

Guidelines for the Annual Aid Program

a/k/a Guidelines for Annual Reassessment



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PREFACE

It was six years ago that the Annual Aid Program was first introduced in New York State. During that time we, as a community, have made tremendous progress. In 1999, 107 municipalities, representing 24 percent of the parcels statewide, took steps to ensure assessments were equitable. Today, the number of municipalities providing fair assessments in a given year has more than tripled, and typically represents nearly half of the parcels in the state.

Of the 331 municipalities providing fair assessments in 2005, 273 (representing 43 percent of the state's parcels) are in the Annual Aid Program – that is, they are committed to providing fair market value assessments¹ each year for six years. While assessors have been legally obligated to provide fair assessments each year long before the arrival of the Annual Aid Program, the past few years have proved especially challenging in light of the very strong real estate market statewide.

I commend the hundreds of assessors statewide who are taking the steps to ensure that their taxpayers are provided with fair assessments. It is all too rare that you are recognized as guardians of assessment fairness, but that is indeed your primary role.

Furthermore, I commend those elected local officials who support the assessors in their communities, as well as the county directors of real property tax services, many of whom provide substantial assistance to municipalities on behalf of assessment equity. It goes without saying that the progress of the past six years could not have been made without all of your collaborative efforts. Together, we continue to move closer to our mutual goal of statewide assessment equity.

Finally, a quick note on the title change: while the State Board's Rules require the agency to prepare a publication entitled Guidelines for Annual Reassessment, many assessors have expressed concern that labeling their efforts in such a way has served to unnerve taxpayers. "Reassessment" historically implied an infrequent reappraisal and substantial change to all assessments, individually. "Reassessment" required for eligibility in the Annual Aid Program allows for trending and may not result in substantial changes to every assessment. These assessment changes can be trended based on market analyses. This practice is referred to in the International Association of Assessing Officers (IAAO) as Annual Assessment. Annual Assessment is required by law of all assessors in New York to assure uniformity. The Aid program merely adds the requirement that assessments be at full market value. The agency has taken steps to change the way its website and representatives refer to the efforts of local officials, and it seemed only appropriate to reflect those changes in the title, as well as throughout the text of this publication.

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¹ In accordance with Article 18 of the Real Property Tax Law, the provisions of the Annual Aid Program do not require Nassau County and New York City to maintain assessments at 100 percent of market value in order to be eligible for the Aid.

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Overview

Benefits of Annually Maintaining Equitable Assessments at 100%

Each year, State Law requires assessors to sign an oath that the assessments in their municipality represent a uniform percentage of market value. The best way to ensure that assessments are consistently fair and equitable is keep assessments up-to-date annually. To encourage compliance with State law, New York State provides State Aid of up to \$5 per eligible parcel to municipalities that keep assessments at 100% of market value each year. For special assessing units, uniformity must be maintained within each class. Aside from State Aid, the benefits of maintaining consistent market value assessments include:

- **Assessment Equity for Taxpayers** – The longer it has been since a municipality has updated assessments, the more likely it is that some taxpayers are paying more or less than their fair share of taxes. Up-to-date assessments eliminate unfair assessments and the “sticker shock” that taxpayers experience when assessments are adjusted after years of neglect.
- **Local Control over the Equalization Rate** – By maintaining assessments at market value each year, municipalities can consistently receive an equalization rate of 100. This eliminates shifts in school and county tax apportionment due to fluctuating equalization rates.
- **Improved Bond Ratings** – In addition to State Aid, many municipalities are receiving improved bond ratings as a result of efforts to keep assessments current. These municipalities are saving tens of thousand of dollars each year (and, in some cases, much more than that).
- **Fewer Court Challenges to Assessments** – By keeping assessments up-to-date, municipalities are likely to have fewer tax certiorari cases.
- **Increased State Land Assessments** – Because State land assessments are frozen at the year of the last municipal-wide reassessment conducted after 1990, annual assessments allow municipalities to make changes in market value that could not otherwise be captured.

The information contained in this booklet provides guidelines for planning the process of maintaining equitable assessments and can help local officials understand the scope of tasks involved in this process.

Statutory Requirements

New York State Real Property Tax Law (RPTL) actually requires annual assessment of all properties:

- RPTL Section 301 – “All real property...assessed as of a March first taxable status date, shall be valued as of the preceding first day of July”
- RPTL Section 305 – “All real property in each assessing unit shall be assessed at a uniform percentage of [market] value...”

- RPTL Section 502 – “The assessment roll shall set forth the uniform percentage applicable to the assessing unit...pursuant to [RPTL Section 305], and shall provide for the entry with respect to each separately assessed parcel...the total assessed valuation, and the full value of each parcel.”

Properties need not be assessed at 100 percent of value provided they are assessed at the same uniform percentage throughout the assessing unit (throughout each class in New York City and Nassau County).

To encourage compliance with State Law, Section 1573 of the RPTL provides an incentive payment of up to \$5 per parcel (also known as “State aid”) for cities and towns assessing at a level of assessment of 100 percent. In New York State’s two “special assessing units”, Nassau County and New York City, assessments within a property class must be confirmed as reflecting the assessor’s stated level of assessment in order to receive State aid. In order for property to be assessed consistently at a uniform percent of current market value, a “reassessment” must be conducted each year.

Terms and Definitions

According to statute, a **reassessment** is “a systematic review of the assessments of all locally assessed properties, valued as of the valuation date of the assessment roll containing those assessments to attain compliance with the (statutory) standard of assessment” (Real Property Tax Law – Section 102). It is synonymous with the terms “revaluation” and “update”.

- **Systematic review, or “systematic analysis”** is a methodical, thorough and regular review/examination of a municipality's assessments. In order to maintain equity on annual basis, the following steps would be taken by the assessing unit:
 - Gather and maintain current inventory, valuation and market information
 - Group the data appropriately for analysis
 - Use accepted analytical techniques to:
 - Determine the relationship between assessments and current market values
 - Revise assessments as necessary based on the market analysis
 - Validate the results
- **Re-inspection** means, at a minimum, observing each parcel from the public right-of-way to ascertain that the physical characteristics necessary for reappraisal are complete and accurate (re-inspection most likely will not require a full re-collection or re-measurement; re-collection may be necessary only if existing property inventory data is incorrect or the property has changed since the last visit.).
- **Reappraisal** means developing and reviewing an independent estimate of market value for each parcel by the appropriate use of one or more of the three accepted approaches to value (cost, market and income).

- **Trending** refers to the application of an arithmetic factor to the assessments of a group of properties to reflect increasing or decreasing property values over a period of time. Usually expressed as a percentage, a 5% trend would indicate that property values have increased 5%.

IAAO Standards

ORPS' program of annual aid for maintaining equity is guided by the standards for assessment administration published by the International Association of Assessing Officers (IAAO). The two specific statements of the IAAO below are applicable to the annual assessment of property.

The Principle of Annual Assessment

Current market value implies annual assessment of all properties. This does not necessarily mean that every property must be appraised each year. In annual assessment, the assessing officer should consciously re-evaluate the factors that affect value, express the interactions of those factors mathematically, and use mass appraisal techniques to estimate property values. Thus, it is necessary to observe and evaluate, but not always to change, the assessment of each property each year to achieve current market value. It is recommended that assessing officers consider establishing regular reappraisal cycles or at least quality (vertical and horizontal equity) thresholds that trigger reappraisal. (Standard on Property Tax Policy [Paragraph 4.2.2.], approved August 1997).

Frequency of Reappraisals

Properties should be revalued annually. Annual assessment does not necessarily mean, however, that each valuation must be reviewed or re-computed individually. Instead trending factors based on criteria such as property type, location, size, and age can be developed and applied to groups of properties. These factors should be derived from assessment-ratio studies or other market analyses.

The analysis of assessment-ratio studies data can suggest groups or strata of properties in need of physical review. In general, trending factors can be highly effective in maintaining equity when appraisals are uniform within strata. Physical reviews and individual reappraisals are required to correct lack of uniformity within strata.

While assessment trending can be effective for short periods, properties should be physically reviewed and individually appraised at least every six years. This can be accomplished in at least three ways: (1) reappraising all properties at periodic intervals (e.g. every four to six years); (2) reappraising properties on a cyclical basis (e.g., one-fourth or one-sixth each year); and (3) reappraising on a priority basis as indicated by assessment-ratio studies or other considerations, while ensuring that all properties are physically reviewed at least every sixth year. (Standard on Mass Appraisal of Real Property [Paragraph 4.5], approved March 1984.)

Simply stated, the IAAO supports annual assessment of all property at market value. This annual valuation can be achieved by analyzing the assessments of all properties with respect to the current market, and revising assessments of individual properties or groups as necessary, either by individual reappraisals, "trending" the assessments of groups of properties, or some combination of both, while at the same time ensuring that all properties are reappraised and re-inspected at least once every six years.

ORPS' Programs Recognizing Reassessment Activity

The following ORPS' programs recognize reassessment activity:

- Use of aggregate valuation data in full value measurement pursuant to the procedures for establishing State equalization rates;
- Provision of State aid pursuant to RPTL Section 1573;
- Equalization of State land and special franchise values by the prevailing municipal uniform percentage of value, as provided in RPTL Sections 542(1)(b) and 606(3);
- Tax apportionment by assessed value in counties and school districts certified pursuant to RPTL Sections 845 and 1315;
- Certification of assessing units as "approved assessing units" pursuant to RPTL Article 19;
- Provision of State advisory appraisals of public utility and other highly complex taxable real property pursuant to RPTL Section 1544.

For an assessing unit to participate in each of these programs, ORPS must analyze and understand the local reassessment activity. This analysis does not require active participation or support by the Agency in the reassessment project. While the analysis may indeed take the form of monitoring reassessment activity as our staff members assist in the course of a project, it may also take the form of our staff reviewing the municipal processes and procedures at specific intervals during the project. It is our intent that by working collaboratively, we can ensure a common understanding of ORPS' standards and expectations and provide the opportunity to avert potential problems and eliminate misunderstandings before they occur. This process is commonly referred to as **Pre-Decisional Collaboration** (PDC).

State Aid Requirements

Section 1573 of the RPTL allows for a payment of up to \$5 per parcel annually. In order to be eligible to receive this aid, an assessing unit must:

- Annually maintain assessments at 100 percent of market value
- Annually conduct a systematic analysis of all locally assessed properties
- Annually revise assessments where necessary to maintain the stated uniform percentage of value
- Implement a program to physically inspect and re-appraise each property at least once every six years
- Comply with applicable statutes and rules

An application must be filed no later than 90 days after the date of the final assessment roll for which aid is being sought. Municipalities wishing to apply for Annual Aid must also submit a plan for "re-inspection, reappraisal and annually maintaining assessments at full value". The plan (hereafter referred to as the "Six-Year Plan") must be submitted to ORPS as follows:

- If an applicant has not conducted a re-inspection and reappraisal of all parcels on the assessment roll for which Annual Aid is first being sought, the plan must be submitted at least 120 days prior to tentative roll date (January 1 for municipalities using the standard assessment calendar)
- If an applicant has conducted a re-inspection and reappraisal of all parcels on the assessment roll for which Annual Aid is first being sought, the plan may be submitted up to 90 days after the final roll date (October 1 for municipalities using the standard assessment calendar)

Initial Six-Year Plans

A **sample plan template** is attached to this document and is also available on the **ORPS' website**. It is described in more detail later in this document. The plan will detail the approach that the municipality will take to maintain a program of systematic analysis to ensure equitable assessments at 100% of market value. The plan should also include an explanation of how the assessing unit will comply with the requirement to re-inspect and reappraise each parcel at least once every six years, inclusive of the resources and timeframes that make the plan viable. This plan, which can be developed in collaboration with the County RPTS office, other municipalities, a vendor or ORPS, will be reviewed by ORPS when initially submitted. It need only be submitted once every six years unless the assessing unit makes modifications to the plan. When modifications to the plan occur, the municipality is required to file a copy of all revisions with ORPS no later than the filing of the application for State Aid each year. ORPS will then integrate this plan into a regular review process over the six-year period.

