



## **PROCEEDINGS OF 2018**

### **AGENDA, MINUTES AND RESOLUTIONS**

The State Board of Real Property Tax Services met on June 12th and July 31st (rescheduled from August 17th). Both 2018 meetings were held in Albany. The February 1st and November 7th meetings were canceled.

The Members of the State Board during 2018 were as follows:

- Matthew W. Rand, Chairman, Clarkstown (term expires 12/31/17)
- Scott C. Becker, Buffalo (term expires 12/31/23)
- Samuel J. Casella, Canandaigua (term expires 12/31/22)

Tim Maher, Acting Secretary of the State Board

Joseph Gerberg, Legal Advisor to the State Board

Rachel Bryce, Assistant to the State Board

(Signed sets of minutes and/or resolutions may be obtained by writing or contacting the Assistant to the State Board.)

This compilation was prepared in December 2019.

NEW YORK STATE  
BOARD OF REAL PROPERTY TAX SERVICES  
PROCEEDINGS OF 2018

AGENDA, MINUTES, AND RESOLUTIONS OF MEETINGS

June 12, 2018  
Meeting Materials

## ***NOTICE***

### **State Board of Real Property Tax Services**

will meet on

**June 12, 2018 – 11:00 A.M.**

Executive Conference Room A - 2<sup>nd</sup> Floor  
New York State Department of Taxation and Finance  
W.A. Harriman Campus - Building 9  
Albany, NY

### ***Agenda***

- I. State Board Administration - Minutes of August 23, 2017 Board meeting
- II. State Assessments and Full Values - Establish final special franchise assessments and full values for the 2018 assessment roll for the City of New York where a complaint was filed by Consolidated Edison Company of New York, Inc.
- III. Privilege of the Floor

### **Conduct of Meeting**

All State Board meetings are open to the public and will be webcast live. The link for online access to the Board meeting will be published on the State Board of Real Property Tax Services webpage. Additionally, an on-demand webcast will be available on the website after the meeting.

The Board's functions include the determination of final special franchise assessments and values, railroad ceilings and State equalization rates where complaints were filed. Additionally, the Board hears and determines reviews relating to determinations of county equalization agencies and appeals from property owners who are dissatisfied with the Tax Department's final determination of STAR eligibility.

Adequate opportunity to comment on matters considered by the Board is available through hearings and written submissions. All written documents relating to items on the agenda are available to the Board members in advance of the meeting. The agenda is ordinarily available four weeks prior to a Board meeting.

**- OVER -**

Persons who wish to address the Board concerning a specific item on the agenda may request permission to do so by notifying the Assistant to the State Board at least seven days prior to the date of the meeting. The Board encourages individuals who wish to address the Board at the meeting to provide

**Agenda**  
**June 12, 2018**

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written comments concerning a specific item on the agenda prior to the meeting in accordance with the above schedule. This process allows the Board to adequately address interested individuals' concerns. When addressing the Board, presenters are encouraged to limit statements to no more than ten minutes.

**Services Available – Upon Request**

To ensure that Board meetings are accessible to individuals with disabilities, services are available upon request if made the day before the Board meeting. For those attending the Board meeting, who have hearing difficulties, an Assisted Listening System is available for use to amplify speakers' voices or for those with deafness, an interpreter may be provided. For those watching the live broadcast of the Board meeting, closed captioning for the video is available. Please contact the Assistant to the State Board for these services.

**Visitor Information and Parking**

Visitor parking is located in the Visitor Parking area perpendicular to the front of Building 9 and in Lot D at the State Campus. If you have special needs for parking, please notify the Assistant to the State Board in advance of the Board meeting. Visitor entry to the Tax Department is at the receptionist desk through Building 9, Western Avenue side. All facilities at the New York State Department of Taxation and Finance are accessible.

(5/29/18)

**DRAFT MINUTES – SUBJECT TO APPROVAL BY STATE BOARD  
NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE  
STATE BOARD OF REAL PROPERTY TAX SERVICES**

**MEETING OF AUGUST 23, 2017**

A meeting of the State Board of Real Property Tax Services was held in Executive Conference Room A at the New York State Department of Taxation and Finance at the W.A. Harriman Campus, Albany, New York. The following members and staff were present:

Matthew Rand, Chairman  
Scott Becker  
Samuel Casella (participating from Canandaigua, New York via video conference)

Timothy Maher, Acting Secretary of the State Board and Director of the Office of Real Property Tax Services

David Ange, Director, Equalization Services, ORPTS  
Stephen Beals, Director, Valuation Services, ORPTS  
Edward Chaszczewski, Deputy Commissioner  
James Gazzale, Assistant Public Information Officer  
Joseph Gerberg, Legal Advisor to the State Board, Office of Counsel  
Geoffrey Gloak, Communications Manager, ORPTS  
Amanda Hiller, Deputy Commissioner and Counsel  
Tobias Lake, Senior Attorney, Office of Counsel  
Darlene Maloney, Assistant to the State Board, Office of Counsel  
Paul Miller, Director, Regional Services, ORPTS  
Steve Peluso, Manager, Northern Regional Office, ORPTS  
John Wolham, Manager, Southern Regional Office, ORPTS  
Robert Wright, Manager, Central Regional Office, ORPTS

Also in attendance was:

Peter Barber, Supervisor, Town of Guilderland  
James Basile, Assessor, Town of Hancock  
William Beckmann, Advisor, Town of Orangetown  
Lynn Buchanan, Receiver of Taxes, Town of Guilderland  
Kevin Caraccioli, Attorney for the Town of Scriba  
Michael Coles, President, Coles and Associates for the Town of Scriba  
Laurence Farbstein, President, Industrial Utilities Valuation Consultants for the Town of Guilderland  
Andrew Farbstein, Vice-President, Industrial Utilities Valuation Consultants for the Town of Guilderland  
Brian Kenney, Assessor, Town of Orangetown  
Joseph Reitz, Assessor, Town of Scriba  
Karen Van Wagenen, Assessor, Town of Guilderland

*NOTE: Detailed staff reports/recommendations to the State Board are available upon request. Resolutions of the State Board and the on-demand webcast are available after the meeting date on the State Board's page at the Tax Department's website.*

Mr. Rand called the State Board of Real Property Tax Services meeting to order at 11:06 A.M.

**Agenda Item No. I-A – State Board Administration – Minutes of June 16, 2017 State Board meeting**

On motion of Mr. Becker, seconded by Mr. Casella, Mr. Rand stated that the minutes of the June 16, 2017 Board meeting stand approved and are, hereby, adopted as written.

**Agenda Item II-A – State Equalization – Establish final 2017 State equalization rates where complaints were filed**

Town of Guilderland, Albany County

Mr. Miller explained the overall process of the agency including Pre-decisional Collaboration and the establishment of a tentative State equalization rate. Mr. Miller confirmed that the Board had received the submissions of each complaint.

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate for the Town of Guilderland. Mr. Miller explained that the Town's complaint focused on five Major Type B properties, i.e., properties classified as commercial/industrial properties. Mr. Miller reviewed the objections, which included vacancy and credit loss, expense ratio and the capitalization rate. He reported that staff reviewed the objections submitted in the documentation and recommends a change to the appraised value of one parcel. He explained that based on this change the estimated full value of the town is reduced by 0.24 percent, affecting a change to the rate to 75.58.

Mr. Farbstein, Consultant to the Town of Guilderland, addressed the complaint and the impact on the non-coterminous school districts and county apportionment. He explained that where an appraisal was done in one Town, but not another Town, that appraisal would affect both Towns' equalization rates. He said that there is also a problem with using intervals and a weighted mean to determine Major Type A ratios. Mr. Farbstein stated that the last time full value measurement appraisals were done was in 2012, based on a 2011 valuation date. He said that the 2016 base market value was \$895 million; the 2015 roll came in at \$934 million. He said that in 2017, there was a one percent adjustment factor (trend), offset by a quantity change factor amounting to 1.263, amounting to a decrease of 35 percent. He concluded saying that either the way trending is done regionally bears no relationship to what is happening in a community or the selection process is flawed.

Mr. Becker asked if there was any documentation provided in the Town's complaint submission other than the Price Waterhouse survey it provided. Mr. Farbstein responded that, as

a certified real estate appraiser, that survey is the usual report used for larger valued properties, and no other documentation was provided.

Mr. Rand asked about the five appraisals and whether these appraisals would effectuate a change to the full value to move the rate to what is being requested. Mr. Farbstein responded that a spreadsheet was provided, which indicates that the rate would be changed to 78.31.

Mr. Miller responded that ORPTS uses market capitalization rate information and validated the capitalization rate data derived using the following sources: Rynne Murphy, Certified Commercial Investment Member, Integra Realty resources, Caldwell Banker, Richard Ellis, and Realty Rates. He said that Rynne Murphy data is preferred as it focuses on the northeast area of the country.

Mr. Casella asked about the procedural issue and if county-wide trending would be better. Mr. Farbstein responded that by not doing the county-wide trending, there are disruptions in communities with non-coterminous school districts and county apportionment.

Mr. Beals stated that, as a Certified General Appraiser, the trends reflect a movement of all properties in the Town. He explained that this can cause an increase especially if the base value from the prior survey was lower. He pointed out that the agency only receives complaints on values that are too high, i.e., if the values in the 2012 survey were too low, no complaint would have been received and that survey will affect subsequent values and rates.

Mr. Rand asked about the interval of appraisals and if this creates a disparity from one town to the next. Mr. Beals responded that the appraisals for a community are performed and can be trended for up to four years.

Mr. Becker stated that the Town has made very good points on the procedural issues, which should be looked at for next year's rate cycle. As far as this year's rate, Mr. Becker said that he is not convinced that the Town has submitted enough evidence to rebut the State's conclusions.

Mr. Casella asked about the 35 percent difference referenced by Mr. Farbstein. Mr. Miller responded that this difference relates to the appraisals that were done in prior years, and then trended.

Mr. Rand commented that this complaint has been thoroughly reviewed, and he believes that the proposed rate is a good estimate.

Mr. Becker said that he agrees because the difference in the requested and proposed ratios is a couple percentage points. He said that the Town is using a five percent vacancy and credit loss rate, whereas the State is using three percent vacancy and credit loss rate. Mr. Becker said that his view is that the complaint documentation is not enough to justify a change.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted Resolution No. 17-04 to establish a final 2017 State equalization rate of 75.58 for the Town of Guilderland as set



forth on the list entitled “Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints.” All members voted Aye to adopt the resolution as written.

