

OFFICE OF REAL PROPERTY SERVICES

MISSION

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration pursuant to constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation.

ORGANIZATION AND STAFFING

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is conducted by a Board-appointed Executive Director. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake. Recent initiatives have successfully streamlined the agency's operations and management structure.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 Executive Budget will support a staffing level of 476 positions for the Office of Real Property Services. Approximately 78 percent of these positions will be supported by State tax dollars from the General Fund and the remaining 22 percent will be supported by various fees.

General Fund appropriations of \$22.7 million will finance 62 percent of the Office's \$37 million operating budget in 1999-2000. Three revenue accounts support the remaining 38 percent: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services and products.

Budget recommendations for the Office of Real Property Services for 1999-2000 include:

- Funds for administrative, technical and financial assistance to local governments for the administration of the School Tax Relief (STAR) initiative;
- Resources necessary to redesign the property tax system to ensure that taxpayers receive clear, complete and timely information about assessments and taxes on their properties; and
- Financial aid to local governments to improve assessment administration and to reimburse local assessors for the cost of attending required training courses.

PROGRAM HIGHLIGHTS

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, municipalities, school districts and special districts. Accordingly, the Office has programs to determine the full market value of taxable real property in each municipality, to provide policy guidance as well as technical and financial assistance to local assessing units and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

REAL PROPERTY SERVICES

DETERMINATION OF MUNICIPAL FULL VALUE

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, the Office of Real Property Services establishes equalization rates and ratios to estimate a uniform measure of full value for approximately 1,000 assessing units every year. As a part of recent streamlining efforts, the agency has implemented a new, simplified approach to the preparation of equalization rates by increasing its reliance on accurate and up-to-date data from local governments. The agency's shift in emphasis from labor-intensive property appraisals to cooperative efforts with local governments, which began in 1996-97, has produced annual savings of approximately \$2.5 million.

ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on the Office of Real Property Services. Centralized services to assessors and taxing jurisdictions include administrative, legal, and technical assistance. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a county-wide basis.

In furthering the State-local partnership in property tax administration, the Office also administers State aid programs to help municipalities defray the cost of creating and maintaining equitable assessment rolls. "Maintenance aid" provides partial State reimbursement to local governments for costs associated with revaluation of properties and to encourage local governments to maintain quality assessment data. "Consolidation aid" provides State funding as an incentive to promote increased cost efficiency through the consolidation of smaller assessing units. Since 1994, over 430 local assessing units have implemented revaluations or updates to their assessment rolls; and 383 of them received financial and technical assistance from the Office of Real Property Services. In this same period, 44 towns in 12 separate counties have formed coordinated assessment programs.

Through the Office of Real Property Services, the State also provides advisory appraisals for certain complex properties such as utilities and large manufacturing plants. Advisory appraisals not only help localities conduct such specialized assessments, they also promote uniformity in appraisal procedures.

As the State-level coordinating agency for implementation of the STAR initiative, the Office works with local assessing units to ensure that the full benefits of this statewide tax exemption program reach all eligible taxpayers. To assist in these efforts, the Office administers a grant program which defrays the cost of processing applications for STAR exemptions by local assessing units.

OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 3.5 million acres of State-owned land that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

REAL PROPERTY SERVICES

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$39,501,000	\$37,037,200	-\$2,463,800	. . . .
Aid To Localities	21,929,000	18,911,000	-3,018,000	. . . .
Capital Projects . . . . .	. . . .	. . . .	. . . .	. . . .
Total	<u>\$61,430,000</u>	<u>\$55,948,200</u>	<u>-\$5,481,800</u>	<u>. . . .</u>