Reappraisal Requirements for “New” Six-Year Plans

In most instances, a new plan will be filed in the first year after the completion of the initial six-year commitment. However, there may be instances where this new plan is filed in a year other than the first year after the completion of the initial six-year commitment. For example, a municipality may decide to drop out of the program, or wait one or more years to re-enter the program after the completion of the first six-year cycle. Anytime a municipality drops out of the program a new plan must be put in place. A municipality is also deemed to drop out of the program when it:

- Does not perform a systematic analysis
- Does not implement the necessary assessment changes
- Claims a Level of Assessment other than 100
- Does not file for aid

ORPS has adopted a policy regarding the reappraisal/re-inspection requirement when a municipality submits a “new” six-year plan for any reason:

Whenever a municipality is required to file a new plan for participation in the annual aid program, the plan should ensure that the six-year re-inspection and reappraisal requirement is met. This means that for each assessment roll filed within the timeframe of the plan, all parcels should be re-inspected and reappraised at least one time within the preceding six years of that assessment roll. At no time within the timeframe of the plan

should there be parcels entered on any of the assessment rolls that have not met the six-year re-inspection and reappraisal requirement.

Amended Plans

Please note that this policy refers to plans filed subsequent to the initial plan filed when a municipality first enters the program. When a new plan is required, the municipality is making a commitment to the program for a new six-year period. An amended program is one that requires changes, but is not being set up for a new six-year period commitment. An amendment to an existing plan, as opposed to filing a new plan, may be required when a municipality attempts to implement its existing plan, but does not accomplish the tasks successfully or produces a roll that ORPS determines is not assessed uniformly at 100 percent. It is the responsibility of ORPS' staff to decide on a case-by-case basis whether a new plan, or amendments to an existing plan, is required.

The Importance of Six-Year Plans

The Six-Year Plan serves several different purposes:

- It is a local government record
- The development of a comprehensive plan helps ensure that resources have been considered, and that there is a commitment on the part of local officials to maintain equity at 100% of value on an annual basis
- The methods and timetable contained within the plan provide a “roadmap” for the locality to follow, and a reference for ORPS to use in monitoring the projects and verifying the results
- A comprehensive plan, including revisions each year as appropriate, is vital to successful public relations and general acceptance of the process

The Six-Year Plan is a local government record. It is subject to the same disclosure provisions in the State's Freedom of Information Law (Public Officers Law, Article 6) as any other local government record. Local governments may not dispose of records except as authorized by the Commissioner of Education. The Commissioner, through the Local Government Records Bureau of the State Archives and Records Administration (SARA), issues schedules setting forth minimum retention periods, thereby authorizing disposal of records once they have been retained for the required period of time. For further information, please visit the SARA website at:

http://www.archives.nysed.gov/a/nysaservices/ns_mgr.shtml

The Six-Year Plan can help alleviate taxpayer fears and improve their understanding of the process. This must start with the understanding, support and commitment of the municipal chief executive officer and the members of the Town Board/City Council. While only the municipal chief executive officer signs the plan, it is strongly recommended that a copy be provided to all Town Board/City Council members. The act of drafting a plan may raise questions about the resources required to complete this work annually. These questions are generally resolved through discussions with and actions taken by the municipal chief executive officer and the Town Board/City Council members.

Once a plan has been drafted, it is strongly recommended that it be discussed at a public meeting prior to the onset of the project, for several reasons:

- This helps to raise public awareness of the assessment process
- It also helps to demonstrate that the municipality values the importance of providing equitable assessments to its property owners
- It also offers a much-needed show of public support to the work of the assessor(s) whose efforts are often unrecognized except when property owners become dissatisfied
- This begins the process of acclimating property owners to appropriate value changes annually

The value of this public awareness and municipal support cannot be overstated. Although the law requires that assessors maintain assessments at a uniform percentage of value as of the annual valuation date, many property owners are accustomed to assessments remaining stable except in cases of new construction or remodeling, or when a periodic municipal-wide reassessment is conducted. In fact, the adjustment of assessments based on changes in market value varying by location or other factors may be viewed with suspicion or claims of “spot assessing”. If feasible, the municipality should consider taping this presentation and having it broadcast repeatedly on public access television for maximum exposure.

ORPS looks to use the results of reassessments in its equalization program by verifying that the stated **Level of Assessment** has been achieved for each Major Type of property. The annual plan is a reference for the ORPS' **Customer Relationship Manager** (CRM) in performing this verification. By knowing the assessor(s)' general intentions for each of the six years for physical inspections and reappraisals, the CRM can proactively advise or assist the assessor(s) in completing the analysis or work required. Additionally, this better enables the CRM to ensure that all requirements are met for the payment of state aid.

While the annual plan is intended to serve as a roadmap for a six-year cycle, it is important to acknowledge that no one can accurately predict the movement of the market for all property types six years in advance. For this reason, it is vital that the plan be revised, as appropriate, each year. All revisions should ideally occur when the diagnostic portion of systematic analysis has been completed (for municipalities using the standard assessment calendar, this would typically be the end of the year preceding implementation). Revisions to the plan should be shared with the ORPS' CRM and with the municipal chief executive officer and the members of the Town Board/City Council as soon as possible. It is strongly recommended that the revisions be discussed at a public meeting to maintain awareness of the program and to build credibility for the changes that will occur to the roll. Revisions must be submitted to ORPS no later than with each year's application for State Aid. It is strongly recommended, however, that revisions be provided to ORPS' CRM as part of the **pre-decisional collaboration** (PDC) process as soon as the municipality has completed its diagnostic analysis (for

municipalities on the standard assessment calendar this typically would be by the end of the calendar year preceding the filing of the tentative roll). By maintaining timely awareness of the assessor(s)' actions for the various elements in the plan, the assessor(s) will help make partners of elected officials and property owners alike.

It is important to remember that, since the plan is a local government record, the public can monitor compliance with the plan. Local officials as well as ORPS' personnel may be questioned on compliance. In addition, compliance with the plan will be one factor in the review of the project for State financial assistance.

Planning for Maintaining Equity on an Annual Basis

In order to prepare a plan for maintaining equity at 100% of market value, it is imperative that the assessor – and to some degree the supervisor/mayor and town board/city council – have a thorough understanding of the following areas:

- Municipality's role with respect to assessment level and uniformity
- Maintaining uniformity at 100%
- Trending vs. reappraisal
- Re-inspection and reappraisal requirements
- Reassessment Tasks, Resources and Skills Needed
- Local Capacity
- Document storage/retrieval/presentation
- Timeline considerations
- ORPS' role

Municipality's role with respect to assessment level and uniformity

Assessors are responsible for determining the level of assessment (LOA) for their assessing unit and making sure that all properties are assessed at the same uniform percentage of value. As a matter of fact, the Real Property Tax Law (RPTL) requires that assessors annually:

- Keep assessments uniform as of the valuation date (Sections 301, 305)
- Sign an oath that the assessments are uniform (Section 505)
- State the LOA on the tentative roll (Section 502)

Each assessment should represent the same percentage of market value, whether it is 100 percent or otherwise. The overall percentage of market value at which properties are assessed within each community is the LOA. For example, an LOA of 50% would indicate that assessments are at half of market value, whereas an LOA of 100% represents a community that is assessing at full value.

By maintaining assessments at market value or at a uniform percentage each year, your LOA will remain the same from one year to the next. Alternatively, one could adjust assessments each year to reflect a decreasing LOA. In either case, state law requires assessments to be uniform each year.

These guidelines are intended to assist those municipalities that desire to participate in the Annual Aid program by maintaining uniform assessments at 100% of market value.

Maintaining Uniformity at 100%

As noted earlier in the definition of systematic analysis, each year, in order to maintain assessments at 100%, the practitioner of equity maintenance must "use accepted analytical techniques to determine the relationship between assessments and current

market values and to revise assessments as necessary **based on the market analysis**. Once the results of the **market analysis** are known (i.e., the uniformity and level for each group), a “decision grid” like the one below can be used to determine what actions to take to maintain uniform assessments at 100% of market value: trending, reappraisal, no action at all, or some combination of these three as appropriate for the groupings chosen.

Decision Grid		
Uniformity	Level not at 100%	Level at 100%
Poor	Reappraise	Reappraise
Good	Trend (or Reappraise)	Leave as is (or Reappraise)

Trending vs. Reappraisal

When the decision matrix indicates that uniformity exists but the level of assessment has slipped below 100%, the practitioner may decide that trending is the most economic approach to restoring that level of assessment. The practitioner should be cautious, however, in how trends are developed and applied.

The most critical factor in developing and applying trends is the determination of the proper stratifications or groupings that delineate areas subject to the same market adjustments. Rarely do all areas and segments of a locality fluctuate uniformly in the real estate market place. The most common delineation is based on use, i.e., residential, commercial, etc. But even within these delineations, the practitioner should analyze whether sub-groups are reacting to the market differently. Examples of such sub-groups within the commercial grouping are motels/hotels, apartments, offices and retail space. The most common delineation of a residential marketplace is by neighborhood code, a grouping that looks to account for geographic, political and/or economic influences that may cause the rate of change to property values to differ from surrounding areas. Residential groupings can also be delineated by groups of building styles or value intervals or any other distinguishing factor. Vacant lands can be delineated by neighborhood, zoning requirements, relative lot sizes, or other factors as deemed appropriate.

The equity maintenance practitioner should only utilize trending to the degree supported by market evidence. In larger municipalities, the available amount of market and income data may provide support for defensible trends at the appropriate level of stratification mentioned above. In smaller localities, a data-driven decision must be made as to whether broad trends can be confidently applied to the locality and/or specific groupings contained therein, i.e., the locality exhibits a great deal of homogeneity, or that trending should be completely avoided. In the latter case, some form of reappraisal is the only other alternative to restore the level of assessment to 100%. In general, the less market data is available for a specific grouping or a municipality as a whole, the more likely that parcel specific reappraisal will be required in order to produce values in which the assessor has confidence and can readily justify/explain to property owners.

Re-inspection and Reappraisal Requirements

In addition to appraising those properties or groups of properties indicated by the initial market analysis and/or decision grid, RPTL 1573 requires that a “municipality implement a program to physically inspect and re-appraise each property at least once every six years”. According to **IAAO Standards** (see *Overview* section) there are several options or approaches that a municipality may use to satisfy the requirement.

