

# Assessors Newsletter

4th Quarter



- Quarterly Newsletter
- Articles about what's going on in your hometown
- Assessment and Tax Information
- Happenings in Niagara County
- Commercial and Residential Sales

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## Reassessment: Q & A's

### Q. What happens during a reassessment?

**A.** The purpose of the reassessment is to ensure that all properties are assessed fairly at a uniform level of assessment. To analyze the real estate market, the assessor will review recent property sales and other indicators. All assessments in the municipality will be reviewed to determine where assessments should be increased, decreased or remain the same. This may or may not include visual reinspection of some or all of the parcels. Mailers may be sent to homeowners asking them to correct/update the information on their property. Those whose assessments are adjusted will receive notification in the mail.

### Q. Why is my municipality doing a reassessment?

**A.** Taxes are a zero sum game-what one property owner doesn't will be picked up by someone else. So, if one property or one neighborhood is significantly under assessed, not only are they paying too little in taxes, but other property owners are subsidizing that taxpayers or neighborhoods share of the bill. Typically, properties become under assessed over time when assessments aren't being updated. The more a property increases in value in contrast to that of its neighbors without its assessment being adjusted, the more it will be under assessed. For example, a town hasn't updated assessments in 20 years. In the 1980's Mrs. Smith and Mrs. Jones each owned a home worth \$100,000. Over 20 years, the value of real estate has changed dramatically. Today, as a result of being in a more affluent neighborhood, Mrs. Smith could sell her home for \$300,000. Mrs. Jones on the other hand, could sell her home for \$150,000. However since the town hasn't conducted a reassessment, both properties are still assessed for \$100,000, and are both are still paying the same amount in taxes. Increasing both Mrs. Smith's and Mrs. Jones's assessments to accurately reflect their new market values will not produce more taxes for the town. Rather, it simply redistribute the burden based on the current value of each property owner's home.

	Mrs. Smith	Mrs. Jones	Total taxes collected by town
Prior Assessment	\$100,000	\$100,000	
Taxes prior to reassessment	\$2,000	\$2,000	\$4,000
Reassessment	\$300,000	\$150,000	
Taxes after reassessment	\$2,667	\$1,333	\$4,000

### Q. If my town does a reassessment, will my taxes increase?

**A.** First, a reassessment does not necessarily mean that your assessment or your taxes will increase. Furthermore if your assessment does increase, it does not necessarily mean your taxes will increase. A property's assessment is supposed to reflect its market value. As market values increase or decrease and the assessments do not keep pace and reflect these changes, some property taxpayers could pay more than their fair share of taxes, while others may pay less than their fair share. Reassessments are intended to restore fairness within the community. Sometimes the taxes will be shifted among types of property. What if all of the market values in a community increased since the last reassessment, but the value of brick houses had increased much faster than wooden houses? Then the owners of brick house should pay a greater portion of taxes, while the owners' of wooden houses should pay a smaller portion. This is one of the reasons that it is important for municipalities to conduct reassessments on a frequent basis.

Continued on page 2

## Reassessment Q & A-continued

Continued from pg.1

### **Q. If my town does a reassessment , will my taxes increase? (Continued)**

The longer between reassessments, the more likely taxpayers will experience dramatic tax shifts. In some cases during a reassessment, a municipality will go from a fractional level of assessment to 100%. If the original level of assessment was 10 percent, your assessed value could go from \$9,000 to \$90,000 and you might not see any increases in taxes. Of course, market values of properties also go down, which means that such properties should see a decrease in assessed value.

### **Q. Does my town collect more taxes if it does a reassessment?**

A. It is not uncommon to hear property owners complain that their city or town is updating their assessments just so it can collect more taxes. Actually, a cursory understand of the municipal budget process would dispel this misconception. Assessments are determined by the assessor. The assessor's job is to make sure that all property owners are assessed fairly based on the market values of their property. Months after assessments are finalized, school districts, cities, towns and counties determine how much they need to collect in taxes. You can think of the total amount of taxes collected by the city, school district or county as a pie. The assessor does not determine the size of the pie-that is the job of city councils, town boards, school boards and county legislatures. The assessors job is to ensure that pie is cut up fairly-that taxes are fairly distributed based on current market values. When a reassessment results in increased assessments due to rising property values, tax rates should go down proportionally. This is because the tax levy is now being distributed over a broader tax base. If tax rates go up or stay the same, it simply means that the municipal and/or school budgets are going up.

