

## **MAYOR MARVIN'S COLUMN**

County-wide property reassessment is at the top of the list of topics discussed by area elected officials. State Legislator Abinanti, formerly a County Legislator representing the Greenburgh area, just introduced a bill before the State Legislature for reassessment at the County level throughout New York State.

Ken Jenkins, Chairman of the Westchester County Board of Legislatures, appointed a commission last year to study the same subject at the County level. The committee just recently finished their deliberations and recommended County-wide property revaluation every four years. (Bronxville Village Trustees have endorsed a three year cycle of Village property assessment review.)

The Town of Mamaroneck has voted to do a property revaluation and Scarsdale and Greenburgh are in the final stages of discussion on the same issue. Along with our Village, Rye and Pelham completed revaluations several years ago.

The issue has taken center stage in large part due to the downturn in the economy. Local taxes continue to go up as family incomes go down. As property taxes increase, residents become more acutely aware, not only of the bottom line, but the degree of inequity or level of fairness in sharing the burden with their neighbors. The fact that we live in the highest taxed county in the United States only intensifies the issue.

As a result, Small Claims Assessment Reviews (SCARS) are at an all time high for residential properties as are certiorari claims on commercial properties including co-ops and condominiums.

The onslaught of tax relief claims results from aged tax rolls that are outdated and inequitable coupled with a clear downturn in property values in general, making the valuations indefensible. For example, Mount Vernon has not revalued since the 1850's and our Eastchester taxes are based on valuations determined in 1942. Many area communities have seen their SCAR and certiorari proceedings increase ten-fold this year. New York State law and recent turbulent times require action.

In addition to the Bronxville's initial revaluation of 2007, once the impact of the financial collapse of late 2008 became clear on Bronxville real estate, unlike many other communities, the Village took a prophylactic action in January 2009 and uniformly dropped values approximately 7% to reflect the declining market. Others are reluctant to do so, because an overall property devaluation results in a commensurate tax rate increase to offset the decline in assessments; which to the uninformed appears to be a tax dollar increase creating a difficult situation for elected officials.

Further complicating local efforts, NYS offices are undergoing significant cuts and personnel changes. The equalization rates promulgated by the New York State Office of Real Property Services in recent years also exacerbates the situation. The State uses data that is stale, often two years lagging to current market conditions, making the numbers difficult to defend. For example, at the height of the property value decline in 2009, while we authorized an almost 7% across the board decrease in property values, the State formula in- accurately measured the decline in real estate value and our new lower

assessments. They claimed that our Equalization Rate was 92% which would require an 8% increase to fulfill the 100% goal. Just common sense tells you these numbers were wrong.

Yet local revaluations/updates do work and do much to keep tax burdens equitable. Since our revaluation in 2007, the Village SCAR proceedings have clearly bucked the trend and have steadily decreased to a number below 30. Disappointingly, the co-ops continue to file certioraris in large part because lawyers working for the co-ops are aggressive in using their legal recourse. It is important to remember that these attorneys do not live here, have everything to gain by taking a piece of every settlement and care little about the ultimate equity of the final tax roll.

I ask Village residents on the co-op boards to question whether you believe your share of taxes to provide Village services and schooling is truly inequitable and act for these reasons alone and not because a lawyer is willing to take the case. These lawsuits have no downside for the attorneys, but a real downside for the Village.

NOTE: These cases often result in some refunds, however merited, because by State law co-ops and condos are valued on a rental income stream vs. the fair market valuation method of single family homes. Many co-ops have never permitted renting, resulting in less than concrete data with which to mount a defense.

Post revaluation, our assessing department has amassed very defensible data and solid numbers including a capitalization rate study prepared by C.B. Richard Ellis. The Village has been defending all SCAR and certiorari cases vigorously. As a result, we have more than paid for the cost of the revaluation in the decrease in certiorari and SCAR refunds. SCAR and certiorari proceedings can only lower property assessments and this is money gone from the tax base forever because according to New York State property law, nothing short of a full revaluation allows municipalities to increase the taxes on undervalued property.

For example, if a home valued at \$1 million adds a bathroom valued as a \$20,000 improvement to the property, the tax assessor can only legally raise the assessment to \$1,020,000 even though the property itself may be undervalued with a fair market value closer to \$1.5 million. Without revaluation, under assessed properties continue to receive this benefit in perpetuity.

The Village currently has the lowest COD or highest accuracy indicators in the County. We are committed to keeping our tax roll a model of fairness.