The “program to physically inspect and reappraise” is documented in the six-year plan and may incorporate more than one approach. It is important to realize that changing market conditions and/or other factors may necessitate a revision to this program during the six-year cycle.

Reassessment Tasks, Resources and Skills Needed

The Municipal officials should be familiar with the major tasks involved in conducting a reassessment, as well as the skills required to perform them. This will allow them to determine the resources that will be required to structure and support a realistic timetable. The attachment “**Resource and K/S/A Planning Guide**” describes the resources and skills needed for each process, and Section 6 of the Six-Year Plan template (“**Roles and Responsibilities**”) lists the tasks associated with reassessment (expressed in terms of the steps of systematic analysis) and allows for the identification of who will be responsible for each task over a six-year period. The lists below are a compilation of most of the resources and skills that will be needed:

- Resources Needed
 - Timely access to property transfer data
 - Property record cards, tax maps, vehicle, measuring device, camera
 - Hardware/software necessary for assessment administration processing
 - Hardware/software necessary for accessing external data (i.e., Internet)
 - Hardware/software necessary for statistical analysis
 - Hardware/software necessary for valuation processing
 - High speed printer capability
- Knowledge/Skills/Experience Needed
 - Data collection skills/experience
 - Ability to use assessment administration software
 - Knowledge of local/regional market
 - Knowledge of sources of external data
 - Ability to run analysis software / statistical analysis skills
 - Ability to run valuation software
 - Knowledge of trending techniques
 - Appraisal knowledge and skills

Local Capacity

Maintaining the capacity to annually reassess at the local level requires that resources be well funded, well managed, and that mass appraisal techniques be employed. The ideal situation is one in which all the resources necessary to conduct equity maintenance on an annual basis are available to the municipality. To achieve this, the municipality may need

to investigate alternative sources of assistance. Through collaborating with other municipalities, a municipality can expand its capacity for equity maintenance. This collaboration can be an informal relationship with the assessor(s) of other municipalities, or the county's Real Property Tax office. It can also be a contractual relationship with a service vendor or a formal relationship as described in the provisions of RPTL Section 1537, in which incentives for establishing a **Coordinated Assessment Program** (CAP) or contracting with the county for additional services are described.

Local officials can gain a better understanding of their municipality's current capacity to annually reassess by completing the **Guidelines for Effective Assessment Administration in New York State – A Self Review Guide for Assessing Units**. This guide is available from the ORPS' regional offices, or a copy may be obtained from ORPS' Website (<http://www.orps.state.ny.us/reassess/publications/guidelines.pdf>).

Staff Resources

Staffing requirements are very dependent on an analysis of the size and complexity of the municipality. At a minimum, staffing must be adequate to determine the physical characteristics necessary for appraisal, to maintain a current parcel inventory (both field work and computer data entry), to monitor the real estate market, and to respond to taxpayer inquiries. In the smallest municipalities, one assessor may be able to adequately perform these tasks. In larger municipalities, additional staff is necessary.

The International Association of Assessing Officers (IAAO), in its Standard on Mass Appraisal of Property, uses a benchmark of one employee for every 1,500 parcels in small municipalities and one for every 3,500 parcels in very large municipalities.

The benchmark for staffing also varies based upon the variety and type of property in the jurisdiction. If the municipality includes many properties that involve complex appraisal data and analysis, such as complex commercial, industrial, agricultural or utility property, staff requirements would be closer to the one employee to 1,500-parcel ratio.

Each assessing unit should have personnel available with skill in data processing and statistics to coordinate real estate market research and analysis. This may not be feasible at the assessing unit level. These skills, however, are fundamental to maintaining assessment equity annually.

Staff Skills

Equity maintenance may place assessment administrators under more frequent and intense scrutiny by taxpayers. Taxpayers are a driving force for improved assessment standards, demanding that professionals with appropriate education and experience serve as assessment officials. It is understood, however, that municipalities in New York State vary greatly in size, complexity and sophistication. Therefore, the knowledge, skills and abilities necessary to annually reassess will vary by municipality.

Regardless of a municipality's characteristics, the assessor and his/her staff must thoroughly understand appraisal principles and practices. Single property appraisal and mass appraisal require specific knowledge of construction materials and types of

construction as well as the monitoring of current market conditions. Mass appraisal also demands specialized skills in data collection, data processing, basic statistical analysis and real property appraisal. To acquire these skills, the assessor and his/her staff should receive training in the following areas:

- Real Property Tax Law
- Real Property Tax Rules and Regulations
- Assessment Administration
- Data Collection (Residential/Farm/Vacant/Non-complex Commercial and Industrial)
- Three Approaches to Value (Cost, Market, Income)
- CAMA (Computer Assisted Mass Appraisal)
- Introduction to Data Processing

Where appropriate, assessors should also receive training in farm appraisal, and/or forestry appraisal. In the more urban/suburban areas, assessors should enhance their capabilities with training in the income approach to value, industrial appraisal and valuation defense. Post-secondary level education in the areas of economics, real estate law, computer science and statistics would contribute to the understanding and application of the training described above. For the largest municipalities, seminars in business administration, urban or regional planning, and organizational behavior are appropriate.

Computer Resources

Computers can play an important role in every assessing office, regardless of size or where the data is stored. They expand analytical capabilities, make possible the use of advanced mass appraisal techniques, and generally improve the assessor's capacity to maintain equitable assessments.

Assessing offices may use different types of computers such as large mainframe computers or microcomputers or a combination of both. The configuration of these computers may also vary from place to place to meet the needs of the individual user. Town and/or county staff or a private contractor may provide support for the computer installations.

Assessing offices must recognize that computer technology is changing rapidly. Assessors should, therefore, frequently (at least once every three years) evaluate the adequacy of their systems and attempt to maintain systems at the current state of the art. Large offices with multiple microcomputers accessing the same data should link their computers together to form a local area network (LAN) so as to allow multiple staff access to the data and analytical tools simultaneously.

In today's rapidly changing technology environment, recommended hardware and software configurations are usually outdated as soon as they are published. However, you may refer to the Real Property System Section of ORPS' Website (<http://www.orps.state.ny.us/rps/v4/rpsconfig.htm>) for the latest hardware requirements for RPS users. The following are general guidelines for microcomputer hardware and

software that would enable an assessor's office to automate the process for equity maintenance:

Software:

- Most current operating system
- Word Processing
- Spreadsheet
- Statistical Analysis
- Anti-Virus
- Backup
- Assessment administration, including query and report-writing capability
- Specialized Computer Assisted Mass Appraisal (CAMA) applications
- Specialized Geographic Information System (GIS) applications

Hardware:

- *Type* - two major types exist (Mac or PC), but typically software designed for one type will not run on the other. The most common microcomputer today is the PC; it also has the largest library of business applications software.
- *Processor (CPU)* - should be able to perform calculations and input/output processing at speeds that do not hinder research, development, and timely data retrieval. The faster the processor, the better.
- *Memory (RAM)* - sufficient to meet recommended requirements of the most demanding software application loaded on the system. The more RAM the computer has, the better.
- *Fixed primary storage* - this is where programs, data (both permanent and temporary), and even reports will be stored. The greater the storage capacity, the better.
- *Fixed secondary storage* - software often is provided on a CD-ROM or DVD-ROM; a floppy drive is necessary for transferring smaller files.
- *Removable storage* - for backup and data transfer, typically magnetic tape or high capacity disks.
- *Display* - large color monitor capable of high definition graphics; graphics accelerator video card.
- *Printer* - laser or color inkjet.
- *Modem* - for access to the Internet or NYeNet (Intranet for State and local governments); should be appropriate for the type of service provided.

Similar processing capabilities should be available for assessing offices using mainframe computers.

Assessing offices considering purchasing new equipment or upgrading existing equipment, whether mainframe or microcomputer equipment, should contact their ORPS' regional office for advice on suggested minimum configuration and compatibility with useful reassessment software. In addition, the assessing office should be working closely with the appropriate computer support staff at the municipal and/or county level.

Funding

Current levels of funding for the assessment function vary among municipalities and may or may not be sufficient for annual equity maintenance. During the transition, funding may need to be increased for a relatively short period of time, or may need to be increased permanently. The funding focus should be upon optimizing resources by developing efficiencies, which for many municipalities is best accomplished through collaboration.

During annual equity maintenance, the following activities must be funded:

- Collection of data describing any physical changes to the parcels
- Verification of sales data
- Collection of income and expense data
- Development and application of capitalization rates
- Use of assessment-ratio studies to monitor performance and to develop and apply market adjustment factors
- Application of valuation techniques to the parcels
- Use of computers to perform routine calculations and to process and maintain data records
- Staff training (some reimbursement for tuition and travel may be available through ORPS)

Any revenues derived as a result of State reimbursement for assessment improvement should be re-invested in support of assessment administration.

Status of Data

It is incumbent upon local governments to maintain current and accurate inventory and sales data. Not only is this data vital to maintaining local equity, it is used by ORPS in all of its methods for verifying the locally stated LOA:

- Development of aggregate adjustment factors (sometimes called “trends”)
- Development of municipal sales ratios for residential properties
- Development of market area CAMA model estimates for residential properties
- Appraisal of sample properties for all major property types

The means to maintain current and accurate local inventory and market data must be a part of a six-year plan. Municipalities should consider the use of a contractor or other external assistance in situations where a complete data collection or re-inspection of all properties is warranted, including when:

- Inventory data is non-existent
- Inventory data is insufficient for using the appropriate approach to value the property
- Inventory data is inaccurate or outdated

Document storage/retrieval/presentation

As a general rule, assessment information is a local record that is subject to the same disclosure provisions in the State's Freedom of Information Law (FOIL) (Public Officers Law, Article 6) as any other local government record. In addition, local governments may not dispose of records except as authorized by the Commissioner of Education. The Commissioner, through the Local Government Records Bureau of the State Archives and Records Administration (SARA) issues schedules setting forth minimum retention periods, thereby authorizing disposal of records once they have been retained for the required period of time.

The Six-Year Plan and the documents produced through the work processes of systematic analysis are subject to FOIL. As such, the municipality must make all necessary arrangements to preserve, recover and supply documentation that may be requested by property owners and/or that must be shared with ORPS' CRM as part of ORPS' verification of each year's reassessment.

Timeline Considerations

The concept of equity maintenance is that all assessments are maintained at a uniform percent of value. It is presumed that current data is maintained and analyzed continuously.

Project timelines for municipalities conducting systematic analysis to maintain equity on an annual basis will vary considerably, depending upon several factors:

- The total number of parcels and the number of parcels within each property type
- The number of sales related to market areas and/or property types
- The homogeneity of the properties and how many groupings must be analyzed
- Valuation method, i.e., trending vs. individual reappraisal, or combinations thereof
- Available municipal resources
- The municipality's "reappraisal cycle" (each parcel at least once every six years)

Project planners may refer to the attachment "**Sample Reassessment Project Schedules**" for examples, but should keep in mind that these timetables presume adequate staffing for all tasks, and may not be suitable for an initial municipal-wide data collection and reappraisal project.