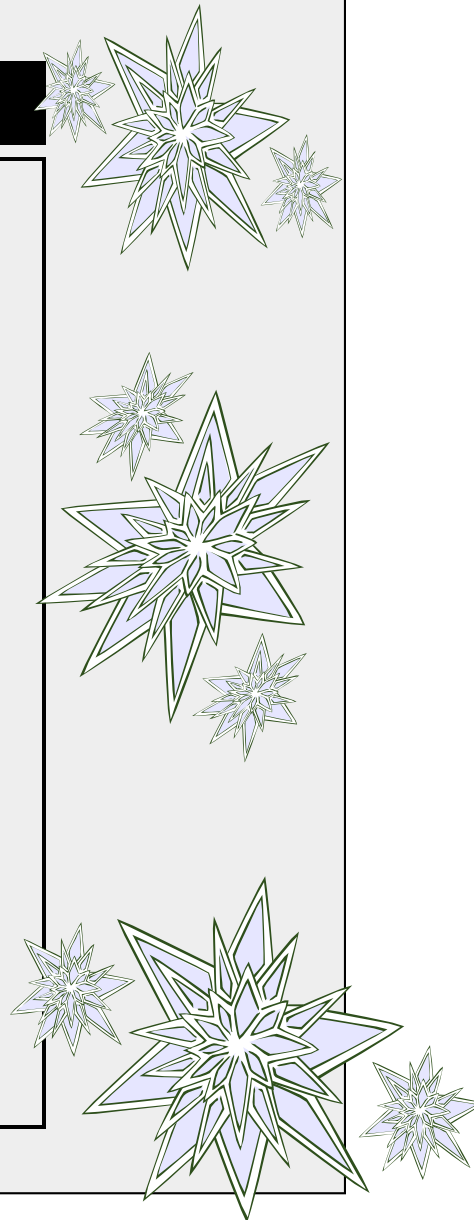
### For More Information

The ORPTS website ([www.tax.nv.gov](http://www.tax.nv.gov))

has links to various publications and information:

- The Real Property Tax Primer
- How the Property Tax Works
- Fair Assessments
- Understanding the Equalization Rate
- Information on STAR and other exemptions
- Municipal Profiles, including local government information and statistics
- How to File for a Review of Your Assessment
- How Estimates of Market Value are Determined for Residential Properties
- Real Property Tax in New York State: Common Myths and Misunderstandings
- A Closer Look at the Tentative Assessment Roll

Also, don't hesitate to contact local assessors and/or county directors of real property tax services (contact information is available from the Municipal Profiles section of the ORPTS website).



## Senior Citizens' Property Tax Exemption

Local governments and school districts in New York State can opt to grant a reduction on the amount of property taxes paid by qualifying senior citizens. This is accomplished by reducing the taxable assessment the senior's home by as much as 50%. To qualify, seniors generally must be 65 years of age or older and meet certain income limitations and other requirements. For the 50% exemption, the law allows each county, city, town, village, or school district to set the maximum income limit at any figure between \$3,000 and \$29,000. Localities have the further option of giving exemptions of less than 50% to seniors whose incomes are more than \$29,000. Under this option, called the "sliding-scale option," such owner can have a yearly income as high as \$37,399.99 and get a 5% exemption in places that are using the maximum limit. Please check with your local assessor, city/town clerk, or school district to determine which local options, if any, are in effect.