Town of Napoli, Cattaraugus County

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate of 94.00 for the Town of Napoli. Mr. Miller said that the Town declared its level of assessment (LOA) to be 94.00. That ratio was within five percent of the ORPTS estimated ratio and therefore, a tentative State equalization rate of 94.00 was determined.

Mr. Miller said that there are two aspects to the complaint: Major Type A (residential) properties and a court-ordered reduction of an assessed value. Mr. Miller explained that a sales ratio study was not performed because there was an insufficient number of sales to provide a statistically valid ratio. Mr. Miller said that computer assisted mass appraisal analysis (CAMA) was used. Mr. Miller explained that the deviation between a possible sales ratio study and the CAMA study amounted to only \$1 differential per square foot. He also explained that the suggestion made by the town to use the 2015 residential trends would be an inferior technique to apply.

As to the court-ordered reduction, Mr. Miller said that an advisory appraisal was provided for the gas pipeline for the 2015 assessment roll at the time of the Town revaluation. Mr. Miller said that staff sees no basis for recommending a change to the tentative 2017 State equalization rate.

There was no one present from the Town of Napoli.

Mr. Becker commented that the Town’s complaint requests a State equalization rate of 100 but they had determined that the LOA was 94.00 and ORPTS accepted the Town’s ratio.

In response to Mr. Rand’s question if there was discussion on a rate of 100.00 during Pre-decisional Collaboration, Mr. Miller replied that there was not.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted Resolution No. 17-05 to establish a final 2017 State equalization rate of 94.00 for the Town of Napoli as set forth on the list entitled “Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints.” All Board members voted Aye to adopt the resolution as written.

Town of Hancock, Delaware County

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate of 12.49 for the Town of Hancock. Mr. Miller explained that the first issue in the complaint pertained to three Major Type C properties (vacant land), which were adjusted. Mr. Miller reported that the other aspect of the complaint pertained

to Major Type A properties (residential property) with the exclusion of 22 sales. Mr. Miller explained that of those 22 sales, only two sales had been used to supplement the appraisals in the rate-making process.

In response to a question from Mr. Rand, Mr. Miller stated that with all the changes, the resulting ratio would be 11.92. Mr. Miller said that staff recommends no change to the tentative State rate of 12.49.

Mr. Basile, Assessor for the Town of Hancock, thanked all for the opportunity to address the Board on the town of Hancock's complaint. He provided background on his position in that he was appointed to the assessor's position on February 1, 2017. Mr. Basile reviewed the sales, which showed 14 percent increase. Mr. Basile said he set the level of assessment at 12.58, within the five percent tolerance required in ORPTS procedures.

Mr. Basile referred to his August 22, 2017 hand-out provided to the State Board concerning Major Type A (MTA) and Major Type C (MTC) analysis. His handout graphically showed the ratios as 0.1306 and 0.1235 for MTA and MTC respectively.

Mr. Basile said that the procedures do not call for a study on vacant land and it is seen that vacant land is at a higher coefficient of variation, therefore, more sales would be required. He said that the Board is not bound by the procedures and is charged with establishing a final State equalization rate. He concluded that the Town is at a ratio of 14.30 and within the five percent tolerance.

Mr. Becker asked if the MTA and MTC figures, would result in the 14.30 State rate. Mr. Basile responded that he believes so but defers to ORPTS staff on the exact calculation.

Mr. Rand asked if ORPTS staff has a response to that question. Mr. Miller could not affirm that those changes would result in a rate of 14.30.

Mr. Wolham offered additional information as to what ORPTS staff in the White Plains office has done for the Town of Hancock. He affirmed that the Town of Hancock's assessment roll does not have the best uniformity. He said that ORPTS staff has not been able to do a sales ratio study for the town for the past five years. He explained that even using five years of sales would not achieve the required 90 percent confidence level. Therefore, Mr. Wolham said, appraisals were done to supplement the residential arms-length available sales. This produced a ratio of 12.71. Mr. Wolham stated that since Mr. Basile did a residential sales study, staff reviewed that study and agreed to remove two sales, which were estate sales. This resulted in a revised ratio of 12.58. He concluded that this represents a reasonable level for the residential properties. Mr. Wolham said that staff simulated removal of the 17 of the 22 sales suggested and attempted to run a ratio, once again, but were still unable to produce a confidence level of 90 percent. Mr. Wolham said that he believes that the residential appraisals supplemented by available sales was a good indication for the Major Type A ratio. Mr. Wolham said that, for Major Type C, an appraiser handled the valuation and a different appraiser independently reviewed those appraisals and made some value changes. He said that the overall blended ratios were reasonable.

Mr. Casella asked about the inability to do a sales ratio study for the past five years. Mr. Wolham responded that more sales would be needed to do a statistically valid study. He reiterated that even using five years of sales did not prove to be enough sales to generate a result with a high enough confidence level.

Mr. Casella asked Mr. Basile to clarify what he believes ORPTS should or should not have done. Mr. Basile said that it appears that the original appraiser capped the appraisals at 14 percent and the appraiser should not have done that.

Mr. Wolham responded that ORPTS staff do not “cap” appraisals. He said that it is not a practice and is not done. He said that each appraisal is prepared individually and the result is the value at the time the appraisal is done.

On motion of Mr. Casella, seconded by Mr. Becker, the Board adopted Resolution No. 17-06 to establish a final 2017 State equalization rate of 12.49 for the Town of Hancock as set forth on the list entitled “Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints.” All Board members voted Aye to adopt the resolution as written.

Mr. Rand thanked Mr. Basile for his time and said that the Town is on a good path with a revaluation happening in the future.

#### Town of Perth, Fulton County

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate of 53.49 for the Town of Perth. ORPTS staff could not confirm the stated level of assessment at 61.00. Mr. Miller stated that the basis of the Town of Perth’s complaint includes objections to three appraisals that were used in the determination of the market value ratio for the commercial property class. Mr. Miller explained that good comparable sales were used from similar localities and that the comparable sales suggested by the assessor were different types of businesses and were not truly comparable. Mr. Miller said that the recommendation is no change to the tentative State equalization rate.

No one from the Town of Perth was present.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted Resolution No. 17-07 to establish a final 2017 State equalization rate of 53.49 for the Town of Perth as set forth on the list entitled “Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints.” All Board members voted Aye to adopt the resolution as written.

#### Town of Scriba, Oswego County

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate of 86.20 for the Town of Scriba. Mr. Miller said that

many accommodations were made with the Town's complaint submission, i.e., additional time granted to file supporting documentation and an adjourned hearing.

Mr. Miller said that the Town seeks a rate of 100.00. Mr. Miller said that the power plants appear as wholly exempt properties due to their participation in payment in lieu of tax (PILOT) agreements. Mr. Miller said that Major Type A (MTA) amounts to 72 percent of the property on the assessment roll. He added that the ratio for MTA has consistently been at about the same ratio for the past three years.

Mr. Miller said that the Town objected to the use of a Computer Assisted Mass Appraisal (CAMA) model. Mr. Miller concluded that staff found no basis for any change in Major Type A ratio.

Mr. Miller spoke to the complaint against Major Type B. He rebutted some of the information provided from the Town, which included MLS listings.

Mr. Miller spoke to the Major Type D properties in the Town of Scriba, which included National Grid. Mr. Miller said that since Major Type D makes up 12 percent of the roll, staff would sample that property. He said that the Town believes it should be un-sampled. Mr. Miller said staff found no basis for change in this type, leaving the ratio at 73.32.

Mr. Miller concluded that there is no basis for change to the tentative State equalization rate of 86.20.

Mr. Caraccioli, Attorney for the Town of Scriba, thanked ORPTS staff for its courtesy and the accommodations extended in the filing of its rate complaint. He said that the Town has three nuclear power plants, which makes the Town unique and impacts the State equalization rate. Mr. Caraccioli said that for Major Type A, the Town had established a \$3 million increase from 2016 to 2017, whereas ORPTS staff determined a \$31 million increase. He said that the ratio for Major Type A would be 91.91 percent. He further explained that the Town of Scriba is a rural community and the apartment complex, in question, was increased 27 percent from 2016 to 2017.

Mr. Coles, Consultant for the Town of Scriba, referenced a handout, attached to a letter from Mr. Caraccioli, dated August 23, 2017, entitled Preliminary Report for the 2016 Pre-decisional Collaboration. He spoke to Major Type D and said that it is true that the nuclear plants have been taken off the assessment rolls for 2016 and 2017, but the reports show that they are in the 2016 rate calculation. Mr. Coles referenced the ORPTS PDC report dated 2/4/16 with the comparable chart from 2016 to 2017. He said that if those number prevailed, there would have been a change in the tax base of \$555 million in 12 months. He said that PILOT agreements rendered the nuclear plants to be off the tax roll.

Mr. Becker asked for ORPTS staff response.

Mr. Miller said that Mr. Coles is referencing a PDC document dated 2/2/2016 with the nuclear power plants in the valuation process but there was a subsequent PDC document with the

plants taken out of the valuation process. Mr. Miller said that the ratio with the plants on the roll was 113.41 and the ratio with the plants off the roll was 95.73. He explained that last year's rate was 100.00 because it was within the 5 percent tolerance.

In response to a question from Mr. Becker, Mr. Miller said that there were two sets of PDC documents and the Town is looking at a PDC report prior to the removal of the plants due to the PILOTs. Mr. Miller stated that once a company becomes a PILOT, it becomes effective immediately and the analysis is changed at that time.

Mr. Caraccoili said that the Town is seeing the adjusted PDC report with the nuclear plants off the roll for the first time through the State Board. He said that the Town had requested the PDC report and received the original report as part of the complaint process. He said that this changes the analysis slightly.

Mr. Coles said that he said that Major Type D can mask what is happening with the assessment roll and asked that it be un-sampled. He said that the impact of this change in the State equalization rate will be a larger share of taxes for the Town's homeowners than what perhaps there could be should the complaint be upheld.

Mr. Becker said that it is very clear that the State and local government staff, and the State Board are all interested in fairness in taxation and that everyone is working toward the same end. He said that if there is an increase in school taxes, it is a function of the process and not necessarily anything the Town did with its current assessment roll. He said that this discussion concerns the 2017 State rate, not past years, and the residents of the Town should know that as the Town moves forward with its revaluation plans, there will be improved assessments in the future.

Mr. Casella said that it is laudable that the State equalization rate has been 100.00 over the past years. Mr. Casella said that he does not believe that the Town has made its argument to result in a change.

Mr. Rand stated that there is not enough in the complaint documentation to effectuate a change to the recommended final 2017 State equalization rate.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted Resolution No. 17-08 to establish a final 2017 State equalization rate of 86.20 for the Town of Scriba as set forth on the list entitled "Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints." All Board members voted Aye adopting the resolution as written.

