the study and what else is needed.

Mr. Tasch commented that any improvement would be better than doing nothing.

Leg. Jenkins said we have to do something. No matter what, there are some things that must be done. He thanked the members of the CAS and told them the legislators will be reaching out to them again. A motion to adjourn was moved by Leg. Pinto and seconded by Leg. Burton. All voted in favor. The meeting was adjourned by Leg. Jenkins.