ORPS' Role

The primary roles for staff in connection with equity maintenance projects include:

- Consulting Services
 - Perform "local needs assessments" to determine resource gaps
 - Provide Real Property System (RPS) software and support
 - Advise/assist with preparation of a Request for Proposal (RFP)
 - Advise/assist in a public information program
 - Attend project status meetings/prepare periodic status reports

- Advise/assist in Town Board presentations
- Advise/assist in project planning/preparation of a six-year Plan
- Provide advisory appraisals
 - Complex utility property
 - Other complex properties (resources permitting)
 - State-owned forest land
- Monitor and verify the reassessment results
 - Level of assessment (for Full Value Measurement and State Aid)
 - Assessment uniformity (for State Aid)

Local Needs Assessment

In addition to completion of the *Self Review Guide for Assessing Units* by the locality, ORPS can provide assistance in conducting a Local Needs Assessment. The purpose of this tool is to identify gaps in the various components needed to achieve and sustain equity. For purposes of organization and analysis, data can be collected around four general areas:

- Data (e.g., quality and currency, methods for collection and maintenance)
- Skills (i.e., needed to perform all of the tasks for all property types)
- Resources (e.g., staffing, computer, funding)
- Political Support (e.g., understanding, willingness and commitment)

Once the data is analyzed, gaps are identified, and conclusions and options are identified, the ultimate goal is to provide information to the appropriate stakeholders in order to motivate them to take action to obtain the resources needed.

Advisory Appraisals

Complex utility, industrial and commercial advisory appraisals may be provided upon request of a city, town or a county conducting a reassessment. *A request for a State advisory appraisal must be received at least 12 months in advance of the taxable status date before its use to facilitate scheduling of possible fieldwork.* If an assessing unit has submitted a six-year plan, a request is only necessary in the first year of the plan.

Providing values for these property types is made easier when there is cooperation between ORPS and local officials. This partnership is vital when identifying, collecting inventory and valuing the property, especially when a municipality is annually reassessing. Local officials need to notify ORPS when inventory changes have occurred, so an accurate updated advisory value can be determined.

Utility mass property for reporting companies can be valued by ORPS on an annual basis to reflect inventory changes and market adjustments. Complex structural property values will also be updated annually for all utility companies with a field inspection completed at least once during the six-year cycle. Complex industrial and commercial advisory appraisals typically are completed on a similar cycle. In the intermediate non-inspection years, local officials should notify ORPS about inventory changes on an annual basis. Non-complex utility structures and land appraisal are the responsibility of

the assessor. Using market analysis tools, ORPS' staff or local officials can develop market adjustments that will keep values at the uniform level of the current roll.

Participation in the *Utility Company Assessment Roll Standardization (UCARS)* Program facilitates identifying and updating, on an annual basis, all utility property and relating the values of this property to the assessment roll. Municipalities interested in this program should contact their CRM or State Valuation Services (SVS) in Albany.

A municipality that maintains equity through the use of procedures that meet the definition of reassessment must value taxable state-owned land (TSOL) and private forest parcels at the same uniform percentage of value of all other property. An ORPS' forestry specialist can assist the municipality's efforts by supplying assessors with the following data:

- Most current valuation schedules for accessible and remote bare forest land
- Copies of data collection cards for each sale in the valuation schedules
- Private forest stumpage summary report, including a recommended typical contributory stumpage value derived from forest parcels in the region valued with the most current survey stumpage schedule
- Most current TSOL inventories on lands that may be harvested
- The most current lakeshore price schedules
- Lake Front Property Report of TSOL, which identifies all frontage by lakeshore category and a discount table for valuing sizeable lakeshore lots
- Most current trend data for private and TSOL forest properties

Reassessment Verification

The six-year plan developed by the assessing unit is reviewed when initially submitted and recorded in each region with key dates and milestones identified. These key dates and milestones will be integrated into a regular review process. Information obtained from multiple sources to analyze the results of the reassessment for Full Value Measurement and State aid purposes, such as municipal reports, samples, statements, ORPS' transmittal records, communication logs, verification documents, etc., will be centralized within each regional office.

As mentioned in the Overview of these guidelines, several ORPS' programs are dependent on the products derived from the reassessment process. Official procedures for each of these programs include varying degrees of verification by ORPS before the product can be utilized. **It is important to note that ORPS' verification process is NOT the same as the "validation of results" step of systematic analysis, which must be performed at the local level.** The desired intent is for ORPS' staff to **monitor the project on an on-going basis and review value decisions as they are made as part of the pre-decisional collaboration (PDC) process.**

Verification efforts will be coordinated and consolidated into the existing **Local Reassessment Project Review and Analysis** (LRPRA) document that, in effect, becomes a summary document of all ORPS' review and analysis efforts. As stated in 9 NYCRR 201-2.4, "The determination made pursuant to the procedures for the

applicable Full Value Measurement 'Local Reassessment Project Review and Analysis' as provided in 9 NYCRR 186-2.15 and, in the case of an application for annual aid, 'Guidelines for Annual Reassessment Aid' established according to Section 1573(2) of the RPTL shall be conclusive as to whether a reassessment, re-inspection, reappraisal and systematic analysis have occurred and uniform percentage of value was attained as required by RPTL Section 1573."

ORPS' staff records data in the document that attests to the municipality's compliance with the reassessment standards. The document also reflects the municipality's success at maintaining equity on an annual basis as well as accomplishing its six-year plan. The attachment "Project Verification Documentation" describes the types and timeframe of documentation that ORPS staff will be looking for in their review of the project.

Preparing the Six-Year Plan

Municipalities are strongly urged to develop and submit a six-year plan as early as possible, preferably six months before the tentative roll resulting from the reassessment. The benefits to early development of the plan are:

- ORPS' staff can review the plan to help ensure that the methods to be employed by the municipality to perform systematic analysis conform to standards
- ORPS' staff can more effectively monitor the project for FVM and aid purposes with respect to the plan, thereby facilitating the LOA being confirmed as the equalization rate and reducing the amount of time necessary for aid compliance confirmation

As noted in the Overview, municipalities wishing to apply for Annual Aid must file the application for State Aid no later than 90 days after the date of the final assessment roll for which aid is being sought. Municipalities wishing to apply for Annual Aid must also submit a plan for re-inspection, reappraisal and annually maintaining assessments at full value (please see the Overview for details).

Using the **Six-Year Plan template** and the following guidelines, prepare a plan that contains the following components or sections:

1. Plan Development
2. Assessing Unit Needs Analysis
3. Systematic Analysis Methods (for all major types)
4. Reappraisal/re-inspection cycle
5. Timeframe/schedule
6. Roles and responsibilities

1) Plan Development

This section signifies the commitment of all participants to achieve and/or maintain an equitable assessment roll at 100% of market value for a six-year period.

The printed name and the signature of the assessor and the municipal chief executive officer who submits the plan should be provided as well as the six-year period that the plan encompasses.

2) Assessing Unit Needs Analysis

The section profiles the assessing unit and measures its capacity to maintain a program of equity maintenance.

The following information should be provided:

- a) The **Assessing Unit Profile** is relevant to type and depth of systematic analysis for each property type and should be linked to the remainder of the plan. It must include, at a minimum:
- Parcel counts and aggregate assessed values by roll section and property type (if using RPS, both of these can be found in report RPS315p1)
 - The average annual quantity of valid, arms-length sales
- b) Identification of any **Complex and/or Unique parcels**. A *complex* parcel, by definition, is a property where the appraisal requires either the professional use of highly specialized engineering skills or the development of highly complex earnings or economic analyses. *Unique* property is distinguishable from other property of the same specific type because of one or both of the following factors: there are few properties of this type with the municipality or County; or the property has unusual structural or economic characteristics.
- For complex commercial or industrial property:
 - List **all** complex commercial and industrial properties (**Exclude utility and wholly exempt parcels**)
 - Provide owner's name, parcel ID, roll section, property class, assessed value
 - Indicate municipal intent to request an advisory appraisal for each property.
 - If requesting complex commercial and/or industrial advisory appraisals, submit Advisory Appraisal Request Form RP5050 For Highly Complex Commercial & Industrial Properties in the first year only of the Six-Year Plan for each property for which you are requesting initial advisory assistance. Include all requested information and copies of all available data (i.e., property record cards, existing appraisals, etc.), if available. Forms are available at <http://www.orps.state.ny.us/ref/forms/pdf/rp5050.pdf>.
 - For utility property
 - List all power generation utility properties
 - Provide owner name, property class, assessed value
 - Indicate municipal intent to request an advisory appraisal for each property). In addition, all Roll Section 6 properties for which an advisory appraisal is requested can be either listed or you can attach a copy of form RP7021.
 - If requesting utility advisory appraisals, submit one Utility Advisory Appraisal Request Form RP7021 in the first year only of the Six-Year Plan, listing each company in Roll Section 6 for which you are requesting initial advisory assistance. Forms are available at <http://www.orps.state.ny.us/ref/forms/pdf/rp7021.pdf>. Include copy of Roll Section 6 with form.

- c) **Data Processing Specifications** should provide the following information with respect to assessment administration, statistical analysis and valuation processing:
- Location of hardware/Internet connectivity availability
 - Responsibility (e.g., municipal/county staff, vendor, etc.)
 - Software currently used and/or planned
- d) **Assessing Unit Staff Resources** should detail the current and future staff at the assessing unit level that contribute in some way to the assessing function in this assessing unit. This does not include staff assistance from a vendor, the County or the State. Staff should be identified by title and include the following:
- Staff commitment to the assessment function in hours per week.
 - Training needs

3) **Systematic Analysis Methods**

For purposes of preparing a plan, ORPS' review of the plan, and ORPS' annual review of compliance with the plan, systematic analysis will be defined as follows:

- Collection and maintenance of inventory data
- Collection of market data
- Grouping of data
- Use of accepted analytical techniques
 - Diagnostic (market analysis)
 - Prescriptive (valuation/trending)
- Validation of results

This section must describe the procedures and methods to be employed in each step of systematic analysis for all locally assessed parcels and major types on the roll.

a) **Collection and Maintenance of Inventory Data**

The assessor is responsible for maintaining current assessment inventory data for all properties. This data is necessary to analyze the quality of the assessed values and potentially to value each parcel annually. Assessments need to reflect the physical condition of all real property as of taxable status date each year.

The description of the method for collection and maintenance of current inventory should include:

- Assessment roll year of last complete re-inspection
- How new construction/remodeling, demolition, etc. is identified and tracked
- How new/changed parcels, etc. are identified and tracked
- How new/revised inventory is collected
- How new/revised inventory is maintained to a computer file

To maintain current inventory, the assessor should, at a minimum, do the following:

- For new construction/remodeling: review building permits and/or certificates of occupancy, supplemented by physical inspections throughout the year, and update the inventory
- For demolition/destruction: in addition to reviewing building permits, review fire reports to identify any inventory changes for updating
- For new parcels (i.e., splits and merges): physically inspect and verify the inventory data as splits and merges occur
- For sales: verify inventory data as of the date of sale (see sales verification process below)
- In addition, the assessor may conduct an annual review, from the public right-of-way, of the entire municipality. This is meant to help identify new construction or physical changes not identified through a building permit system and to reevaluate the appropriateness of the market areas.
- All changes must be entered on the data file prior to its use in the remaining steps in the annual systematic analysis process.

b) Collection of Market Data

Sales verification is a critical step in order to analyze and appraise the real estate market. Incorrect sales information can lead to misunderstanding and misinterpreting the dynamics of the market and thus could result in inaccurate value conclusions. A timely and thorough verification of sales is essential for achieving quality results in assessment administration. The assessor should have a sales verification process in place for all sales that occur in his/her municipality to ascertain the conditions of sales' validity and inventory of the property conveyed.