Mr. Rand called for a five-minute meeting recess.

Upon reconvening the meeting, Mr. Casella stated as part of the vote for the Town of Scriba he recognized that there are challenges and he was impressed with both the Department's and the Town's presentations. Mr. Rand concurred.

Town of Orangetown, Rockland County

Mr. Miller presented the staff recommendation, dated August 11, 2017, for a recommended final State equalization rate of 44.00 for the Town of Orangetown. Mr. Miller said that ORPTS' trend was lowered from 5 to 4 in Pre-decisional Collaboration (PDC). He said there was a suggestion from the Town to develop a trend at the county-wide level. Also, the Town provided a list of sales that were deemed market value survey unusable. He reported that there is a large pharmaceutical property and, through PDC, decreases were made to the inventory and the property was valued at \$245 million. Mr. Miller said that the sales transfer form for the property was submitted with the complaint as an arms-length transaction, but the assessor's office had reported it to ORPTS as a non-arm's length sale. Mr. Miller said that staff does not recommend any change to Major Type B properties. Mr. Miller stated that there were general objections submitted with the complaint, which did not comply with ORPTS procedures for determining rates in all localities in New York State and would require legislative changes.

Mr. Kenney, Assessor for the Town of Orangetown, said that the prevailing theme appears to be intra-county shifts due to equalization. He said that trends should be done county-wide to avoid these types of shifts from one town to the next and especially in the situation where there are split school districts. He explained that taxes will go up 14 percent in Nanuet school district for the Town of Orangetown residents, whereas taxes for the Town of Clarkstown residents will go up just 2 percent. He said that these increases should not occur simply because of equalization and it is a procedural problem.

Mr. Kenney spoke to the Pfizer sale and said that it was a valid arms-length transaction as the RP-5217 form indicates. He mentioned that there was a key punch issue entering it in the Real Property System, which is being corrected.

Mr. Beckmann, Consultant to the Town, spoke to the exclusion of the 88 sales, which were all MLS sales. He also spoke to the sale of the Pfizer company sale. Mr. Beckmann believes that if the sale was used in the rate process and not excluded, then the State equalization rate would go up to about 47.50 percent. Mr. Beckmann stressed that the sale was valid, affidavits were signed that it is a valid sale and he argued that it should be considered in the rate-making process.

Mr. Kenney said that the company that bought the Pfizer property is now participating in a PILOT, which affects the quantity change factor. Mr. Kenney said that PILOTs are a detriment to the procedural calculation and are a negative effect on the equalization rate.

Mr. Rand asked for clarification on how the Pfizer property was valued at \$245 million. Mr. Miller responded that the value was made prior to the property becoming a PILOT. Mr. Beals responded that the valuation of the property at \$20/square foot for a \$40 million sale was reasonable as the rent, at the time of the sale, generated \$20.50/square foot in income. He said that the sale price would not even cover the rent for one year, so the conclusion was that it was correctly adjusted to a non-arms-length transaction.

Mr. Casella asked if the Pfizer sale was captured correctly by the State. Mr. Miller said that the original RP-5217 form indicated that there were no conditions of sale (i.e., it was an arms-length transaction) but in SalesWeb there was a correction made that indicated it was not an arms-length sale, rendering it not usable.

Mr. Rand asked what is the definition of a “non-arms-length transaction”? Mr. Beals said that there were business interests such as lease backs included in the sales price.

Mr. Beckmann said that the property was well-marketed and the sale was arms-length. He commented that he would hope that that State would rent it for \$20/square foot as the current market rental is in the range of \$5 - \$8 /square foot.

Mr. Beals responded that the ORPTS appraiser received information from the owner of the property, who stated that the property would rent for \$20.50/square foot.

Mr. Rand asked what would be the State equalization rate be if the property were in or out of the full value measurement calculation? Mr. Kenny said that he does not know for sure what the change in the rate would be, but believes it would be a five percent difference.

Mr. Wolham confirmed that he received a letter from Mr. Kenney and the response is included in the rate complaint documentation. Mr. Wolham said that it was expected that because of the PILOT, the property would be moved to Roll section 8 (tax exempt class) and there would be no need to do a rate recalculation. But, Mr. Wolham explained that, because the property was left in Roll section 1, there was no need to do a simulation because it was originally listed in Roll section 1, albeit with no taxable value.

Mr. Kenney said he was under the impression that the Town had to leave some taxable amount of the property on the assessment roll listed in Roll section 1.

Mr. Casella asked for clarification on the sales transfer reporting and if the Town was alleging that ORPTS used incorrect information or had the Town presented incorrect information. Mr. Kenney responded that the sale was not taken into consideration and should have been.

Mr. Beckmann said that if the sale were included and valued now, the State rate would be at about 47.50 percent not 50.00 from last year, but not 44.00, as proposed.

Mr. Kenney said that he admittedly set the level of assessment at 44.00 and unfortunately there is not a box to check to indicate that the Town might not be in full agreement with its own LOA. Mr. Kenney said that maybe there should be an option where the locality can say that they do not necessarily fully agree with the agreed upon LOA.

Mr. Rand asked for further clarification on the Pfizer valuation - was it in the PILOT and zero or not? Mr. Beals said that the sale was not considered.

In response to a question from Mr. Becker, Mr. Beals said that his opinion on the use of the sale has not changed; the sale is not arms-length. Mr. Beals said that the sale price indicated a value of \$20/square foot and the property was leasing for \$20.50/square foot.

In response to a question from Mr. Becker directed to the Town about the sale, Mr. Kenney responded that it is an arms-length transaction. Mr. Kenney said that Mr. Beckmann, as an MAI, has stated that the property is not renting at \$20.50.

In response to a question from Mr. Rand about taking the sale into the process, Mr. Miller said that the Pfizer appraisal was done in the past when the property was on the tax roll, and the sale came along after the valuation time frame. He said that the sale included other parts that were not part of the appraisal of the property making it a partial sale. Mr. Miller said that even if the complications could be worked out, the sale occurred outside the time frame for full value measurement.

Mr. Beals reiterated that the sale was originally coded as an arms-length transaction and then changed, at the local level to a non-arms-length transaction with “business related” conditions. Mr. Beals said that whether the company is participating in a PILOT or not, at that point in time was irrelevant, as the sale was rendered unusable. Further, he said that both an income and cost approach were done by the appraiser, which supports a value of \$245 million.

Messrs. Kenney and Beckmann said that the sale was under contract at the time of valuation and to disallow a sale of this magnitude severely impacts the equalization rate for the Town of Orangetown.

Mr. Rand said that it is his opinion that it is a legitimate sale and was on the market for some time. He said that he is aware of the values in that area and does not know the procedural constraints to look at the sale; there might need to be some adjustments.

Mr. Kenney said that because of the issues with the valuation of that property and the consideration of the sale, the Town is asking for a 47.25 percent equalization rate.

Mr. Casella asked ORPTS staff if there was flexibility to legally look at that sale. Mr. Gerberg responded that there are procedures binding on ORPTS staff and is not sure if the sale could have been used, but the question before the Board is to determine a final State equalization rate and the sale could be reviewed in the process of reaching that determination.

Mr. Casella moved Resolution 17-09, but asked for legal clarification on this motion. Mr. Gerberg clarified that the Board can move Resolution No. 17-09 as is written, or move it with amendments.

Mr. Becker stated that he is not convinced whether the sale is an arms-length transaction or not and therefore, moved to adopt Resolution No. 17-09 as written.

Mr. Casella seconded the motion.



Mr. Becker said that although Mr. Kenney and Mr. Beckmann made a good presentation, he is not persuaded that it is indeed an arms-length transaction.

Mr. Casella said he concurred with Mr. Becker.

Mr. Kenney added that the RP-5217 form indicated “J” (arms-length) on the form by the buyer and seller, with no business consideration.

Mr. Casella said that it is his understanding that the sale was an arms-length transaction as reported on the form. Mr. Beals responded that the correction to the sale listing as non-arms-length was made by local government staff not by Department staff. In response to further clarification on who made that correction, Mr. Kenney said that his clerk keypunched the form in error on the SalesWeb database. Mr. Beals said that the sale, as of today’s date, is still identified on SalesWeb as a non-arms-length transaction.

In response to the question from Mr. Casella, Mr. Beals responded that ORPTS staff does not agree that it is an arms-length transaction.

In response to a question from Mr. Becker, Mr. Miller responded that there was no indication of allocation of the four parcels on the form. Mr. Kenney said that all the improvements are on the one main parcel and the other three parcels are contiguous vacant parcels.

Mr. Becker commented that he believes what is being said but the reason there is documentary evidence is that a RP-5217 can’t be cross examined. He said that he doesn’t disbelieve the testimony, but does not see any evidence that disputes the State’s work.

Mr. Kenney said that he is not sure that SalesWeb can testify in court that it is not an arms-length transaction when the form indicates that it is an arms-length sale.

Mr. Rand believes that the transaction should be considered in the valuation and the change in valuation for the equalization rate calculation.

Mr. Rand called the vote on Mr. Becker’s motion, seconded by Mr. Casella, to adopt Resolution No. 17-09 as written to establish a final 2017 State equalization rate of 44.00 for the Town of Orangetown as set forth on the list entitled “Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints.” Messrs. Casella and Rand voted Nay; Mr. Becker voted Aye. The motion was not carried.

The State Board discussed an alternative to the existing motion, specifically to include the sale in the calculation of the State equalization rate.

Mr. Casella moved to adopt Resolution No. 17-09, amended to include the sale in the calculation of the State equalization rate.

In response to a question from Mr. Becker on the voting requirements, Mr. Gerberg responded that if there was a split on the vote (2-1 vote in favor of the resolution), there are quorum requirements contained in section 41 of the General Construction Law and the Board, under Real Property Tax Law, section 200-a, is a 5-member body. Since the quorum needs to constitute the majority of three (out of the five) members, there must be three votes for that motion. If this motion receives two votes in favor and one opposed, that would be considered a non-action by the State Board. For the resolution to carry, it would have to pass on a 3-0, favorable vote.

Mr. Casella asked what the non-action would constitute for the applicant. Mr. Gerberg responded that there have been discussions in the past and there have been different opinions. Mr. Gerberg said that he believes in the absence of a majority vote that the effect of that would be that the Board would be taking no action and there would be no approval of a final equalization rate for the 2017 roll. He said this would mean that the major impact would be with the apportionment of school taxes. Mr. Gerberg said that his opinion is that the Town would move forward without a 2017 rate. Mr. Gerberg explained that pursuant to section 1314 of the Real Property Tax Law, if the current year's rate is not available, the school district would apportion taxes using the prior year's rate to apportion school taxes in the districts. He said that the rate is used for other purposes but the primary use is for school tax apportionment. He reiterated that the result would be no 2017 final State equalization rate.

