

Public Hearing  
On  
2022-2023 Executive Budget

Joint Legislative Budget Hearing: Taxes  
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Presented by

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## Greetings

Good afternoon, it is my pleasure to be with you today. My name is Scott Shedler, IAO. I am the assessor for a large town in Rockland County and a past president of the New York State Assessors Association (NYSAA). I currently serve as the Association's Legislative Liaison. I present this testimony on behalf of President Jeneen Hill, Assessor, Towns of Collins, North Collins, and Evans, Erie County, and the members of the New York State Assessors Association.

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.

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.

## Solar

### Part AA – Solar and Wind Valuation Program Technical Corrections

Legislation passed in the 2021-2022 New York State budget that requires solar and wind farms to be valued according to the discounted cash flow methodology. The Association opposed this provision because the assessor's statutory responsibility is to value property using the most appropriate assessment method. While the legislation clearly stated that NYSAA was to be consulted in creating the model, the model that was ultimately released by the Department of Taxation and Finance was not provided to the Association until the same time it was made final to the public. In opposition to both the first and second models, the Association provided multiple bullet points as to why the models were insufficient and resulted in unfairly low valuations. These arguments still hold for the final model and result in even further reduction in values for solar and wind arrays, ultimately, at the expense of taxpayers.

The Association agrees that the local assessor is not in a position to defend a valuation model or discount rates that the assessor had no control over and is bound by law to apply. However, the Association **does not support** the proposed provision that would require the assessor, upon request, to provide the property owner with a copy of the inputs used in the model. Rather, it should be a requirement of the property owner to provide the assessor with all pertinent information by taxable status date.

It should not be the responsibility of the assessor to track down the information needed for the model. If the assessor is mandated by law to apply the valuation model, the property owner should be mandated by law to provide, on an annual basis, the necessary information for the model. If the property owner fails to annually provide the required information, the assessor should be able to value the energy system using the most appropriate assessment method. In addition, the property owner should lose their ability to challenge the assessment based on inputs.

The information required for the model should be prescribed on a standardized form, to be created by the New York State Department of Taxation and Finance in conjunction with the New York State Assessors Association. NYSAA has created a task force of highly respected professionals to work in collaboration with the State. It is critical for NYSAA to continue its role as a participant in these new developments. NYSAA is helping guide assessors and protecting the local taxpayers.

Legislation should require property owners to be forthcoming with information. Factual information provided on a standardized form would decrease the need to challenge the inputs entered into the State's model. The proposed structure is opening the door for grievances that will cost time, money, and resources that local

municipalities do not have.

## **STAR**

Property owners are most comfortable with their local assessor, and annual changes to the administration of the STAR program cause chaos and diminish trust. The Association recognizes the efforts of the Department of Tax and Finance, and we continue to strengthen ties, to help better support the property taxpayers of New York.

**Revenue Bill, Part Z**, appears to make the administration of the STAR exemption and credit programs more seamless.

The Association **supports Subpart a**, allowing the Department of Taxation and Finance to send a good cause refund directly to the homeowner, which would reduce the burden on local municipalities. Setting the deadline for taxpayers to switch from the STAR exemption to the credit until the 45<sup>th</sup> day before filing of the final assessment roll would give DTF and assessors more time to process changes, therefore, the Association **supports Subpart b**.

The Association **supports Subpart c**, clarifying the income tax year for the Basic STAR credit would mainstream the language for all recipients of the Basic and Enhanced STAR programs. Any information that can be shared between the Department of Taxation and Finance and the local assessor benefits all involved parties. Sharing STAR recipient lists with assessment officials outside of New York State, and lists of decedents, would expedite the removal of unwarranted STAR exemptions. The Association **supports Subpart d and e**.

## **Aid to Localities**

**Appropriates \$750,000 for aid for reassessments. Restricts the aid to assessing units that conducted a reassessment in 2022 and did not receive reassessment aid in 2020 or 2021.**

The Association is urging the Legislature to consider **increasing aid to localities** for equity projects. Real Property Tax Law requires assessments to be at a uniform percentage of value; it does not, however, require municipalities to conduct reassessments. When a municipality conducts a reassessment, it is investing in the equity of its assessment roll. It is very difficult to maintain one hundred percent of true market value due to external factors such as inflation, recession, appreciation, and depreciation. These factors can cause values to increase or decrease at varying rates. There must be a common level range to accommodate the changing market.

Cyclical reassessments and other various equity projects could minimize disparities in value. Requiring municipalities to opt in to a routine practice would eliminate pressure from the decision-making body at the local level. However, reassessments and equity projects are expensive to conduct, which **municipalities cannot afford**. Most communities have trimmed budgets and are working with skeletal resources, therefore, **funding is imperative**.

The New York State Assessors Association (NYSAA) is an advocate for increasing aid for assessment equity projects. Since 1999, New York State has paid municipalities more than \$83,000,000 in aid for assessment equity projects. The highest aid paid was in 2004. In 2004, 496 municipalities received aid totaling \$8,300,000. Between 1999 and 2010, the average number of municipalities receiving aid was 408, with annual payments averaging \$6,500,000. In 2011, the Legislature abolished the annual reassessment aid and cut the NYSORPTS budget to \$750,000. As a result, the average annual number of municipalities receiving aid fell from 408 to 76, an astounding 80 percent decrease. These figures do not include any payments to Long Island or New York City.

There is a direct relationship between state aid and equity projects. Assessment equity projects peaked across the state when financial assistance provided by state aid programs was at an all-time high. As the funding decreased, so did the number of assessment projects.

**Appropriates \$176,000 for reimbursement for training of assessors and county directors.**

The Association suggests increasing the total number of continuing education hours, to include fair housing and an update on assessment administration. A segment of the fair housing requirement, recently required by appraisers and realtors, is relevant to the assessment community. A continuing education class on assessment administration would cover, but would not be limited to, changes in exemption administration (i.e. STAR), and valuation (i.e. solar) that arise from changes in the budget and legislation. The NYS Comptroller previously reported that assessors need more training, therefore, the Legislature should allocate more funds toward training. The role and responsibility of the assessor is continuously changing and it's important that the assessor adapt accordingly. Continuously improving one's skills is one surefire way to stay ahead in a career that is constantly evolving. Educated assessors help municipalities achieve long-term viability and profitability.

**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.