The description of the method for validation and verification of sales data should include:

- Whether the municipality has a sales reporting agreement with ORPS
- How property transfers are identified and tracked
- How sales are determined to be arms-length
- How physical inventory for sales is verified
- How new/revised inventory is maintained to a computer file

The sales verification process should include, but is not limited to:

- Physically inspecting the parcels sold to confirm the inventory as of the date of sale (*highly recommended*)
- Verifying the sales price, inventory and pertinent information regarding the conditions of transfer with the buyer and seller or their attorneys or brokers by a personal visit, a letter, mailer or phone conversation

- Meeting with the property owner or manager for commercial, industrial, and utility properties to ascertain details concerning the sale transaction, economic and functional obsolescence factors affecting the property, current rental and expense information, equity yield requirements and financing terms specific to the property

The description of the method for collection of non-sales market data should include:

- How data is obtained and maintained
- Types of data collected
- Sources of data collected
- Linkage between data collected and property types

In addition to the sales verification process, non-sales market data should continuously be gathered and analyzed. Some examples are:

- Acquire latest replacement cost indices or time/location adjustment factors
- Gather income and expense data (refer to ORPS' Valuation Guidelines available on ORPS' "Assessment Community" website)
- Obtain currently negotiated leases (the two most recent years) so an analysis of Net Operating Income by major property type can be undertaken (will help establish commercial trends)
- Acquire latest replacement cost indices or time/location adjustment factors
- Utilize Internet data (e.g. – ORPS Data Warehouse, SalesWeb) to gather and analyze market data that extend beyond the municipality
- Maintain contact with mobile home park owners: track sales within park if available, verify rents, etc
- Research trade publications, Internet data for unique or specialty properties
- Review zoning changes and track changes in use for properties in transition
- Request data from ORPS' forestry staff depicting timber stumpage values and trends
- Research literature from Cornell, USDA, ORPS' Valuation Guidelines and other sources may be used to aid in the valuation of specialized types of agricultural properties
- Contact owners utility properties to ascertain inventory, economic and technological conditions that are affecting the utility industry involved (telecommunication, power generation, cable television, etc.) and the cost to build or upgrade improvements

c) Grouping of Data

Stratification is the grouping of properties for analysis. The two most important criteria in this regard are property class (type or use) and location. Assessors should study the mix and types of properties and available market data in their jurisdictions to determine proper strata. Large jurisdictions with more parcels and market data can create more strata than smaller jurisdictions. For example,

property use groups in a large, urban municipality might include single-family residences, condominiums, apartments, small and strip retail properties, offices, warehouses, hotels/motels, and utilities, as well as several vacant land categories based on permitted zoning. In a small, rural municipality it may be sufficient simply to group properties as vacant land, residential, rural, commercial, or utility. In recreational areas, seasonal residences should be distinguished from year-round residences.

As mentioned, it is also important to stratify properties by market areas and neighborhoods to capture differences in location. Often a market area can extend beyond the boundaries of a municipality, permitting the use of market data across several municipalities with the same economic base. Because market data is more limited and investors are more mobile, commercial market areas are typically larger than residential areas. (From *Level of Assessment Determination: An Owner's Manual for Maintaining Uniformity*).

At a minimum, analysis must occur at the broad group level, but a thorough market analysis requires study of numerous stratifications to discern the appropriate market trends affecting property value. While a large part of grouping may seem to be common sense, there are factors to be considered:

- Assessing unit profile (grouping to determine what markets need to be analyzed), taking into account:
 - Total number of parcels
 - Property type/class breakdown
 - Complexity of parcel mix
- Market data (grouping to determine the contribution of factors that influence value), taking into account:
 - Appropriate market area (based on those significant groups found in the assessing unit profiles)
 - Number of sales available in the market area
 - Availability of non-sale market data
 - Source of other market validation data

The description of the method for grouping inventory and valuation data should indicate:

- The level at which initial groupings will occur, e.g., by:
 - Broad group (residential, commercial, vacant, etc.)
 - Property class (single family, dairy farm, rural vacant, etc.)
 - Used-as codes (gas station, retail, warehouse, etc.)
 - Location (neighborhood, waterfront, market area, etc.)
- The method for further refinement of large groupings based on property characteristics (e.g., size, age, condition).

It is essential that each group should contain sufficient market data to draw reasonable conclusions and make appropriate valuation decisions.

d) Use of accepted analytical techniques (market analysis)

Basically, the purpose of this step is to evaluate the uniformity and level of all assessments by describing or analyzing them in relation to the current market in order to determine:

- Those properties that must be reappraised in a given year
- Those properties that can be adjusted by market trends, and
- Those properties that require no change because they have remained at the same level of assessment.

The appropriate valuation technique(s) must then be applied in order to maintain all assessments at a uniform percent of 100.

Assessors and plan developers are advised to review ORPS' publication, "Level of Assessment Determination: An Owner's Manual for Maintaining Uniformity" (<http://www.orps.state.ny.us/pamphlet/ownershandbook.htm>) as a primer for learning more about various statistics, how to perform diagnostic market analysis and develop time trends.

The description of the method for use of accepted analytical techniques should include:

- The **diagnostic methods** for all major types of property
 - The method(s) for evaluating the uniformity and level of the assessments since the previous assessment roll; examples include:
 - Sales ratio analysis
 - Mass appraisal (sale substitution)
 - Unit comparison (value-to-inventory)
 - Tracking of value trends (cost, income, market)
 - Sales periods to be used
- The **parameters** (horizontal and vertical equity thresholds) that will be used in conjunction with the "decision model" to determine the appropriate course of action with respect to:
 - Assessment level
 - Uniformity
- The **prescriptive methods** that will be employed to maintain uniform assessments at 100% on an annual basis
 - How trends will be applied when applicable
 - Valuation approaches to be used when applicable; examples include:
 - Cost (RCNLD)
 - Comparable sales (including how models are developed)
 - Income capitalization
 - Multiple regression analysis (MRA)
 - Adaptive estimation process (AEP)
 - Time series analysis
 - Other (e.g., unit comparison, land schedules)

Diagnostic Methods

The assessor must utilize accepted analytical techniques to determine uniformity and level. Many of these techniques are described below:

- Sales analysis reports to analyze uniformity and level of assessment ratios.
 - If there are few or no sales within a group, analysis of older sales or sales in a broader market area (outside the municipality in similar or comparable groups) may be necessary. If older sales are used, it is important that these sales be trended for the time period between the time of sale and the valuation date. For sales ratio studies, only sales within an assessing unit can be utilized.
 - Sales used for valuation analysis should only be “current use” sales (no change in use before and after sale); sales/appraisals of economic units should be considered regardless of contiguity and municipal location. When seeking sales for a specific agricultural use property, sales of the same specific use outside of the municipality or even outside of the county are preferable over a different economic use within the same municipality.
 - RPS, spreadsheet software (e.g., Excel) and statistical software (e.g., SPSS) can all be used for this analysis.
- Comparable assessments and sales programs,:
 - Comparable assessments program
 - Comparable sales program
 - CAMA Modeling

Analysis using either the comparable sales approach or modeling can be greatly enhanced in smaller municipalities by utilizing sales from outside of the municipality under analysis. The assessor must determine which nearby municipalities are most similar to the subject municipality and then add these sales to the sales from the subject municipality. This process is facilitated especially well by utilizing ORPS’ Data Warehouse. It is imperative that the Assessor carefully review the inventory for sales outside the subject municipality to ensure that the inventory listed for these sales is consistent with the data collection standards used in the subject municipality. Not to do so will compromise the accuracy of the valuation analyses and products.

- Sales/Subject Data arrays (e.g. - arrayed by neighborhood, then building style, then square foot living area, etc.) – check for consistency and uniformity within neighborhood to determine if neighborhoods or certain types of property (building style, size, property class, etc.) may need to be trended or reappraised, or made into a separate neighborhood. Studying sales from the broader market area may prove helpful during this analysis.
- Geographic Information Systems (GIS) applications and maps – may be used to visually analyze sales by neighborhood, etc., and to redefine or trend neighborhoods; GIS can display natural or political boundaries.

Decision Model Parameters

The determination of what action to take for a group of parcels can be made by applying the appropriate standards of level and uniformity to the decision model shown below:

<i>Decision Grid</i>		
Uniformity	Level not at 100%	Level at 100%
Poor	Reappraise	Reappraise
Good	Trend (or reappraise)	Leave as is (or reappraise)

Note: Reappraisal must also be performed for parcels with new or revised inventory, and to satisfy the 6-year plan for reappraisal.

Examples of the way in which the decision model should be applied are as follows (assume that a “group” for these illustrations is a neighborhood):

- Analysis completed by the assessor shows that assessments in Neighborhood 201 are generally at 100% of value but the calculated COD (coefficient of dispersion) is over 20%, showing that there is a lack of uniformity of assessments in this neighborhood. Using the decision matrix above and referring to the upper right box, the assessor should reappraise those properties that are outside the tolerances for uniformity. One way to do this is to conduct a CAMA reappraisal of the neighborhood and change the assessments of those parcels where the assessments vary from the appraised value.
- Analysis completed by the assessor shows that assessments in Neighborhood 212 are uniform as shown by a calculated COD of 10%, but the level of assessment is near 90%, showing that assessments are generally 10% below the market. This comes as no surprise to the assessor as the assessor knows that this is the fastest moving neighborhood in the municipality. Using the decision matrix above, and referring to the lower left box, the assessor can either trend or reappraise the properties in this neighborhood. In this case the assessor trends the values to 100%.

The standards or tolerances applied by the locality must be within the accepted professional standards recommended by the IAAO.

- Appraisal Uniformity. There are two types of uniformity that need to be maintained by a municipality in the Annual Reassessment program:
 - Uniformity among strata. The IAAO states, “Each major stratum should be appraised within 5 percent of the overall level of appraisal for the jurisdiction.” A “stratum” in New York State terminology equates to a Major Type or Class, of which there are four: A – Residential, B – Commercial/ Industrial, C – Vacant/Farm/Vacant and D – Public Utility. Since Annual Aid statute requires that overall level be at 100%, the acceptable range for each stratum is between 0.95 and 1.05.
 - Uniformity within strata. The coefficient of dispersion (COD) is used to measure the extent to which uniformity has been achieved by an assessing unit. The COD gauges the closeness of value estimate/assessment ratios of individual parcels to each other. The value estimate can be a sale price, appraised value of even a Computer Assisted Mass Appraisal (CAMA) estimate. It is the measure of the average percent deviation of a group of these ratios around one of the group’s measures of central tendency, most often the median ratio. A small average percent deviation from the measure chosen results in a low COD and indicates assessment roll uniformity. The IAAO standards for uniformity when indicated by a COD are:

Single-family residences	COD of 15% or less
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Newer, more homogenous areas	COD of 10% or less
Income-producing property	COD of 20% or less
Larger, urban jurisdictions	COD of 15% or less
Vacant land and other unimproved property	COD of 20% or less
Rural residential and seasonal properties	COD of 20% or less
Newer mobile homes	COD of 15% or less
Older mobile homes / on acreage	COD of 20% or less
Mixed use properties	COD of 15% to 20%

- Price-related differential is a measure of assessment equity based upon sale price that is sometimes referred to as the index of regressivity. A PRD is the ratio of the average assessment/sale price ratio to the weighted average assessment/sale price ratio. A PRD above 1.03 indicates inequitable, **regressive** assessments (i.e., lower priced properties are generally over assessed and higher priced properties are generally under assessed). A PRD below .98 indicates inequitable, **progressive** assessments (i.e., lower priced properties are generally under assessed and higher priced properties are generally over assessed). The PRD should be between 0.98 and 1.03.