In response to a question from Mr. Becker on what the rate percentage was requested from the Town, Mr. Kenney replied 47.25.

In response to a question from Mr. Becker about setting the rate at a specific number, Mr. Gerberg said that it is the Board's function to determine the rate where there has been a complaint filed.

Mr. Becker said that it would be preferable to have a 2017 final State equalization rate rather than no equalization rate for this year. And, further, Mr. Becker said that it would be preferable to have a ratio adopted that is certain, rather than have a calculation made where the ratio would be uncertain.

Mr. Casella concurred.

Mr. Rand asked if the Town had set its LOA at 47.50, would it have been within the five percent tolerance and what would the rate have been given these circumstances. Mr. Miller responded that ORPTS determined a ratio of 45.49, so the LOA was accepted. Mr. Rand said that it seems to be a reasonable ground for the Board to set a rate and would not require extra work with the appraisal.

Mr. Casella rescinded his original motion.

Mr. Becker moved that the Board adopt Resolution No. 17-09, amended to provide that the final 2017 State equalization rate for the Town of Orangetown be 47.25 for the reasons discussed so that there will be a final equalization rate in place for 2017, so that the school

districts will not have to use the prior year's equalization rate and to avoid the tremendous amount of work and uncertainty that would be involved leaving the situation open without a definite figure given the ratio of 47.25 ratio is within the five percent tolerance of staff's conclusion.

Mr. Casella seconded the motion.

There was no further discussion.

Mr. Rand called the vote on revised Resolution No. 17-09, moved by Mr. Becker, seconded by Mr. Casella. All Board members voted Aye. The motion was carried adopting an amended Resolution No. 17-09.

Town of Hampton, Washington County

Mr. Miller presented the staff recommendation, dated August 11, 2017 and reported that that staff reviewed the complaint of five objections and confirmed a change to one of the appraised values. Mr. Miller said that the Town had claimed a level of assessment of 100.00 but that ratio could not be verified so ORPTS determined a tentative State rate of 94.82. Mr. Miller said that the change to the one appraisal results in a ratio 95.02. He said that since this ratio would be within five percent of the town's stated LOA, staff recommends a final 2017 equalization rate of 100.00.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted Resolution No. 17-10 to establish a final 2017 State equalization rate of 100.00 for the Town of Hampton as set forth on the list entitled "Recommended Final State Equalization Rates for 2017 Assessment Rolls for Towns Which Have Filed Complaints." All Board members voted Aye adopting the resolution as written.

**Agenda Item III – Privilege of the Floor**

With no further business to come before the Board, on motion of Mr. Casella, seconded by Mr. Becker, the Board concluded its meeting at 2:45 P.M.

Respectfully submitted,

Timothy J. Maher  
Acting Secretary of the State Board



## RESOLUTION 18-01

**WHEREAS**, the State Board of Real Property Tax Services has the power to determine the final special franchise full value or assessment for which a complaint has been filed pursuant to section 614 of the Real Property Tax Law; and

**WHEREAS**, on April 12, 2018 the tentative special franchise full values for Consolidated Edison Company of New York, Inc. ("Con Edison") were determined by the Office of Real Property Tax Services ("ORPTS"); and

**WHEREAS**, pursuant to section 608 of the Real Property Tax Law notice of the tentative special franchise full values and the scheduled hearing date was mailed to the special franchise owner and chief executive officer of the City of New York ("City") on April 12, 2018; and

**WHEREAS**, a complaint (#SF-18-01), dated May 3, 2018 and postmarked May 4, 2018, was filed by Con Edison with the New York State Department of Taxation and Finance ("DTF") prior to the service deadline as specified in section 610 of the Real Property Tax Law and 20 NYCRR 8197-4.2; and

**WHEREAS**, a hearing pursuant to section 612 of the Real Property Tax Law and 20 NYCRR 8197-4.2 was held with regard to this complaint on May 17, 2018; and

**WHEREAS**, no appearance on behalf of Con Edison was made at the May 17, 2018 hearing; and

**WHEREAS**, the Hearing Officer has filed a report dated May 18, 2018; and

**WHEREAS**, ORPTS staff has reviewed the complaint and filed a report dated May 29, 2018 regarding such review; and

**WHEREAS**, the recommendation of the hearing officer is summarized in a memorandum to the State Board, Agenda Item II-A, dated May 29, 2018; and

**WHEREAS**, the State Board has reviewed the abovementioned hearing officer memorandum, and accepts the conclusions and recommendations contained therein; now therefore, be it

**RESOLVED**, that the State Board hereby adopts the hearing officer's report, dated May 18, 2018; and, be it further

**RESOLVED**, that the State Board finds that it has no authority to waive the provision of section 610 of the Real Property Tax Law with regard to the making and serving of a complaint; and be it further

**RESOLVED**, that under these circumstances, the State Board has no authority to consider or act upon this complaint, and that as a result, the tentative special franchise full value shall be made final by ORPTS staff as if no complaint had been filed; and be it further

**RESOLVED**, that if the State Board had the authority to consider and act upon this complaint on its merits, it would adopt the conclusions and recommendations of ORPTS staff in its May 29, 2018 report insofar as they relate to the valuation issues presented by the complaint.

Voting in favor: Commissioners Becker, Casella and Rand

Voting against: None

Abstaining: None

Absent: None

**STATE OF NEW YORK** )  
 ) **ss:**  
**COUNTY OF ALBANY** )

I, Tim Maher, Acting Secretary of the State Board of Real Property Tax Services, do hereby certify that the foregoing is a true copy, and the whole thereof, of a resolution duly adopted by the State Board on June 12, 2018.

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed the official seal of said Board of Real Property Tax Services this 12<sup>th</sup> day of June 2018.

\_\_\_\_\_  
Tim Maher  
Acting Secretary of the State Board

By: *Rachel M. Bryce*

Rachel M. Bryce  
Business Systems Analyst 1

Cc: Stephanie Merritt, Department Manager – Tax, Consolidated Edison Company of New York, Inc.  
Stephen Ianello, Tax Director, Consolidated Edison Company of New York, Inc.  
Joseph Gerberg, Hearing Officer  
Tim Maher, Director, Office of Real Property Tax Services  
New York City Department of Finance  
New York City Law Department

July 31, 2018  
Meeting Materials

# ***NOTICE***

## **State Board of Real Property Tax Services**

will meet on

**July 31, 2018 – 11:00 A.M.**

Executive Conference Room A - 2<sup>nd</sup> Floor  
New York State Department of Taxation and Finance  
W.A. Harriman Campus - Building 9  
Albany, NY

### ***Agenda***

- I. State Board Administration
  - A. Minutes of June 12, 2018 Board meeting
  - B. Resolution honoring Darlene A. Maloney, former Assistant to the State Board of Real Property Tax Services
- II. State Equalization - Final 2018 State equalization rates where complaints were filed
- III. Privilege of the Floor

### **Conduct of Meeting**

All State Board meetings are open to the public and a link for online access to the Board meeting will be published on the State Board of Real Property Tax Services webpage the same day.

The Board's functions include the determination of final special franchise assessments and values, railroad ceilings and State equalization rates where complaints were filed. Additionally, the Board hears and determines reviews relating to determinations of County equalization agencies and appeals from property owners who are dissatisfied with the Tax Department's final determination of STAR eligibility.

Adequate opportunity to comment on matters considered by the Board is available through hearings and written submissions. All written documents relating to items on the agenda are available to the Board members in advance of the meeting. The agenda is ordinarily available four weeks prior to a Board meeting.

**- OVER -**



Persons who wish to address the Board concerning a specific item on the agenda may request permission to do so by notifying the Assistant to the State Board at least seven days prior to the date of the meeting. The Board encourages individuals who wish to address the Board at the meeting to provide written comments concerning a specific item on the agenda prior to the meeting in accordance with the above schedule. This process allows the Board to adequately address interested individuals' concerns. When addressing the Board, presenters are encouraged to limit statements to no more than ten minutes.

**Services Available – Upon Request**

To ensure that Board meetings are accessible to individuals with disabilities, services are available upon request if made the day before the Board meeting. For those attending the Board meeting who have hearing difficulties, an Assisted Listening System is available for use to amplify speakers' voices, or an interpreter may be provided for those with deafness. For those watching the video of the Board meeting, closed captioning will be available. Please contact the Assistant to the State Board for these services.

**Visitor Information and Parking**

Visitor parking is located in the Visitor Parking area perpendicular to the front of Building 9 and in Visitor Lot D at the State Campus. If you have special needs for parking, please notify the Assistant to the State Board in advance of the Board meeting. Visitor entry to the Tax Department is at the Security desk through Building 9, Western Avenue side. All facilities at the New York State Department of Taxation and Finance are accessible.

(7/24/18)

**MINUTES**  
**NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE**  
**STATE BOARD OF REAL PROPERTY TAX SERVICES**

**MEETING OF JULY 31, 2018**

A meeting of the State Board of Real Property Tax Services was held in Executive Conference Room A at the New York State Department of Taxation and Finance at the W.A. Harriman Campus, Albany, New York. The following members and staff were present:

Matthew Rand, Chairman  
Scott Becker  
Samuel Casella

Timothy Maher, *Acting Secretary of the State Board and Director of Real Property Tax Services*

Jason Ayotte, *Real Property Analyst, Equalization & Central Services, Office of Real Property Tax Services (ORPTS)*

Stephen Beals, *Director, Valuation Services, ORPTS*

Nancy Campone, *Real Property Analyst, Equalization & Central Services, ORPTS*

Edward Chaszczewski, *Deputy Commissioner, ORPTS*

Kristen Forte, *Real Property Analyst, Equalization & Central Services, ORPTS*

James Gazzale, *Assistant Public Information Officer, Office of Communications & Public Affairs*

Joseph Gerberg, *Legal Advisor to the State Board, Office of Counsel*

Zaid Hasan, *Real Property Analyst, White Plains Regional Office, ORPTS*

Tobias Lake, *Senior Attorney, Office of Counsel*

Paul Miller, *Director, Regional Services, ORPTS*

Brian Moon, *Real Property Analyst, Equalization & Central Services, ORPTS*

Margaret Owens, *Manager, Equalization & Central Services, ORPTS*

Matt Riordan, *Real Property Analyst, Valuation Services, ORPTS*

Barbara Skaarup, *Program Aide, Equalization & Central Services, ORPTS*

Henry Szypulski, *Project Director, Valuation Services, ORPTS*

Daniel Tilley, *Real Property Analyst, White Plains Regional Office, ORPTS*

John Wolham, *Manager, White Plains Regional Office, ORPTS*

Also in attendance was:

James Basile, *Assessor, Town of Hancock*

William Cook, *Assessor, Town of Olive*

Laurence Farbstein, *President, Industrial Utilities Valuation Consultants for the Town Olive*

David Murphy, *Attorney, for the Town of Olive*

Sylvia Rozzelle, *Supervisor, Town of Olive*

*NOTE: Detailed staff reports/recommendations to the State Board are available upon request. Resolutions of the State Board and the on-demand webcast are available after the meeting date on the State Board's page at the Tax Department's website.*

Mr. Rand called the State Board of Real Property Tax Services meeting to order at 11:03 A.M.

