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The weekly forum dedicated to helping you better understand your government

This week's question: **Part 2 of "What's level of assessment *and* how do you figure what our level is?"**

...to continue with last week's explanation, the next step is to understand how the level of assessment is determined. The Town of Newstead and Village of Akron believe that assessing at 100% of market value is best: easiest for residents to understand and it keeps assessments fair & accurate. This is why revaluations are done. During the off years, every sale is looked at and considered as an indicator of "market value". By comparing market values to current assessments we come up with a ratio that's called the "Level of Assessment".

At the same time, every time a property is sold, a copy of the sale is reported to the Office of Real Property Services (ORPS) in Albany. Their job is to perform checks on towns to make sure everything is on the up and up. Using this information, the state determines their own level of assessment for every town in New York State. This is known as the "Equalization Rate". The Assessor's notified of what the equalization rate will be (by comparing sale prices to current assessments). Luckily, the state recognizes that sometimes there are special circumstances that affect sale prices or assessments, so they allow the assessor a little leeway (+ or - 5% of the state's determined level). If the assessor believes the state's level is inaccurate, he/she can file a grievance and meet with the state to discuss the discrepancies in numbers. Keep in mind, that both the level of assessment and the equalization rate must reflect the overall town values, which makes it kind of an average.

The importance of an equalization rate can be seen in the following example:

The Akron School district is attended by students in 7 different towns. What should happen is that any home with a market value of \$100,000, regardless of what town they're in, should pay the same school tax. But using Akron and Alden as an example, a \$100,000 home in Alden would only be assessed at \$51,000 because their level of assessment is 51%. So if no adjustment (or equalization) were made, and both homes paid taxes at the same tax rate, the Alden home would pay ~ half the school taxes of the Akron home! Therefore, the assessment has to be **EQUALIZED**. A detailed explanation of equalization rates is on our website www.erie.gov/newstead under the Taxe\$ Taxe\$ Taxe\$ link, "Understanding the Equalization Rate".

Next Weeks's Question: **"How do you figure what our level of assessment will be?"**

Articles are archived on our website www.erie.gov/newstead. Please submit questions to aac@townofnewstead.com