Prescriptive Methods

Trending is a process whereby a numeric factor is applied to all parcels in a group or all parcels in the municipality in order to restore assessments to a desired uniform percentage of value. **Trending should only be applied to parcels within groups, such as neighborhoods, property types, building styles, etc. where the prior assessments are uniform and the inventory of the parcels are unchanged.**

- The following are some methods for determining trends
 - Sales ratio studies
 - Adaptive estimative procedures (AEP)
 - Cost indices (e.g. for utility property)
 - Stumpage analysis for forest property
 - Recalculation of land schedules
 - CAMA modeling with time variables
 - Regression of sale price to assessed value ratio
 - Income and expense analysis

An analyst should look at a variety of analyses in order to draw and confirm conclusions about a time trend.

Where adequate data exists, trends should be developed and applied at a neighborhood, property class, *USDAS* (used as) level or based on parcels with a set of common inventory characteristics that evidence market value shifts. There may be instances where a combination of groupings at different levels may be appropriate based on available data. For instance, there may be adequate sales data to individually adjust some neighborhoods, certain property classes or certain commercial types of property. The remaining property types may require analyzing a larger geographic market area to obtain additional data to be used in determining an accurate trend. At a minimum, analysis should be performed at a class level (although this is

seldom adequate for the purpose of determining assessments), e.g., residential, commercial/industrial, vacant/farm/forest, and utility.

It is estimated that over 60% of assessing units lack sufficient sales data for even a residential analysis. Therefore, trend areas that consist of municipalities with similar economic influences need to be defined to provide adequate sales data to produce logical and defensible results. This may require using the ORPS' Data Warehouse information, collaborating with other municipalities or the county. Boundaries can be expanded, recognizing common economic influences, until the amount of sales data is adequate.

Reappraisal Valuation is a process to generate or determine an individual estimate of value for each parcel or group of parcels. **Reappraisal must be used in the following situations:**

- Change in Inventory
- Unique or Complex Parcels
- Non-uniform Assessment/Market Value Ratios
- Normal Reappraisal Cycle

The following are commonly accepted methods for use in reappraisal valuation:

- Replacement cost less depreciation
- Modeling (MRA, AEP, etc.)
- Comparable sales
- Income capitalization

e) Validation

Validation is nothing more than ensuring that the municipality has achieved its goal of producing a uniform assessment roll at the stated level of assessment. It is a process in which the new assessments are analyzed again to confirm that proper valuation decisions were applied to the assessments, and that the deficiencies found in the diagnostic portion have been corrected.

Describe the methods for determining whether conclusions are sound.

Probably the best approach to validation is to re-process the analytical techniques that were used initially in the diagnostic and valuation phases of the reassessment. As an example, if a unit price study (such as assessed value per square foot of living area) was conducted to review uniformity during the diagnostic phase, this same study could be done again, but with the upgraded assessments in place, to verify that the uniformity has improved and now meets standards. Similarly, if a CAMA model was utilized to determine the level of assessment in the diagnostic phase, the model could be re-applied to the new assessments to determine if the desired level of assessment has been attained. Typically, if a sales ratio study is used to validate results, sales that occurred after the valuation phase are employed to provide an unbiased validation.

While different approaches may be dictated by the amount of available data, some examples are:

- Statistical confidence tests
- Spot checks of a sample in the field
- Comparison to similar properties, even outside the jurisdiction
- Comparison to data from other sources, e.g., lending institutions, appraisers, listing prices, builders' cost, ORPS, etc.

4) Reappraisal/Re-inspection Cycle

The purpose of this section is to describe the municipality's reappraisal process to show that it meets the State standards for reappraisal.

The description of the reappraisal/re-inspection cycle should include:

- A yearly description of the assessing unit's intended reappraisal process that meets the six-year requirement for reappraisal
- A description of how the assessing unit will monitor when parcels have been re-inspected/reappraised over the life of the plan

Generally, re-inspection occurs simultaneously with reappraisal. ***If re-inspection does not coincide with reappraisal, separate descriptions of each type of cycle are necessary.*** Physical changes caused by new construction, etc. must be addressed on an annual basis.

As mentioned before, municipalities in New York State vary greatly in size, complexity, and availability of resources. For this reason, there is no single recommended process for meeting the State standards for reappraisal. Possible scenarios for sustaining equity through annual assessment are described below. In each scenario, the assessor analyzes the assessments of all properties and updates those that are necessary to maintain current market value to ensure uniformity at the stated uniform percentage of value. Regardless of the scenario, annual adjustments must be made for physical and quantity changes, such as new construction, demolition, as well as splits and mergers of parcels.

- *A municipal-wide reappraisal is done annually for all properties.*
 - For most properties, reappraisal is likely to be done using traditional mass appraisal methodologies. **This approach may even be necessary in smaller municipalities lacking sufficient market data and/or homogeneity to allow reliable and supportable trending.**
 - This option meets the six-year requirement and each value is well documented. However, this approach may be costly, and may require contractor assistance each year, or additional staff may be required for the assessor's office. Comparing appraisal estimates to trended estimates and/or assessments and scrutinizing only those parcels where there is a large degree of variance between these two values may reduce the value review effort.
- *A municipal-wide reappraisal of all properties is done on a cyclical basis, but at least once every six years.*
 - In the intervening years, assessments are adjusted by market analysis, where needed, to current market level. Comparing trend estimates to appraisal estimates and/or assessments and scrutinizing only those parcels

where there is a large degree of variance between these two values is a means of validating the preliminary values. When the systematic analysis shows that parcels require reappraisal, the reappraisal must occur for the next assessment roll and thus cannot be postponed until the scheduled year for a complete municipal-wide reappraisal.

- This option also meets the six-year requirement, and reduced work is required in the years without reappraisals. However, extensive work is required in years of reappraisal. This option may be costly overall because a contractor may be required periodically. Specific areas of a locality that may be changing value at a different rate may become non-uniform and not lend themselves to being trended. CODs for the locality may not be acceptable over time.
- *The locality is divided into segments that are reappraised on a scheduled basis.*
 - Assessments are adjusted by market analysis, where needed, to current market level. In addition, a reappraisal of all properties in one or more segments is done. All properties in all segments are reappraised within a six-year period.
 - This option meets the requirements of the annual aid program and work is balanced from year to year. The cost is relatively the same from year to year. Neighborhoods or properties that are experiencing a non-typical change are adjusted quickly to market. Within a six-year period all segments are reappraised at least once. Again, when the systematic analysis shows that parcels require reappraisal, the reappraisal must occur for the next assessment roll and thus cannot be postponed until the scheduled year for that group. A plan using this option will likely require regular revisions, especially if the municipality continues to experience an increasing market with varying rates of increases throughout the municipality. For instance, an initial plan that calls for a neighborhood to be reappraised in year four may actually need to be reappraised in year two due to changing market conditions that no longer allow for the use of trending.

5) Timeframe/Schedule

This section provides a timeline of what tasks will be performed and when they will be accomplished, and serves the following purposes:

- Indicates that project planning and allocation of resources was performed by the municipality and provides a roadmap for participants
- Facilitates project monitoring and verification by ORPS' staff for Full Value Measurement and State Aid purposes

This section should describe when the tasks associated with performing systematic analysis on an annual basis would occur each year over the life of the plan and must include the following:

- It should be specific as to when **value decisions** (e.g., schedules, factors, models, etc.) will be made and when values will be changed
- It should describe the types of documentation and/or files that will be available for review by ORPS' staff and the timeframe they will be provided

The developers of the plan are directed to the section “Planning for Maintaining Equity on an Annual Basis”, the attachments “Project Verification Documentation” and “Sample Reassessment Project Schedules” of these *Guidelines* for suggestions and considerations in developing a timeline. The timeframe/schedule may be laid out in broad terms, i.e., the major steps of systematic analysis, or it may be as detailed as the sample schedules provided in the attachment mentioned above.

6) Roles and Responsibilities

Completion of section ensures that the municipality is aware of all of the tasks associated with performing systematic analysis on an annual basis, and has determined who will be responsible for completing each task.

Complete the “Roles and Responsibilities” grid for each task over the life of the 6-year period.

The developers of the plan are directed to the section “Planning for Maintaining Equity on an Annual Basis” and the attachment “Resources and K/S/A Planning Guide” of these *Guidelines* to determine the skills needed to perform each task and identifying the necessary resources.

Further References

Assessors and plan developers are urged to familiarize themselves with the following materials to provide help with the development of six-year plans and to learn more about State Aid requirements, systematic analysis and ORPS verification of reassessment projects. All of these are available on ORPS’ website (www.orps.state.ny.us).

- Statute and Procedures
 - RPTL 1573
 - Rules (NYCRR 201-2)
 - Procedures
- ANN Forms
 - ANN-1 (application – revised 09/05)
 - ANN-2 (ORPS’ review of plan – revised 09/05)
 - ANN-3 (ORPS’ review of compliance with plan – revised 09/05)
- Publications
 - *Level of Assessment Determination: An Owner’s Manual for Maintaining Uniformity*
 - *Guidelines for Effective Assessment Administration in New York State – A Self Review Guide for Assessing Units*
 - *PDC Guidelines*
 - The *Local Reassessment Project Review and Analysis* documents

1) Collection and Maintenance of Inventory Data

- a) Process: Collect new and/or revised inventory data resulting from new construction, demolition, parcel splits/merges, changes in zoning, etc. Maintain new/revised data to computer file on a current basis.
 - i) Resources Needed
 - (1) Property record cards, tax maps, vehicle, measuring device, camera
 - (2) Hardware/software necessary for assessment administration processing
 - ii) Knowledge/Skills/Ability Needed
 - (1) Data collection skills/experience
 - (2) Ability to use assessment administration software

2) Collection and Maintenance of Market Data

- a) Process: Validate sales to determine whether they are arms-length and their appropriateness for use in valuation, trending, ratios, CODs, etc. Verify inventory as of date of sale. Maintain new/revised data to computer file on a current basis. Transmit reviewed/corrected sales data to ORPS on a monthly or quarterly basis.
 - i) Resources Needed
 - (1) Timely access to property transfer data
 - (2) Property record cards, tax maps, vehicle, measuring device, camera
 - (3) Hardware/software necessary for assessment administration processing
 - (4) Hardware/software necessary for accessing external data (i.e., Internet)
 - ii) Knowledge/Skills/Ability Needed
 - (1) Knowledge of local/regional market
 - (2) Data collection skills/experience
 - (3) Ability to use assessment administration software
- b) Process: Collect, update and analyze market information: sales, market trends, income/expense data, etc. Utilize outside sources: Multiple Listing Service (MLS), ORPS Data Warehouse, etc.
 - i) Resources Needed
 - (1) Hardware/software necessary for accessing external data (i.e., Internet)
 - (2) Hardware/software necessary for statistical analysis
 - ii) Knowledge/Skills/Ability Needed
 - (1) Knowledge of local/regional market
 - (2) Knowledge of sources of external data
 - (3) Ability to run analysis software / statistical analysis skills
 - (4) Ability to run valuation software
 - (5) Appraisal knowledge and skills