**Agenda Item No. I-A – State Board Administration – Minutes of June 12, 2018 State Board meeting**

On motion of Mr. Becker, seconded by Mr. Casella, Mr. Rand stated that the minutes of the June 12, 2018 Board meeting stand approved and are, hereby, adopted as written.

**Agenda Item No. I-B – State Board Administration – Darlene Resolution**

Mr. Rand explained that Ms. Bryce recently became the Assistant to the State Board of Real Property Tax Services, after Ms. Darlene A. Maloney's retirement. Working with Ms. Maloney was a true pleasure; she made everything run seamlessly and took care of the Board members and all visitors. Ms. Maloney was always one step ahead of everyone, thought about all possible outcomes, and treated each of her colleagues kindly and professionally.

Mr. Rand then read the resolution written in honor of Ms. Maloney. He asked if anyone else would like to add to the comments. Mr. Maher and Mr. Gerberg added a few comments. Mr. Casella and Mr. Becker agreed.

On motion of Mr. Casella, seconded by Mr. Becker, Mr. Rand stated that Resolution 18-05 stands approved. All Board members voted Aye to adopt the resolution as written.

**Agenda Item II-A – State Equalization – Establish final 2018 State equalization rates where complaints were filed**

Mr. Rand explained that there were three complaints received, and that the first complaint to be discussed would be the Town of Napoli. He introduced staff to discuss the complaint and the ORPTS recommendation.

Mr. Miller, Director of ORPTS Regional Services, explained that much of the process for full value measurement is completed in the Regional offices. Equalization rates were already established for 951 Cities and Towns. In 99 percent of the cases, ORPTS sets and establishes the equalization rate at the locally declared Level of Assessment (LOA), if ORPTS' observation is within plus or minus five percent of where the Town declares itself to be.

Mr. Miller stated there were three complaints this time, and in two of the cases, ORPTS set the rate at the local LOA. ORPTS has no interest in this process other than to be accurate, as this deals with local taxes. The State stands as an umpire, using the same processes to review Cities and Towns statewide. ORPTS uses a pre-decisional collaboration process, in which they share data with localities early in year, so those localities may provide information and

supporting documentation for ORPTS to take into consideration. Towns can declare the level at which they are assessing; the complaints are assigned for review and investigation by ORPTS staff, and recommendations are made.

Mr. Miller then advised the Board that two of three complainants attended their Hearing dates. The average town government in New York State has approximately 4,250 parcels – or about 3,100 parcels if larger downstate towns from Nassau, Suffolk, and Westchester are excluded.

#### Town of Napoli, Cattaraugus County

Mr. Miller presented the staff recommendation, dated July 24, 2018, for a recommended final State equalization rate of 91.00 for the Town of Napoli. Mr. Miller explained that the Town of Napoli has 1,158 parcels, and said that the Town declared its level of assessment (LOA) to be 91.00% and ORPTS established the tentative rate at 91.00%. They are now seeking a rate of 94.00. At pre-decisional collaboration time, ORPTS observed Napoli to be at 86.94% value. That ratio was within five percent of the ORPTS estimated ratio and therefore, a tentative State equalization rate of 91.00 was determined.

Mr. Miller stated that the Town of Napoli filed a complaint last year, and this year's complaint is similar. It focuses solely on Major Type A (regarding Residential Property). Because there has not been a reassessment done since 2015, and there are not sufficient sales to use a Sales Ratio study, ORPTS used a Computer Assisted Mass Appraisal (CAMA) model, which is a multiple regression technique. Mr. Miller explained this technique in detail. Mr. Miller also mentioned that the model included a market area of 32 of the municipalities in Cattaraugus County, and did not include the Town of Ellicottville, a resort area.

Mr. Miller went on to explain that when the complaint was filed, the Assessor generally criticized the CAMA model used, and believes ORPTS arrived at values that are too high. Other supporting documentation was never received. Mr. Miller explained that ORPTS used inventories associated with 1,300 sales within the market area and broke that into smaller clusters, combining similar towns together. This model allowed ORPTS to look at the characteristics of the properties in the town and come up with a full value measurement. The complainant suggested that instead of the CAMA model, ORPTS should have used the general trend for the entire market area and applied it to the 2015 reassessment value for Major Type A. Mr. Miller explained trending of that sort would not be an appropriate method, because those trends are very general, and are derived from the entire broad market area. The CAMA model is applied to properties in the Town, and reflects the contributory value of specific property characteristics. Therefore, staff recommendation is to allow the results to stand as ORPTS found them in the CAMA model.

In response to a question from Mr. Casella, Mr. Miller stated that if there was a current 2018 revaluation, that would have been used directly to establish full value.

There was no one present from the Town of Napoli.

Mr. Rand confirmed with Mr. Miller that the Town disagreed with the CAMA model, and they requested a different number the second time. There was no real substance or supporting documentation provided. Mr. Casella then asked if the Town is challenging the 91.00% and would like to go to 94.00, or if they are challenging the concept of the CAMA model itself. Mr. Miller responded that the complainant would like to go back to their reassessment from 2015 for that residential class, applying a three percent trend up, a three percent trend down, and one percent trend up over the past three years. This would result in a full value that is less than what ORPTS has in the present day. The complainant suggested lowering the market value of the residential class (Major Type A), which would drive the overall ratio up, and allow for a higher equalization rate. Mr. Miller then reiterated that the Town of Napoli originally declared themselves at 91.00%, and ORPTS had agreed.

In response to Mr. Becker's questions in terms of protesting the value once it is adopted by the State, Mr. Miller advised the Board that the Town can always protest the value. Mr. Casella believes ORPTS used the CAMA model properly, and because the Town has not completed a revaluation since 2015, it was the best method that could be used by ORPTS. Mr. Becker and Mr. Rand agreed.

On motion of Mr. Casella, seconded by Mr. Becker, the Board adopted Resolution No. 18-02 to establish a final 2018 State equalization rate of 91.00 for the Town of Napoli as set forth on the list entitled "Recommended Final State Equalization Rates for 2018 Assessment Rolls for Towns Which Have Filed Complaints." All Board members voted Aye to adopt the resolution as written.

#### Town of Hancock, Delaware County

Mr. Miller presented the staff recommendation, dated July 24, 2018, for a recommended final State equalization rate of 11.71 for the Town of Hancock. He stated that there are 4,088 parcels. The Town declared a local LOA of 12.65, but ORPTS data had indicated the Town was at 11.71, which is greater than five percent difference. Mr. Miller introduced Mr. Wolham, Southern Regional Director who would explain the complaint and staff response in more detail.

Mr. Wolham explained that there are three parts of the complaint. The first part in the complaint pertained to the Town's objection to the ratio determined by ORPTS for Major Type A (residential property). The Town had objected in last year's complaint, and referred to it in this year's complaint. Mr. Wolham explained we were unable to produce a Sales Ratio study for the Town that meets minimum confidence testing levels of 90% because there were insufficient sales. Instead, ORPTS does appraisals of residential properties, which are then supplemented by some available sales. This is how they develop a ratio, and what they believe to be a better alternative than to rely on a statistically-invalid Sales Ratio study.

The second part of the complaint involves Major Type C properties (vacant and agricultural land). Mr. Wolham compares last year's complaint to this year's. ORPTS conducted appraisal sampling for the non-residential property types. The Town essentially completed their

own valuation of vacant lands, and provided it to the County liaison for ORPTS. The liaison explained to Mr. Basile, the Town Assessor, that unless they were provided an electronic inventory, sales inventory, and list of sales that were used to develop the valuation tables, ORPTS would be limited in what they could do. Mr. Wolham stated that Mr. Basile did provide an Excel file, but it was missing pertinent data, and therefore very little could be done to attempt to verify the proposed alternate ratio.

The third part of the complaint was submitted to the White Plains Regional Office, separately from the formal complaint sent to Albany. This part of the complaint was a letter that called into question four sales. Three sales were requested to be excluded, and based on the documentation submitted, ORPTS did exclude those sales. The Assessor also submitted documentation in support of his request to correct the selling price of a fourth sale. ORPTS corrected the price, re-ran the ratio, and it did not produce any change, so ORPTS still had a ratio that did not meet the 90% minimum confidence testing.

Mr. Wolham stated that the sales that were excluded this year, which were not excluded last year, had not been a part of the Ratio study, regardless, but ORPTS still re-ran the ratio to verify nothing about the sample changed sufficiently.

Mr. Basile advised the Board that Hancock has a new Town Supervisor this year, who is adamant about fixing the equity problem in the Town, which will be done with a reappraisal. Mr. Basile asked the Board members to look at the graphs that were sent in on July 31, 2018, and explained that all of Delaware County was placed within the same market area. Mr. Basile stated that the Town of Hancock, over an eight-year period, has continuously gone down in equalization rate, ten percent more than any other municipality in the county. The other three towns that have declined significantly have New York City watershed property.

Mr. Basile explained that the Major Type C sample has 15 appraised parcels, and that is what was used to determine the full value for the Town of Hancock. He said that Hancock will be moving forward on a reappraisal soon, so they developed a land model, to determine how they would run a CAMA on the land, and for all parcels. Mr. Basile's memory is that he provided the County liaison, Victoria Costello, with the Sales Ratio study (after she requested it), which was broken up by neighborhood. He said ORPTS should have had enough time to review his land model since April, but they say they still cannot confirm it. Mr. Basile expressed that there was no communication, and he is concerned because the Town is moving forward with a reappraisal. Mr. Basile reiterated that he sent the model to ORPTS in RPS v4. He thinks that his Excel spreadsheet had neighborhood codes on it, which tie to location and waterfront. The pivot chart, which was provided with the complaint lists the 15 observations that ORPTS made and the appraisals they did. Five parcels in the private forest land property code were appraised by Ray Brook staff, and those five parcels alone (all in one neighborhood, and one property class within the neighborhood, waterfront) represent 82% of the market value of the sample. The land model ratio came to 8.42. Mr. Basile pointed out that the Town's full value was actually higher than ORPTS' estimated value. He stated that the ORPTS Ratio study of 15 parcels is not representative of the Town. He said that it would be more accurate if the entire population were appraised, and even more accurate if there were communication between the Town and ORPTS.

