

MAYOR MARVIN'S COLUMN

At the May 11th Board of Trustees' Meeting, we adopted a policy for periodic property revaluation. Monday's action followed months of discussion among ourselves, outside experts, area assessors and members of our Board of Assessment Review.

WHY HAVE A POLICY?

We believe the Village needs a long term assessing policy to keep our values current and equitable and avoid returning to the 20% plus coefficient of dispersion or margin of error that existed prior to the 2007 revaluation. Simply put, we spent so much time and money on our revaluation to ever let it go backwards. The valuation of property during a reassessment is just a snapshot in time that must be constantly adjusted to achieve equity and perfect the values. Village property values are so high, that it is unacceptable to have many houses over or under assessed. The consequences in taxes are too great.

THE PLAN WE CHOSE FOR BRONXVILLE

Some communities like Pelham revalue every year while others have mandated revaluations traditionally set at a five year mark.

The Trustees and I choose to execute a plan requiring revaluation of properties every three years or if the COD exceeds 12%.

We chose 12% COD because a 10% COD is considered close to perfection in the industry as agreed upon by most of the national assessing organizations. We want to keep our tax roll as tight as possible and as close to perfection as we can, mindful that assessing is more an art than a science.

We chose not to revalue on a yearly basis because the Village does not have enough sales in a single year in all housing categories to produce a reliable trend. Also we believe a yearly revaluation when the margin of error is below 12% causes unnecessary expense, upheaval, and uncertainty. In contrast, if we wait five years, an undervalued home receives five full years of under assessment because revaluation is the only tool to correct under assessment. On an annual basis, the assessor can only add to the value of a home if an improvement is made and the Board of Assessment Review can only decrease an assessment based on evidence of incorrect value.

If we only use a COD percentage trigger, and continue to monitor the roll carefully and do a good job, under assessed homes would never be able to be revalued.

On a cost benefit analysis, we believe a three year cycle with an earlier COD trigger, should values go out of acceptable equity, is an intelligent compromise.

HOW WILL WE EXECUTE THE PLAN?

Some communities do it entirely in-house with an assessing staff such as the Town of Pelham while others bring in an outside company such as we did to do the initial full revaluation.

We chose a combination of both approaches. A great deal of the work will be done “in-house” and we have added the component of an outside statistician and assessor to review the data and add expertise.

The cost is projected to be between \$90,000 – \$100,000 amortized over three years with \$20,000 of it covering the cost of the outside expert. As a basis of comparison, to have an outside company do the revaluation in its entirety would cost in the neighborhood of \$285,000.

Our staff will do a curbside inspection of 90% of our homes. It is important to make visual inspections because our housing stock is so unique, homes must be seen in their context or environment. Also improvements to homes may have been made that did not trigger a building permit but added value such as re-landscaping or exterior repainting.

Only 10% of the homes will need an interior inspection since as a result of our 2007 revaluation and the fact that we have kept abreast of all building permits and additions filed with our Building Department, most of our data is current and accurate.

Internal inspections will only be triggered for specific reasons. For example, if real estate information advertises a home as having a finished basement or attic and we do not have that in our inventory information. In contrast, if a home is on the market for a lower value than its current assessment, the interior needs to be viewed to determine why.

MECHANICS OF THE PROPOSED PROCESS

Our assessing team will be in the field with laptops running reports to determine value. They will employ a combination of three different methods to arrive at a value:

1. Selection of three to five very comparable homes by using recent sales data. The appraiser makes the decision what homes to use, making the visual inspection so important.
2. Running a cost analysis of the property by placing a dollar value on the cost of purchasing the land, and building the structure including all of its improvements such as a pool or landscaping.
3. Doing a multiple regression analysis – this is a standardized assessing program that assigns a point score to each element of a house – number of bedrooms, fireplaces, finished basements – the scores are then assigned a dollar value.

At the same time, our independent expert, Dr. Joseph Eckert, will review the data of our assessing team and undertake an independent neighborhood trend analysis. He will also add his skills as a statistician and act as an independent check on our internal data generation.

COMPLETION OF REVALUATION

We are currently at the three year mark so it is time to start the process.

Our goal is to have the revaluation completed by the February 1, 2011 tentative tax roll with the understanding that according to State law, if we miss this date by one month, even by one day, we can only use the information for the next tax year, 2012. Given the cost/benefit analysis, and the amount of resources we can direct at the project, we will not sacrifice accuracy for speed and if we need to, use the data for the 2012 tax roll. Since 2007, everything we have done has improved our assessing system and we are learning at every step and perfecting our process and valuation methods.

Having the most equitable tax roll is our goal. This is so important because Bronxville taxes are a significant yearly expense for families and it is our duty to implement procedures that produce both the best financial value and most importantly the most accurate property valuation for every taxpayer.