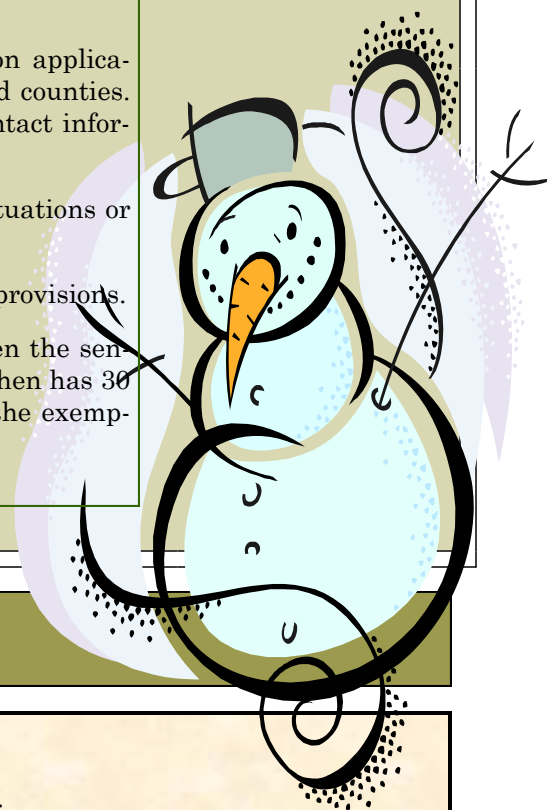
### Application deadline

In most communities, the deadline for submitting exemption applications is March 1. However, the dates vary in some cities and counties. Please confirm the date with your assessor. You can find contact information for your assessor in our [Municipal Profiles Web page](#).

Some municipalities permit late filing in certain hardship situations or for exemption renewals.

Contact your assessor to see if your municipality offers these provisions.

When qualifying seniors buy property after the deadline, then the senior can apply up to 30 days after the purchase. The assessor then has 30 days to decide whether the senior would have qualified for the exemption if the senior owned the property as of the deadline.



## Town of Somerset Revaluation

The Town of Somerset has commenced a revaluation of all real property within the Town for the 2012 Assessment Roll.

This project will involve an inspection, from the public right-of-way of each property in the Town and placing a fair and equitable market value (tax assessment) on each property. The purpose of this revaluation is to ensure that all properties in the Town of Somerset are assessed on a consistent, fair and equitable basis.

The Town has engaged the services of Brisbane Consulting Group of Buffalo, New York to assist in the valuation of commercial properties. Project Manager Anthony P. Girasole and other Brisbane staff members began their efforts in September 2011, collecting demographic information on neighborhoods within the Town and verifying arms length sales that occurred during the past three years.

What this means for the property owner-Some of you may see your assessments go up or down depending on all of the information gathered and analyzed.

## Residential Sales-Niagara County

August 31, 2011 thru October 31, 2011

Municipality	No. of Sales	Avg. Price	Median Price	Avg. DOM
Cambria	5	\$176,000	\$164,000	73
Hartland	4	\$108,750	\$90,000	86
Lewiston	30	\$161,826	\$152,350	90
Lockport, City	20	\$71,448	\$61,000	65
Lockport, Town	24	\$127,338	\$125,250	78
Newfane	22	\$116,707	\$97,700	60
Niagara, Town	8	\$62,190	\$40,000	140
Niagara Falls	55	\$73,225	\$64,900	100
N. Tonawanda	41	\$100,394	\$100,000	90
Pendleton	11	\$163,770	\$145,200	42
Porter	12	\$182,250	\$157,000	41
Royalton	12	\$77,167	\$67,700	93
Somerset	4	\$71,875	\$75,000	71
Wheatfield	15	\$189,003	\$174,000	64
Wilson	2	\$57,500	\$57,500	12
Niagara County Total	265	\$113,075	\$96,750	82

## Property Tax-Myths & Misunderstandings

### Myth #6 I have to be 65 to get the STAR exemption

All New Yorkers who own and live in their one-, two-, or three-family home, condominium, cooperative apartment, mobile home or farm home are eligible for the Basic STAR tax cut on their primary residence. The Basic STAR has no age limitations, though there is an income limit of \$500,000 for the resident owner's and spouses income.

Seniors with incomes not exceeding the state-wide standard which is \$79,050 or less may be eligible for the Enhanced STAR exemption. Applicants need only be 65 years of age as of December 31 of the year in which the exemption will begin. If you think you may be eligible, please contact your assessor for more information.



## Glossary of Assessment Terms

**Cost Approach**—A method of estimating the value of real property by calculating a current construction cost, subtracting accrued depreciation and adding a land value obtained from the market. This method works best when the improvements are relatively new and estimated of depreciation are thus more likely to be accurate.

**Depreciation**—A loss of utility and thus value caused by physical deterioration, functional obsolescence or economic obsolescence or any combination thereof.