In response to a question Mr. Becker asked regarding where an appraisal of \$3 million came from (a different number than ORPTS had come up with for their 15-parcel appraisal), Mr. Basile advised the number is nowhere in his complaint submission; it is just the number he came up with during his ratio study and sent to the State Board members this morning.

Mr. Basile then moved on to the Major Type A (Residential) section of his complaint. He stated that ORPTS' procedures say when there is evidence of different value levels within the group, they can stratify, but they apparently refuse to do it. Stratification allows for a Sales Ratio study confidence level that works. Mr. Basile expressed that he believes he should have been made aware sooner that the sales were removed, and that they should have been removed last year.

Mr. Basile said the IAAO Standard on Ratio Studies says that when an Appraiser is working for an equalization agency, they should not have the local appraised value with them. He does not believe the Appraiser used the 2014 numbers for last year's rate. He says that within the residential major type, they are within the five percent. He understands that it does not go by major type; it goes by the overall value, but the issue (more than five percent difference) is on the vacant land, not the residential properties. Mr. Basile found that if his calculations are right, ORPTS would have gone with a 12.33 LOA, but could not take 12.65 as requested.

Mr. Basile is not sure when the last revaluation was done. Mr. Casella verified with Mr. Basile that the Town is working toward a reappraisal, and Mr. Basile asked that the Board not punish the Town of Hancock, and accept staff's numbers just because there has not been a reappraisal done. The level still needs to be determined, but as with all reappraisals, it is going to take a while to complete.

Mr. Becker then asked about Mr. Basile's five-page spreadsheet with 1,756 parcels, and if those were the numbers he came up with, as opposed to the one-page spreadsheet from ORPTS staff. Mr. Basile said yes, the 118,000 is his number. Mr. Becker also asked about the sentence in the Town's submission, stating information was previously supplied on April 5, 2018. Mr. Basile said he submitted all the observations, approximately 1,700 pages, and that it was sent to staff for review.

Mr. Rand then asked Mr. Wolham to respond to Mr. Basile's comments. Mr. Wolham explained that Mr. Basile did have a conversation with Ms. Victoria Costello (County liaison) on April 4, 2018 at the Delaware County Assessor's Association, and Mr. Basile sent documentation on April 5. Mr. Wolham has copies of emails sent to Mr. Basile as follow-ups in subsequent weeks, asking for additional information (sales, analysis, sales ratio studies, etc.). Mr. Wolham stated that Mr. Basile did provide some of the requested additional information (tables, five sales ratio studies, etc.). The analysis included 20 neighborhoods – eleven of those neighborhoods (subject parcels were vacant land) had less than 30 parcels in them. Mr. Wolham explained that with neighborhoods that small, it would be difficult to get sales information that could develop credible land tables. Of the five ratio studies provided, four were invalid.

Mr. Wolham said that ORPTS is happy to work with municipalities while they complete reappraisals or reassessments, as ORPTS agrees that it is the best way to determine overall full

values. However, part of monitoring those reappraisals includes the municipalities sending in their inventory, sales, and sales inventories, instead of excluding them. It is a key element needed for staff to review, to determine accuracy and confirmation of the locality's project. Mr. Basile's only submission was an Excel file, which was missing important pieces of data to analyze how the land values were developed. The land table was provided, but the sales information by which those numbers in the table were determined was not provided.

Mr. Wolham then explained that for Hancock's Major Type A, ORPTS used approximately 169 sales over a five-year period, but again, the sales in total did not pass the minimum confidence threshold testing of 90%. Mr. Wolham stated that ORPTS did do stratification testing, because Mr. Basile requested it be done at the SWIS level. In breaking down the village from the town outside, ORPTS did produce a Ratio study, but it was statistically invalid for ORPTS' use. There were only two sales coded as "waterfront" in that sampling. ORPTS had no other approach to take.

Mr. Wolham expressed that the State relies on Assessors to review and correct sales, and takes their corrections if no issues surface through sales pattern testing (no issues were identified for Hancock). ORPTS reviewed the sales last year during the 2017 complaint (when the Town objected to 22 sales), and agreed to eliminate 17 of those sales from Ratio study use. The five sales that were not excluded had no basis for exclusion based on the information found in Sales Web. ORPTS cannot agree to exclusions unless documentation substantiating the exclusion is received.

In response to Mr. Becker's concern about more than 80% of the total value for Major Type C being from one area, and not being representative of the whole Town, Mr. Wolham explained that ORPTS has always done appraisal selections based on value interval. ORPTS believes that if properties are assessed reasonably by Assessors, it should not matter whether the sampling is based on property type or value interval. Mr. Miller then added that private forest land is appraised by Ray Brook staff because that is where our forest appraisers are located. He also added the last reassessment in Hancock was done in 1968.

Mr. Basile, in response to Mr. Miller's and Mr. Wolham's comments agreed it is related to value, but explained that Neighborhood 501 on the pivot chart, which has most of the parcels in it, were observations, not sales. He then discussed the assessment value and model estimates of that Neighborhood, which represent 46% of the Town's value.

Mr. Becker asked Mr. Wolham if he could respond to Mr. Basile's statement that ORPTS does not follow their own procedures, refusing to stratify sales. He also asked if there was something missing from the Town's submission that he would have liked to see. Mr. Wolham said that there are procedures for ORPTS to stratify a Sales Ratio, but they are rarely used because a stratification is done when the Assessor and ORPTS agree that there is a noticeably different trend for one grouping of property in a Town than another grouping. It allows them to make a more mutually-agreeable decision on overall ratio and trend. ORPTS did stratify the Sales Ratio as requested, both resulting in less than a 90% minimum confidence level. Mr. Wolham then stated that ORPTS did not receive the mechanized subject inventory, and the mechanized inventory for properties sold, which is presumably the basis of Mr. Basile's



determination of land tables. ORPTS needs that information to verify results.

In response to Mr. Casella's question, Mr. Wolham said he presumed the information is available, but was not included in what was provided by the Town. At Mr. Rand's request, Mr. Wolham confirmed that ORPTS received the output of information, but needed the background numbers (subject inventory and sales inventory) to see how Mr. Basile came to those conclusions. Mr. Wolham explained that if the subject inventory were there, they may have been able to produce a CAMA Ratio study with additional information.

Mr. Casella confirmed with Mr. Wolham that there had been communication between the Assessor and County liaison, and asked if June 27, 2018 was late to receive the sales transmittal. Mr. Wolham advised that the transmittal is sent to sales unit, corrections are submitted, and applied to the file on SalesWeb. If the sales transmittal was received sooner, certainly the sales would have been excluded at that time. Mr. Basile stated that someone in a clerical position enters the data, and it gets transmitted once submitted.

Mr. Casella expressed his appreciation to Mr. Basile regarding his desire and enthusiasm to fix the problem and the challenges being faced for the Town of Hancock. He stated that it puts the Department in a difficult position, without the most current information, and ORPTS can only do so much when they do not have everything they need provided to them. ORPTS seems to be doing things accurately and efficiently however they can, but without a reassessment, they cannot do much.

Mr. Becker reiterated that ORPTS cannot verify without the underlying data. However, he is concerned that the Towns are being tasked with providing more documentation than they can provide. Mr. Casella, in response to Mr. Becker's concerns, stated that he does not believe the Department is pushing the bar forward for the Towns. The fact is that this municipality is not providing as up-to-date information as the State needs to come to an agreement. If ORPTS had more current, timely, accurate documentation, they may be able to agree. Mr. Rand said that ORPTS does not have the documentation they would like/need to have. There is not 100% confidence in the numbers, and ORPTS is using the only approach they can. ORPTS always prefers to use a Town's reassessment, if it can be confirmed.

Mr. Becker asked how the equalization rate would be affected if the Board was to adopt Major Type C as requested by the Town. Mr. Gerberg explained the overall rate could be recomputed based on the LOA for Major Type C. Mr. Rand stated he does not believe they can say if the data is right or wrong, since staff did not have the proper supporting documentation. Mr. Becker agreed. However, he would be open to adopting the Major Type C section, by changing that rate, so the overall could be within the five percent.

Mr. Casella added that he wants what is best for the municipality and the State. He understands there was a good faith effort on Mr. Basile's part, but the Department cannot prove it to be factual and accurate, so he cannot support it. Mr. Rand and Mr. Becker agreed there was not enough supporting documentation.

On motion of Mr. Casella, seconded by Mr. Becker, the Board adopted Resolution No.

18-03 to establish a final 2018 State equalization rate of 11.71 for the Town of Hancock as set forth on the list entitled “Recommended Final State Equalization Rates for 2018 Assessment Rolls for Towns Which Have Filed Complaints.” All Board members voted Aye to adopt the resolution as written.

Town of Olive, Ulster County

Mr. Miller explained the location of the Town of Olive in New York State, and offered a very high-level description of the Town’s complaint. The Town has 3,040 parcels, and had declared a Level of Assessment (LOA) of 98.5, which was found within +/- 5% of the level by ORPTS, and a tentative rate of 98.5 was established. The complaint involved Major Type D (Utility) property, having to do with New York City reservoir property. Mr. Miller then introduced Mr. Beals, Director of Valuation Services Bureau for further explanation.

Mr. Beals said that ORPTS had done an analysis and came up with an estimate of 94%, which was within +/- 5% of the stated LOA, so the Town’s stated LOA of 98.5 was accepted as the 2018 equalization rate. Mr. Beals explained that the Ashokan Reservoir is a very large parcel in the Town of Olive, reflecting almost the entire utility class of the properties, and about 50% of the Town’s value overall. ORPTS reviewed how they have valued similar types of property in the past. Value must be based on costs – reproduction costs new, less physical depreciation. They compute an initial value, and trend that value for time and inventory changes.

Prior to 2008, ORPTS and the Town of Olive disagreed upon what the value should be, and in 2008, the appraisal submitted by the Town was sent for ORPTS’ consideration. ORPTS agreed the appraisal did reflect market value and chose to use that specific value. Mr. Beals explained that to simplify implementation of the value, ORPTS developed a Special Uniform Construction Index (SpUCI) value designed to replace the entire inventory for the reservoir. They trend that value with cost indices annually, to get an estimated value.