3) Grouping of Data for Analysis and Valuation

- a) Process: Analyze the amount and types of market data available with respect to the assessing unit's property type profile. Consider the number of sales available and the alternatives to increasing the sales base. Consider whether market areas or neighborhoods may need to be combined or redefined, and whether further stratification is warranted.
 - i) Resources Needed
 - (1) Hardware/software necessary for accessing external data (i.e., Internet)
 - (2) Hardware/software necessary for statistical analysis
 - ii) Knowledge/Skills/Ability Needed
 - (1) Knowledge of local/regional market

- (2) Knowledge of sources of external data
- (3) Ability to run analysis software / statistical analysis skills

4) Use of Accepted Analytical Techniques

- a) Process – Analysis of Uniformity and Assessment Level (Diagnostic): Analyze sales compared to assessments. Analyze assessment uniformity. Perform sales studies by neighborhood, property type, style, etc. Analyze COD and ratio information.
 - i) Resources Needed
 - (1) Hardware/software necessary for accessing external data (i.e., Internet)
 - (2) Hardware/software necessary for statistical analysis
 - (1) Hardware/software necessary for valuation processing
 - ii) Knowledge/Skills/Ability Needed
 - (3) Knowledge of local/regional market
 - (4) Knowledge of sources of external data
 - (5) Ability to run analysis software / statistical analysis skills
 - (1) Ability to run valuation software
- b) Process – Application of “decision grid”: Using the decision grid, determine the appropriate course of action to maintain uniformity at 100% for all parcels: reappraisal, trending, or no change.
- c) Process – Application of Valuation Techniques (Prescriptive): On the basis of on-going market analysis, develop the following: unit land prices for all property types, adjustment factors for the cost approach (location, time, depreciation, etc.) for all property types, sales-based models for residential (farm/vacant) properties, and valuation factor files for commercial/industrial properties. Apply models and schedules to develop market, income, and cost value estimates as appropriate. Test value estimates using statistical techniques and field review; repeat until optimum results have been achieved. Produce valuation documents and reports (data arrays, one-liners) as appropriate. On the basis of on-going market analysis and the most current sales data and data from outside sources (MLS, Data Warehouse, ORPS’ forest land data, etc.) determine whether trending is necessary and, if necessary, determine the factors that will be used to restore the stated level of assessment. Trends should always be applied at the group level; care should be taken, however, to detect where individual parcels may need special attention.
 - i) Resources Needed
 - (1) Hardware/software necessary for accessing external data (i.e., Internet)
 - (2) Hardware/software necessary for statistical analysis
 - (3) Hardware/software necessary for valuation processing
 - (4) High speed printer capability
 - ii) Knowledge/Skills/Ability Needed
 - (1) Knowledge of local/regional market
 - (2) Knowledge of sources of external data
 - (3) Ability to run analysis software / statistical analysis skills
 - (4) Ability to run valuation software
 - (5) Knowledge of trending techniques
 - (6) Ability to run valuation software
- d) Process – Value Review: Using the valuation documents, review the preliminary computer-assisted value estimate for each parcel to determine if it is correct. Note any value over-rides and data changes on the valuation document for later

updating of the inventory file. If someone other than the assessor is conducting the value review, the assessor should, at a minimum, perform spot checks of the value decisions. Adjust and or determine trended values at the parcel level where needed: parcels with inventory changes (construction/demolition, splits/merges, etc.), unique parcels, and parcels with prior assessment adjustments that require individual attention. **Note: Field review may be used to satisfy the requirement for the physical inspection (see the definition in these guidelines) of all parcels at least once every six years.**

- i) Resources Needed
 - (1) Property record card data, tax maps, vehicle
 - (2) Hardware/software necessary for assessment administration processing
- ii) Knowledge/Skills/Ability Needed
 - (1) Ability to use assessment administration software
 - (2) Knowledge of local/regional market
 - (3) Appraisal knowledge and skills

5) Validation

- a) Process: Review and analyze the trended and/or appraised values compared to sales. Analyze assessment uniformity. Perform sales studies by neighborhood, property type, style, etc. Analyze COD and ratio information. Analyze unit price data. Make corrections as needed.
 - i) Resources Needed
 - (1) Hardware/software necessary for assessment administration processing
 - (2) Hardware/software necessary for accessing external data (i.e., Internet)
 - (3) Hardware/software necessary for statistical analysis
 - ii) Knowledge/Skills/Ability Needed
 - (1) Ability to use assessment administration software
 - (2) Knowledge of local/regional market
 - (3) Knowledge of sources of external data
 - (4) Ability to run analysis software / statistical analysis skills

Project Tasks	Complete Reappraisal		Interim Years	
	Start	End	Start	End
Project Administration				
Project commencement	3/1		5/1	
Request for advisory appraisals (including SOL)	by	3/1	(first year)	3/1
Public information program (on-going)	3/1	final roll	5/1	final roll
Prepare/Submit Six-Year Plan		see below	10/1	12/31
Systematic Analysis				
Acquisition & maintenance of inventory data				
Data collection training (if necessary)	3/15	4/1		
Inventory data editing (Subjects & Sales)	4/1	8/1	on-going	8/1
Inventory data collection or verification/review	4/1	7/1	on-going	7/1
Collection of new construction (thru tax status)	4/1	tax status	on-going	tax status
Parcel inventory (data) mailers	7/1	7/15		optional
Production in response to data mailers	7/1	8/1		optional
Acquisition & maintenance of market data				
Sales verification/validation (sales thru 6/30)	4/1	8/1	on-going	8/1
Acquisition of non-sales market data	6/1	8/1	on-going	8/1
Grouping of inventory & valuation data				
NBHD analysis/delineation/refinement	7/1	9/1	on-going	9/1
Grouping of other data	8/1	9/1	8/1	9/1
Analysis of data (diagnostic)				
Market analysis	8/1	9/1	on-going	9/1
Statistical analysis		optional	on-going	9/1
Application of decision grid		not applicable	9/1	9/15
Applying valuation techniques (prescriptive)				
Valuation development/testing/production	9/1	9/15	9/15	10/1
Field/Value review (per grid & plan for annuals)	9/15	1/1	10/1	1/1
Development & application of trends		not applicable	10/1	1/1
Parcel level value adjustments	1/1	4/1	11/1	4/1
Validation of results				
Statistical analysis	1/1	3/1	1/1	2/1
Field review (spot check) of trended values		not applicable	11/1	2/1
Validation using other sources/methods	1/1	4/1	1/1	3/1
Assessment Full Disclosure Process				
Update file with new values	1/1	1/15		
Assessor recalculation of exemptions	1/15	2/1		
Assessment disclosure notice production/analysis	2/1	2/15		
Assessment disclosure notice mailing	2/15	3/1		
Informal review meetings (including field activities)	3/1	4/15		
Assessment Roll Production				
Assessor recalculation of exemptions			4/1	4/15
Value change notice production	4/15	5/1	4/15	5/1
Prepare tentative roll		5/1		5/1
Produce final assessment roll		7/1		7/1
Project completion		7/1		7/1
State Aid Application				
Submit Six-Year Plan	by	9/30	see above	
Submit Application for State Aid	by	9/30	by	9/30

The following products are typically developed or generated during the course of a reassessment project. They are employed by the ORPS' CRM to document the value verification process, wherein a determination is made regarding the use of local assessed values for ORPS' measurement of municipal full value (equalization program), and also to determine a locality's compliance with requirements for State Aid pursuant to RPTL Section 1573.

The ORPS' CRM should attempt to acquire these products as part of the pre-decisional collaboration (PDC) process. In cases where acquisition may be unduly cumbersome, the ORPS' CRM should review these products and note in Section 3 of the Local Reassessment Project Review and Analysis document that access was permitted.

Many of these products are also appropriate for assessors who are not conducting a reassessment to submit in support of their own analysis during the PDC process, and are identified as "suitable for PDC".

The list is organized to correspond the structure of Local Reassessment Project Review and Analysis document and the steps of systematic analysis. The timeframe for when these products typically should be available is also provided.

1) General Description of Reassessment

- a) Documentation
 - i) Annual aid applicants: copy of current Six-Year Plan
 - ii) Other reassessments: Copy of Request for Proposal (RFP), contractor proposal or contract (or a work plan if the project was not contractor assisted). Include the following:
 - (1) Time line (schedule of events)
 - (2) Assignment of resources (staffing for each activity)
 - (3) Software to be used for inventory maintenance (if other than RPS)
 - (4) Software to be used for valuation (if other than RPS)
- b) Timeframe:
 - i) Annual: Six-Year Plan no later than January 1 (initial year), or October 1 (if full reappraisal)
 - ii) All: onset of project;

2) Systematic Analysis

a) Acquisition and Maintenance of Parcel Inventory Data

- i) Documentation
 - (1) If not using RPS, a copy of a property record card for each Major Type
 - (2) Edit report summaries showing missing inventory for subject and sales parcels (suitable for PDC)
 - (3) Copy of property inventory data mailer, if used
 - (4) If annual, a list of parcels/groups where re-inspection has been conducted as per the re-inspection cycle described in the Six-Year Plan. The Assessor must attest to the percentage of parcels physically inspected and reappraised for both the current year and cumulatively since the inception of the plan as part of the Application for Annual Aid (form 1573-ANN-1)
- ii) Timeframe:
 - (1) Annual: June thru August

- (2) Other: March thru August
- b) Acquisition and Maintenance of Market Valuation Data**
 - i) Documentation:
 - (1) The Assessor and CRM should review ORPS' sales exclusion reports to ensure agreement on the sales used and excluded (suitable for PDC)
 - (2) Sample Income & Expense questionnaire, if used
 - (3) Sample of sales verification letter/mailer, if used
 - ii) Timeframe:
 - (1) Annual: June thru September
 - (2) Other: May thru September
- c) Grouping of Inventory and Valuation Data**
 - i) Documentation:
 - (1) If annual, a description of any changes made to groupings since last year or a statement that grouping was accomplished as per the plan. If other than annual, a description of the groupings employed
 - (2) Grouping map, if grouping is geographically based and map is available
 - (3) Description of how properties were grouped (suitable for PDC)
 - ii) Timeframe:
 - (1) Annual: July thru September
 - (2) Other: May thru September
- d) Analysis of Data – Diagnostics** (Optional for non-annual projects)
 - i) Documentation:
 - (1) Sales listings used in valuation analysis (minimum of valid sales occurring one year prior to valuation date): (suitable for PDC)
 - (a) Residential
 - (b) Commercial/Industrial
 - (c) Vacant/Farm
 - (2) Detailed assessment to sales ratio studies, based on the prior year's assessments, for each grouping, showing at a minimum, the number of observations, the mean ratio, the weighted mean ratio, the PRD, COD, confidence interval statistics and time adjustments used (suitable for PDC)
 - (3) If modeling done, model estimate to assessment ratio studies, based on the prior year's assessments, for each grouping showing, at a minimum, the number of observations, the mean ratio, the weighted mean ratio, the PRD, COD and time adjustments used (suitable for PDC)
 - (4) Unit price analysis demonstrating uniformity within groups, e.g., dollars per SFLA, dollars per acre, etc. (suitable for PDC)
 - (5) If commercial trends developed using the income approach, a copy of the spreadsheet detailing the determination of net operating income by appropriate commercial property type (including rentals and vacancy and expense ratios) from the prior year to the current year and the leases forming the basis of this analysis (the leases must have been negotiated in the current and prior years; current terms from leases two or more years earlier will not reflect current market conditions). (suitable for PDC)
 - (6) If annual, for vacant land and farms, a copy of the previous year's land schedule, a list of current farm/land sales, and analysis reports detailing a comparison of unit prices derived from sales and those contained in the land schedule
 - (7) If annual, for income producing properties, a copy of the previous year's commercial valuation factor file, a list of current commercial sales, data

from operating statements (if collected and if not confidential) and analysis reports detailing a comparison of unit prices and market/income factors derived from sales and income/expense data and those contained in the valuation factor file