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1998-99	1999-00 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Policy and Organizational Support Services					
General Fund	233	189	35	224	-9
Special Revenue Funds — Other	36	32	. . . .	32	-4
Regional Operations					
General Fund	146	140	. . . .	140	-6
Special Revenue Funds — Other	75	75	. . . .	75	. . . .
Income Verification					
General Fund	5	5	. . . .	5	. . . .
Total	<u>495</u>	<u>441</u>	<u>35</u>	<u>476</u>	<u>-19</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$26,145,300	\$22,686,100	-\$3,459,200
Special Revenue Funds — Other	13,355,700	14,351,100	+ 995,400
Total	<u>\$39,501,000</u>	<u>\$37,037,200</u>	<u>-\$2,463,800</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Policy and Organizational Support Services			
General Fund	\$19,330,800	\$16,061,100	-\$3,269,700
Special Revenue Funds — Other	4,391,500	4,389,100	-2,400
Regional Operations			
General Fund	6,566,500	6,381,500	-185,000
Special Revenue Funds — Other	8,964,200	9,962,000	+ 997,800
Income Verification			
General Fund	248,000	243,500	-4,500
Total	<u>\$39,501,000</u>	<u>\$37,037,200</u>	<u>-\$2,463,800</u>

REAL PROPERTY SERVICES

STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Policy and Organizational Support Services	\$9,234,300	-\$269,700	\$9,234,300	-\$258,100	.....	-\$11,600
Regional Operations	6,295,000	-185,000	6,295,000	-176,000	.....	-9,000
Income Verification	193,500	-4,500	193,500	-4,500	.....	.....
Total	\$15,722,800	-\$459,200	\$15,722,800	-\$438,600	.....	-\$20,600

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	\$6,826,800	-\$3,000,000	\$252,700	.....
Regional Operations	86,500	.....	68,400	.....
Income Verification	50,000	.....	.....	.....
Total	\$6,963,300	-\$3,000,000	\$321,100	.....

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	\$368,200	.....	\$2,010,800	.....
Regional Operations	18,100	.....	.....	.....
Income Verification	.....	.....	.....	.....
Total	\$386,300	.....	\$2,010,800	.....

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	\$695,100	.....	\$3,500,000	-\$3,000,000
Regional Operations	.....	.....	.....	.....
Income Verification	50,000	.....	.....	.....
Total	\$745,100	.....	\$3,500,000	-\$3,000,000

REAL PROPERTY SERVICES

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service																														
	Amount	Change	Amount	Change																													
Policy and Organizational																																	
Support Services	\$4,389,100	-\$2,400	\$2,882,000																													
Regional Operations	9,962,000	+ 997,800	3,450,000																													
Total	\$14,351,100	+ \$995,400	\$6,332,000																													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left; vertical-align: bottom;">Program</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Nonpersonal Service</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Maintenance Undistributed</th> </tr> <tr> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> <th style="text-align: right; border-bottom: 1px solid black;">Change</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> <th style="text-align: right; border-bottom: 1px solid black;">Change</th> </tr> </thead> <tbody> <tr> <td>Policy and Organizational</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Support Services</td> <td style="text-align: right;">\$1,507,100</td> <td style="text-align: right;">-\$2,400</td> <td style="text-align: right;">.</td> <td style="text-align: right;">.</td> </tr> <tr> <td> Regional Operations</td> <td style="text-align: right;">5,512,000</td> <td style="text-align: right;">-2,200</td> <td style="text-align: right;">\$1,000,000</td> <td style="text-align: right;">+ \$1,000,000</td> </tr> <tr> <td> Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$7,019,100</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-\$4,600</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$1,000,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">+ \$1,000,000</td> </tr> </tbody> </table>					Program	Nonpersonal Service		Maintenance Undistributed		Amount	Change	Amount	Change	Policy and Organizational					Support Services	\$1,507,100	-\$2,400	Regional Operations	5,512,000	-2,200	\$1,000,000	+ \$1,000,000	Total	\$7,019,100	-\$4,600	\$1,000,000	+ \$1,000,000
Program	Nonpersonal Service		Maintenance Undistributed																														
	Amount	Change	Amount	Change																													
Policy and Organizational																																	
Support Services	\$1,507,100	-\$2,400																													
Regional Operations	5,512,000	-2,200	\$1,000,000	+ \$1,000,000																													
Total	\$7,019,100	-\$4,600	\$1,000,000	+ \$1,000,000																													

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$21,929,000	\$18,911,000	-\$3,018,000
Total	\$21,929,000	\$18,911,000	-\$3,018,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Policy and Organizational Support Services			
General Fund	\$21,861,000	\$18,911,000	-\$2,950,000
Other Community Projects			
General Fund	68,000	. . . . .	-68,000
Total	\$21,929,000	\$18,911,000	-\$3,018,000