Since the value was agreed upon, this is the first time the Town has objected to ORPTS’ value for the reservoir. Mr. Beals stated that the ORPTS estimate for the reservoir is still considered to be a valid estimate. Mr. Beals advised that the Town of Olive submitted documentation, which was reviewed by staff, and that he will explain the staff perspective after the Town’s representative discusses their complaint.

Mr. Farbstein, Tax Consultant for the Town of Olive thanked the Board for having him, and stated that although the Town utilized the five percent variability allowable within the equalization rate procedure, the Town and its constituents believe that the initial rate was significantly wrong and needs to be revised. The impact of a significantly lower ratio will affect the apportionment of county and school taxes. The Board should not base any decision on what the Town feels the correct number should be just because they utilized the five percent. Mr. Farbstein said that the issue with the valuation of a reservoir is that it is specialty property, which is valued by a cost approach.

Mr. Farbstein explained that there had been litigation with the City of New York

regarding this reservoir, and that the litigation had been settled. He advised that for the other watershed areas that did not go through litigation, the City of New York and the Catskill Watershed Commission engaged in Tax Litigation Avoidance Program (TLAP). They agreed on a template to value reservoirs as they exist – dams, roads, clearing and grubbing<sup>1</sup>, and all elements that go into a calculation – and review service lives in terms of depreciation, and land values in terms of whether they fall within or outside a village.

Mr. Farbstein then stated that Olive provided the State with the Town's appraisal and the City of New York's appraisal. When the Town received the tentative equalization rate and Major Type D was at 87.5 percent, they found it concerning and submitted a FOIL (Freedom Of Information Law) request. Mr. Farbstein stated that there is no way the towns should be so different, with respect to what they put on the improvements and what ORPTS staff put on the improvements. Mr. Farbstein believes the improvements are significantly overvalued. He referred to Mr. Beals' statement that the reproduction cost new is trended using a factor. Mr. Farbstein said that in 2014, the number in terms of percent good plainly proves why he does not think the numbers add up; The Ashokan Reservoir was built 1914, and therefore was 100 years old in 2014. ORPTS bases their trends on a service life, and depreciation. ORPTS' 2014 percent good number had not changed from 2014 to 2018 on the cost sheets provided.

Mr. Farbstein had submitted what two engineers produced for RCN and RCNLD (City versus Town). They ended in different years and he trended them out, using a forecast routine in Excel. He weighted Town versus City two-to-one. He said that he provided the resulting calculations, as well as percentages, and a future calculation for how it would impact the ratio. Mr. Farbstein then explained that if the Board accepts ORPTS' number, the Town will be in a position where depreciation does not change, and the ratio for Major Type D and the overall Town will continue dropping. Mr. Farbstein is worried that if the Town uses ORPTS' number on the improvement, the Town will be handed a grievance and a tax certiorari from the City, as the City already believes the lower number, 390 million, is too high. If the Town reacts affirmatively and says we will take your number, that could turn into a multi-million-dollar lawsuit.

Mr. Farbstein said that the Town has done a reassessment, and is close to 100 percent. The problem is that the reservoir property is not easily valued. It is also not easy to make a decision on this, as even qualified individuals trying to produce this valuation come up with differing numbers.

In response to Mr. Becker's question of why it was split two-to-one, town-versus-city, Mr. Farbstein said he tried to capture what was done in 2008. The number agreed upon with the City at that time was approximately two-to-one. Mr. Becker verified that Mr. Farbstein is saying he chose to split it two-to-one to mimic the results of agreement in 2008 and avoid litigation, not necessarily because he thinks it is a better indication of value.

In response to a question from Mr. Casella, Mr. Farbstein said that the issue was resolved a decade ago to avoid litigation. Mr. Casella then asked if it was actually "resolved," or if there is

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<sup>1</sup> Clearing and grubbing describes the stages of land development in which vegetation is removed (known as clearing), and then a root rake or similar device is used to remove the roots that remain in the dirt (the process known as grubbing).

still a disagreement and difference in value. Mr. Farbstein said there have been discussions with the City Law Department, who still believes the 390 million-dollar (RCNLD) number is too high. He explained that it was not actively defended, and that this often happens to avoid the litigation.

Mr. Rand asked Mr. Beals to respond. Mr. Beals said that the first issue he has is that ORPTS did not receive a copy of the two engineering studies, which Mr. Farbstein said were provided in 2008. The historical data ORPTS has for Olive goes back to 1967, but hold no reference of either of the studies in discussion. Therefore, ORPTS cannot verify the information on the spreadsheet or the figures.

Mr. Beals explained that the next issue is that there are inventory differences. He is used to dealing with inventories at a certain point in time, which are known to exist and are verifiable. ORPTS believes that if the inventories for the two studies were different, they should have been reconciled to match what was there, and that number should have been used.

The third issue with Olive's analysis is the use of a forecasting algorithm to predict past values. This algorithm is fine for predicting the future, but since they are looking back at history, they should be using historical cost indices and adjust values based on that. Mr. Beals states that these three issues are relatively minor to him.

The biggest issue Mr. Beals and ORPTS has with the complaint is the weighting scheme that was used – using two-thirds Town and one-third City. He said that this scheme is not supported. Mr. Farbstein blended ratios to support their settled value. However, Mr. Beals explained that the estimated settled value Olive came up with for 2014 was 486 million dollars. At the hearing, the Town said they settled at 590 million.

While the value on the Town's spreadsheet is the RCNLD of all components of reservoir, and does not include land value, if they used the ORPTS land value of seven million, the number would be 493 million. Olive's blending of the two studies did not even produce the agreed-upon settled value, which was their goal.

It's also important to note that using the most current settlement value of 600 million, that was reported by the Town for 2017, and trending it by the Aggregate Adjustment Factor (AAG) from the Engineering News Resource Cost Manual (5%), you would come up with an estimate of 630 million for 2018. Mr. Beals stated that ORPTS value of 617 million is less than this trended settlement amount.

It is Mr. Beals's understanding that the Town used a simple age-life method, which is a valid method. ORPTS used an observed condition method, where they look at the property, take maintenance into consideration, speak to staff at the property/dam, make observations, and estimate depreciation based on that. This is done routinely for all reservoirs throughout the state. The Town's age-life method used 32% depreciation. ORPTS' used 35% depreciation. If ORPTS used the Town's method, it would increase the value of the reservoir, which is not what the Town wants.

In response to a question from Mr. Becker, Mr. Beals said by using the forecasting algorithm, it does not take into consideration inventory changes, the pattern of cost indices or changes; there should be historical data used. He reiterated that his biggest objection was the blending of ratio studies to get a specific figure/value, instead of blending based on merit of the studies.

Mr. Farbstein said that ORPTS looked at the property, and observed its conditions, but that was not on file, per a letter from the Counsel's office. He said the Town's Counsel said both engineering reports were supplied to ORPTS, and that using the forecasting algorithm should be accepted, since they review the historical data, and is done all the time. Mr. Farbstein also does not see an issue with using two-to-one, city versus town, but ORPTS uses a number from 2008 as well. He does not believe that number would be correct in 2008 or currently. Mr. Becker reiterated that this is what ORPTS has done every year since 2008, and asked what happened between this year and last year to change the Town's mind.

Mr. Farbstein indicated that the trend is hurting the Town, and suggested value should be done a different way. The Board asked a few more questions of Mr. Farbstein, and Mr. Rand asked if anyone else had questions. Mr. Murphy added information about the appraisals and engineering. In response to Mr. Casella's earlier question about the issue being resolved, he said it was resolved in a lengthy process which was a reconciliation of differences. Under the monitoring of the Supreme court there was an agreement. Mr. Murphy also stated that the City did not grieve this year because the Town agreed that they would bring their concerns to this Board.

Mr. Becker asked about the settlement figure of 590 million, which Mr. Beals had mentioned earlier. Mr. Farbstein said it included 200 million land value and 390 million reservoir value. Mr. Beals then made the comment that the number from 2014 was at 485 million, and now Mr. Farbstein is stating 490 million. Mr. Farbstein said Major Type D does not include the land value, and Mr. Beals corrected that it does include that as well – 7 million of land value.

Mr. Rand called for a five-minute meeting recess at 1:29 PM.

Mr. Rand called the meeting back to order at 1:34. Upon reconvening, he asked for further explanation of the issues around the depreciation issue that had been raised.

Mr. Farbstein said that if ORPTS continues to trend on a number that the Town believes is too high, and they are not using an age-life method, as the reproduction cost goes up and the depreciation does not go down, the value will continue to rise. When you do analysis for Major Type D with the number the Town has versus the number ORPTS has, the ratio of 87.5% will continue to go down. Because it is 50% of the total assessed value of the Town, the overall ratio will also go down.

Mr. Becker asked how the observed depreciation is accomplished every year. Mr. Henry Szypulski, an ORPTS appraiser who was in attendance, said they follow the guidelines of American Society of Appraisers. They do physical inspections – the last one was in 2011. They speak with staff to see how it is maintained. Mr. Farbstein stated that there was no money put

into the Ashokan reservoir since 2011, and the City recently announced that to maintain the integrity of the reservoir they would have to put in +/- 750 million dollars.

Mr. Rand then asked what ORPTS estimated LOA was, and Mr. Beals advised it was 94.03. Mr. Becker asked about the depreciation resulting in a higher value if ORPTS used the age-life method. Mr. Farbstein said that the four cost sheets he sent the Board shows that it grew the RCN each year, but in terms of the depreciation, it left that at the same percentage. For other reservoirs, where evaluations are done for concrete, elements, construction, etc., a percent good is generated. Mr. Farbstein said this is the first time he has heard of ORPTS using a different methodology. He wants to know why they were not given a copy of the assessments. Mr. Beals commented that he believes the FOIL request was for the 2014 information, not back to 2011.

After a few questions from the Board Members, Mr. Farbstein stated that he still believes the percentage would be lower for 2018 if ORPTS used the same method the Town used. Mr. Rand pointed out that there are two sets of estimates, and we cannot seem to come to an agreement on a number, and ORPTS and the Town are on two separate sides.

Mr. Becker then stated that the studies, according to the Town were delivered in 2008. ORPTS may have had them but they were not reviewed. Mr. Farbstein said that they provided it and ORPTS cannot find it, so because of that, the Town is in a bad position. Mr. Becker stated that either way, it was ten years ago if ORPTS did have them, and even if they had them, ORPTS may not agree with the numbers.