**Easement Code**—A code used in conjunction with allocation factor to indicate whether the parcel has a taxable conservation easement (code=A) or a taxable common law easement (code=C).

**Economic Life**—The length of time during which improvements can reasonably be expected to be profitably utilized and contribute to the value of a property. Not exactly the same as “useful life”

**Economic Obsolescence**—A loss in value caused by influences external to the property such as increasing industrial activity near a residential neighborhood.

**Effective Gross Income**—The estimated potential income of a property from all sources less allowances for vacancy and credit loss.

**Effective Tax Rate aka Equalized Tax Rate**—The nominal (actual) tax rate multiplied by the level of assessment. If the level of assessment is 30% (.30) and the nominal tax rate is \$800 per \$1000, the effective tax rate is \$24 per \$1,000 or 2.4%.

**Equalization**—The process of bringing the assessed value of jurisdictions assessing at different levels to a common level, usually fair market value as of a given date.

**Equalization Rate**—A weighted average ratio of the total assessed value in a municipality divided by the total market value. An equalization rate of 20% indicated that assessments were at an average of one-fifth of market value when the equalization survey was made.

**Exemption**—A form of relief from taxation where all or part of the assessed value is free from payment of some or all tax levies. Typically granted to individuals as a matter of public policy (elderly and veterans exemptions), property owned by the federal, state or municipal governments or their agencies, and organizations, such as private schools organized for a specific exempt purpose with the added requirement that the parcel must be used to achieve that purpose.

**Commercial Sales June 2011 thru August 2011**

<b>Municipality</b>	<b>Address</b>	<b>Property</b>	<b>Sale Date</b>	<b>Sale Price</b>
Niagara Falls	1124 Main Street	Restaurant	6/15/11	\$3,000
Niagara Falls	113-65th Street	Nursing Home	7/21/11	\$180,000
Niagara Falls	921&924 Main Street	Multi-use	7/25/11	\$50,000
Town of Lockport	7377 Tonawanda Creek Rd	Warehouse/Storage	6/3/11	\$100,000
City of Lockport	88 Pine Street	Row	6/3/2011	\$120,000
City of Lockport	1078 Old Niagara Rd	Warehouse/Storage	6/22/11	\$165,000
City of Lockport	113 West Avenue	Row	6/30/11	\$67,450
North Tonawanda	820 East Robinson St	Apt./6 units	6/7/11	\$260,000
North Tonawanda	1401 Nash Road	Snack Bar	6/17/11	\$235,000
North Tonawanda	375 Oliver Street	Row	6/27/11	\$25,000
North Tonawanda	61 Keil Street	Religious	7/7/2011	\$81,000
North Tonawanda	67 Mead Street	Office	7/8/11	\$73,000
North Tonawanda	701 Niagara Falls Blvd.	Retail	7/8/11	\$135,000
North Tonawanda	525 Wheatfield Street	Lght. Manufacturing	8/22/11	\$225,000
Royalton	8396 State Street	Row	6/24/11	\$45,000
Lewiston	902 Seneca Street	Educational Facility	7/20/11	\$170,000
Lewiston	210 S 9th Street	Multi Use Row	7/27/10	\$120,000
Newfane	1643 Lockport Street	Mobile Home Park	7/28/11	\$398,000

**VACANT LAND SALES –June 2011 thru August 2011**

<b>Municipality</b>	<b>Address</b>	<b>Acres</b>	<b>Sale Date</b>	<b>Sale Price</b>
Hartland	Ridge Road	68.30	7/22/11	\$6,000
Hartland	Carmen Road	121.30	7/8/11	\$366,750
Lewiston	Saunders Settlement Rd	16.70	8/1/11	\$98,838
Lewiston	Country Club Trail	0.88	6/21/11	\$75,000
Town of Lockport	Fairview Dr	60.80	6/1/11	\$114,500
Pendleton	Campbell Blvd.	13	7/14/11	\$35,000
Porter	Lake Road	0.81	6/2/11	\$22,000
Porter	Youngstown-Wilson Rd	0.86	6/7/11	\$4,500
Porter	Youngstown-Wilson Rd	9.30	7/27/11	\$2,000
Royalton	Mill Road	1.70	6/6/11	\$35,500
Royalton	Lincoln Dr	21.80	7/22/11	\$25,000
Wheatfield	Ward Road	10.20	6/3/11	\$56,000

