



New York State Assessors Association

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Public Hearing

On

2020 Executive Budget

Joint Legislative Budget Hearing: Taxes

February 13, 2020

Legislative Office Building

Presented by

Warren J Wheeler

Executive Director, New York State Assessors Association

Scott Shedler

Assessor, Town of Ramapo, Rockland County
President, New York State Assessors Association

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Greeting

Good afternoon, it is my pleasure to be with you today. My name is Warren J. Wheeler, IAO. I am the assessor in the towns of Constantia and Richland, the former assessor of the towns of Hastings and Boylston, and past president of the New York State Assessors Association. In November of 2018, I became the Executive Director of the New York State Assessors Association. Thank you for the opportunity to appear today on behalf of the Association to discuss the executive budget. With me today are: Scott Shedler, IAO, assessor, town of Ramapo, Rockland County, president of the New York State Assessors Association; and Maggie Alix, former assessor for the town of Green Island, director of the Albany County Real Property Tax Service Agency, chair of the New York State Assessors Association Legislative Committee.

The New York State Assessors Association was formed in 1940 to improve the standards of assessment practices. The Association serves as a clearinghouse for the collection and distribution of useful information relating to the assessment of real property. The Association is a proponent of local government. Assessors serve to educate the taxpaying public on the nature and importance of the work performed by assessing officers, and assessors help explain and implement changes resulting from new legislation.

For over a decade, Gallup has reported that American citizens believe in their local governments. Americans have more trust and confidence in their local governments and their local government leaders than they do in other levels of government. Assessors are leaders in the community.

STAR

We believe the state has an opportunity with this budget and this legislative session to provide property tax relief. One way the state can address rising taxes is to increase the cap on STAR, the School Tax Relief exemption. At the very least, the income threshold for the exemption and the credit should be the same. Treat all eligible recipients equally. Property owners are most comfortable with their local assessor and annual changes to the administration of the STAR program causes chaos and diminishes trust. The Association recognizes the efforts of the Department of Tax and Finance, and we continue to strengthen ties, however, the exemption will soon diminish; there is no need to expedite the process.

Taxpayers who do not have the ability to pay their school tax bill outright and currently escrow taxes are at a disadvantage. For example, a property owner who escrows their taxes saves on average an additional \$12 by switching from the STAR exemption to the STAR credit. However, the same taxpayer needs to save on average an additional \$50 a month in order to cover their school tax bill. At the end of the day, all assessors want to do is provide the best service possible to our residents. We do not believe the executive budget enables assessors to meet these goals.

In 2019, the Legislature made it mandatory for all senior taxpayers to enter into the Income Verification Program (IVP). The mandatory IVP caused confusion and as a result, many senior citizens missed the full tax relief benefit. The Association is in support of Part U, which would extend the deadline for Late Enhanced STAR applications for the 2019 school year. NYSAA advocates for senior citizens, and extending the filing deadline will benefit the senior population.

The Association supports the local enforcement of past due property taxes and supports a program to disallow STAR credits and exemptions to delinquent property owners, as outlined in Part O. It is imperative for the State Legislature to recognize that the assessor does not impose the local tax nor do assessors collect taxes.

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The Association urges the agency to implement a program that supports the local enforcement of past due property taxes without disrupting the normal processes for administering STAR.

Expansion of Cellular and Broadband Services

The Association recognizes the importance of having access to broadband Internet and cellular service. Advancing 5G technology is essential, but it should not be at a cost to the taxpayers. NYSAA supports the Association of Town's position on expanding cellular and broadband service while preserving local authority. Property values may depreciate if there is a lack of access and providing essential municipal services could be challenging. However, the Association urges the Governor and Legislature to support broadband and cellular service through additional funding and legislative initiatives. Preserve local authority over municipal infrastructure, siting decisions, and the ability to tax telecommunications infrastructure as real property.

In *T-Mobile Northeast, LLC vs. DeBellis*, 32 NY3d 594 (2018), the New York State of Appeals upheld that various telecommunications data transmission equipment falls under the definition of taxable real property. In 2019, legislation (A8201/S6511) was drafted to bypass the decision of the court of appeals. The bill notes that there are no fiscal implications for state government; however, it fails to acknowledge the impact at the local level. The bill has the potential to be misinterpreted, and municipalities will be in jeopardy of losing millions of dollars in revenue. Shattering the local tax base will greatly affect the average New York State taxpayer. The shifted tax burden will fall on the shoulders of senior citizens, small business owners, and those on limited income.

Condominium Bill

Part N of the Executive Budget will enable municipalities to place converted condominiums assessed at full value using the sales-based approach into the homestead class. This local option will align condominium units with other residential properties and will allow homeowners to be taxed at the homestead rate. Although this provision only applies to Homestead/Non Homestead communities, it is a step in the right direction. We are one step closer to equity.

The Association appreciates the continued work of the Assembly. We would like to take the opportunity to thank the Assembly for passing Condo Bill A02874A in 2018. Our members and the taxpayers in the state of New York are grateful that the Assembly recognized the importance of valuing condominiums in the same fashion as single-family homes. This is a historic term and our goal is to see this bill pass both chambers and be signed into law.

Make Real Property Tax Administration More Effective and Efficient

Local municipalities are in a position to be able to respond to fiscal emergencies, natural disasters, and unforeseen events. Municipalities have been cognizant of the tax cap and have been fiscally responsible. Local officials have been working cooperatively and have utilized their authority to address regulatory requirements. The Association supports giving each locality the opportunity to tailor its policies to fit the needs of its community.

Conclusion

Thank you for the work that you do and affording us time today. We appreciate the opportunity to share our perspective on the executive budget. We look forward to working with you this legislative session.

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