- ii) Timeframe:
 - (1) Annual: September thru October
 - (2) Other: optional

e) Applying Valuation Techniques – Prescriptives

- i) Documentation:
 - (1) Description of land valuation procedure, if applicable
 - (a) Land valuation tables
 - (2) Cost documentation
 - (a) Base Cost Table (include identification of source)
 - (b) Depreciation Schedule
 - (3) Market documentation
 - (a) Valuation Model (supply all of the following which are applicable):
 - (i) Sales adjustments (time, physical characteristics)
 - (ii) Regression coefficients
 - (iii) Feedback coefficients
 - (iv) Component unit values
 - (v) Commercial/Industrial market unit factors
 - (b) Valuation Factor File (VVF), if applicable
 - (4) Income documentation
 - (a) Commercial/Industrial Income Factors including:
 - (i) Gross Income per Unit
 - (ii) Vacancy Rates
 - (iii) Expense Ratios
 - (iv) Capitalization Rates
 - (b) Income and Expense Source Data (if available)
 - (5) Trending (if values were updated by applying factors, percentages or indices)
 - (a) Description of market areas (neighborhoods/groups) and supporting documentation for the development of factors, percentages or indices, in each market area.
 - (6) If annual, a list of parcels/groups where reappraisal has been conducted as per the Six-Year Plan. The Assessor must attest to the percentage of parcels physically inspected and reappraised for both the current year and cumulatively since the inception of the plan as part of the Application for Annual Aid (form 1573-ANN-1)
 - (7) Advisory appraisals
 - (a) Statement as to whether utility advisory appraisals were used in part or in their entirety
 - (b) Statement as to whether commercial/industrial advisory appraisals were used in part or in their entirety
 - (8) Value review
 - (a) List or file of predicted values (if available)
 - (b) Access to review documents (review documents must be saved)
 - (c) List of (or file containing) informal meeting changes (if applicable)
 - (9) Assessment Full Disclosure Notices (if applicable)
 - (a) Sample full disclosure notices and cover letter

- (b) File used to produce full disclosure notices
- (c) Worksheets used to calculate change in level and hypothetical “impact” rate
- ii) Timeframe:
 - (1) Annual: October thru January
 - (2) Other: September thru December
- f) Validation of Results**
 - i) Documentation:
 - (1) If ORPS’ advisories were requested, a comparison of ORPS’ advisory values and new assessed values
 - (2) Preliminary assessment to sales ratio studies, based on the new value estimates and employing sales occurring after the prescriptive step, for each grouping, showing at a minimum, the number of observations, the mean ratio, the weighted mean ratio, the PRD and COD
 - (3) Any other analysis done to validate the preliminary assessments, such as results of spot checks in the field, comparisons to other similar properties (even if from other municipalities), comparisons to ORPS’ appraisals or trends, etc.
 - (4) Description of any substantial value changes that needed to be made to the value estimates from the prescriptive phase as a result of the validation step
 - ii) Timeframe
 - (1) Annual: January thru April
 - (2) Other: January thru April

Six-Year Plan for Re-inspection, Reappraisal and Maintaining Assessments at 100% on an Annual Basis

Assessing Unit _____ Date Submitted: _____
SWIS/CAP Code _____ Original _____
County _____ Revised _____

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1. Plan Development & Commitment	
Plan submitted by:	
	_____ (print)
	(Chief Executive Officer's Name)
	_____ (signature)
	_____ (print)
	(Assessor's Name)
	_____ (signature)
This plan covers the six-year period of final assessment rolls from: _____ to _____	

2. Assessing Unit Needs Analysis					
a. Assessing Unit Profile			Roll Year Used:		
Is Article 19 (Homestead option) in effect? (Yes/No)					
Property Summary					Annual Ave. No. of Valid Sales
Roll Section	Property Types	No. of Parcels	Assessed Value	Percent Of Total	
1	100 – Agricultural	1			
1	200 – Residential	1			
1	300 – Vacant	1			
1	400 – Commercial	1			
1	500 – Recreation	1			
1	600 – Comm. Service	1			
1	700 – Industrial	1			
1	800 – Public Service	1			
1	900 – Private Forest	1			
3	Taxable SOL	1			
6	Public Utility	1			
8	Wholly Exempt	1			
Totals				100%	

2. Assessing Unit Needs Analysis (cont.)				
c. Data Processing Specifications				
	Location of Hardware	Internet Avail. (Y/N)	Responsibility (muni/county/vendor)	Software Used
Assessment Administration				
Statistical Analysis				
Valuation Processing				

2. Assessing Unit Needs Analysis (cont.)					
d. Staff Resources					
Title	No. of Positions	Current or Future	Roles and Responsibilities	Hours Per Week	Training Needed/Planned

3. Systematic Analysis Methods	
a. Collection and Maintenance of Inventory Data (for all major types of property)	
Assessment roll year of last complete re-inspection	
Method for identifying and tracking new construction, demolition, etc.	
Method for identifying and tracking new parcels, etc.	
Method for collecting new/revised data	
Method for maintaining new/revised inventory to computer file	

3. Systematic Analysis Methods			
b. Collection and Maintenance of Market Data (for all major types of property)			
Sales Data			
Sales reporting agreement with ORPS (Y/N)?		If "yes", frequency	
Method for identifying and tracking property transfers			
Method for determining whether sales are arms-length			
Method for verifying physical inventory at time of sale			
Method for maintaining new/revised inventory to computer file			
Non-sales Market Data			
Method for obtaining and maintaining data, including types of data collected, sources of data collected and the linkage between data collected and property types			

3. Systematic Analysis Methods
c. Grouping of Data (for all major types of property)
Method for grouping inventory and market data
Method for further refinement of large groupings

3. Systematic Analysis Methods
d. Use of Accepted Analytical Techniques
Diagnostic Methods (for all major types of property)
Methods used to determine uniformity and level of assessments
Sales periods used
Parameters to be used in conjunction with “decision model”
Assessment Level
Uniformity
Prescriptive Methods (for all major types of property)
Description of how trends will be applied when applicable
Description of valuation approaches to be used when applicable

3. Systematic Analysis Methods

e. Validation

Methods for determining whether conclusions were sound
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4. Reappraisal/Re-inspection Cycle
Description of reappraisal process (by year) to ensure that 6-year requirement is met
Description of re-inspection process (by year) to ensure that 6-year requirement is met
Description of how parcels that have been re-inspected/reappraised will be monitored

5. Timetables / Schedules		
a. Reassessment Timetable	Plan Year:	
Project Tasks	Start	End
Systematic Analysis		
Acquisition & maintenance of inventory data		
Inventory data editing (Subjects & Sales)		
Inventory data collection or verification/review		
Collection of new construction (thru tax status)		
Data mailer production and response (optional)		
Acquisition & maintenance of market data		
Sales verification/validation (sales thru 6/30)		
Acquisition of non-sales market data		
Grouping of inventory & valuation data		
NBHD analysis/delineation/refinement		
Grouping of other data		
Analysis of data (diagnostic)		
Market analysis		
Statistical analysis		
Application of decision grid		
Applying valuation techniques (prescriptive)		
Valuation development/testing/production		
Field/Value review (per grid & plan for annuals)		
Development & application of trends		
Parcel level value adjustments		
Validation of results		
Statistical analysis		
Field review (spot check) of trended values		
Validation using other sources/methods		
Assessment Roll Production		
Assessor recalculation of exemptions		
Value change notice production		
Prepare tentative roll		
Produce final assessment roll		
Project completion		
State Aid Application		
Submit Application for State Aid		

5. Timetable / Schedule	
b. Reports/Documentation/Files for ORPS' Verification	
<i>Describe or list documentation/files to be provided for each task</i>	<i>Available by</i>
Collection and Maintenance of Inventory Data	
Collection and Maintenance of Market Data	
Grouping of Data for Analysis and Valuation	
Use of Accepted Analytical Techniques	
Analysis of Uniformity and Assessment Level	
Application of "decision grid"	
Application of Valuation Techniques	
Value Review	
Validation	

6. Roles and Responsibilities

M = Municipality C = County V = Vendor/Consultant S = State N/A = not applicable						
Tasks/Functions	Plan Year					
	1	2	3	4	5	6
Project Administration						
a) Project management/coordination						
b) Public relations						
Collection and Maintenance of Inventory Data						
a) Sales Validation and Verification (inventory data)						
b) Collection/Verification of Inventory:						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
c) File Maintenance of Inventory Data						
Collection and Maintenance of Market Data						
a) Sales Validation and Verification (sales data)						
b) Verification of Inventory for Sale Parcels:						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
c) File Maintenance of Sales Data						
d) Sales Transmittal (Reporting) to ORPS						
e) Collection of Non-Sale Valuation Data:						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
Grouping of Data for Analysis and Valuation						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						

6. Roles and Responsibilities

M = Municipality C = County V = Vendor/Consultant S = State N/A = not applicable						
Tasks/Functions	Plan Year					
	1	2	3	4	5	6
Industrial						
Utility						
Forest (SOL/private)						
Analysis of uniformity and assessment level						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
Application of Valuation Techniques						
a) Valuation for reappraisal (development/production)						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
b) Value Review						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
d) Development of Trends						
Non-complex						
Farm						
Residential						
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
Validation of Results						
Non-complex						
Farm						
Residential						

6. Roles and Responsibilities

M = Municipality C = County V = Vendor/Consultant S = State N/A = not applicable						
Tasks/Functions	Plan Year					
	1	2	3	4	5	6
Vacant						
Commercial						
Complex						
Complex Commercial						
Industrial						
Utility						
Forest (SOL/private)						
Assessment Disclosure – Major Tasks (if necessary)						
a) File Maintenance of Exemptions and Values						
b) Assessment Disclosure Notice Processing/Printing						
c) Conduct Informal Meetings with Taxpayers						
d) Response to Informal Meetings (Field/Office/FM)						
e) Process Sect. 511 Change of Assessment Notices						