

# Equalization Rates



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# Assessors

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An equalization rate is New York State's measure of a municipality's level of assessment.

$$\frac{\text{Total assessed value of municipality}}{\text{Total market value of municipality}} = \text{equalization rate}$$

# Equalization rates are percentages

For example:

Equalization rate = 100

- Town is assessing property at 100% of market value.
- Most likely a reassessment was conducted in recent years.
- Your property's assessment should be roughly its market value (the price for which you could sell your property).

Equalization rate < 100

- Overall property in the town is assessed less than market value.
- The lower the equalization rate, the longer it has probably been since the last reassessment.
- Equalization rate of 43 means overall property in the town is assessed at 43% of market value.

Equalization rate > 100

- Overall property in the town is assessed higher than market value.
- Property values may have decreased since the last reassessment, but assessments were not adjusted downward.

For 2012-13

NC = 20.05

MP = 1.53

## Why equalization rates are necessary in New York State:

- ▶ Each municipality determines its own level of assessment (this is in contrast to most states that require one level of assessment statewide).
- ▶ Hundreds of taxing jurisdictions - including most school districts and counties - do not share the same taxing boundaries as the cities and towns that are responsible for assessing properties.

In order to distribute school district or county taxes among multiple municipalities, the level of assessment of each municipality must be *equalized* to full market value.

Total assessed value of municipality

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= Full market value of municipality

Equalization rate for municipality

# Facts

- ▶ If all municipalities assessed property at 100% of market value, equalization rates would not be necessary.
- ▶ Equalization rates do not correct unfair assessments within a municipality.
- ▶ Equalization rates are based on local data.

# Four Most Recent Tax Rates

(2009-10 to 2012-13 proposed)

## Tax Rates/\$1,000

	Approved 2008-09	Approved 2009-10	Approved 2010-11	Approved 2011-12	Estimated 2012-13	Cumulative Increase	Cumulative % Increase
New Castle	93.32	93.30	95.62	98.06	99.66	6.34	6.79%
Mt. Pleasant	1,104.88	1,132.87	1,273.65	1,191.60	1,306.01	201.13	18.20%

## Equalization

New Castle	16.45	17	17.45	18.47	20.05	3.6	21.88%
Mt. Pleasant	1.4	1.4	1.31	1.52	1.53	0.13	9.29%

## Assessment

New Castle	\$935,018,518	\$941,685,265	\$933,825,033	\$926,712,041	\$925,079,036	-\$9,939,482	-1.06%
Mt. Pleasant	\$7,148,097	\$7,109,503	\$6,945,201	\$6,770,746	\$6,767,145	-\$380,952	-5.33%



# Questions

- ▶ How are the equalization rates derived?
- ▶ Why do the 2 equalization rates:
  - Move in different directions?
  - Move at different rates?
- ▶ How can we lessen the impact of the different equalization rates on District tax rates?