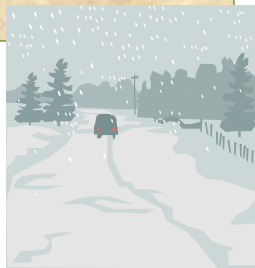
## Assessors Contact Information

Municipality	Name	Phone No.
Lockport-City	Joseph Macaluso	439-6614
North Tonawanda	Flora Carozzolo	695-8597
Niagara Falls	James Bird	286-4380
Cambria	Janelle Kroening	433-8161
Hartland	Michael Hartman	735-7220
Lewiston	Linda E. Johnson	754-8213
Lockport-	Jill Lederhouse	439-9526
Newfane	Patricia Truax	778-8827
Niagara-Town	Darlene Sullivan	297-2150-129
Pendleton	Karen Manning	625-8833-6
Porter	Barbara Oaks	745-3730
Royalton	Michael Hartman	772-7826
Somerset	Robert Glidden	795-3243
Wheatfield	Brigette Grawe	694-9102
Wilson	James Bird	751-6705-15

## Assessor's Corner

We welcome Jim Bird as the new assessor for Niagara Falls & Wilson. Jim was born and raised in Niagara Falls. After graduating from NU and getting married he moved to Florida where he began taking appraisal classes. Moved back to Niagara Falls in 1989 and began his appraisal career with GAR Associates in Amherst. He was a residential appraiser but also worked on re-valuation projects & updates across the state. Jim has been married for 26 years to Laura and has two children, Matt who is in law school and Emily who is in the radiology program at NCCC.

*Please drive with caution!  
Slippery roads ahead!*



## Newsletter Courtesy of Brisbane Consulting Group

*Brisbane Consulting Group, LLC was formed in 1996 and specializes in business consulting, business valuations, forensic accounting, and litigation support. We are experienced in business valuation procedures, methodologies, standards, reporting, and expert witness testimony. Brisbane Consulting Group is the largest and most accredited business valuation firm in Buffalo, N.Y. and is affiliated with all major business valuation organizations and societies including the American Institute of Certified Public Accountants, the American Society of Appraisers and the National Association of Certified Valuation Analyst.*

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*Please contact us at [agirasole@brison.com](mailto:agirasole@brison.com) or call (716) 856-3428 with questions or a free proposal.*

*403 Main Street, Suite 403, Buffalo, New York 14203*

## Happenings around the Area

### Holiday Market

Nov. 26-Dec-31, 2011

11am-7pm

Old Falls Street, Niagara Falls, NY

Featuring 80+ vendors showing their unique artisans, crafts, gift, apparel, and specialty foods and 20+ extraordinary events and special experiences in a family-friendly environment, including a Tree Lighting Ceremony, Ice Rink, Santa's Workshop & much more. [www.fallsstreet.com](http://www.fallsstreet.com)

### Santa on the Carrousel

Date: Nov. 26, Dec. 3, 10 & 17

Time: 11:00am

Herschell Carrousel Factory Museum-North Tonawanda

Price: \$8 per person including lunch or \$5 per person for activities

Reservations and prepayment required for lunch; call 716-693-1885 to register. Lunch price includes all activities

Come join Old St. Nick on the carrousel; just make sure you're on the nice list. Start the day off with lunch at 11:00am, where you can visit with Santa and make sure he got your letters. Then there will be lots of fun, festive crafts and games, hot chocolate and treats, and plenty of opportunity to ride the carrousel. A highlight of the afternoon is holiday storytelling at 1:00pm by Tiger Tom Walsh.

### Village of Lewiston Christmas Walk & Home Tour

Date: Dec. 3 & 4

Celebrate Christmas in the Village of Lewiston the old fashioned way with complimentary carriage rides, boutique shopping, carolers, a small parade, outdoor entertainment and refreshments served by our Lewiston businesses. Santa even makes a special appearance! Make this a Christmas Tradition for the entire family!

There are many more Holiday Festivals going on in Niagara County in Nov. & Dec. Visit [www.niagara-usa.com](http://www.niagara-usa.com) for a calendar of events across the county!!!