In response to Mr. Casella's question about Ashokan being treated differently than other reservoirs, Mr. Farbstein explained that the Catskill Watershed Commission and the City of New York created TLAP, so litigation like this would not continue for other reservoirs and properties. Mr. Casella asked why it is not available for the Ashokan Reservoir. Mr. Farbstein said that the agreement which settled the case ten years ago ended last year. For the purposes of this year, something needs to be done so there is not a tax shift.

Mr. Becker asked if anyone in ORPTS had requested a copy of the engineering reports. Mr. Beals said no, the Town should have submitted them. Mr. Casella asked if Olive has been in communication with the Catskill Watershed Commission and the City of New York about these issues and possibility of another TLAP program. Mr. Farbstein said when Governor Pataki did that, the City of New York agreed in lieu of them spending what could have been billions of dollars, to add more filtration processes.

Mr. Rand noted that he would like to see the process work between ORPTS and the Town. Going into next year, we need an agreement and more documentation. Mr. Becker said we have some documentation, but ORPTS can only rely on what they have. He is slightly uncomfortable with ORPTS relying on 2008 information. He said there is some evidence submitted in support of a lower valuation. The value of the reservoir should probably be decreased and equalization rate should be higher. Mr. Rand believes the State should be able to come up with a value, and Mr. Casella said he does not want to be bound in future years. He wants to come up with valid reasons why they are doing what they do today.

The Board discussed more, expressing their thoughts and reasoning for agreeing to accept a revised rate of 99.03 for the Town. The Board expressed a desire for more current information to be developed by ORPTS staff going forward.

On motion of Mr. Becker, seconded by Mr. Casella, the Board adopted amended Resolution No. 18-04 to establish a final 2018 State equalization rate of 99.03 for the Town of Olive as set forth on the list entitled “Recommended Final State Equalization Rates for 2018 Assessment Rolls for Towns Which Have Filed Complaints.” All Board members voted Aye to adopt the resolution as written.

**Agenda Item III – Privilege of the Floor**

With no further business to come before the Board, on motion of Mr. Becker, seconded by Mr. Casella, the Board concluded its meeting at 2:11 P.M.

Respectfully submitted,

Timothy J. Maher  
Acting Secretary of the State Board



## RESOLUTION 18-02

**WHEREAS**, the State Board of Real Property Tax Services has the power to determine the final State equalization rate for which a complaint has been filed pursuant to section 1210 of the Real Property Tax Law; and

**WHEREAS**, on May 30, 2018 the tentative State equalization rate for the Town of Napoli, Cattaraugus County, was determined by the Office of Real Property Tax Services (ORPTS) in accordance with section 1204 of the Real Property Tax Law and 20 NYCRR Part 8186; and

**WHEREAS**, pursuant to section 1204 of the Real Property Tax Law and 20 NYCRR 8186-2.7, notice of the determination of the tentative State equalization rate and the scheduled June 26, 2018 hearing date was mailed to the Town on June 1, 2018; and

**WHEREAS**, a letter requesting additional time to submit a complaint form and complaint documentation, dated June 20, 2018, was filed by the Town as specified in section 1206 of the Real Property Tax Law and 20 NYCRR 8186-15.2 and 8186-15.3; and

**WHEREAS**, upon review of the Town's June 20, 2018 request, an extension of time until June 26, 2018 was granted to the Town for submission of documentation in support of its complaint as allowed pursuant to 20 NYCRR 8186-15.3; and

**WHEREAS**, the hearing previously scheduled for June 26, 2018 was adjourned to July 2, 2018; and

**WHEREAS**, a complaint (Form RP-6085) and documentation, dated June 18, 2018 was filed by the Town as specified in section 1206 of the Real Property Tax Law and 20 NYCRR 8186-15.2; and

**WHEREAS**, the hearing was held pursuant to section 1208 of the Real Property Tax Law, and 20 NYCRR 8186-15.5; and

**WHEREAS**, at the July 2, 2018 hearing an appearance was made on behalf of the Town; and

**WHEREAS**, ORPTS staff has reviewed the complaint, filed reports regarding such review with the Complaint Review Panel and has made recommendations. The



results of the review are annexed hereto, made a part hereof and summarized in the memorandum to the State Board, dated July 25, 2018; and

**WHEREAS**, the State Board has reviewed the abovementioned staff reports and recommendations and accepts the factual conclusions and recommendations contained therein; now therefore, be it

**RESOLVED**, that the State Board hereby adopts staff’s factual conclusions and recommendations as Findings and Determinations of the State Board, to the same extent as if fully set forth herein; and, be it further

**RESOLVED**, that the State Board concludes that the final 2018 State equalization rate for the Town of Napoli as set forth in the List entitled “Recommended Final State Equalization Rates for 2018 Assessment Rolls for Towns Which Have Filed Complaints,” dated July 25, 2018, on file in the ORPTS, and submitted in Agenda Item II, is determined to be the final State equalization rate, and that such rate be certified for the respective 2018 assessment roll.

Voting in favor: Commissioners Becker, Casella and Rand

Voting against: None

Abstaining: None

Absent: None

**STATE OF NEW YORK )**  
**) ss:**  
**COUNTY OF ALBANY )**

I, Timothy J. Maher, Acting Secretary of the State Board of Real Property Tax Services, do hereby certify that the foregoing is a true copy, and the whole thereof, of a resolution duly adopted by the State Board on July 31, 2018.

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed the official seal of said Board of Real Property Tax Services this 31st day of July 2018.

\_\_\_\_\_  
Timothy J. Maher  
Acting Secretary of the State Board



### RESOLUTION 18-03

**WHEREAS**, the State Board of Real Property Tax Services has the power to determine the final State equalization rate for which a complaint has been filed pursuant to section 1210 of the Real Property Tax Law; and

**WHEREAS**, on May 30, 2018 the tentative State equalization rate for the Town of Hancock, Delaware County, was determined by the Office of Real Property Tax Services (ORPTS) in accordance with section 1204 of the Real Property Tax Law and 20 NYCRR Part 8186; and

**WHEREAS**, pursuant to section 1204 of the Real Property Tax Law and 20 NYCRR 8186-2.7, notice of the determination of the tentative State equalization rate and the scheduled hearing date was mailed to the Town on June 1, 2018; and

**WHEREAS**, a complaint (Form RP-6085), dated June 12, 2018, was filed by the Town as specified in section 1206 of the Real Property Tax Law and 20 NYCRR 8186-15.2; and

**WHEREAS**, a hearing pursuant to section 1208 of the Real Property Tax Law, and 20 NYCRR 8186-15.5, was held with regard to this complaint on June 26, 2018; and

**WHEREAS**, at the June 26, 2018 hearing no appearance was made on behalf of the Town; and

**WHEREAS**, ORPTS staff has reviewed the complaint, filed reports regarding such review with the Complaint Review Panel and has made recommendations. The results of the review are annexed hereto, made a part hereof and summarized in the memorandum to the State Board, dated July 25, 2018; and

**WHEREAS**, the State Board has reviewed the abovementioned staff reports and recommendations and accepts the factual conclusions and recommendations contained therein; now therefore, be it

**RESOLVED**, that the State Board hereby adopts staff's factual conclusions and recommendations as Findings and Determinations of the State Board, to the same extent as if fully set forth herein; and, be it further





## RESOLUTION 18-04

**WHEREAS**, the State Board of Real Property Tax Services has the power to determine the final State equalization rate for which a complaint has been filed pursuant to section 1210 of the Real Property Tax Law; and

**WHEREAS**, on May 15, 2018 the tentative State equalization rate and tentative class equalization rates for the Town of Olive, Ulster County were determined by the Office of Real Property Tax Services (“ORPTS”) in accordance with section 1204 of the Real Property Tax Law and 20 NYCRR Part 8186; and

**WHEREAS**, pursuant to section 1204 of the Real Property Tax Law and 20 NYCRR 8186-2.7, notice of the determination of the tentative State equalization rate and tentative class equalization rates and the scheduled hearing date was mailed to the Town on May 24, 2018; and

**WHEREAS**, a complaint (Form RP-6085), dated June 11, 2018, was filed by the Town as specified in section 1206 of the Real Property Tax Law and 20 NYCRR 8186-15.2; and

**WHEREAS**, a hearing pursuant to section 1208 of the Real Property Tax Law, and 20 NYCRR 8186-15.5, was held with regard to this complaint on June 18, 2018; and

**WHEREAS**, at the June 18, 2018 hearing an appearance was made on behalf of the Town; and

**WHEREAS**, ORPTS staff has reviewed the complaint, filed reports regarding such review with the Complaint Review Panel and has made recommendations. The results of the review are annexed hereto, made a part hereof and summarized in the memorandum to the State Board, dated July 25, 2018; and

**WHEREAS**, the State Board has reviewed the abovementioned staff reports, and accepts the factual conclusions and recommendations contained therein; now therefore, be it

**RESOLVED**, that the State Board hereby adopts staff’s factual conclusions and recommendations as Findings and Determinations of the State Board, to the same extent as if fully set forth herein; and, be it further

**RESOLVED**, that the State Board concludes that the final 2018 State equalization rate for the Town of Olive as set forth in the List entitled “Recommended Final State Equalization Rates for 2018 Assessment Rolls for Towns Which Have Filed Complaints,” dated July 25, 2018, on file in the ORPTS, and submitted in Agenda Item II, is determined to be the final State equalization rate, and that such rate be certified for the respective 2018 assessment roll.

Voting in favor: Commissioners Becker, Casella and Rand

Voting against: None

Abstaining: None

Absent: None

STATE OF NEW YORK )  
 ) ss:  
COUNTY OF ALBANY )

I, Timothy J. Maher, Acting Secretary of the State Board of Real Property Tax Services, do hereby certify that the foregoing is a true copy, and the whole thereof, of a resolution duly adopted by the State Board on July 31, 2018.

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed the official seal of said Board of Real Property Tax Services this 31st day of July 2018.

\_\_\_\_\_  
Timothy J. Maher  
Acting Secretary of the State Board

New York State Office of Real Property Tax Services

II: Attachment B  
07/24/2018

Recommended Final State Equalization Rates  
For 2018 Assessment Rolls  
For Towns Which Have Filed Complaints

SWIS Code	Municipality Name County Name	Parcel Count	Local Stated Level of Assessment	Tentative Data		Recommended Final Data		Percent Change in Full Value
				Equalization Rate	Full Value	Equalization Rate	Full Value	
046200	Town of Napoli Cattaraugus County	1,158	91.00	91.00	69,224,202	91.00	69,224,202	0.0%
123600	Town of Hancock Delaware County	4,088	12.65	11.71	460,000,000	11.71	460,000,000	0.0%
514000	Town of Olive Ulster County	3,040	98.50	98.50	1,247,485,489	98.50	1,247,485,489	0.0%