

MAYOR MARVIN'S COLUMN

I am very pleased to report that our assessing consultants will meet the Trustees' very aggressive goal of completing the periodic property revaluation in time for the 2011 tax roll. I sincerely believe we have assembled the most talented and knowledgeable assessing team and I thank them for working 24/7 to get this accomplished. Their effort will make our 2011 tax roll more equitable, especially important in light of the great fluctuations in property values in the past year, as evidenced in our most current data.

In conjunction with a revaluation plan, both initial revals and updates, the New York State Office of Real Property Services (ORPS) requires that certain procedures be addressed, one of which is the so called Homestead Option. Even though a municipality is not required to have an official vote on Homestead, to ignore the issue is essentially a decision not to adopt Homestead.

Rather than ignore Homestead, all of the Trustees wanted to be re-educated on the topic vis-à-vis 2010 conditions. In the past weeks, we have met with officials from ORPS as well as our special tax counsel and members of the School Board and the school financial staff.

During these discussions, our ORPS experts advised us that after a long and careful read of the Homestead Law language, staff and counsel at ORPS believe there is ambiguity as to whether a school district that is co-terminus with its village assessing unit can take part in the Homestead Option. The unusual circumstance seems to have occurred because at the time of the drafting of the law, several decades ago, no one seems to have taken into account our Village, which was the only co-terminus school/Village assessing unit in the entire State. Since that time, only one other community, the Village of Kiryas Joel, an Hasidic village in Orange County, qualifies in our unique category.

It appears our situation was simply overlooked and the legislative intent was to include all assessing units in New York. However, based on the very legitimate ambiguity in the legislative language, our counsel as well as our Trustees, have concurred with ORPS that we do not stand on firm enough legal ground to avoid a possible challenge. The only recourse we have, should the Trustees decide, is to petition one of our elected officials to have the law amended on our behalf, to give greater choice to future Village boards.

Net-net, the Trustees were then left with the option of going forward with Homestead on only the 15% portion of the Village tax which is Village, not School taxes. The 15% would then be applied against the 18% of the tax base which represents the values of our Village commercial properties. As a result, the value of the option was now diminished to the point where the Trustees believed it was not worth the additional costs to administer dual tax rolls and cause community concern when the benefit was negligible to all.

That being said, it is a great source of frustration, and frankly disappointment, for myself and some of my fellow Trustees that our co-ops, condos and commercial buildings continue to file certiorari petitions despite very favorable valuations. As way of explanation, New York State requires the Village when valuing co-ops, condos and commercial buildings to use an income producing stream valuation method as opposed

to valuing townhome which is market value based. A co-op building, by law, cannot be valued on the sum of the market values of its units. Rather, it is on an aggregate rental value of the entire building, even if the building has never allowed units to be rented.

In fairness, this valuation method is nothing new, dating from the early 1970's. When you are purchasing a single family home vs. a co-op or condo in New York State, the valuation method is quite clear.

However, as a result of this nebulous and subjective valuation formula, certiorari lawyers solicit these cases as profit opportunities. They solicit co-op boards with a "no money down – let's share the profits" mantra that is hard to resist.

From my perspective, based on our team's years of work in developing values and capitalization rates, I think Village commercial values are not only advantageous but extremely fair. In that vein, I would ask co-op board members to balance their decision to engage lawyers whose motives are quite naturally profit driven with what is ultimately fair and in the best interest of the character and morale of their special village.

In the belief that we have produced very equitable tax values, we will spend what resources we have to substantiate our capitalization rate and vigorously defend our values in all certiorari proceedings.

To clarify, the entire Homestead conversation, by necessity, must take place in the last stage of a revaluation process because all values must be tabulated so that the residential and commercial proportions can be validated by ORPS. However, given the legal glitch uncovered during our 2010 review, the need for our planned public forum on November 8th at 8PM is now unnecessary.

Even though not required, the Village has decided to send every resident a Disclosure Notice, or impact statement, by the end of the year. The Notice will show a property's former assessed value and last year's tax rate as compared to the new assessed value and a projected new tax rate based on the new values of the entire Village.

After the Disclosure Notice is received, the Village will put in place an informal procedure to resolve any valuation disagreements so residents can avoid the more formal and expensive grievance procedure which takes place on the third Tuesday in February. Should residents want to avail themselves of the formal grievance process, applications are always available at Village Hall. This process should not be seen as adversarial but rather as a collaborative effort to achieve the most accurate values.

On February 1st, the Tentative Assessment Roll must be filed with the State. If the assessed value of any property on the Tentative Roll is different from those in the Disclosure Notice received in late December, the assessor must send the property owner the new assessment number and the procedure to be followed in obtaining a review of this change in assessment.

If property owners availed themselves of the formal grievance process, they should expect a notification from the Board of Assessment Review prior to the filing of the Final Assessment Roll on April 1st.

Though labor intensive, our revaluation program for the 2011 will produce the most accurate and fair tax roll in Westchester County.